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DISPOSITION AND DEVELOPMENT AGREEMENT

by and between

CITY OF VALLEJO

and

THE NIMITZ GROUP, LLC

DATED: May 24, 2022

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List of Exhibits:

- Exhibit A – Depiction of Property
- Exhibit B-1 - Description of City-Owned Property
- Exhibit B-2 – Description of Navy-Owned Property
- Exhibit C – Scope of Work
- Exhibit D – Schedule of Performance
- Exhibit E – Form of Sublease
- Exhibit F – Form of Quitclaim Deed
- Exhibit G – Intentionally Omitted
- Exhibit H – Form of PILOT Agreement
- Exhibit I – Depiction of South Mare Island Property
- Exhibit J – Legal Description of South Mare Island Property
- Exhibit K – Form of Certificate of Completion
- Exhibit L – Insurance Requirements.
- Exhibit M - Local Economic Benefit Program Requirements
- Exhibit N – Irrevocable Offer to Dedicate Roadways
- Exhibit O – Water System Reimbursement Agreement
- Exhibit P – Arbitration Provisions
- Exhibit Q – Construction Staging Area Irrevocable License
- Exhibit R – Sewer and Storm System Reimbursement Agreement
- Exhibit S – Building 571 Remediation Agreement

DISPOSITION AND DEVELOPMENT AGREEMENT

THIS DISPOSITION AND DEVELOPMENT AGREEMENT (this “*DDA*” or this “*Agreement*”) dated May 24, 2022 (“*Date of Agreement*”), is entered into by and between the CITY OF VALLEJO, a California municipal corporation (“*City*”), and THE NIMITZ GROUP, LLC, a California limited liability company (“*Developer*”).

RECITALS

The following Recitals are a substantive part of this Disposition and Development Agreement. Capitalized terms not defined in these Recitals are defined in Section 101 below.

A. The Mare Island Naval Shipyard was ordered closed in July 1993 pursuant to the Defense Base Closure and Realignment Act of 1990, as amended.

B. In accordance with procedures established under Federal and State law governing the planning, disposition and reuse of closed military bases, on July 26, 1994, City approved a Final Reuse Plan (“*Reuse Plan*”) for Mare Island that established goals for the reuse of Mare Island, including the creation of jobs and other economic development opportunities within the City, the creation of a self-sustaining and multi-use community, and the use of a variety of innovative economic development tools for the marketing, financing and acquisition of Mare Island following its closure by the federal government.

C. The Reuse Plan divided Mare Island into thirteen (13) “Reuse Areas” consisting of property owned by the federal government, including an approximately 192 acre Reuse Area 1. Following approval of the Reuse Plan, Reuse Area 1 was divided into two subcomponents: an approximately 155 acre area located north of G Street known as Reuse Area 1A and an approximately 37 acre area located east of Azuar known as Reuse Area 1B.

D. In connection with the approval of the Reuse Plan, the City Council on November 17, 1998, certified a final Environmental Impact Statement/Environmental Impact Report (SCH #940930029) (“*EIS/EIR*”) pursuant to the California Environmental Quality Act (California Public Resources Code Section 21000 *et seq.*) (“*CEQA*”), and the federal government, acting by and through the Secretary of the United States Department of the Navy (“*Navy*”), issued a Record of Decision pursuant to the National Environmental Policy Act of 1969, 42 U.S.C. §§4321 4347 (“*NEPA*”).

E. On or about January 4, 2001, the Navy approved a Finding of Suitability for Transfer which, among other things, found that certain Mare Island property, including the Property and other portions of Reuse Area 1A, was environmentally suitable for early transfer in accordance with and subject to Section 120(h)(3)(C) of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9620 *et seq.* (“*CERCLA*”).

F. Pursuant to the Finding of Suitability for Transfer, Navy conveyed to City certain Mare Island property described therein, including a portion of the City-Owned Property (described below) and other portions of Reuse Area 1A, by Quitclaim Deed dated September 26,

2001, recorded in the Official Records of the County of Solano on October 17, 2001, Series No. 2001 00120695. Following the 2001 conveyance, the Navy issued further Findings of Suitability for Transfer in 2008 and 2011, and, in connection therewith, transferred to City by Quitclaim Deeds dated October 6, 2008 and April 13, 2011, and recorded in the Official Records of the County as Instrument Nos. 2009-00004941 and 2011-00042113, respectively, additional Mare Island property, including the balance of the City-Owned Property. The three Findings of Suitability for Transfer referenced above are referred to herein individually and collectively as the “**FOST(s)**” and the Navy Quitclaim Deeds are referred to herein individually and collectively as the “**Navy Quitclaim Deed(s)**”.

G. On or about March 30, 1999, City adopted a Mare Island Specific Plan governing the land use policy and development process for Mare Island. On or about December 6, 2005, City amended the Mare Island Specific Plan by adopting the Amended and Restated Mare Island Specific Plan. The City further amended the Amended and Restated Mare Island Specific Plan in July 2007, June 2008, June 2013, August 2013 and June, 2017. The Amended and Restated Mare Island Specific Plan, as further amended, is hereinafter referred to as the “**Existing Specific Plan.**”

H. In connection with City’s adoption of the Amended and Restated Mare Island Specific Plan, the City certified a final Subsequent Environment Impact Report on November 29, 2005 (SCH #2004092057) (“**SEIR**”). The SEIR identified and analyzed the significant impacts associated with the incremental change in intensity and distribution of land uses on Mare Island as compared to those described in the prior specific plan as originally adopted in 1999. In July 2007, an Addendum to the SEIR was prepared. The purpose of the 2007 Addendum was to address proposed amendments to policies in the Amended and Restated Mare Island Specific Plan and the Vallejo Municipal Code related to historic resources on Mare Island.

I. City, as successor in interest to the Navy, is the fee owner of approximately 125.3 acres of Reuse Area 1A (the “**City-Owned Property**”). The City-Owned Property is more particularly described in Exhibit B-1. An additional approximately 31.8 acre portion of Reuse Area 1A more particularly described in Exhibit B-2 (the “**Navy-Owned Property**”) is owned by the Navy and leased to the City pursuant to a Lease in Furtherance of Conveyance (“**LIFOC**”) dated September 30, 1999. City and Navy anticipate that following Navy’s completion of remediation activities and issuance of one or more additional Findings of Suitability for Transfer, the Navy-Owned Property will be conveyed by Navy to City via one or more further quitclaim deeds. As used herein the term “**Property**” means collectively, the City-Owned Property and the Navy-Owned Property (which collectively comprise approximately 157 acres as depicted in Exhibit A), together with all appurtenances thereto and all improvements located thereon.

J. Developer, as successor to Lennar Mare Island, LLC, is the fee owner of that certain real property located on Mare Island as generally depicted in Exhibit I and more particularly described in Exhibit J attached hereto (“**South Mare Island Property**”).

K. Most developable real properties on Mare Island, including the City-Owned Property and the South Mare Island Property, are subject to certain Existing CFDs which finance through the levy of Special Taxes the provision of certain public services to Mare Island. The

parties desire to work in good faith to explore establishment of one or more new Mare Island-wide community facilities districts (the "*New CFD(s)*") pursuant to the Mello-Roos Act over all residential and commercial property on Mare Island, including the Property and the South Mare Island Property, which New CFD(s) would replace some or all of the Existing CFDs. As with the Existing CFDs, payment of the costs of CFD Services through the levy of Special Taxes under the New CFD(s) would strengthen the planning process by improving the linkage between development and the financing of essential governmental services; encourage participation by private landowners in the coordinated reuse and redevelopment of Mare Island; reduce economic risk by spreading the costs of needed services over time and among subsequent purchasers; and allow Developer, in exchange for voluntary participation in the New CFD(s), to acquire and coordinate development of the Property with development activities of Affiliates of Developer at the South Mare Island Property. The parties acknowledge that the long-term funding of public services through either the Existing CFDs or, alternatively, the long-term funding of CFD Services through New CFD(s) to replace some or all of the Existing CFDs, is critical to the financial success of the Project and other development projects on Mare Island, including the South Mare Island Property.

L. In July 2018, City and Developer entered into an Exclusive Right to Negotiate Agreement which has been further amended, most recently by a Sixth Amended and Restated Exclusive Negotiating Agreement dated December 14, 2021 (as so amended and restated, the "*ERN*"), providing, among other things, for City and Developer to negotiate terms for Developer's (i) acquisition of a fee interest in the City-Owned Property and a sub-leasehold interest in the Navy-Owned Property (with a must take obligation to accept fee title conveyance of the Navy-Owned Property following City's acquisition thereof from Navy); (ii) demolition of certain Non-Utilized Structures located on the Property; (iii) preparation and implementation of an interim Beautification Plan for the Property and South Mare Island Property, excluding the Connolly Corridor area; (iv) preparation and submittal to City for review and consideration and potential approval a comprehensive new proposed specific plan for the entirety of Mare Island, including those portions owned or controlled by Developer or Affiliates of Developer, including the Property and the South Mare Island properties which Developer or Affiliates of Developer have acquired or are under contract to acquire from Lennar Mare Island, LLC, which plan shall include a plan for phased installation and construction of new Backbone Infrastructure to serve all new development and redevelopment contemplated by such plan ("*New Specific Plan*"); (v) testing of certain soil previously stockpiled by Lennar Mare Island at six locations (i.e. two within Area 14, two within Area 8, one within Area 18 and one within Area 21) as shown on the draft stockpile site plan prepared by ENGEO dated September 2007, to determine its suitability for use as Clean Fill; (vi) importation of Clean Fill, surcharging and grading to raise the elevation of the Property to mitigate the risks of sea level rise and prepare the Property for development consistent with the New Specific Plan; (vii) construction and installation of the Backbone Infrastructure to serve the development contemplated by the New Specific Plan; and (viii) development of the Property with improvements and uses consistent with the New Specific Plan at such time as market and financing conditions will support such development.

M. The Demolition Work and Connolly Corridor Development Work are within the scope of the development program described and evaluated in the SEIR, as described in the

CEQA Addendum to the Mare Island Specific Plan Environmental Impact Report dated February 22, 2022 prepared by Stantec pursuant to CEQA Guidelines Sections 15164 and 15168 and considered by the City Council on March 22, 2022 (“*SEIR Addendum*”). As set forth in this Agreement, City retains full and complete discretion with respect to review and approval of the proposed New Specific Plan and Beautification Plan, the Site Preparation Work, and any further land use approvals or development applications with respect to the Property and/or South Mare Island (collectively, “*Future Applications*”), including without limitation, to the extent applicable, the discretion to require additional review of any proposed development plan or project under CEQA, the right to impose mitigation measures, and the ability to require modifications to the proposed development plan or project or to disapprove the proposed development plan or project subject to compliance with Applicable Laws.

N. As contemplated by the ERN, City and Developer now desire to enter into this DDA to provide, among other things, for (i) the conveyance of the City-Owned Property to Developer; (ii) sublease of the Navy-Owned Property to Developer on an interim basis until such time as City is ready to acquire a fee interest in the Navy-Owned Property from Navy and immediately thereafter, through back-to-back escrow, convey the Navy-Owned Property to Developer; (iii) Developer’s preparation and submittal to City for consideration and potential approval, and if approved by City, Developer’s subsequent implementation of, a Beautification Plan and a proposed New Specific Plan; (iv) Developer’s performance of certain Demolition Work on the Property and certain Connolly Corridor Development Work on the South Mare Island Property; and (v) following City’s approval of a New Specific Plan and Beautification Plan, and if and only if approval of such plans occurs, Developer’s performance of certain Site Preparation Work and Beautification Work in order to ready the Property for development.

O. City has determined that by entering into this DDA and the Transaction Documents, City will promote orderly growth and quality development on Mare Island in accordance with the goals and policies set forth in the Reuse Plan and the City’s General Plan.

P. The terms and conditions of this DDA have undergone review by City staff and the City Council of the City of Vallejo at publicly-noticed meetings and have been found to be fair, just and reasonable and in conformance with the City’s General Plan, and further, the City Council finds that the economic interests of City’s citizens and the public health, safety and welfare will be best served by entering into this DDA.

NOW, THEREFORE, City and Developer hereby agree as follows:

AGREEMENTS:

100. INTRODUCTORY PROVISIONS.

101. Definitions.

“*Affiliate of Developer*” is defined in Section 103.2a.

“*Agreement*” means this Disposition and Development Agreement.

“*Ancillary Agreements*” is defined in Section 601.3.

“*Applicable Laws*” is defined in Section 306.

“*AV*” is defined in the PILOT Agreement.

“*Backbone Infrastructure*” means the infrastructure improvements, including roadways, pedestrian paths, and other public rights of way and public access facilities; potable water, sanitary sewer, storm water, electrical, telephone/cable/data and natural gas lines, conduits and facilities; parks; landscaping; public parking; lighting; and other public facilities and utilities to be constructed and installed by Developer in connection with its development of the Property and South Mare Island Property, the details of which will be set forth in the proposed New Specific Plan.

“*Beautification Plan*” means the plan for installation of interim landscaping, hardscaping, fencing, lighting and security to be submitted by Developer to City for consideration, and potential approval, as more particularly described in the Scope of Work as well as any such final plan that may be approved by the City, and all amendments and modifications made to such final approved plan, from time to time, as the same may be approved by the City to the extent required.

“*Beautification Work*” means the interim beautification work to be described in the Beautification Plan.

“*Building 571 Remediation Work*” is defined in Section 210.1.

“*Building 571 Remediation Agreement*” means the agreement to be entered into by City and Developer at Closing of the Initial Conveyance pursuant to which City will commit to complete certain PCB-related remediation activities at the former Building 571 site in the form attached hereto as Exhibit S.

“*CEQA*” is defined in Recital D.

“*CERCLA*” is defined in Recital E.

“*Certificate of Completion*” means the City certificate substantially in the form of Exhibit K, evidencing satisfactory completion of all of Developer’s Work, including the Demolition Work, Soil Testing, Connolly Corridor Development Work, Planning Work, Beautification Work, and Site Preparation Work.

“*CFD Services*” means those services that may lawfully be financed under the Mello-Roos Act or City’s Financing Code, each as amended from time to time.

“*City*” means City of Vallejo, a California municipal corporation.

“*City Conditions Precedent*” is defined in Section 205.

“*City Costs*” is defined in Section 601.

“*City Fees*” is defined in Section 601.1.

“*City Option*” is defined in Section 806.1.

“*City-Owned Property*” is defined in Recital I.

“*City Parties*” means, collectively, the City and its officers, officials, employees, contractors, volunteers, agents, and representatives, and their respective successors and assigns.

“*City’s Response*” is defined in Section 208.2.

“*City ROFO Acceptance*” is defined in Section 1025.

“*Claims*” means any and all liabilities, obligations, orders, claims, damages, governmental fines or penalties, awards of attorneys’ fees to third parties, and expenses of defense with respect to any of the foregoing, including reasonable attorneys’ fees and costs.

“*Clean Fill*” means soil, gravel, sand, or crushed concrete, cement or brick suitable for importation and subsequent development of the Property, which (i) has not been mixed with any other waste or debris, (ii) is not subject to any known spill of petroleum products or release of Hazardous Materials, and (iii) has not been treated to remediate any Hazardous Materials contamination. Except as City may otherwise agree, prior to Final approval of a New Specific Plan the soil and other materials shall be suitable for, and meet all regulatory and permitting requirements for development of residential uses. Following Final approval of a New Specific Plan the soil and other materials shall be suitable for, and meet all applicable regulatory and permitting requirements for development of the uses set forth in the New Specific Plan.

“*Closing*” is defined in Section 207.

“*Closing Date*” is defined in Section 207.

“*Condition of Title*” is defined in Section 208.3.

“*Connolly Corridor*” means the approximately three (3)-acre portion of South Mare Island, as generally depicted on Exhibit I.

“*Connolly Corridor Development Work*” means Developer’s subdivision of parcels and construction and development within the Connolly Corridor area of new buildings, or substantial rehabilitation of existing vacant historic buildings, to accommodate use and occupancy of approximately 45,000 gross square feet of retail space, approximately 29,000 gross square feet of office space,

approximately 194,000 square feet of open space, up to 373 multifamily and townhome units, and a hotel including up to 200 rooms. Construction of any Connolly Corridor Development Work will require the submission and approval of such work through the City of Vallejo's Unit Plan process. As part of that process, Developer will be required to submit detailed architectural, utility and landscape plans.

"Construction Staging Area License" means the irrevocable floating license for periodic use of a construction laydown area to be granted by Developer to City immediately following recordation of the Deed for the Initial Conveyance in substantially the form attached hereto as Exhibit Q.

"Conveyance(s)" is defined in Section 201.

"CRUP(s)" means the recordable covenants to restrict use of the Property, or applicable portion thereof, as a result of the presence on the Property (or applicable portion thereof) of Hazardous Materials that have been entered or will be entered into in the future by Navy or its successor and the State of California acting by and through the Department of Toxic Substances Control or other environmental regulatory agency in accordance with Health and Safety Code section 25355.5, California Civil Code section 1471, and California Code of Regulations, Title 22 section 67391.1 for purposes of protecting human health, safety, and the environment.

"Date of Agreement" is defined in the introductory paragraph preceding the Recitals of this DDA.

"DDA" means this Disposition and Development Agreement.

"Deed" means the quitclaim deed for each Conveyance of the Property by City to Developer in substantially the form attached hereto as Exhibit F and defined in Section 201.

"Default" is defined in Section 801.

"Demolition Work" means and includes all work of demolishing the Non-Utilized Buildings, including containing, removing and disposing of all debris, including lead based paint, PCB and asbestos containing materials in accordance with Applicable Laws, including Environmental Laws, as more particularly described in the Scope of Work.

"Deposit" is defined in Section 204.2.

"Designated City Employee" is defined in Section 102.1d.

"Designated Developer Employee" is defined in Section 102.2e.

“*Developer*” means The Nimitz Group, LLC, a California limited liability company.

“*Developer Conditions Precedent*” is defined in Section 206.

“*Developer Parties*” is defined in Section 202.1.

“*Developer’s Response*” is defined in Section 208.2.

“*Developer Title Policy*” is defined in Section 206.4.

“*Developer’s Work*” means and includes all of the Demolition Work, Soil Testing, Connolly Corridor Development Work, Planning Work (including New Specific Plan and Beautification Plan), Beautification Work and Site Preparation Work that Developer must commence and complete following Closing of the Initial Conveyance, subject to and in accordance with the terms and conditions of this Agreement. Developer’s Work is described with particularity in the Scope of Work.

“*DTSC*” means the State of California Department of Toxic Substances Control.

“*Elections Code*” means the State of California Elections Code, as amended and modified from time to time.

“*EIS/EIR*” is defined in Recital D.

“*Environmental Laws*” means all federal, state and local laws, ordinances, rules and regulations now or hereafter in force, as amended from time to time, in any way relating to or regulating human health or safety, or industrial hygiene or environmental conditions, or protection of the environment, or pollution or contamination of the air, soil, surface water or groundwater, including the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. §9601 *et seq.*; the Solid Waste Disposal Act, 42 U.S.C. §6901 *et seq.*; the Resource Conservation and Recovery Act, 42 U.S.C. §6901 *et seq.*; the Hazardous Substance Account Act, California Health and Safety Code §25300 *et seq.*; the Hazardous Waste Control Law, California Health and Safety Code §25100 *et seq.*; and the Porter-Cologne Water Quality Control Act, California Water Code §13000 *et seq.*

“*ERN*” is defined in Recital L.

“*Escrow*” is defined in Section 203.

“*Escrow Agent*” is defined in Section 203.

“*Existing CFDs*” means CFD 2002-1, CFD 2005-1A and CFD 2005-1B, the three community facilities districts authorized to levy Special Taxes to fund the

provision of services (and, in the case of CFD 2005-1A, services and facilities) on Mare Island previously established by City in accordance with the Mello-Roos Act or the Financing Code (which incorporates by reference, with modifications, the terms of the Mello-Roos Act), as applicable.

“Existing Specific Plan” is defined in Recital G.

“Feasibility Period” is defined in Section 202.

“Final” when used in reference to the New Specific Plan means the date on which (i) all applicable appeal periods for the filing of any administrative appeal or litigation challenging the approval or effectiveness of the New Specific Plan and the City’s related CEQA determinations shall have expired and no such appeal shall have been filed; (ii) in the event of any administrative appeal or litigation challenge challenging one or more of such approvals, that the administrative appeal or litigation challenge is settled or there is a final determination or judgment upholding the approval(s), and the administrative appeal or litigation challenge is no longer subject to appeal; and (iii) in the event of a timely referendum petition certified by the elections official as compliant with the Elections Code, a majority of voters voting on the New Specific Plan vote in favor of it and the election results are certified in accordance with the Elections Code.

“Financing Code” is defined in Section 309.1.

“Force Majeure Conditions” is defined in Section 1002.

“FOST(s)” is defined in Recital F.

“Future Applications” is defined in Recital M.

“Hazardous Materials” means any substance, material, or waste which is or becomes regulated by any local governmental authority, the State of California, or the United States of America, including any material or substance which is: (i) defined as a “hazardous waste,” “extremely hazardous waste,” or “restricted hazardous waste” under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law); (ii) defined as a “hazardous substance” under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act); (iii) defined as a “hazardous material,” “hazardous substance,” or “hazardous waste” under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory); (iv) defined as a “hazardous substance” under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances); (v) petroleum, petroleum products, components and by-products; (vi) asbestos

and asbestos-containing materials; (vii) polychlorinated biphenyls; (viii) per- and polyfluoroalkyl substances (“PFAS”); (ix) listed under Article 9 or defined as “hazardous” or “extremely hazardous” pursuant to Article 11 of Title 22 of the California Administrative Code, Division 4, Chapter 20; (x) designated as “hazardous substances” pursuant to Section 311 of the Clean Water Act (33 U.S.C. § 1317); (xi) defined as a “hazardous waste” pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, *et seq.* (42 U.S.C. § 6903); or (xii) defined as “hazardous substances” pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601, *et seq.*, as the foregoing statutes and regulations now exist or may hereafter be amended.

“*HUD 108 Loan*” means the loan by the United States Department of Housing and Urban Development as lender to the City of Vallejo as borrower in a maximum amount of \$4,719,000 made pursuant to the Contract of Loan Guarantee Assistance under Section 108 of the Housing and Community Development Act of 1974, as amended.

“*HUD Security Documents*” means the various instruments pledging assets of the City, including City’s future Community Development Block Grant funds and certain real property interests owned by City, as security for City’s obligation to repay the HUD 108 Loan.

“*Initial Conveyance*” is defined in Section 201.

“*Interim Permitted Specific Plan Development*” is defined in Section 315.

“*Interim Planning Period*” is defined in Section 315.

“*Irrevocable Offer to Dedicate Roadways*” mean the irrevocable offer of dedication set forth and described in Exhibit N attached hereto and incorporated herein, to be executed by Developer in favor of City and recorded against the Property, or applicable portion thereof, at each Closing as provided in Sections 203 and 311 below.

“*Island Energy*” means Pittsburg Power Company Joint Powers Authority doing business as Island Energy, GST Telecom Company, Inc., which provides electrical and gas utility service to Mare Island.

“*Lennar Mare Island*” or “*LMP*” mean Lennar Mare Island, LLC, a California limited liability company.

“*LIFO*” is defined in Recital I.

“*Local Economic Benefit Program Requirements*” means the program requirements regarding job creation, work force development and inclusion of

minority-, women-, and locally-owned businesses and enterprises set forth in Exhibit M.

“*Manager*” means Southern Land Company, the non-member manager of Developer.

“*Mello-Roos Act*” means the Mello-Roos Community Facilities Act of 1982 (Government Code sections 53311 et seq.)

“*Minimum Owner Property AV*” is defined in the PILOT Agreement.

“*Minimum Tax Revenue Date*” is defined in the PILOT Agreement.

“*Monetary Liens*” is defined in Section 208.2.

“*Navy*” is defined in Recital D.

“*Navy Deed Covenants*” means Navy’s ongoing covenants and obligations to (i) assess, inspect, investigate, study, remove and remediate, as appropriate, the release or threatened release of a hazardous substance, pollutant or contaminant, from or on the Property, including subsurface soils, groundwater and surface waters, and (ii) settle or defend any claim, demand, or order made by federal, state or local regulators or third parties in connection with any release or threatened release of a hazardous substance, pollutant or contaminant, from or on the Property, including subsurface soils, groundwater and surface waters, in each case to the extent such release or threatened release was caused by Department of Defense activities on the former Mare Island Naval Shipyard, all as more particularly set forth in the Navy Quitclaim Deed(s) and those future Navy quitclaim deeds to be executed by Navy in connection with the conveyance to City of Navy’s right, title and interest in and to the Navy-Owned Property.

“*Navy-Owned Property*” is defined in Recital I.

“*Navy Quitclaim Deed(s)*” is defined in Recital F.

“*NEPA*” is defined in Recital D.

“*New CFD(s)*” is defined in Recital K.

“*New Specific Plan*” is defined in Recital L.

“*Non-Exclusive License Agreement*” means the Non-Exclusive License Agreement between City and Developer dated November 12, 2020.

“*Non-Utilized Structures*” means buildings numbered 499, 503, 517, 589, 593, 601, 653, 663, 673 and 993 located on and about the Property. For avoidance of

doubt buildings numbered 577, 777 and 857 are currently in use and shall not be deemed “Non-Utilized Structures”.

“*Notice of Approval*” is defined in Section 202.3.

“*Notice of Intent*” is defined in Section 806.3a.

“*Offer Notice*” is defined in Section 1025.

“*Outside Date for Initial Conveyance*” is defined in Section 207.

“*PCB Contaminated Debris*” is defined in Section 210.1.

“*Permitted Transfer*” is defined in Section 103.2.

“*PILOT Agreement*” means the Agreement for Payments in Lieu of Taxes substantially in the form of Exhibit H attached hereto, to be executed and acknowledged by the parties and recorded in the Official Records of the County upon each Closing.

“*Planning Work*” means the work of preparing, providing to City staff for review, input and comment, refining based on City staff comments, and submitting (and, if necessary, revising and resubmitting one or more times) to the City’s Planning Commission and City Council for consideration, and obtaining City Council approval of a proposed New Specific Plan and a Beautification Plan, as more particularly described in the Scope of Work. The Planning Work also includes preparation of all environmental reports, studies and related documents in connection with the CEQA review of such plans.

“*Pre-Approved Exceptions*” is defined in Section 208.1.

“*Prevailing Wage Laws*” is defined in Section 307.

“*Project Account*” is defined in Section 602.

“*Project Account Deposit*” is defined in Section 602.

“*Project Hard Costs*” is defined in Section 806.3a.

“*Property*” is defined in Recital I.

“*Purchase Price*” is defined in Section 204.1.

“*Recession*” means a quarterly decline in the monetary value of all finished goods and services produced in the United States, as measured by initial quarterly estimates of US Gross Domestic Product (“*GDP*”) published by the US Department of Commerce Bureau of Economic Analysis (and not BEA’s

subsequent monthly revisions), lasting more than two (2) consecutive calendar quarters. Any quarter of positive GDP growth shall end the period of such Recession.

“*Reuse Plan*” is defined in Recital B.

“*ROFO Transfer Agreement*” is defined in Section 1025.

“*RWQCB*” means the State Water Quality Control Board for the San Francisco region.

“*SEIR*” is defined in Recital H.

“*Schedule of Performance*” means the Schedule of Performance attached hereto as Exhibit D.

“*Scope of Work*” means the Scope of Work attached hereto as Exhibit C describing the scope of the Developer’s Work to be performed by Developer following the Initial Conveyance.

“*SEIR Addendum*” is defined in Recital M.

“*Sewer and Storm System Reimbursement Agreement*” means the sewer and storm system reimbursement agreement in substantially the form of the agreement attached hereto as Exhibit R to be executed by Developer and VFWD and recorded against the Property, or applicable portion thereof, at each Closing as provided in Sections 203 and 318 below.

“*Site Preparation Work*” means the work of importing Clean-Fill, grading and surcharging the Property so as to raise the elevation of the Property and otherwise prepare the Property for horizontal and vertical development as generally described in the Scope of Work, the details of which will be set forth in the New Specific Plan.

“*Soil Testing*” means the sampling and testing of soil previously stockpiled by Lennar Mare Island at six locations (i.e. two within Area 14, two within Area 8, one within Area 18 and one within Area 21) as shown on the draft stockpile site plan prepared by ENGEO dated September 2007, to determine its suitability for importation and use as Clean Fill suitable for development of residential or residential mixed-use development.

“*Southern Land Company*” means Southern Land Company, LLC, a Tennessee limited liability company, Developer’s Manager and land manager for development of the Property and the South Mare Island Property.

“*South Mare Island Property*” is defined in Recital J.

“*South Mare Island Property Documents*” means, collectively, (i) that certain Acquisition Agreement dated December 21, 1999, by and between the City and Developer, as successor in interest to Lennar Mare Island, LLC, as amended (“*South Mare Island Acquisition Agreement*”); and (ii) that certain Development Agreement by and between the City and Developer, as successor to Lennar Mare Island, dated as of September 12, 2001, and recorded in the Official Records of Solano County on September 12, 2001, as Instrument No. 2001-00104427, as amended by the First Amendment to Development Agreement dated November 30, 2004, and recorded in the Official Records on January 13, 2005, as Instrument No. 2005-00006646 (“*South Mare Island Development Agreement*”).

“*Special Taxes*” for purposes of this Agreement, means special taxes levied against real property on Mare Island pursuant to the Mello-Roos Act and/or the Financing Code and other Applicable Laws, for the purposes of funding public services as currently funded under the Existing CFDs or CFD Services under potential future New CFD(s).

“*State Lands Settlement Agreement*” means that certain Mare Island Property Settlement and Exchange Agreement dated February 28, 2002, recorded in the Official Records of Solano County on March 26, 2002, as Instrument No. 2002-00037955 among City, the State of California, acting by and through the State Lands Commission, and, for limited purposes, Developer, as successor to Lennar Mare Island, LLC.

“*Sublease*” means the Sublease between City and Developer with respect to the Navy-Owned Property in the form attached hereto as Exhibit E.

“*Subject Property*” is defined in Section 1025.

“*Survey*” is defined in Section 208.1.

“*Title Company*” is defined in Section 203.

“*Title Notice*” is defined in Section 208.2.

“*Title Report*” is defined in Section 208.1.

“*Title Review Period*” is defined in Section 208.2.

“*Transaction Documents*” means collectively, the PILOT Agreement, the Deeds, the Construction Staging Area License, the Irrevocable Offer to Dedicate Roadways, the Water System Reimbursement Agreement, the Sewer and Storm System Reimbursement Agreement and the Sublease.

“*Transfer*” is defined in Section 103.2.

“*Transfer Agreement*” is defined in Section 103.4.

“*VFWD*” means the Vallejo Flood and Wastewater District.

“*VUSD*” means the Vallejo Unified School District.

“*Water System Reimbursement Agreement*” means the water system reimbursement agreement attached hereto as Exhibit O to be executed by Developer and City and recorded against the Property, or applicable portion thereof, at each Closing as provided in Sections 203 and 318 below.

“*Work Product*” is defined in Section 1020.

102. Representations and Warranties.

102.1 City Representations. City represents and warrants to Developer as follows:

a. Authority. City is a municipal corporation duly organized within and in good standing under the laws of the State of California. City has full right, power, ability and lawful authority to perform its obligations hereunder and under the Transaction Documents, and City’s execution, performance and delivery of this DDA and the Transaction Documents have been duly authorized by all requisite actions on the part of City.

b. No Conflict. City’s execution, delivery and performance of its obligations under this DDA and the Transaction Documents will not constitute a default or a breach under any contract, agreement or order to which City is a party or by which it is bound.

c. No Litigation or Other Proceeding. To City’s knowledge, no litigation or other proceeding (whether administrative or otherwise) is outstanding or has been threatened which would prevent, hinder or delay the ability of City to perform its obligations under this DDA or the Transaction Documents.

d. No Notice of Uncured Violations of Laws. To City’s knowledge, except as otherwise disclosed to Developer in writing, including in Section 210.1 below, City has not received any written notice of uncured violation of any Applicable Laws, including Environmental Laws with respect to the Property during the time period that City has held fee title to the City-Owned Property and a leasehold interest in the Navy-Owned Property, and to City’s knowledge there are currently no existing violations of Applicable Laws, including Environmental Laws, with respect to the Property.

References to the “knowledge” of City shall refer only to the current actual knowledge of the Designated City Employee (as hereinafter defined) of City, and shall not be construed, by imputation or otherwise, to refer to the knowledge of any other officer, agent, manager, representative or employee of City or to impose upon such Designated City Employee any duty to investigate the matter to which such actual knowledge, or the absence thereof, pertains;

provided City hereby agrees that the Designated City Employee is the employee most knowledgeable at the City with respect to any such matters qualified in this way. As used herein, the term “*Designated City Employee*” shall refer to Paul Kelley, Special Advisor to the City Manager/Economic Development Manager.

102.2 Developer’s Representations. Developer represents and warrants to City as follows:

a. Authority. Developer is a limited liability company duly organized and in good standing under the laws of the State of California. Developer has full right, power, and lawful authority to undertake all of its obligations under this DDA and the Transaction Documents, and Developer’s execution, performance, and delivery of this DDA and the Transaction Documents have been duly authorized by all requisite actions on the part of Developer. Developer agrees to provide City, upon request, with an Officer’s Certificate, Written Consent of Members, or other commercially reasonable formal written evidence, reasonably acceptable to the City, of Developer’s authority to enter into this DDA and the Transaction Documents.

b. Execution. Developer’s execution and delivery of this DDA and the Transaction Documents, and the performance of the obligations of Developer under this DDA and the Transaction Documents have been duly authorized by all necessary company action, and all necessary member approvals have been obtained therefor, and no approvals or consents of any persons are necessary for Developer’s execution, delivery or performance of this DDA or the Transaction Documents, except as have been obtained.

c. No Conflict. Developer’s execution, delivery and performance of its obligations under this DDA and the Transaction Documents will not constitute a default or a breach under any contract, agreement or order to which Developer and/or Developer’s Manager or Managing Member, as applicable, is a party or by which it is bound.

d. No Litigation or Other Proceeding. To Developer’s knowledge, no litigation or other proceeding (whether administrative or otherwise) is outstanding or has been threatened which would prevent, hinder or delay the ability of Developer to perform its obligations under this DDA or the Transaction Documents.

e. No Developer Bankruptcy. As of the Date of Agreement, neither Developer nor Developer’s Manager or Managing Member, as applicable, is the subject of any bankruptcy proceeding, nor has either (i) made a general assignment for the benefit of creditors, (ii) filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by its respective creditors, (iii) suffered the appointment of a receiver to take possession of all, or substantially all, of its assets, (iv) suffered the attachment or other judicial seizure of all, or substantially all, of its assets, (v) admitted in writing its inability to pay its debts as they come due, or (vi) made an offer of settlement, extension or composition to its creditors generally.

References to the “knowledge” of Developer shall refer only to the current actual knowledge of the Designated Developer Employee (as hereinafter defined) of Developer, and

shall not be construed, by imputation or otherwise, to refer to the knowledge of any other officer, agent, manager, representative or employee of Developer or to impose upon such Designated Developer Employee any duty to investigate the matter to which such actual knowledge, or the absence thereof, pertains. As used herein, the term “*Designated Developer Employee*” shall refer to Thomas D. D’Alessandro.

102.3 Renewal of Representations and Warranties. Each party shall promptly notify the other party of any material change in any condition or of any event or circumstance which makes any representation or warranty of such party under this DDA untrue or misleading. Each of the representations and warranties made by City and Developer hereunder (i) is true as of the Date of Agreement, (ii) shall be deemed remade and shall be true in all material respects as of the date of Closing, and (iii) shall survive Closing.

103. Changes in Ownership, Management or Control.

103.1 General Prohibition. The qualifications and identity of Developer and its current Manager, Southern Land Company, are of particular interest to City given the Developer’s commitments hereunder to (a) prepare and submit to City for consideration and potential approval and, if approved by City, thereafter implement a Beautification Plan and a New Specific Plan; and (b) prepare the Property for development contemplated by the New Specific Plan by, among other things, commencing and completing the Demolition Work and Site Preparation Work so that the Property is suitable for development of uses permitted under Applicable Laws. It is because of those qualifications and identity, that City has entered into this DDA with Developer. Except as otherwise specifically provided in this DDA, prior to City’s issuance of the Certificate of Completion, no voluntary or involuntary successor in interest of Developer shall acquire any ownership interest in the Property nor any rights or powers under this DDA, except for Permitted Transfers or as may otherwise be approved by City in its sole and absolute discretion.

103.2 Permitted Transfers. Notwithstanding any other provision of this DDA to the contrary, City approval of a transfer of the Property (or any portion thereof) or an assignment of this DDA or any interest therein (“*Transfer*”) shall not be required in connection with any of the transfers listed in items a. through c. below (each, a “*Permitted Transfer*”):

a. Any transfer of the Property (or portion thereof) or assignment of this DDA or any interest herein to an entity in which either (1) Gaylon Lawrence, or (2) Gaylon Lawrence and Dave Phinney, or (3) Gaylon Lawrence and Sebastian Lane, retains a beneficial economic interest, and in which (i) Gaylon Lawrence, Dave Phinney, or Sebastian Lane, or (ii) Southern Land Company retains effective management and control of the transferee entity, subject only to major events requiring the consent or approval of the other owners of such entity (collectively, the entities described in subclauses (i) and (ii) above are each referred to herein as an “*Affiliate of Developer*”), and in connection with which such Affiliate of Developer assumes the rights and obligations of Developer under this DDA and the Transaction Documents pursuant to an assignment and assumption agreement in a form reasonably acceptable to City’s legal counsel;

b. Any assignment for financing purposes that results in a lien on the Property or Developer's interest therein, including the grant of deeds of trust to secure construction and permanent financing for development of the Property; or

c. A transfer which combined with any and all previous or simultaneous transfers represents less than fifty percent (50%) of the membership, equity or beneficial interest of Developer, provided such transfer does not cause a material change in the rights to manage and control Developer.

d. Following City's approval of a New Specific Plan, Developer shall have the right to transfer individual parcels to one or more vertical developers for development purposes; provided however any proposed transfer that, together with any prior or concurrent transfers, would result in conveyance of more than twenty percent (20%) of the Property to a single transferee (or affiliates of a single transferee) shall be subject to City Council approval not to be unreasonably withheld, conditioned or delayed and which approval shall be granted provided the proposed transferee meets the criteria set forth in Section 103.3 below.

Developer shall give at least ten (10) business days' prior written notice to City of any proposed Permitted Transfer. In addition, City shall be entitled to receive and review such documentation as may be reasonably required by the City Manager or his/her designee to assess the nature and scope of any proposed Permitted Transfer, but in all events, such review (i) shall not be deemed to have created any consent rights for City, (ii) shall be completed within ten (10) business days following City's receipt of the requested information, and (iii) shall be limited to solely whether the transfer and/or transactions(s) in question constitutes a Permitted Transfer under this Agreement.

103.3 Other Transfer or Assignment. For any proposed Transfer that is not a Permitted Transfer under Section 103.2 above, or a partial Transfer which does not require City Council approval under Section 103.2d, Developer shall give notice to City of Developer's desire to make such Transfer. Developer's notice shall include information concerning the proposed transferee, including the transferee's bonding capacity and specific development experience, financial capabilities and knowledge concerning the Property and the required Developer's Work. City shall have thirty (30) days following receipt of such notice to request additional information regarding the proposed Transfer and the transferee's experience and financial capacity as is reasonably necessary to evaluate the proposed Transfer and transferee. City shall have until the later of (30) calendar days after Developer gives its initial notice or twenty (20) days after receipt of all additional requested information, if any, to review and either approve or reject the proposed Transfer and transferee. City's approval of the proposed Transfer and transferee shall not be unreasonably withheld, conditioned, or delayed. The parties agree that it shall not be unreasonable for City to disapprove a proposed Transfer and transferee based on: (i) City's reasonable determination that the proposed transferee has insufficient understanding of one or more components of the required Developer's Work and Transaction Documents; (ii) transferee having bonding capacity less than that of Developer, and also less than would be reasonably required given the status of the Developer's Work at such time; and/or (iii) transferee lacking, in the City's reasonable determination, the development qualifications

and experience and financial capacity to reasonably ensure successful completion of one or more components of Developer's Work followed thereafter by constructing and installing the Backbone Infrastructure and developing the Property with other horizontal and vertical improvements and uses consistent with the New Specific Plan and Applicable Laws. If City rejects the proposed Transfer and transferee, City shall provide written notice of such rejection within the time period set forth above, and in its notice of rejection, City shall detail all reasons supporting rejection of the proposed Transfer and transferee based on the standards set forth in this Section 103.3. Notwithstanding the foregoing, the matters set forth in subclauses (i) through (iii) above shall not apply to any Permitted Transfer, including any permitted partial Transfer of 20% or less of the Property to a single vertical developer transferee as contemplated under Section 103.2.d above.

103.4 Written Transfer Agreement. In connection with any Transfer by Developer, including any Permitted Transfer or any partial Transfer as contemplated under Section 103.2d, Developer and the transferee shall enter into a written agreement ("**Transfer Agreement**") regarding the respective interests, rights and obligations of Developer and the transferee in and under this DDA and, to the extent applicable, the other Transaction Documents. The Transfer Agreement shall be in a form reasonably acceptable to the City Attorney. Such Transfer Agreement may (i) release Developer from obligations and liabilities under this DDA that pertain to that portion of the Property being transferred, as described in the Transfer Agreement, provided the transferee expressly assumes all such obligations and liabilities, including all past, present and future obligations and liabilities, (ii) transfer to the transferee all rights and all obligations under this DDA and, to the extent applicable, the other Transaction Documents, to develop that portion of the Property being transferred, and (iii) address such other matters as are reasonably necessary or appropriate in connection with the Transfer.

103.5 Transfer Following Issuance of Certificate of Completion. There shall be no restrictions on or prohibition of Developer's right to make any transfer of any interest in the Property or any rights or powers under the DDA following issuance of the Certificate of Completion.

200. SALE AND CONVEYANCE OF PROPERTY.

201. Sale and Conveyance. City agrees to sell to Developer, and Developer agrees to purchase from City, the Property in accordance with and subject to the terms and conditions of this DDA. The purchase and sale transaction shall occur via two (2) or more conveyances as portions of the Navy-Owned Property are acquired by City. Each conveyance of a portion of the Property by City to Developer is hereinafter referred to individually as a "**Conveyance**" and collectively as the "**Conveyances**". City shall convey the City-Owned Property to Developer by execution and delivery of a Deed, and, concurrently therewith, shall sublease the Navy-Owned Property to Developer pursuant to a Sublease which the Parties shall execute in the forms required under this Agreement. Developer shall pay any and all costs of preparing legal descriptions of the City-Owned Property and Navy-Owned Property, including surveyor costs. Immediately following delivery and recordation of the Deed for the Initial Conveyance, Developer shall grant to City a Construction Staging Area License in the form of Exhibit Q

attached hereto to facilitate future maintenance and repair work on the Mare Island Causeway Bridge. Upon City's acquisition of fee title to the Navy-Owned Property, City shall convey the Navy-Owned Property, or applicable portion thereof, to Developer by execution and delivery of a Deed with respect to such property. The initial Conveyance of the City-Owned Property by City to Developer is referred to herein as the "**Initial Conveyance**". Following the Closing of the Initial Conveyance, Developer shall have a "must-take obligation" to accept from City the Conveyance of fee title to the Navy-Owned Property as and when the Navy-Owned Property, or applicable portion thereof, is acquired by City immediately following City's acceptance of such property from Navy, subject nevertheless to satisfaction or written waiver (in Developer's reasonable discretion) of all Developer Conditions Precedent applicable to such subsequent Conveyance. Each Closing for City's Conveyance of Navy-Owned Property to Developer shall occur immediately following City's acceptance of the Navy-Owned Property, or applicable portion thereof, from Navy through one or more back-to-back escrows. Notwithstanding the foregoing, the City shall give Developer at least thirty (30) days prior written notice with respect to the Conveyance of any Navy-Owned Property.

202. Feasibility Period. Commencing on the Date of Agreement and ending on the date that is ninety (90) days after the Date of Agreement ("**Feasibility Period**"), Developer shall have the right to inspect and review the condition of the Property, determine the suitability of the Property for Developer's intended use and evaluate all other aspects of development feasibility, including financial viability as set forth in this Section 202. Developer shall have the right during the Feasibility Period to review and approve the Condition of Title as provided in Section 208 below. The Feasibility Period may be extended by the City Manager in their sole discretion.

202.1 Right of Access. From and after the Date of Agreement and thereafter until Closing of the Initial Conveyance has occurred or until the earlier termination of this DDA, Developer, its employees, agents, consultants, lenders, investors, partners, contractors and subcontractors (collectively, "**Developer Parties**"), shall have the right to enter upon the Property and while thereon make surveys, take measurements, perform test borings or other tests of surface and subsurface conditions, including soils, soil gas and water, make engineering, architectural, environmental and other studies and inspect the Property. Developer agrees to provide notice to the City's Economic Development Manager and City Clerk at least forty eight (48) hours prior to undertaking any studies or work upon the Property. Developer, at its expense, shall be responsible for obtaining written permission from Navy prior to undertaking any borings, subsurface soil or ground water testing or other invasive investigations on or about the Navy-Owned Property, including any buildings or structures thereon. City agrees to reasonably assist with any such requests for permission. Developer shall provide City with copies of all data, survey and tests which Developer produces in connection with such studies and investigations promptly following receipt thereof. Prior to any entry on the Property by Developer Parties, Developer shall procure and maintain, and cause any other Developer Parties performing work or entering the Property to procure and maintain, commercial general liability, automobile liability and worker's compensation insurance covering Developer, and naming City and Navy as additional insureds, and otherwise meeting the requirements set forth in Exhibit L. If Developer exercises its rights of entry under the provisions of this Section 202.1, Developer

shall (i) keep the Property free of any liens or third-party claims resulting therefrom; (ii) take all reasonable precautions to prevent the release of any Hazardous Materials into the environment; (iii) indemnify and defend City and Navy against any liability or expense for injuries to or death of persons or damage to property of any nature whatsoever to the extent arising out of or resulting from Developer's exercise of its rights hereunder; provided that Developer shall have no obligation to indemnify or defend City against any Claims arising from the active negligence or willful misconduct of City or City Parties and, except to the extent Developer's investigative activities result in a further release of Hazardous Materials onto or about the Property, Developer shall have no responsibility or liability for any Hazardous Materials within, on, above, under, or emanating from the Property which were present before Developer Parties' entry on the Property; and (iv) if the Closing does not occur for any reason (other than a default by City), restore as nearly as practicable any portion of the Property damaged by such entry substantially to its condition immediately before such entry. The indemnification provisions of this Section shall survive the expiration or termination of this DDA. In addition, if this DDA is terminated for any reason, including a Default by either party or failure of a condition for the benefit of a party, Developer shall promptly repair and/or remedy any damage to any portion of the Property or improvements thereon resulting from such studies and investigations and restore the Property and improvements thereon as nearly as possible to the physical condition existing immediately prior to such damage. Developer's indemnity and repair/restoration obligations under this Section 202.1 shall survive the expiration or termination of this Agreement.

202.2 Availability of Documents. Developer acknowledges that Navy and DTSC maintain a comprehensive set of data and documents with respect to the Property and the current and former buildings, improvements and facilities on, under and about such Property, which include, among other things, information about the historic uses of such Property and the numerous tests, studies, surveys and plans prepared or performed by or on behalf of Navy related to presence and/or remediation (completed as well as ongoing) of Hazardous Materials. Developer further acknowledges that City has advised Developer to inspect fully all portions of the Property and investigate all matters relevant thereto and to rely solely upon the results of Developer's own inspections, which may include inspection of information obtained or otherwise available from the Navy, DTSC EnviroStor (<https://dtsc.ca.gov/your-envirostor/>) and the RWQCB, rather than any information that may have been provided by City to Developer or information or documents that may be in City files; provided the foregoing shall not be construed as permitting the City to knowingly withhold any such information or documents from Developer.

202.3 Feasibility Approval. If Developer elects to proceed with the purchase of the entirety of the Property after conducting such investigations, then as soon as practicable following completion of such investigations, but in any event no later than expiration of the Feasibility Period, Developer may, in its sole discretion, deliver a written notice of approval ("*Notice of Approval*") to City and Escrow Agent. Developer's failure to give the Notice of Approval prior to 5:00 p.m. Pacific time on the date of the expiration of the Feasibility Period shall not be a Default under this DDA, but will be deemed Developer's disapproval of the condition of the Property and election not to proceed with the purchase of any portion of the Property and shall serve to terminate this DDA effective as of the expiration of the Feasibility

Period. If Developer disapproves or is deemed to have disapproved the condition of the Property, neither party hereto shall have any further obligation or liability to the other with respect to the transactions contemplated by this DDA, except for any obligations or liabilities which expressly survive termination. If Developer gives its Notice of Approval, then this DDA shall continue in effect and the rights and obligations of the parties shall continue to be governed by this DDA. Once Developer has proceeded with Closing with respect to the Initial Conveyance, Developer may not revoke or modify the Notice of Approval with respect to subsequent Conveyances of the Navy-Owned Property following the Initial Conveyance, but such subsequent Conveyances shall nevertheless remain subject to the satisfaction or waiver (by Developer in its reasonable discretion) of all applicable Developer Conditions Precedent with respect thereto.

203. Escrow. Within the time set forth in the Schedule of Performance, Developer shall open an escrow ("*Escrow*") for the Conveyances with Melodie Rochelle, Escrow Officer at Fidelity National Title Insurance Company, 2701 Emerywood Parkway, Suite 200, Richmond VA 23294, VA 23294, Telephone: (804) 521-5713, Email: melodie.rochelle@fnf.com, or another escrow company mutually acceptable to City and Developer ("*Title Company*" or "*Escrow Agent*").

203.1 Escrow Costs. Any and all fees, charges, and costs for the Escrow, including recording fees, document fees and documentary transfer taxes, if any, related to each Conveyance, shall be paid by Developer.

203.2 Escrow Instructions. This DDA constitutes the joint escrow instructions of Developer and City with respect to the Conveyances, and the Escrow Agent to whom these instructions are delivered is hereby empowered to act under this DDA. The parties shall use reasonable good faith efforts to close each Conveyance in the shortest possible time, subject to the terms of this DDA. Insurance policies insuring the Property, or applicable portion thereof, for fire or casualty are not to be transferred, and City shall cancel its own policies, if any, after each Closing. All funds received in the Escrow shall be deposited in one or more federally-insured interest-bearing accounts with a state or national bank doing business in the State of California, in interest bearing accounts to the extent elected by the benefitted party. All disbursements shall be made by check or wire transfer from such account. If, in the reasonable opinion of either party, it is necessary or convenient in order to accomplish the Closings, such party may require that the parties sign supplemental escrow instructions; provided that if there is any inconsistency between this DDA and the supplemental escrow instructions, then the provisions of this DDA shall control. Escrow Agent is instructed to release City's and Developer's supplemental escrow instructions, if any, and Closing statements to both parties.

203.3 Authority of Escrow Agent. With respect to each Closing, Escrow Agent is authorized to, and shall:

a. Pay and charge Developer for the premium of the Developer Title Policy and pay and charge Developer for the premium of the Survey and/or additional endorsements requested by Developer.

b. Pay and charge Developer for any Escrow fees, charges, and costs payable under Section 203.1.

c. Disburse funds; delivery fully executed counterparts of the Building 571 Remediation Agreement to City and Developer; record the Deed, the Construction Staging Area License, the Irrevocable Offer to Dedicate Roadways, the Sublease, the PILOT Agreement, the Water System Reimbursement Agreement, the Sewer and Storm System Reimbursement Agreement, in the Official Records of Solano County, in that order, and deliver conformed originals of the Deed, Construction Staging Area License, Irrevocable Offer to Dedicate Roadways, Sublease, PILOT Agreement, the Water System Reimbursement Agreement and the Sewer and Storm System Reimbursement Agreement to both City and Developer (and, in the case of the Sewer and Storm System Reimbursement Agreement, to VFWD as well) when both the Developer Conditions Precedent and City Conditions Precedent have been fulfilled or waived in writing by Developer and/or City as applicable.

d. Do such other actions as necessary, including issuing the Developer Title Policy(ies), to fulfill its obligations under this DDA.

e. Direct City and Developer to execute and deliver any instrument, affidavit, and statement, and to perform any act, reasonably necessary to comply with the provisions of the Foreign Investment in Real Property Tax Act (FIRPTA), if applicable, and any similar state act and regulations promulgated thereunder.

f. Prepare and file with all appropriate governmental or taxing authorities a uniform settlement statement, closing statement, tax withholding forms including an IRS 1099 S form, and be responsible for withholding taxes, if any such forms are provided for or required by law.

204. Purchase Price; Deposit.

204.1 Purchase Price. The purchase price for the Property ("**Purchase Price**") shall be Three Million and No/100 Dollars (\$3,000,000.00). At the Closing of the Initial Conveyance, Developer shall pay to City through Escrow the entire Purchase Price, less the Deposit, in immediately available funds. Except as otherwise provided in Section 204.3 below, no additional purchase monies shall be payable in connection with the subsequent Conveyances following the Initial Conveyance.

204.2 Deposit.

a. Within the time set forth in the Schedule of Performance, the parties shall cause the negotiation deposit in the amount of Fifty Thousand and No/100 Dollars (\$50,000.00) previously made by Developer and currently held by City pursuant to the terms of the ERN to be deposited into Escrow and held as the good faith deposit ("**Deposit**") for the transactions contemplated by this DDA. Escrow Agent shall place the Deposit with a federally-insured state or national bank doing business in the State of California, in an interest bearing account, to the extent elected by Developer. All interest thereon shall become part of the

Deposit. The Deposit shall be non-refundable except in the event this Agreement is terminated due to a default by City or the failure of any Developer Conditions Precedent.

b. If the Initial Conveyance is consummated, then the Deposit (and all accrued interest thereon) shall be applied towards the Purchase Price.

c. If the Initial Conveyance is not consummated for any reason other than default by City hereunder or the failure of a Developer Condition Precedent, then City shall retain the Deposit (and all accrued interest thereon) as provided in Section 803 below.

d. If the Conveyance is not consummated due to a default by City hereunder or the failure of a Developer Condition Precedent, and Developer has not elected to bring an action for specific performance, then the Deposit (and all accrued interest thereon) shall be refunded to Developer. Nothing herein shall be construed to prevent or limit any of Developer's rights or remedies provided under Section 802 of this DDA.

204.3 Potential Additional Payment for Property. Additional payments to the City may be required to be made by Developer if, following approval of a New Specific Plan (if any), Developer or its successors obtain approval to increase the permitted density of any portion of Mare Island and such increase results in more development than identified in the New Specific Plan as approved by City. Developer will be required to make any such additional payments to the City following a future agreed upon methodology which methodology will be determined and agreed upon by the parties prior to City Council considering approval of the New Specific Plan, Backbone Infrastructure Plan and any new, revised, amended or extended statutory development agreement relating to any portion of Mare Island. If the parties cannot agree on such methodology at that time, the City in its sole discretion may disapprove any proposed New Specific Plan, Backbone Infrastructure Plan, and any proposed new, revised, amended or extended development agreement on any portion of Mare Island. Nothing herein shall be deemed to prevent the parties from agreeing that no additional payment is owed in connection with a particular density increase proposal.

205. City's Conditions Precedent to Conveyance. City's obligation to proceed with each Conveyance is subject to the fulfillment or written waiver by City of each and all of the conditions precedent described below (individually and collectively "**City Conditions Precedent**"), which are solely for the benefit of City, and which shall be fulfilled or waived within the time periods provided for herein:

205.1 No Default. Developer shall not be in Default under this DDA or any of the other Transaction Documents, and no event shall have occurred which, with the passage of time or giving of notice or both, would constitute a Default by Developer under this DDA or the other Transaction Documents.

205.2 Developer Representations. The representations and warranties of Developer shall be true and correct in all material respects as of the Closing Date.

205.3 Execution of Documents. Developer shall have executed and delivered into Escrow two counterparts of the Building 571 Remediation Agreement and shall have executed, acknowledged and delivered into Escrow, the Deed, the Construction Staging Area License, the Irrevocable Offer to Dedicate Roadways, the PILOT Agreement, the Water System Reimbursement Agreement, the Sewer and Storm System Reimbursement Agreement, and, in the case of the Closing of the Initial Conveyance, the Sublease, and such other documents required to close Escrow in accordance with the terms of this Agreement.

205.4 Purchase Price. Developer shall have deposited into Escrow all Closing costs and, in the case of the Closing of the Initial Conveyance, the full amount of the Purchase Price, less the Deposit.

205.5 City Demolition Permits. With respect to the Closing of the Initial Conveyance, Developer shall have submitted applications for, and City shall have issued, or shall be ready to issue upon payment of applicable fees and completion of any required environmental review, demolition permits with respect to all of the Non-Utilized Structures.

205.6 Navy PERF Approval. With respect to Closing of the Initial Conveyance, Developer shall have submitted to Navy a Project Environmental Review Form (PERF) and, if and to the extent required, obtained written approval thereof from Navy to perform that portion of the Demolition Work applicable to the Navy-Owned Property.

205.7 Demolition Contract. With respect to Closing of the Initial Conveyance, Developer shall have entered into a demolition agreement for the Demolition Work with a licensed demolition contractor reasonably acceptable to City and shall have provided a copy of such agreement to the City.

205.8 Demolition Bonds. With respect to Closing of the Initial Conveyance, Developer shall have obtained labor and materials and performance or completion bonds in forms reasonably acceptable to City to guaranty payment of laborers and material providers and completion of the Demolition Work within the times provided in the Schedule of Performance, subject to delays resulting from Force Majeure Conditions.

205.9 Intentionally Omitted.

205.10 Non-Exclusive License Agreement. The Non-Exclusive License Agreement between City and Developer shall be in full force and effect, Developer shall not be in default under such agreement beyond all applicable notice and cure periods.

206. Developer's Conditions Precedent to Conveyance. Developer's obligation to proceed with each Conveyance is subject to the fulfillment or written waiver by Developer of each and all of the conditions precedent described below (individually and collectively, "***Developer Conditions Precedent***"), which are solely for the benefit of Developer, and which shall be fulfilled or waived within the time periods provided for herein:

206.1 Execution of Documents. City shall have executed and delivered into Escrow two counterparts of the Building 571 Remediation Agreement and shall have executed and acknowledged the Deed, and executed and where appropriate acknowledged such other documents and agreements required for the applicable Closing, and shall have delivered the Deed and such other Closing documents into Escrow.

206.2 No Default. City shall not be in Default under this DDA or any of the other Transaction Documents, and no event shall have occurred which, with the passage of time or giving of notice or both, would constitute a Default by City under this DDA or the other Transaction Documents.

206.3 Review and Approval of Title. Developer shall have reviewed and approved the Condition of Title with respect to that portion of the Property subject to the applicable Conveyance, in accordance with the terms of this Agreement.

206.4 Developer Title Policy. The Title Company shall, upon payment of Title Company's regularly scheduled premium, be ready to issue to Developer an ALTA owners policy of title insurance ("**Developer Title Policy**"), together with such endorsements as are reasonably requested by Developer, insuring that Developer has a valid fee interest in the Property, or applicable portion thereof, subject to the Condition of Title as approved by Developer in accordance with the terms of this Agreement. The premium for the Developer Title Policy, plus any additional costs, including the cost of surveys and any endorsements requested by Developer, shall be paid by Developer. Notwithstanding the foregoing, at Developer's election in its sole discretion, the term "Developer Title Policy" shall also include a leasehold policy with respect to each Sublease.

206.5 City HUD 108 Loan. With the respect to the Initial Conveyance, the City's HUD 108 Loan shall have been paid in full or shall be ready to be paid in full through Closing for the Initial Conveyance, and the HUD Security Documents shall have been fully terminated, released and/or reconveyed, as applicable, through such Closing or prior thereto, and the City shall have taken all such other actions as may be required to cause the release of any liens and encumbrances of any kind relating to the City's HUD 108 Loan.

206.6 City Representations. The representations and warranties of the City shall be true and correct in all material respects as of the Closing Date.

206.7 Notice of Approval. With respect to the Initial Conveyance only, Developer shall have delivered the Notice of Approval to City and Escrow Agent. Developer's delivery of the Notice of Approval with respect to the Initial Conveyance shall be deemed Developer's Notice of Approval as to all subsequent Conveyances; provided the foregoing shall not in any way be deemed a waiver by Developer of any other of these Developer Conditions Precedent.

207. Closing. The Initial Conveyance of the City-Owned Property shall close within thirty (30) days after the satisfaction or written waiver by the applicable party, of all of City's Conditions Precedent and Developer's Conditions Precedent to the Initial Conveyance, but in

any event no later than one hundred twenty (120) days after the Date of Agreement, or such later date as the parties may agree, each in its sole, absolute discretion (“**Outside Date for Initial Conveyance**”). The Outside Date for Initial Conveyance shall also be subject to extension for Force Majeure Conditions; provided, however, the total Force Majeure Conditions-related extension shall in no event extend beyond December 31, 2022. The subsequent Conveyance or Conveyances of the Navy-Owned Property, or applicable portion thereof, shall close concurrently with the closing for City’s acquisition from the Navy of the Navy-Owned Property or applicable portion thereof, through back to back escrows, in all events subject to the requirements set forth above for prior written notice to Developer and further subject to the satisfaction or written waiver by the applicable party, of all of the applicable City’s Conditions Precedent and Developer’s Conditions Precedent with respect to each such Conveyance. “**Closing**” means the closing of Escrow for each Conveyance. “**Closing Date**” means the day on which the applicable Closing occurs.

208. Review and Approval of Condition of Title.

208.1 Pre-Approved Exceptions. Within twenty (20) business days after the Date of Agreement, Developer shall cause Title Company or another title company mutually acceptable to City and Developer, to deliver to Developer and City a preliminary title report (“**Title Report**”) with respect to the entirety of the Property, together with legible copies of all the documents underlying the exceptions set forth in the Title Report. Developer shall have the right to request that an ALTA Survey (“**Survey**”) be prepared, at Developer’s sole cost and expense. Developer shall have the right to approve or disapprove all exceptions in its sole and absolute discretion; provided, however, Developer hereby approves the following exceptions which shall be referred to herein as the “**Pre-Approved Exceptions**”: (a) the lien of any non-delinquent property taxes and assessments, including the lien for the Existing CFDs and, if formed, the New CFD(s); (b) the City’s rights under the Construction Staging Area License; (c) the covenants in the Navy Quitclaim Deed(s); (d) the terms and conditions of the existing FOST(s) and any new Findings of Suitability for Transfer issued by DTSC or other environmental regulatory agencies in connection with Navy’s conveyance of the Navy-Owned Property to City; (e) any and all CRUP(s) executed by City or Navy in implementation of the existing FOST(s) or any new Findings of Suitability for Transfer; (f) the covenants in the Deed; (g) the Irrevocable Offer to Dedicate Roadways; (h) the DDA; (i) the PILOT Agreement; (j) the State Lands Settlement Agreement; (k) the Water System Reimbursement Agreement; (l) the Sewer and Storm System Reimbursement Agreement; and (m) matters created by, through, under or as a result of the actions of Developer or any Developer Parties.

208.2 Approval and Disapproval Process. No later than sixty (60) days (“**Title Review Period**”) after the later of Developer’s receipt of the Title Report, Survey (if requested by Developer), and copies of all of the documents underlying the exceptions, Developer shall give City and Escrow Agent written notice (“**Title Notice**”) of Developer’s approval or disapproval of the legal description and every item or exception disclosed by the Title Report and Survey, if any, and of any title insurance endorsements which Developer requires, provided Developer shall be deemed to have approved the Pre-Approved Exceptions. Developer’s failure to give such Title Notice to City within the Title Review Period shall be deemed Developer’s disapproval of

the condition of title to the Property and election to terminate this Agreement. In the event Developer disapproves of any title matter (other than the Pre-Approved Exceptions) shown in the Title Report, City shall, within twenty (20) days after receipt of the Title Notice give Developer written notice ("*City's Response*") of those disapproved title matters, if any, which City is unable or unwilling to eliminate as of Closing. City's failure to give City's Response within such time period shall be deemed City's notice that it will not eliminate any of the disapproved title matters. Developer shall notify City in writing, within ten (10) days after receipt of City's Response (or within ten (10) days after City is deemed to have refused to eliminate title matters to which Developer has objected) whether Developer is willing to purchase the Property subject to such disapproved exceptions, or is electing to terminate this DDA ("*Developer's Response*"). If Developer so elects to terminate this DDA, Escrow Agent shall immediately disburse the Deposit to City. The failure of Developer to give Developer's Response to City shall be deemed Developer's election to terminate this Agreement. City, at Developer's cost and expense, shall cause any disapproved title matters that City has not objected to in City's Response, if any, to be removed from title prior to Closing. All monetary liens and exceptions, including without limitation any liens or other exceptions relating to the HUD 108 Loan (collectively, "*Monetary Liens*") shall be automatically deemed rejected by Developer.

208.3 New Exceptions. The Pre-Approved Exceptions, together with those exceptions to title approved by Developer as provided herein, are individually and collectively referred to as the "*Condition of Title*." If any new exceptions other than Pre-Approved Exceptions, or changes with respect to any other exceptions previously approved pursuant to this Section 208 are reported by the Title Company after Developer has approved the Condition of Title pursuant to the foregoing procedures, then any such new exception or changes to an existing exception shall be subject to the same procedures for review and approval set forth above.

209. Property Taxes and Assessments. All ad valorem taxes and assessments, including Existing CFD Special Taxes, levied, assessed or imposed on the Property or part thereof for any period prior to Closing of the Initial Conveyance shall be borne by City. Ad valorem taxes and assessments, including Existing CFD and, if applicable, New CFD Special Taxes, levied or imposed on the Property or part thereof for the period from and after Closing of the Initial Conveyance, and any taxes upon this DDA or the Conveyances, shall be paid by Developer as provided herein and in the Sublease. Developer acknowledges that the Existing CFDs, including CFD 2002-1, impose different special tax rates on property depending upon status and characterization of the property, as provided in the rates and methods of apportionment adopted in connection with the Existing CFDs. If the Closing of the Initial Conveyance occurs on a date other than the first day of the property tax year, the Existing CFD Special Tax payments for the first year shall be prorated between the parties based upon a three hundred sixty-five-(365) day year.

210. Environmental Matters.

210.1 Building 571 Remediation Agreement. As set forth in the Building 571 Remediation Agreement, Developer, during performance of its due diligence work has identified

the presence of PCB contaminated soils near the surface of the site of the former Building 571. City believes that the existence of such contamination within upper most soil levels of the Building 571 site was the result of demolition of former Building 571 and distribution of debris from that activity ("**PCB Contaminated Debris**") across the surface of the former Building 571 site. City has notified the City contractors and subcontractors responsible for performance of Building 571 demolition work, including pre-demolition building inspection, of the issue. City shall retain all rights and remedies City has or may have against such contractors and subcontractors, including the right to recover damages from and against such contractors and subcontractors, and Developer shall have no right to share in any damage awards or settlements that City may receive in connection with City's pursuit of claims against such contractors and subcontractors, if any. Notwithstanding the foregoing, to the extent City's contractor (and Developer's contractor in the case of importation of Clean Fill to replace removed soil) has not completed the work of remediating and removing the PCB Contaminated Debris at the former Building 571 site ("**Building 571 Remediation Work**") in accordance with a work plan approved by DTSC (or other applicable regulatory agency) prior to the Closing of the Initial Conveyance, City and Developer shall enter into a Building 571 Remediation Agreement in substantially the form attached hereto as Exhibit S which, among other things, will commit City, at its expense (except to the extent City recovers all or a portion of the costs from the contractors and subcontractors noted above), to complete the Building 571 Remediation Work (other than importation of Clean Fill to replace removed soil, which fill importation shall be performed by Developer at its expense), in accordance with the DTSC-approved work plan, all as more particularly set forth in the Building 571 Remediation Agreement. Except as expressly set forth in this Section 210.1 and the Building 571 Remediation Agreement, from and after the Closing, City shall have no obligations with respect to Hazardous Materials that may be located on, under or about the Property.

210.2 No Warranties as to Property. Developer is purchasing the Property on the basis of Developer's own investigation of the physical and environmental conditions of the Property and the buildings, improvements and facilities thereon, including subsurface facilities and ground water and soils conditions. Subject to any Navy obligations under the Navy Deed Covenants, Developer assumes the risk that adverse physical and environmental conditions may not have been revealed by its own investigation, and each portion of the Property, including the buildings, improvements and facilities thereon shall be conveyed by City to Developer in its "AS-IS" condition, "WITH ALL FAULTS," including the presence of Hazardous Materials (whether or not revealed by Developer's due diligence investigations) and any violations of Applicable Laws, including Environmental Laws, with no warranty expressed or implied by City regarding the presence of Hazardous Materials or the condition of the soil, its geology, the presence of known or unknown seismic faults, title to the Property or the suitability of the Property, or the buildings, improvements or facilities thereon for Developer's intended development.

210.3 Waiver and Release. Except as otherwise expressly set forth in Section 210.1 above and in the Building 571 Remediation Agreement, effective as of each Closing Date, Developer hereby waives, releases and discharges forever City Parties from any and all present and future Claims arising out of or in any way connected with the condition of the Property or

applicable portion thereof, any Hazardous Materials on, under or about the Property or applicable portion thereof however they came to be placed there, or the release of Hazardous Materials from the Property or applicable portion thereof. Developer is aware of and familiar with the provisions of California Civil Code section 1542, which provides as follows:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.”

As such relates to this Section 210, Developer hereby waives and relinquishes all rights and benefits that it may have under California Civil Code section 1542.

210.4 Obligations with Respect to Hazardous Materials after Closing.

Developer acknowledges and agrees that additional Hazardous Materials remediation work beyond that performed by or on behalf of the Navy (or by or on behalf of City in the case of the Building 571 Remediation Work) , including abatement and removal of asbestos, lead paint and PCB's located on and within buildings and related improvements, remediation of the cistern/vault discovered within Building 641, and remediation of potential PCB contamination that may have resulted from any cause, including City's prior demolition of PCB-contaminated pad(s) or other contaminated structures or foundations located on or about the Property (other than the Building 571 pad), may have to be performed in order to develop the Property. Developer, at its expense, shall be responsible for all environmental remediation and response actions that are not the responsibility of the Navy under the Navy Deed Covenants or City under the Building 571 Remediation Agreement. Before undertaking any Site Preparation Work or other horizontal or vertical development work on or about the Property, Developer shall, at its sole cost and expense, promptly take all actions required by Environmental Laws and otherwise under this DDA. Except to the extent of Navy's responsibilities under the Navy Deed Covenants and City's limited obligations under the Building 571 Remediation Agreement, Developer, at its expense, shall take all actions necessary to promptly restore the Property to an environmentally sound condition for the uses contemplated by the New Specific Plan or, if the proposed New Specific Plan is not approved by City, the Existing Specific Plan. Except as otherwise expressly set forth in Section 210.1 above and in the Remediation Agreement, it is expressly understood and agreed the City shall have no obligation whatsoever with respect to any Hazardous Materials that may be located on, under or about the Property, including any buildings or structures thereon, regardless of whether the existence of such Hazardous Materials is discovered before or after Closing. Nothing herein shall be deemed to relieve Navy of its obligations under the Navy Deed Covenants. Developer's and City's obligations under this Section 210, including subsections 210.1 through 210.7 shall survive the Closing and expiration or termination of this DDA.

210.5 Duty to Prevent Further Hazardous Materials Contamination. Both before and after each Closing, Developer shall take all necessary precautions to prevent the

release of any Hazardous Materials into the environment. Such precautions shall include compliance with all Environmental Laws. In addition, Developer shall install and utilize such equipment and implement and adhere to such procedures as are consistent with Environmental Laws as to disclosure, storage, use, removal and/or disposal of Hazardous Materials.

210.6 Environmental Inquiries. Both before and after each Closing, Developer shall notify City, and provide to City a copy or copies, of any and all environmental permits, disclosures, applications, entitlements, or inquiries relating to the Property or applicable portion thereof, including notices of violation, notices to comply, citations, inquiries, clean up or abatement orders, cease and desist orders, reports filed pursuant to self-reporting requirements and reports filed or applications made pursuant to any Environmental Laws.

210.7 Notice of Hazardous Materials Release. In the event of a release of any Hazardous Materials onto or from the Property or any portion thereof, Developer shall, as soon as possible after the release, furnish to City a copy of any and all reports relating thereto and copies of all correspondence with regulatory agencies relating to the release. Developer shall immediately furnish to City a copy or copies of any and all other environmental entitlements or inquiries relating to or affecting the Property or any portion thereof, including all permit applications, permits, and reports, including those reports and other matters which may be characterized as confidential.

300. DEVELOPER'S POST CLOSING COVENANTS

301. Scope and Schedule for Developer's Work. Developer shall commence and complete each component of Developer's Work, consisting of the Demolition Work, Soil Testing, Connolly Corridor Development Work, Planning Work (including New Specific Plan and Beautification Plan), Beautification Work and Site Preparation Work, all as provided in the Scope of Work, within the times established therefor in the Schedule of Performance, subject to delays caused by Force Majeure Conditions as provided in Section 1002. The Schedule of Performance is subject to revision from time to time as mutually agreed upon in writing between Developer and the City Manager, and in all events shall be revised as reasonably required and agreed to by the parties, working in good faith, to address any delays caused by Force Majeure Conditions.

301.1 Reservation of City's Right to Pursue New Specific Plan. Nothing herein shall be deemed to prohibit City from pursuing approval of a new specific plan with respect to the entirety of Mare Island as allowed by applicable law, if within the time set forth in the Schedule of Performance, Developer fails to obtain City approval of a New Specific Plan as contemplated by this Agreement; provided, however, the effect of any new City-initiated specific plan with respect to South Mare Island shall be subject to Developer's vested rights under the South Mare Island Development Agreement for the remaining term of such agreement.

302. Cost of Work. All costs related to Developer's Work and all further planning, design, and development work with respect to the Property, including costs of constructing and installing Backbone Infrastructure and complying with all required mitigation measures and any development project conditions of approval, shall be borne solely by Developer.

303. Permits and Approvals. Developer, at its expense, shall secure or cause to be secured any and all land use and other entitlements, permits and approvals which may be required by City and any other governmental agency having jurisdiction over development of the Property or applicable portion thereof. The approval of this DDA by City does not constitute the granting of, or a commitment to obtain, any required land use permits, entitlements or approvals for development.

304. Consultation and Coordination. During the preparation of the proposed New Specific Plan and Beautification Plan, staff of City and Developer shall hold progress meetings on an as needed basis to coordinate the preparation, submission, and review of such plans. The staff of City and Developer shall communicate and consult informally as frequently as is necessary to ensure that the formal submittal of any complete documents to City can receive timely and thorough consideration in accordance with City policies. City shall not be responsible either to Developer or to any third parties in any way for any delays caused by the review and approval processes established for City's review and consideration of any Future Applications, including applications with respect to the proposed New Specific Plan and Beautification Plan.

305. Rights of Access. Prior to completion of development of the Property, City representatives shall have the reasonable right of access to the Property with prior notice to Developer, without charges or fees, at normal construction hours, and after consultation with Developer to avoid any interference with Developer's activities. So long as City does not unreasonably interfere with Developer's activities during any such entries, Developer hereby waives any and all Claims that City's access to the Property may interfere with Developer's obligations under this DDA or any of the Transaction Documents, or delay Developer's performance thereof. Nothing herein shall be deemed to limit the ability of City to conduct code enforcement and other administrative inspections of the Property in accordance with Applicable Laws. City employees, agents and assigns that are not involved in conducting code enforcement and/or inspection of the Property shall give Developer a minimum of 24 hours advance notice (except in case of emergency) and coordinate any physical access to the Property through Developer or its agents, contractors or assigns and shall observe property safety protocol at all times.

306. Compliance with Laws. Developer, at its expense, shall carry out its obligations under this DDA and any future development of the Property in conformity with all applicable laws, ordinances, statutes, codes, orders, decrees, rules, regulations, official policies, standards and specifications (including any ordinance, resolution, rule, regulation, standard, official policy, condition, or other measure) of the United States, the State of California, the County of Solano, the City, and any other political subdivision in which the Property is located, and of any other political subdivision, agency or instrumentality exercising jurisdiction over City, Developer, the Property or Developer's Work, including all Environmental Laws and applicable provisions of CEQA and NEPA; any orders, permits, requirements and approvals of the San Francisco Bay Conservation and Development Commission, DTSC and/or the RWQCB; any and all agreements or approvals from the State of California State Lands Commission and/or the Navy; and any amendments of any of the foregoing (all of the foregoing, collectively, "*Applicable Laws*").

307. Prevailing Wages. If and to the extent applicable, Developer shall comply, and shall ensure that its contractors and subcontractors comply, with California Labor Code Section 1720 *et seq.*, including implementing regulations of the Department of Industrial Relations, applicable to public works and payment of prevailing wages, as well as all applicable Federal prevailing wage laws, including the Davis-Bacon Act of 1931, as amended, and implementing regulations (collectively, “**Prevailing Wage Laws**”) in connection with development of the Property. Without limiting the generality of the foregoing, Developer shall (i) require its contractors and subcontractors to submit certified copies of payroll records to Developer; (ii) maintain complete copies of such certified payroll records; and (iii) make such records available to City and its designees for inspection and copying during regular business hours at the Property or at another location within the City of Vallejo, or deliver copies thereof to City. Developer shall defend (with counsel reasonably acceptable to City), indemnify and hold harmless City and City Parties from and against any and all present and future Claims to the extent arising out of Developer’s failure to comply with all Prevailing Wage Laws, including any and all Claims that may be asserted by contractors, subcontractors or other third party claimants pursuant to California Labor Code Sections 1726 and 1781. Developer hereby waives, releases and discharges City and its employees, officers, volunteers, agents and representatives, from any and all present and future Claims arising out of or in any way connected with Developer’s failure to comply and to cause its contractors and subcontractors to comply with all Prevailing Wage Laws in connection with construction and development of the Property. Developer’s obligations under this Section 307 shall survive the expiration or termination of this DDA.

308. Local Economic Benefits. In connection with the development of the Property, Developer and its successors and assigns and its and their contractors and subcontractors shall comply with the Local Economic Benefit Program Requirements set forth in Exhibit M attached hereto. Developer and its successors and assigns shall report to City the results of its compliance with the Local Economic Benefit Program Requirements not less than annually. Developer’s obligations under this Section 308 and Exhibit M shall survive the Closing and the issuance of the Certificate of Completion.

309. Existing and New Services CFDs; Funding of Services.

309.1 New Community Facilities District Formation. Subject to the terms of this Section 309, the parties shall cooperate in good faith to establish New CFD(s) to replace the Existing CFDs and finance the provision of those CFD Services on Mare Island that may lawfully be financed under the Mello-Roos Act, as implemented and modified by Municipal Code Chapter 14.45 (the City of Vallejo-Mare Island Services Financing Code or the “**Financing Code**”), as amended from time to time. The boundaries of the New CFD(s) shall include, among other Mare Island properties, the entirety of the Property and South Mare Island Property, unless the parties otherwise agree. At any time following the Date of Agreement, the City Council may consider adoption of one or more resolutions of intention to establish the New CFD(s). In the event City Council adopts such resolution(s) of intention, then, City shall be responsible for conducting all proceedings for the establishment of the New CFD(s), including the adoption of all resolutions, ordinances and orders and recording of maps, notices, releases and the conduct of all hearings, elections and other public meetings under the Mello-Roos Act

and Financing Code to establish the New CFD(s) and levy the Special Tax(es) to fund the provision of CFD Services. Developer shall cooperate with City in the formation of the New CFD(s) by timely submitting to City all petitions, waivers and consents reasonably necessary to facilitate formation of the New CFD(s) and imposition of a levy of Special Taxes on the entirety of the Property and all portions of the South Mare Island Property owned by Developer or any Affiliate of Developer.

309.2 Special Tax. The New CFD(s) shall be authorized to levy, and Developer shall approve (by affirmative vote or other legally acceptable method), Special Taxes in accordance with the rate and method of apportionment approved in the completed proceedings for the New CFD(s). The Special Taxes shall be determined and collected by the City biannually as part of the County tax billings against all taxable parcels as defined by the rate and method of apportionment of the Special Taxes for the New CFD(s). The Special Taxes shall be set at an amount sufficient to fund the provision of the CFD Services to be funded by the New CFD(s), together with the annual costs of calculation, collection and disbursement of the Special Taxes and the annual administration costs associated with the New CFD(s).

309.3 Notification of Taxes. Developer shall provide actual and conspicuous notice to potential residential and commercial property purchasers, in a form reasonably acceptable to the City and in compliance with all applicable legal requirements (including, without limitation, applicable provisions of Government Code Section 53341.5) of any and all Special Taxes to be charged to any and all purchasers of the Property or applicable portion thereof. The written notice shall specify the maximum special tax that will apply to property in the Existing CFD(s) or New CFD(s), as applicable, and the escalator that will increase the maximum tax rate on an annual basis to the prospective purchaser, which notice the prospective purchaser shall sign. Developer shall retain a copy of each signed notice in Developer's files for at least ten (10) years following the date of such notice, and provide a copy of each such signed notice to the City's Planning and Development Services Director.

309.4 Annexation into Existing CFDs if New CFD(s) are Not Formed. If by the earlier of the date on which a New Specific Plan is approved or the date of conveyance of the last Navy-Owned Property parcel, or such later date as the parties may mutually agree, the New CFD(s) have not been formed for any reason, Developer, upon request by City, shall submit petitions, waive procedures, confirm consent and acceptance and execute such other documents and take such further actions as may be necessary to effect annexation of the entirety of the Navy-Owned Property into the Existing CFDs and the City-Owned Property into CFD 2005-1A and CFD 2005-1B. Upon annexation of the Navy-Owned Property to the Existing CFDs Developer agrees that such property shall be subject to all Special Taxes then or thereafter in effect levied pursuant to the rate and method of apportionment adopted in connection with the Existing CFDs. Developer acknowledges and agrees that City, may, subject to Applicable Laws, adopt higher maximum special tax rates on the Navy-Owned Property than on other properties in the Existing CFDs to the extent there is any increased cost of providing services to the Navy-Owned Property in accordance with Section 53339.3(d) of the Mello-Roos Act. Developer irrevocably consents to re-characterization of the land use category and imposition of the

Existing CFD Special Taxes against each portion of the Navy-Owned Property, and agrees not to protest or object to such imposition.

309.5 City's Reservation of Discretion. It is expressly acknowledged, understood and agreed by the parties that (i) City reserves full and complete discretion with respect to legally required findings that must be made in connection with the proposed formation of New CFD(s) or annexation into the Existing CFDs, (ii) nothing in this Agreement is intended to or shall limit City's ability to adopt legally required findings with respect to formation of the New CFD(s) or annexation of the Navy-Owned Property into the Existing CFDs, and (iii) nothing in this Agreement is intended to or shall prejudice or commit to City regarding the findings and determinations to be made with respect thereto.

309.6 Developer's Consent and Cooperation. In connection with the establishment and implementation of the New CFD(s) or, in the alternative, annexation of the Navy-Owned Property into the Existing CFDs and annexation of the City-Owned Property into CFD 2005-1A and CFD 2005-1B, Developer will execute all necessary petitions and ballots and waive all election waiting and protest periods upon City's request and prior to the issuance of any building permit for any development on the Property. With respect to formation of the New CFD(s) if City elects to pursue that option, Developer irrevocably consents to the formation of the New CFD(s), the imposition of the Special Taxes against the Property and South Mare Island Property at rates and pursuant to a method of apportionment appropriate to fund the provision of CFD Services on Mare Island, and agrees not to protest or object to formation of the New CFD(s) or levy of appropriate Special Tax(es) consistent herewith. If City opts not to form one or more New CFDs to replace the Existing CFDs then Developer (i) irrevocably consents to annexation of the Navy-Owned Property into the Existing CFDs and annexation of the City-Owned Property into CFD 2005-1A and CFD 2005-1B, the imposition of Existing CFD Special Taxes against the Navy-Owned Property and imposition of CFD 2005-1A and CFD 2005-1B Special Taxes against the City-Owned Property at rates and pursuant to the rates and methods of apportionment of the Existing CFDs or CFD 2005-1A and CFD 2005-1B, as applicable; and (ii) agrees not to protest or object to annexation of the Navy-Owned Property into the Existing CFDs or annexation of the City-Owned Property into CFD 2005-1A and CFD 2005-1B or the levy of appropriate Special Taxes consistent with the Existing CFDs and CFD 2005-1A and CFD 2005-1B, as applicable. Developer has agreed to the financing provisions set forth in this Section 309 and to perform the obligations hereunder in exchange for City's agreement, subject to the terms and conditions hereof, to convey the Property to Developer.

309.7 Advance of Expenses; Reimbursement. As part of its obligation to pay all City Costs as provided in Section 601 below, Developer shall advance to City the actual out of pocket costs of formation of each New CFD and/or annexation into each Existing CFD. Such advanced costs may include (a) in the case of formation of any New CFD(s), the legal, financial, appraisal and engineering costs and expenses associated with (i) determination of the rate and method of apportionment and levy of the Special Taxes with respect to each New CFD, (ii) determination of the value of property, and (iii) any other costs or expenses reasonably incurred in connection with the New CFD(s); and (b) in the case of annexation of the Navy-Owned Property into the Existing CFDs and annexation of the City-Owned Property into CFD 2005-1A

and CFD 2005-1B, the legal, financial, appraisal and engineering costs and expenses associated with such annexations.

309.8 Limited Liability of City. Notwithstanding any other provision of this Agreement, City shall not be liable for or obligated to pay any costs or expenses in connection with formation of, or failure to form, any New CFD(s) or, if one or more New CFD(s) are not established, annexation of the Navy-Owned Property into the Existing CFDs and annexation of the City-Owned Property into CFD 2005-1A and CFD 2005-1B.

309.9 Owner's Association Financing Mechanism for Public Services. If, for any reason, New CFD(s) have not been formed or, alternatively, annexation of the Navy-Owned Property into the Existing CFDs and annexation of the City-Owned Property into CFD 2005-1A and CFD 2005-1B has not been completed, or Existing CFDs or New CFD(s) have been challenged or repealed, at the time Developer applies to City for permits and entitlements for vertical development on the Property (or portion thereof), then, City, at its option, may require Developer, prior to issuance of any final map or building permit, to prepare for review and approval a plan for establishment of one or more property owner associations to ensure payment of the on-going costs of services that would otherwise have been funded through the Existing CFD(s). In proposing a particular plan to City, Developer shall demonstrate to the satisfaction of City Manager and City Attorney, or their designee (in their reasonable discretion) that funding of such on-going services costs is assured. The property owner association(s) (and not City) shall be solely responsible for bearing all costs in connection with the provision of such services. City shall be named as an express third party beneficiary under all owner association documents with the right to independently enforce such associations' obligation to pay all costs of such services. The form of Developer's owner association documents, including conditions, covenants and restrictions, shall be subject to review and approval by the City Manager and City Attorney.

309.10 Survival of Obligations. Developer's obligations under this Section 309 shall survive the Closings and the expiration or termination of this Agreement.

310. Minimum Assessed Value/Property Tax Covenant. As more specifically set forth in the PILOT Agreement, Developer on behalf of itself and its successors and assigns agrees that the assessed valuation of the Mare Island Property on the Minimum Tax Revenue Date (as defined in the PILOT Agreement) will equal or exceed the Minimum Owner Property AV (as defined in the PILOT Agreement) and if not, then Developer and/or its successor(s) will pay City and VUSD beginning on July 1st of the year following the Minimum Tax Revenue Date and each year thereafter, an amount equal to the difference between the property taxes actually received by City and VUSD based on the assessed value of the Property and applicable portions of the South Mare Island Property for the tax year in question and the property taxes that City and VUSD would have received if the total assessed value of the Property and applicable portions of the South Mare Island Property had been equal to the Minimum Owner Property AV as increased annually as provided in the PILOT Agreement. Developer's obligations set forth in this Section shall survive the Closings and shall be set forth in the PILOT Agreement to be recorded against the City-Owned Property and Navy-Owned Property, or applicable portion thereof, at the time of each Conveyance.

311. Irrevocable Offer to Dedicate Roadways. As more fully set forth in the Irrevocable Offer to Dedicate Roadways, Developer at the time of each Conveyance shall irrevocably offer to dedicate to City the roadways, public rights-of-way, and other items described more completely in the Irrevocable Offer to Dedicate Roadways, located on and about the Property and ancillary easements with respect thereto. The specific dedications, and respective rights, obligations and liabilities relating thereto, are more specifically set forth in the Irrevocable Offer to Dedicate Roadways attached as Exhibit N hereto. At the time new roadways and street and pedestrian improvements and easements with respect to same are accepted by City, the prior applicable Irrevocable Offer to Dedicate Roadways shall be deemed to have been rejected and terminated, and upon request by Developer, City shall execute such documents as are reasonably necessary to memorialize termination of such prior Irrevocable Offer to Dedicate Roadways.

312. City of Vallejo Business License. Developer, at its expense, shall obtain and maintain a City of Vallejo business license at all times, and shall include a provision in all contractor agreements for development of the Property requiring each such contractor to obtain and maintain a City of Vallejo business license during performance of the work of construction. The provisions of this Section shall survive the Closings.

313. Construction and Equipment Sales and Use Tax. Developer shall include in the construction contract with its general contractor(s) provisions that will, to the extent allowed by Applicable Laws, require the general contractor and its subcontractors and suppliers with contracts valued at \$5,000,000 or more, to (a) obtain a use tax direct payment permit; (b) elect to obtain a subcontractor permit for the job site; or (c) otherwise designate the Property as the place of use of material used in the construction and development of the Property in order to have the local portion of the sales and use tax distributed directly to City instead of through the county-wide pool. Developer shall instruct its general contractor(s) to, and cause such general contractor(s) to instruct its/their subcontractors to, cooperate with City to ensure the local sales/use tax derived from construction and development of the Property is allocated to City to the fullest extent possible. To assist City in its efforts to ensure that such local sales/use tax is so allocated to City, Developer, on an annual basis during time periods when no construction is ongoing and quarterly when construction activities are underway, shall provide City with such information as shall be reasonably requested by City regarding subcontractors working on any development project on the Property with contracts in excess of the amount set forth above, including a description of all applicable work and the dollar value of such subcontracts. City may use such information to contact each subcontractor who may qualify for local allocation of use taxes to City. The provisions of this Section shall survive the Closings.

314. Fees of Other Agencies. Developer shall be responsible for timely payment of all other applicable agencies' impact fees, exactions, connection fees and other development-related fees, including fees imposed by the County of Solano, VFWD, the Greater Vallejo Recreation District (GVRD), VUSD and any other applicable agencies. The provisions of this Section shall survive the Closings.

315. Limitations on Development under Existing Specific Plan. Except as otherwise expressly provided below, beginning on the Date of Agreement and continuing until such time as Developer has prepared and submitted a New Specific Plan to City for consideration and potential approval, and obtained City's approval of such New Specific Plan (the "*Interim Planning Period*"), Developer, on behalf of itself and its successors and assigns, agrees that development of the Property and South Mare Island Property under the Existing Specific Plan and South Mare Island Property Documents shall be limited as set forth in this Section 315. During the Interim Planning Period, Developer may pursue development of the Property in accordance with the Existing Specific Plan; provided, however, the following uses shall be prohibited: liquefied natural gas (LNG) facilities, cement batch plants, dumps and heavy recycling facilities, refineries, heavy industrial uses, and cannabis cultivation and dispensary facilities. Additionally, during the Interim Planning Period Developer further agrees not to pursue development of more than 370,000 square feet of warehouse uses on the Property which is the maximum amount allowed under the Existing Specific Plan. All warehouse buildings and facilities constructed during the Interim Planning Period, if any, shall be designed and constructed in a manner to enable conversion and reuse of such buildings and facilities to mixed-use or residential use at a later date. Notwithstanding any provision of the South Mare Island Documents to the contrary, Developer further agrees that for the duration of the Interim Planning Period, Developer's development activities on the South Mare Island Property shall be limited to performance of Connolly Corridor Development Work and subdivision of parcels for Buildings 45, 65 and 459. The development activities permitted on the Property and South Mare Island Property during the Interim Planning Period as described above are referred to collectively herein as the "*Interim Permitted Specific Plan Development*". The interim restrictions on development of the Property and South Mare Island Property set forth in this Section 315 shall expire upon the earlier of Final approval of the proposed New Specific Plan or when all of the following conditions have been satisfied: (i) Developer has submitted a proposed New Specific Plan to City Council for consideration and potential approval; (ii) Final approval of Developer's proposed New Specific Plan has not occurred within two (2) years following that date on which such plan was presented to the City Council following such application being deemed complete by City's Planning and Development Services Department; (iii) City has opted not to send Notice of Intent to Developer by the fifth (5th) anniversary of the Date of Agreement; (iv) Developer is not in Default under this DDA, and (v) City has opted not to pursue preparation of its own new Specific Plan for Mare Island or, if after opting to pursue such plan, the City Council has failed to approve such plan by the sixth (6th) anniversary of the Date of Agreement. Nothing herein shall be deemed to limit City's discretion with respect to review and approval of discretionary land use entitlements or permits under Applicable Law or prohibit Developer from pursuing, at its expense, minor amendments to the Existing Specific Plan as needed to accommodate the Interim Permitted Specific Plan Development.

316. Island Energy Facility Relocations. Developer, at its expense, shall be responsible for relocating and/or reconstructing Island Energy electric and gas utility facilities on Mare Island and for obtaining required approvals from Island Energy in connection with Developer's performance of Developer's Work and any further development proposed by Developer on Mare Island, all as contemplated by the 2005 Operations Agreements between City and Island Energy regarding distribution of electricity and gas on Mare Island, copies of which

have been provided to Developer. Developer's obligations under this Section 316 shall survive the Closings.

317. Construction Staging Area License. Developer hereby agrees, subject to the terms and conditions of this Section, to grant City, at no cost to City, a Construction Staging Area License in the form attached hereto as Exhibit Q authorizing City to access and use from time to time a portion of the Property for the sole and limited purpose of using such area as a construction lay down area for storage of equipment and materials for major repair and maintenance work that City will perform or cause to be performed from time to time on the Mare Island Causeway Bridge all in accordance with the terms of the Construction Staging Area License.

318. Water and Sewer and Storm System Reimbursement Agreements. As more specifically set forth in the Water System Reimbursement Agreement and Sewer and Storm System Reimbursement Agreement, Developer on behalf of itself and its successors and assigns shall reimburse City and VFWD for the ongoing costs to be incurred by City and VFWD, respectively, in connection with the maintenance and repair of the existing water and sewer systems (including storm drains) to be retained by City and VFWD, respectively, until such time as Developer or its successors have constructed and installed new Backbone Infrastructure, including new potable and fire suppression water lines, sewer and storm drain lines and ancillary water, sewer and storm drainage facilities and improvements, and such new infrastructure improvements, together with customary easements for same, have been accepted by City or VFWD, as applicable, all as set forth herein and in the Water System Reimbursement Agreement and Sewer and Storm System Reimbursement Agreement. Developer's obligations set forth in this Section shall survive the Closings and shall be set forth in the Water System Reimbursement Agreement and Sewer and Storm System Reimbursement Agreement to be recorded against the City-Owned Property and Navy-Owned Property, or applicable portion thereof, at the time of each Conveyance.

400. CITY OBLIGATIONS AND RESERVATIONS OF DISCRETION

401. Future Application Processing. Upon submission by Developer of all appropriate applications, processing fees and reimbursement payments for any Future Applications, City shall, to the full extent allowed by Applicable Laws, promptly and diligently, subject to City ordinances, policies and procedures regarding hiring and contracting, commence and complete all steps necessary to act on Developer's currently pending Future Applications including: (a) upon the written request of the Developer, providing at Developer's sole cost and expense and subject to City's ability to obtain such services, additional staff and/or staff consultants for expedited planning and processing of each pending Future Application (Developer shall pay such costs at cost plus 20% for administrative costs incurred); (b) if legally required, providing notice and holding public hearings; and (c) acting on any such pending Future Application.

402. Island Energy Easements. City shall make available to Developer, on an ongoing basis, all documents in City's possession or control related to the current or proposed location of easements granted by the Navy to utility providers, including Island Energy and

VFWD. City, at Developer's expense, shall assist Developer with obtaining any rights from Island Energy or other applicable utility provider for the demolition or relocation of existing utilities and the construction of new utilities.

403. City Reserved Discretion. Developer acknowledges that City retains full and complete discretion as to whether to approve any proposed Future Applications, including applications for the proposed New Specific Plan and Beautification Plan as well as any development project proposed for the Property, including any Interim Permitted Specific Plan Development. Accordingly, any action taken by the City (e.g., approval, conditional approval, disapproval) in the exercise of its discretion relating to (i) any analysis of any proposed plan or development project required by NEPA and/or CEQA, or (ii) any Future Application for a permit or approval required to develop the Property shall not constitute a default or a breach of the terms of this DDA by City. Developer further acknowledges that review and approval of any proposed Future Applications, including applications for the proposed New Specific Plan, may also trigger an obligation to process applications for conforming modifications to the Reuse Plan and to comply with NEPA and/or CEQA and coordinate with the Navy and/or other federal agencies in connection therewith.

By execution of this DDA, City is not committing itself to, or agreeing to, undertake approval of any proposed Future Applications, including applications for the proposed New Specific Plan or Beautification Plan or any other Future Applications for any development project, including any Interim Permitted Specific Plan Development, or any other act or activity requiring the subsequent independent exercise of discretion by the City. This DDA shall not limit in any manner the discretion of City in its consideration and action on any Future Applications for permits or approvals for development of the Property. The parties acknowledge that compliance with CEQA (and, potentially, NEPA) will be required in connection with consideration of such permits and approvals, and that City shall retain the discretion before action on any such Future Applications to: (a) determine whether the proposed development plan or project has been adequately analyzed by the EIS/EIR and SEIR or requires additional evaluation under CEQA; (b) adopt or certify a supplemental environmental analysis of any proposed development plan or project prepared in accordance with CEQA; (c) identify and impose mitigation measures to mitigate significant environmental impacts of the proposed development plan or project; (d) select other feasible alternatives to avoid significant environmental impacts; (e) adopt a statement of overriding considerations in accordance with Public Resources Code Section 21081(b) relative to any significant environmental impacts of the proposed development plan or project which cannot otherwise be avoided; or (f) determine not to proceed with the proposed plan or project. Any action taken by the City in the exercise of its discretion relating to any analysis of any proposed development plan or project required by CEQA on any Future Application(s) for any plan, permit or approval required to develop the Property shall not constitute a default or a breach of the terms of this Agreement by City.

City shall prepare or cause to be prepared, and Developer shall pay the actual cost of, any and all environmental documents and studies required for any proposed development plan or project under CEQA. Developer shall reasonably cooperate with the City in preparing environmental documents by supplying necessary technical data and other related information

and/or plans concerning the proposed development plan or project. Developer shall be responsible for payment of any actual costs, fees or charges incurred by City or Developer in connection with CEQA and NEPA compliance for any proposed development plan or project.

404. Trust Termination Patents. Following Closing, City, at Developer's expense, shall use good faith diligent efforts to obtain patents terminating the public trust as to those portions of the Property comprising "trust termination parcels" as described in the State Lands Settlement Agreement.

500. RESERVED.

600. PAYMENT OF FEES AND CITY COSTS.

601. Developer Reimbursement. Subject to the terms and conditions set forth in this DDA, the Developer agrees to pay to or reimburse City for City's actual costs incurred in connection with the administration and implementation of this Agreement, including City's review and processing of all Future Applications, including for the proposed New Specific Plan and Beautification Plan and all other planning, entitlement and development project applications; formation of the New CFD(s) or, in the alternative, annexation of the Navy-Owned Property into the Existing CFDs and annexation of the City-Owned Property into CFD 2005-1A and CFD 2005-1B, as provided in Section 309 above; and such other reviews required in connection with development of the Property (collectively, "**City Costs**"). City Costs that Developer is obligated to pay or reimburse to City shall include, without limitation, the following:

601.1 City Fees. All Future Application and permit processing fees, including without limitation, fees for plan checking, inspection, monitoring, land use approvals, design review, grading, demolition and building permits, and all other permits and entitlements. Developer will pay all applicable fees in effect at the time of payment for each such permit or entitlement, as set forth in City's fee schedule as annually updated (all of the foregoing, "**City Fees**").

601.2 City Staff Costs. City's actual staff costs and actual in-house legal counsel costs, both only to the extent relating directly to the transactions contemplated by this DDA.

601.3 Third Party Costs. City's reasonable, documented, out-of-pocket third party costs for legal and other professional and consulting services (plus 20% for administrative costs incurred in the case of professional and consulting services) necessary to review Future Applications and implement and administer this DDA and consummate the transactions contemplated by this DDA, including fees and expenses of outside counsel and other consultants selected by City to assist in terminating the public trust as to those portions of the Property comprised of "trust termination parcels" as described in the State Lands Settlement Agreement; forming the New CFD(s) or, in the alternative, annexing the Navy-Owned Property into the Existing CFDs and annexing the City-Owned Property into CFD 2005-1A and CFD 2005-1B; and, if applicable, forming such new proposed capital CFD or other Backbone Infrastructure financing mechanism as the parties may mutually agree.

Notwithstanding the foregoing, "City Costs" shall expressly exclude any costs, fees, and expenses: (i) arising from third party property damage and/or personal injury claims to the extent caused by the active negligence or willful misconduct of City or any other City Parties, (ii) arising from the breach of this Agreement, any Transaction Document, or any other ancillary agreements or contracts between City, on the one hand, and Developer, and/or any Developer Parties, on the other hand (collectively, "*Ancillary Agreements*"), (iii) arising from the breach of any other agreement or contract by City or any other City Parties, (iv) that are reimbursed by insurance proceeds or third parties, (v) that are expressly stated to be the sole obligation or responsibility of the City or any other City Party pursuant to this Agreement, any Transaction Document, or any Ancillary Agreement, and (vi) that are not substantiated by commercially reasonable cost verification documents; provided the foregoing exceptions shall in no way limit the Developer's express indemnity obligations under this Agreement.

602. Project Account. Within five (5) business days following the Date of Agreement, Developer shall deposit with City the sum of Two Hundred Thousand Dollars (\$200,000) referred to herein as the "*Project Account Deposit*". City will hold the Project Account Deposit and replenishments thereof in an interest bearing account reasonably approved by Developer ("*Project Account*"). All interest earned on the funds in the Project Account shall be added to the Project Account Deposit. City shall be entitled to draw funds from the Project Account solely to pay City Costs consistent with properly submitted Invoices (defined below). City will promptly provide written notice to Developer in the event the Project Account Deposit falls below Fifty Thousand Dollars (\$50,000) in which case Developer shall replenish the Project Account to Two Hundred Thousand Dollars (\$200,000) within fifteen (15) business days of receipt of such notice. If Developer fails to replenish the Project Account within such time, City shall have no obligation to continue processing any pending or new Future Applications, incurring any further City Costs or working in connection with the New Specific Plan, Beautification Plan, or any regulatory approval until such time as the additional funds required to supplement the Project Account Deposit have been delivered. Developer acknowledges and agrees that City shall have no obligation to repay or reimburse to Developer any funds that Developer has paid to City for City Costs incurred if for any reason City disapproves one or more of Developer's planning, entitlement and/or development-related applications. City shall provide the Developer with a detailed accounting of all funds in the Project Account quarterly along with its Invoices submitted pursuant to Section 604 below, and promptly after receipt of written request from Developer, an accounting to be certified by the City Finance Director as being true, correct and complete. The funds in the Project Account shall not be comingled with any other funds and shall not be used for any purpose other than to pay for properly invoiced and approved City Costs in accordance with the terms and conditions of this DDA. If upon conclusion of the Project there are any funds remaining in the Project Account City shall promptly return such funds to Developer.

603. CEQA Related Costs. Developer shall pay all costs associated with CEQA compliance, including costs and expenses of preparing appropriate CEQA documents and studies in connection with Developer's Work and any Future Applications, pursuant to separate reimbursement agreements to be entered into by the parties prior to commencement of preparation of such documents and studies. The reimbursement agreements shall require a

Developer deposit in the full amount of the costs of such CEQA work. Disbursements from the CEQA deposit account shall be made by City solely to pay CEQA costs in accordance with such reimbursement agreement(s). Any earnings on the CEQA deposit(s) shall be deemed to be part of such deposit(s).

604. Invoices. City shall provide Developer with quarterly invoices for City Costs (“*Invoices*”), and will exercise commercially reasonable efforts to deliver the same within forty-five (45) days following the end of each quarter. Such Invoices shall include such information as reasonably requested by Developer to evidence the actual City Costs incurred during the prior quarter and shall include a signature by a City official certifying that such amounts are consistent with this Agreement; provided in no event shall City be required to submit information that City is precluded from disclosing or information protected by City’s attorney-client privilege and not otherwise subject to disclosure by City under Applicable Law. Developer agrees to promptly inform City of any disputed Invoices or City Costs included thereon, and City agrees to reasonably cooperate with Developer in resolving any such disputes.

605. Audit; Disputes. Developer shall have the right, at its sole cost and expense (except as set forth below), to audit the books and records of the City with respect to the Project Account, all Invoices, and all other matters relating to City Costs. City will reasonably cooperate with any such audit. If any audit discloses a violation of the terms of this Agreement by City or otherwise discloses any overpayment of City Costs for any quarter of 5% or more than the amount actually owed for such quarter, then City shall be responsible for the actual and reasonable third party costs incurred by Developer in connection with such audit and shall pay such amounts to Developer within thirty (30) days after receipt of detailed written demand therefor, and in addition to Developer’s other rights and remedies under this Agreement and Applicable Laws, City shall promptly refund any overpayments to Developer, or, at Developer’s election, shall deposit such overpayments into the Project Account. Any disputes between the parties with respect to City Costs, the Project Account or Project Account Deposit, any Invoice, or any other matters set forth in Sections 601 through 605 shall be resolved via binding arbitration in accordance with Exhibit P.

700. INSURANCE, INDEMNITY, LEGAL CHALLENGES

701. Insurance Requirements. Until completion of development of the Property, Developer shall procure and maintain, or cause its contractor(s) to procure and maintain, as applicable, the insurance policies set forth in Exhibit L. None of such insurance shall not be construed to relieve Developer or its contractor(s) of any liability in excess of such coverages.

702. Developer’s Indemnity. Developer shall indemnify, defend (with counsel reasonably acceptable to City), protect, and hold City and City Parties harmless from and against any and all Claims, including Claims for any bodily injury, death, or property damage, to the extent directly or indirectly arising or resulting from (i) investigation of the Property as provided for in Section 202.1 above; (ii) the performance of Developer’s Work; (iii) discovery of Hazardous Materials on or about the Property, including requirements for additional remediation work; (iv) the construction and installation of Backbone Infrastructure or development of other horizontal or vertical improvements by or on behalf of Developer; and/or (v) any acts, omissions,

negligence or willful misconduct of Developer under this DDA, whether such acts, omissions, negligence or willful misconduct are by Developer or any Developer Parties. Developer's indemnity obligations under this Section 702 shall not apply to the extent such Claims arise from the active negligence or willful misconduct of City or any City Parties. Developer's obligations under this Section shall survive the Closings as well as issuance of the Certificate of Completion and any termination of this DDA.

703. Cooperation and Indemnity in the Event of Legal Challenge. In the event any third party or other governmental entity or official institutes a court action or proceeding challenging the validity of this DDA or any provision hereof or City's approval of this DDA, including any of the Transaction Documents or any CEQA documents or findings in connection therewith, or any land use approvals or entitlements for development of all or any portion of the Property or South Mare Island Property, City and Developer, at Developer's sole cost and expense, shall cooperate in the defense of such action, and City shall, upon request of Developer, appear in the action and defend its decision at Developer's sole cost and expense, except that City shall not be required to be an advocate for Developer. Developer shall indemnify, defend (with counsel reasonably acceptable to City), hold harmless and reimburse City, within fifteen (15) business days following Developer's receipt of City's detailed written demand therefor (which shall include copies of all applicable invoices and other non-privileged information), which may be made from time to time during the course of such litigation or other legal proceeding, all actual and reasonable costs incurred by City in connection with the legal challenge, including City's reasonable attorneys' fees and costs, expert witness and consultant fees, and administrative, legal, and court costs. Developer's obligations under this Section 703 shall survive the Closings and shall include the obligation to indemnify, defend, and hold harmless City and its officials and employees from and against any Claims assessed or awarded against City by way of judgment, settlement, or stipulation, including any attorneys' fees or costs awarded against City under any applicable statute, including Code of Civil Procedure Section 1021.5, by way of judgment, settlement, or stipulation. Nothing herein shall authorize Developer to settle any legal challenge on terms that would constitute an amendment or modification of this DDA, or any land use approvals or entitlements for development, unless such amendment or modification is approved by City in accordance with applicable legal requirements, and City reserves its full discretion with respect thereto.

800. DEFAULTS AND REMEDIES

801. Default. Failure by either party to perform any action or covenant required by this Agreement within thirty (30) days following receipt of written notice from the other party specifying the failure shall constitute a "*Default*" under this Agreement; provided, however, that if the failure to perform cannot be reasonably cured within such thirty (30) day period, a party shall be allowed additional time as is reasonably necessary to cure the failure so long as such party commences to cure the failure within the thirty (30) day period and thereafter diligently prosecutes the cure to completion. Upon occurrence of such Default and without any right to further notice or additional cure period, the non-defaulting party shall have all remedies available to it under this Agreement, including the right to terminate this Agreement as set forth in Section 805 below. Neither party shall have the right to recover any punitive, consequential, or special

damages. Notwithstanding any other provision hereof to the contrary, the notice and opportunity to cure provisions set forth in this Section 801 shall not apply to a Closing Failure as set forth in Section 803 below. In addition to the foregoing, any default by either party under one or more of the Transaction Documents which is not cured following notice and expiration of any applicable cure periods thereunder shall also constitute a Default under this DDA, and upon occurrence of such Default and without any right to further notice or additional cure period the non-defaulting party shall have all remedies available to it under this DDA.

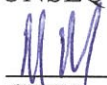
802. Legal Actions; Limitation on Damages. Upon the occurrence of a Default by Developer which is not related to a Closing Failure as provided in Section 803 below, City shall have the right, in addition to any other rights or remedies, to institute any action at law or in equity to cure, correct, prevent or remedy such Default, including the recovery of actual damages; provided, however, that in no event shall City's pre-Closing remedies include specific performance of Developer's obligation to close escrow on the Property. Developer's remedies in the event of a Default by City shall be limited to obtaining specific performance or injunctive relief, or terminating this Agreement and receiving a refund of the Deposit. Such legal actions must be instituted in the Superior Court of the County of Solano, State of California, or in the Federal District Court for the Northern District of the State of California. Notwithstanding anything herein to the contrary, neither party shall have the right to recover any consequential, special or punitive damages in the event of a Default by the other party.

803. Liquidated Damages in the Event of a Closing Failure. IF, FOR ANY REASON OTHER THAN A DEFAULT BY CITY OR A FAILURE OF ANY DEVELOPER CONDITIONS PRECEDENT, DEVELOPER FAILS TO CLOSE ESCROW FOR THE INITIAL CONVEYANCE BY THE OUTSIDE DATE FOR INITIAL CONVEYANCE (AS SUCH DATE MAY BE EXTENDED DUE TO FORCE MAJEURE CONDITIONS) ("CLOSING FAILURE"), THE PARTIES ACKNOWLEDGE AND AGREE THAT CITY WILL SUFFER DAMAGES, INCLUDING COSTS OF COOPERATING IN SATISFYING CONDITIONS TO CLOSING, COSTS OF SEEKING ANOTHER DEVELOPER FOR THE PROPERTY, OPPORTUNITY COSTS IN KEEPING THE PROPERTY OUT OF THE MARKETPLACE, AND OTHER COSTS INCURRED IN CONNECTION HERewith, AND THAT IT IS IMPRACTICABLE AND INFEASIBLE TO FIX THE ACTUAL AMOUNT OF SUCH DAMAGES. THEREFORE, CONSIDERING ALL THE CIRCUMSTANCES EXISTING ON THE DATE OF AGREEMENT, IN THE EVENT OF A CLOSING FAILURE, CITY SHALL RETAIN THE DEPOSIT AND SUCH AMOUNT SHALL SERVE AS LIQUIDATED DAMAGES TO CITY FOR SUCH CLOSING FAILURE. RETENTION OF THE DEPOSIT SHALL BE THE CITY'S SOLE AND EXCLUSIVE REMEDY AGAINST DEVELOPER IN THE EVENT OF A CLOSING FAILURE, AND CITY WAIVES ANY AND ALL RIGHT TO SEEK OTHER RIGHTS OR REMEDIES AGAINST DEVELOPER, INCLUDING WITHOUT LIMITATION, SPECIFIC PERFORMANCE; PROVIDED, HOWEVER, ALL OF DEVELOPER'S OBLIGATIONS TO INDEMNIFY CITY AS PROVIDED HEREIN THAT, BY THEIR TERMS, EXPRESSLY SURVIVE THE TERMINATION OF THIS AGREEMENT, SHALL BE SEPARATE,

ADDITIONAL, AND INDEPENDENT OBLIGATIONS OF DEVELOPER SURVIVING THE TERMINATION OF THIS AGREEMENT.

803.1 Statutory Acknowledgments Regarding Liquidated Damages

Remedies. THE LIQUIDATED DAMAGES PROVIDED FOR IN THIS SECTION 803 ARE NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF SECTIONS 3275 OR 3369 OF THE CALIFORNIA CIVIL CODE, BUT ARE INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO CITY PURSUANT TO SECTIONS 1671, 1676 AND 1677 OF THE CALIFORNIA CIVIL CODE. BY PLACING THEIR INITIALS BELOW, DEVELOPER AND CITY SPECIFICALLY CONFIRM THE ACCURACY OF THE STATEMENTS MADE ABOVE, THE REASONABLENESS OF THE AMOUNT OF LIQUIDATED DAMAGES AGREED UPON, AND THE FACT THAT EACH PARTY WAS REPRESENTED BY COUNSEL WHO EXPLAINED, AT THE TIME THIS AGREEMENT WAS MADE, THE CONSEQUENCES OF THIS LIQUIDATED DAMAGES PROVISION.

INITIALS: 
CITY


DEVELOPER

804. Acceptance of Service of Process. In the event that any legal action is commenced by Developer against City, service of process on City shall be made by personal service upon the City Clerk of City or in such other manner as may be provided by law. In the event that any legal action is commenced by City against Developer, service of process on Developer shall be made by personal service upon Developer's registered agent for service of process in California, or in such other manner as may be provided by law.

805. Termination. In addition to the automatic termination provided for under Sections 202.3 and 208.2 above, this Agreement may be terminated if there is an uncured Default, after notice from the party not in default and expiration of all cure periods.

806. Additional City Remedy Following Conveyance - Option to Repurchase, Reenter and Repossess.

806.1 City Option. Subject to the terms of this Section 806, City shall have the right at its option to repurchase, reenter and take possession of the Property (with all improvements thereon) ("**City Option**"), if after Closing of the Initial Conveyance and prior to issuance of a Certificate of Completion, Developer:

- a. Transfers, or suffers any involuntary transfer of the Property or any part thereof in violation of this DDA; or
- b. Is in Default under this DDA; or
- c. Is in default under one or more of the Transaction Documents after notice and expiration of applicable cure periods.

806.2 Protection of Permitted Mortgages. The City Option shall be subordinate and subject to and be limited by and shall not defeat, render invalid or limit: (a) any mortgage, deed of trust or other security instrument permitted by this DDA; or (b) any rights or interests provided in this DDA for the protection of the holder of such mortgages, deeds of trust or other security instruments.

806.3 Exercise of City Option.

a. To exercise the City Option, City shall provide Developer written notice of City's intent ("**Notice of Intent**") to exercise its option to repurchase the Property or portion thereof previously conveyed to Developer following the occurrence of any of the events set forth in Section 806.1. Subject to the procedures, terms and conditions set forth in this Section 806.3, City shall pay to Developer in immediately available funds an amount equal to: (a) the \$3,000,000 Purchase Price paid by Developer (or a prorated portion of such amount, prorated on a per acre basis, if less than the entirety of the Property is included in City's Notice of Intent); provided, however, if Developer is in Default for failure to accept conveyance of all or a portion of the Navy-Owned Property pursuant to the "must take" provisions of Section 201 above, then no portion of the Purchase Price shall be included in the calculation of City's payment), plus (b) the verified, out-of-pocket, hard costs actually incurred by Developer and paid to unaffiliated third-parties for labor and materials solely for Demolition Work, Site Preparation Work and construction of permitted improvements, if any, on the Property, or applicable portion thereof, existing at the time City exercises the option to purchase (exclusive of amounts financed, if any, to the extent such financing obligations are assumed by City), not to exceed a maximum of \$10,000,000.00 ("**Project Hard Costs**"); and less (c) the amount of unpaid liens on the Property or such portion thereof which City agrees to pay, and any unpaid current or past-due installments of taxes or assessments against the Property or such portion thereof which City agrees to pay. Project Hard Costs shall not include any Planning Work costs or other soft costs incurred in connection with the planning, entitlement or development of the Property.

b. Developer shall, within thirty (30) days after receipt of City's Notice of Intent, provide to City for review and approval, a summary of all of Developer's Project Hard Costs as provided in Section 806.3a above. In the event the parties are unable to agree upon the Project Hard Costs, the matter shall be resolved by binding arbitration under the procedures attached hereto as Exhibit P. Within thirty (30) days after determination of the Project Hard Costs, City shall open an escrow for Developer's conveyance back to City, or its designee, of the Property or portion thereof previously conveyed to Developer. The escrow for Developer's conveyance of the Property or applicable portion thereof back to City shall close on a date specified by City which shall be not less than thirty (30) days, nor more than 24 months, following the determination of Project Hard Costs as provided above. At closing City (or its designee) shall pay to Developer through the escrow all sums owing pursuant to this Section 806, and Developer shall execute and deliver to City (or its designee) through the escrow a form title company quitclaim deed transferring to City (or its designee) all of Developer's right, title and interest in and to said Property or portion thereof previously conveyed to Developer and any improvements thereon.

c. City may transfer the City Option to any person or entity that City so designates.

d. Notwithstanding any other provision hereof to the contrary, the City Option shall expire upon City's issuance of the Certificate of Completion.

807. Rights and Remedies Are Cumulative. The rights and remedies of the parties are cumulative, and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party, except as otherwise expressly provided herein.

808. No Waiver. Any failures or delays by either party in asserting any of its rights and remedies as to any Default shall not operate as a waiver of any Default or of any such rights or remedies, or deprive either such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

900. DEVELOPER FINANCING; MORTGAGEE PROTECTION.

901. Generally. Prior to the issuance of a Certificate of Completion, Developer shall not place or allow to be placed on the Property any mortgage, trust deed, encumbrance or lien except as expressly authorized by this DDA. Developer shall remove or have removed any levy or attachment made on the Property (or any portion thereof), or shall assure the satisfaction thereof, within a reasonable time, but in any event not more than sixty (60) days after filing of such levy or attachment. Nothing herein contained shall be deemed to prohibit Developer from contesting the validity or amounts of any tax, assessment, encumbrance or lien, nor to limit the remedies available to Developer with respect thereto.

902. Right of City to Satisfy Other Liens After Closing. Prior to the issuance of a Certificate of Completion, and after Developer has had written notice and has failed after a reasonable time, but in any event not more than sixty (60) days after receipt of written notice, to satisfy or release any liens or stop notices on the Property pursuant to this Section 902, City shall have the right, but not the obligation, to satisfy any such liens or stop notices with written notice to Developer, but only to the extent that at such time there does not exist a bona-fide dispute with respect to such matters. Developer shall reimburse City for any and all actual and reasonable costs associated with removal or payment of such lien or stop notice within ten (10) business days following Developer's receipt of City's written demand therefor (which shall include copies of all cost verification documents).

903. Mortgage, Deed of Trust, Sale and Lease-Back Financing.

903.1 Mortgages and Deeds of Trust for Development. Mortgages and deeds of trust shall be permitted liens on the Property following each Conveyance, including without limitation instruments given to secure any financing relating to the Developer's Work and any other development, construction, and/or improvement of the Property or any part thereof.

903.2 Holder Not Obligated to Construct Improvements. The holder of any mortgage or deed of trust shall not be obligated by the provisions of this DDA to perform any of Developer's Work or to guarantee such work. Nothing in this DDA shall be deemed to or be construed to permit or authorize any such holder to devote the Property to any uses or to construct any improvements thereon or therein other than those uses permitted by this Agreement and provided for and specified in the New Specific Plan or, if City Council opts not to approve the proposed New Specific Plan, the Existing Specific Plan.

903.3 Notice of Default to Mortgagee or Deed of Trust Holders; Right to Cure. With respect to any mortgage or deed of trust granted by Developer as provided herein, whenever City shall deliver any notice to Developer with respect to any potential Default by Developer hereunder, City shall at the same time deliver a copy of such notice to each holder of record of any mortgage or deed of trust on the Property. No notice of Default shall be effective as to the holder unless such notice is given. Each such holder shall (insofar as the rights of City are concerned) have the right, at its option, within ninety (90) days after the receipt of the copy of the notice, to cure or remedy or commence to cure or remedy any such Default. In the event possession of the Property (or portion thereof) is required to effectuate such cure or remedy, the holder shall be deemed to have timely cured or remedied if it commences the proceedings necessary to obtain possession thereof within ninety (90) days after receipt of the copy of the notice, diligently pursues such proceedings to completion, and, after obtaining possession, diligently completes such cure or remedy.

903.4 Right of City to Cure Mortgage or Deed of Trust Default. If, prior to Developer's completion of Developer's Work, a mortgage or deed of trust default or breach by Developer occurs, and the holder of any mortgage or deed of trust has not exercised its option to cure the default, then so long as there does not at such time exist any bona-fide dispute between Developer and its lender(s), the City, at its option, may cure the default following at least thirty (30) days' prior written notice thereof to Developer. In the event City is allowed to, and properly opts to cure such Developer mortgage or deed of trust default in accordance with the requirements above, Developer shall be liable for, and City shall be entitled to reimbursement from Developer of, all actual and reasonable costs and expenses incurred by City associated with and attributable to the curing of the mortgage or deed of trust default or breach. City shall also be entitled to record a lien against the Property to the extent of such incurred costs and disbursements. Any such lien shall be subject and subordinate to all prior encumbrances and deeds of trust.

904. Estoppel Certificates. Developer or its lender(s) (if any) may, at any time, and from time to time, deliver written notice to City requesting City to certify in writing that: (a) this DDA is in full force and effect; (b) this DDA has not been amended or modified or, if so amended or modified, identifying the amendments or modifications; (c) neither Developer nor City is in breach or Default of the performance of its obligations, or if in breach or Default, to describe therein the nature and extent of any such breaches or Defaults; and (d) such other items as may be reasonably requested by Developer or its lender(s). To the extent not already paid for as part of City Costs Developer shall pay, within thirty (30) days following receipt of City's invoice, the actual and reasonable costs borne by City in connection with its review of the

proposed estoppel certificate, including the costs expended by the City Attorney's office and Planning and Development Services Department in connection therewith. The Planning and Development Services Director shall be authorized to execute any estoppel certificate requested by Developer hereunder. The form of estoppel certificate shall be in a form reasonably acceptable to the City Attorney. The Planning and Development Services Director shall execute and return such certificate within twenty (20) days following Developer's request therefor. Developer and City acknowledge that an estoppel certificate hereunder may be relied upon by tenants, transferees, investors, partners, lenders, and mortgagees. The request shall clearly indicate that failure of City to respond within the twenty (20) day period will lead to a second and final request. Failure to respond to the second and final request within five (5) business days of receipt thereof shall be deemed approval of the estoppel certificate and shall entitle Developer, its lender(s), and such other parties designated by Developer to rely thereon.

1000. GENERAL PROVISIONS.

1001. Notices, Demands and Communications between the Parties. Any approval, disapproval, demand, document or other notice which either party may desire to give to the other party under this DDA must be in writing and shall be given by certified mail, return receipt requested and postage prepaid, personal delivery, or reputable overnight courier (but not by facsimile or email), to the party to whom the notice is directed at the address of the party as set forth below, or at any other address as that party may later designate by notice.

CITY: City of Vallejo
P.O. Box 3068
555 Santa Clara Street
Vallejo, CA 94590
Attn.: City Manager

With copies to: City of Vallejo
P.O. Box 3068
555 Santa Clara Street
Vallejo, CA 94590
Attn.: City Attorney

and: Gerald J. Ramiza, Esq.
Burke, Williams & Sorensen LLP
1901 Harrison Street, 9th Floor
Oakland, CA 94612-3501

Developer: The Nimitz Group, LLC
c/o Southern Land Company
3990 Hillsboro Pike, Suite 400
Nashville, TN 37215
Attn.: Legal Department
Email: legal.notices@southernland.com

With a copy to:

Sheppard Mullin Richter & Hampton LLP
Four Embarcadero Center, 17th Floor
San Francisco, CA 94111-4109
Attn: Keith Garner, Esq.

Any notice shall be deemed received on the date of delivery if delivered by personal service, on the date of delivery or refused delivery as shown by the return receipt if sent by certified mail, and on the date of delivery or refused delivery as shown by the records of the overnight courier if sent via nationally recognized overnight courier. Notices sent by a party's attorney on behalf of such party shall be deemed delivered by such party.

1002. Enforced Delay; Extension of Times of Performance. Except as otherwise set forth in this DDA, and subject to the limitations set forth below, performance by either party hereunder shall not be deemed to be in Default, and all performance and other dates specified in this DDA shall be extended, where delays are due to: war; insurrection; strikes; lockouts; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; acts of terror, epidemics; pandemics; quarantine restrictions; freight embargoes; unusually severe weather; government orders and any other acts or failures to act of any public or governmental agency ("*Force Majeure Conditions*"); provided any orders, acts or failures by City shall not be deemed Force Majeure Conditions with respect to the City. An extension of time for any such cause shall be for the period of the Force Majeure Condition, and shall commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other party within thirty (30) days of the party obtaining actual knowledge of the commencement of the cause; provided, however, the extension of the Outside Date for Initial Conveyance by reason of Force Majeure Conditions shall in no event extend beyond December 31, 2022. Developer expressly agrees that, except as caused by Force Majeure Conditions, adverse changes in economic conditions, either of Developer or its Manager or Managing Member, as applicable, specifically or the economy generally, changes in market conditions or demand, and/or Developer's inability to obtain financing or other lack of funding for one or more aspects of Developer's Work shall not constitute grounds of enforced delay pursuant to this Section. Except as caused by Force Majeure Conditions, Developer expressly assumes the risk of such adverse economic or market conditions and/or financial inability, whether or not foreseeable as of the Date of Agreement.

1003. Successors and Assigns. Subject to the restrictions on transfers set forth in Section 103 above, all of the terms, covenants and conditions of this DDA shall be binding upon Developer and City and their respective successors and assigns. Whenever the term "Developer" is used in this DDA, such term shall include any permitted successors and assigns as herein provided.

1004. Non-Liability - Developer. No employee, manager, member, owner, partner, officer, or other representative of Developer or any other Developer Party, shall be personally liable to City, or any successor in interest of City, in the event of any Default or breach by Developer of its obligations under this DDA or for any amount which may become due to City or its successors under the terms of this DDA. City hereby waives and releases any claim it may

have against such persons with respect to any Default or breach by Developer or for any amount which may become due to City or its successors under the terms of this DDA.

1005. Relationship between City and Developer. It is hereby acknowledged that the relationship between City and Developer is not that of a partnership or joint venture and that City and Developer shall not be deemed or construed for any purpose to be the agent of the other. Developer shall indemnify, protect, hold harmless and defend City from any Claims made against City arising from a claimed relationship of partnership or joint venture between City and Developer with respect to the development, operation, maintenance or management of the Property. Developer's indemnity obligations under this Section shall survive the Closings and issuance of the Certificate of Completion.

1006. City Approvals and Actions. Whenever a reference is made herein to an action or approval to be undertaken by City, the City Manager or their designee is authorized to act on behalf of City, unless specifically provided otherwise or the context or Applicable Law requires otherwise.

1007. Counterparts. This DDA may be signed in multiple counterparts each of which shall be deemed to be an original.

1008. Integration. This DDA, including the Exhibits hereto, including the other Transaction Documents, contain the entire understanding between the parties relating to the transactions contemplated by this DDA. All prior or contemporaneous agreements, understandings, representations and statements, oral or written, other than the Transaction Documents, are merged in this DDA and shall be of no further force or effect. Each party is entering into this DDA based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

1009. Brokerage Fees. City and Developer each represents to the other that it has not engaged the services of any finder or broker and that it is not liable for any real estate commissions, broker's fees, or finder's fees which may accrue by means of the Conveyance of the Property. Each party shall indemnify, defend, protect and hold the other party harmless from and against any and all Claims based upon any assertion that such commissions or fees are allegedly due from the party making such representations. The parties' indemnity obligations under this Section shall survive the Closings and issuance of the Certificate of Completion.

1010. Interpretation. As used in this DDA, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others where and when the context so dictates. The words "include" and "including" shall be construed as if followed by the words "without limitation." The parties acknowledge that each party and its respective counsel have reviewed and revised this DDA and that the rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this DDA or any document executed and delivered by either party in connection herewith. The captions in this DDA are for convenience of reference only and shall not be used to interpret this DDA. Reference to section numbers are to sections in this DDA, unless expressly stated otherwise. References to specific section numbers shall include all subsections

which precede and follow the referenced section. As used herein, the term “days” means calendar days and the term “business days” means all calendar days other than Saturdays, Sundays, or holidays observed by City.

1011. Modifications. Any alteration, change or modification of or to this DDA, in order to become effective, shall be made in writing and in each instance approved and signed on behalf of each party.

1012. Severability. If any term, provision, condition or covenant of this DDA or its application to any party or circumstances shall be held, to any extent, invalid or unenforceable, the remainder of this DDA, or the application of the term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected, and shall be valid and enforceable to the fullest extent permitted by law.

1013. Computation of Time. The time in which any act is to be done under this DDA is computed by excluding the first day, and including the last day, unless the last day is a holiday or Saturday or Sunday, and then that day is also excluded. The term “holiday” means all holidays as specified in Sections 6700 and 6701 of the California Government Code. If any act is to be done by a particular time during a day, that time shall be Pacific Time Zone time.

1014. Time of Essence. Time is expressly made of the essence with respect to the performance by City and Developer of each and every obligation and condition of this DDA.

1015. Cooperation. Each party agrees to reasonably cooperate with the other in connection with the Conveyances, and in that regard, shall execute any and all documents which may be reasonably necessary, helpful, or appropriate to carry out the purposes and intent of this DDA, to the extent the same are not inconsistent with the terms and conditions of this DDA.

1016. Conflicts of Interest. No member, official or employee of City shall have any personal interest, direct or indirect, in this DDA, nor shall any such member, official or employee participate in any decision relating to this DDA which affects his personal interests or the interests of any corporation, partnership or association in which he is directly or indirectly interested.

1017. Conflict with South Mare Island Property Documents. In the event of any conflict between the terms of one or more of the South Mare Island Property Documents and the terms of this DDA, the terms and provisions of this DDA shall control.

1018. Time for Acceptance of Agreement by City. This DDA, when executed by Developer and delivered to City, must be authorized, executed and delivered by City on or before sixty (60) days after signing and delivery of this DDA by Developer or this DDA shall be void, except to the extent the parties shall consent in writing to a further extension of time for the authorization, execution and delivery of this DDA.

1019. Non-Liability of Officials and Employees of City. No employee, elected or appointed official or other representative of City shall be personally liable to Developer, or any successor in interest of Developer, in the event of any Default or breach by City of its obligations under this DDA or for any amount which may become due to Developer or its successors under the terms of this DDA. Developer hereby waives and releases any claim it may have against the employees, elected or appointed officials or other representatives of City with respect to any Default or breach by City or for any amount which may become due to Developer or its successors under the terms of this DDA.

1020. Plans and Data. If by the Outside Date for Initial Conveyance (as such date may be extended due to Force Majeure Conditions) Developer has not acquired from City fee title to the entirety of the City-Owned Property, then Developer shall provide City with full and complete copies of all investigation reports and studies applicable to the Property within Developer' possession or direct control, including boring logs, sample or laboratory test results, or other technical data, studies and backup, including in digital formats that can be accessed across similar platforms used by Developer, produced by Developer or its contractors or subcontractors in connection with Developer' due diligence and pre-development activities (collectively, "**Work Product**") within sixty (60) days following the expiration or termination of the DDA and concurrently with City delivery to Developer of any remaining Project Account funds. The parties agree that Work Product shall not include attorney/client privileged communications and memoranda; Developer's confidential proprietary financial information or development proformas; internal memoranda, reports or assessments regarding Property valuation or interpretation of any third party agreements or contracts or third party reports; or Developer's architectural design concepts and plans, including the work of HOK or other architects. Once delivered, each of Developer and City shall own equal right, title and interest in and to such Work Product. All such Work Product shall be provided solely on an "AS IS" basis for use by City or any of its assigns or contractors at their own respective risk, and Developer shall not make, and hereby disclaims, any and all representations and warranties whatsoever with respect to all Work Product.

1021. Intentionally Omitted.

1022. Certificate of Completion. Following Developer's satisfactory completion of Developer's Work, without condition or delay and within the time set forth in the Schedule of Performance, City shall furnish Developer with "the **Certificate of Completion**". The Certificate of Completion shall be conclusive determination of satisfactory completion of Developer's Work and the Certificate of Completion shall so state. Any party then owning or thereafter purchasing, leasing or otherwise acquiring any interest in the Property shall not (because of such ownership, purchase, lease or acquisition) incur any obligation or liability under this DDA. However, the Certificate of Completion shall not constitute evidence of compliance with or satisfaction of any obligation of Developer to any holder of any mortgage, or any insurer of a mortgage securing money loaned to finance development of the Property, or any part thereof, and is not a notice of completion as referred to in California Civil Code section 3093. If City refuses or fails to furnish the Certificate of Completion, City shall, within thirty (30) days after Developer's written request therefor, provide Developer with a written statement of the reasons City refused or failed

to furnish the Certificate of Completion. The statement shall also contain City's opinion of the actions Developer must take to obtain the Certificate of Completion. City shall not unreasonably withhold such Certificate of Completion. City's failure to provide such a written statement within such thirty (30) day period shall not constitute City's deemed approval of Developer's request for issuance of the Certificate of Completion; provided such failure shall entitle Developer to exercise all rights and remedies under this Agreement and Applicable Laws.

1023. Applicable Laws. The laws of the State of California, without regard to conflict of laws principles, shall govern the interpretation and enforcement of this DDA.

1024. Survival. The covenants and obligations identified in Section 301 shall survive the Closings and remain in effect until issuance of the Certificate of Completion. The covenants and obligations identified in Sections 210, 302, 304, 305, 306, 307, 308 (and Exhibit M), 309, 310, 312, 313, 314, 315 and 316 shall survive the Closings and issuance of the Certificate of Completion and remain in effect as provided in those sections. The defense, indemnification, protection and hold harmless obligations of Developer under Sections 202.1, 307, 702, 703, 1005 and 1009 shall survive the Closings as well as termination of this DDA and issuance of the Certificate of Completion.

1025. Right of First Offer. If, at any time prior to City's issuance of the Certificate of Completion, the Developer intends to sell the fee interest in more than 20% of the Property to an unaffiliated third-party, then, in addition to City's approval rights set forth in Sections 103.2d and 103.3 above, Developer hereby agrees to give City prior written notice thereof (the "*Offer Notice*") and the option to purchase the Subject Property (defined below) subject to and in accordance with the terms and conditions of this Section 1025. The Offer Notice shall set forth (i) the subject portion of the Property that Developer intends to sell (the "*Subject Property*"), (ii) Developer's proposed purchase price for the Subject Property, and (iii) all of the other material terms and conditions upon which Developer, in its sole discretion, is willing to sell the Subject Property, including without limitation any proposed restrictions on use and similar covenants that would bind the Subject Property after transfer. City shall have ninety (90) days after receipt of an Offer Notice to deliver to Developer written notice whereby City unconditionally and irrevocably agrees to purchase the Subject Property from Developer for the price and subject to the terms and conditions set forth in the Offer Notice (a "*City ROFO Acceptance*"). Any response from the City delivered after the time period set forth above shall be deemed rejected and of no force or effect, time being of the essence. Additionally, any response from the City that contains any counterproposals or any other terms and conditions which differ in any material way from the price and other terms and conditions set forth in the Offer Notice, shall be deemed a rejection by the City and shall be of no force or effect. If City properly delivers a City ROFO Acceptance within the time set forth above, and in strict accordance with the requirements set forth herein, then the parties shall promptly enter into a purchase and sale agreement or such other form of agreement as may be specified in the Offer Notice (the "*ROFO Transfer Agreement*"), on all of the terms and conditions set forth in the Offer Notice (including purchase price), and Developer shall sell and transfer the Subject Property to City in accordance with the terms and conditions of the ROFO Transfer Agreement; provided closing of such transfer shall occur within one hundred fifty (150) days after delivery of

a City ROFO Acceptance and upon closing the Developer shall have no further obligations under this Agreement or any other Transaction Documents to the extent relating to the Subject Property, other than those obligations which survive termination of this Agreement. If City does not timely provide a City ROFO Acceptance, Developer may thereafter sell the Subject Property to any prospective third party purchaser on the terms set forth in the Developer's Offer Notice, or any other economic terms which are less favorable to the prospective purchaser (such as a higher sale price) than the terms set forth in the Offer Notice. If Developer does not enter into a purchase and sale agreement with a third party for the Subject Property within twelve (12) months following delivery of the Offer Notice, City's right of first offer under this section shall be deemed revived and Developer may not sell the Subject Property without first offering it to City in accordance with this section. Notwithstanding the foregoing, and without limiting the terms and conditions set forth above, this Section 1025 and City's rights set forth above shall in all events expressly exclude: (a) a Permitted Transfer, (b) any Transfer that does not require City Council approval under Section 103.2.d, and (c) any Transfer of membership interests in the Developer. Additionally, the rights set forth above are personal to the City and may not be assigned to or exercised by any other person or entity, and any purported transfer by the City shall render the rights above null and void.

[Remainder of Page Intentionally Left Blank]

[Signatures on next page]

IN WITNESS WHEREOF, City and Developer have executed this Disposition and Development Agreement on the respective dates set forth below.

Dated: May 24, 2022

CITY:

City of Vallejo, a California municipal corporation

By: Mike Malone
Mike Malone, Interim City Manager

ATTEST:

Dawn G. Abrahamson
Dawn G. Abrahamson, City Clerk

APPROVED AS TO FORM:

Veronica Nebb
Veronica Nebb, City Attorney

APPROVED AS TO CONTENT:

Paul Kelley
Paul Kelley, Special Advisor to the City Manager, Economic Development Manager

APPROVED AS TO INSURANCE REQUIREMENTS

Armond Sarkis
Armond Sarkis, Risk Manager

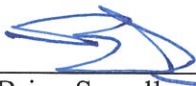
Dated: April 25, 2022

DEVELOPER:

THE NIMITZ GROUP, LLC, a California limited liability company

By: Southern Land Company, LLC, a Tennessee limited liability company

Its: Manager

By: 

Brian Sewell

Its: President and Chief Operating Officer

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

ALL-PURPOSE ACKNOWLEDGMENT NOTARY FOR ~~CALIFORNIA~~ Tennessee

STATE OF ~~CALIFORNIA~~ Tennessee)
COUNTY OF Davidson)

On April 25, 2022, before me, Mary Alice Espinosa, Notary Public
Date Name And Title Of Officer (e.g. "Jane Doe, Notary Public")

personally appeared Brian Sewell,
Name of Signer(s)

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



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

WITNESS my hand and official seal.

Mary Alice Espinosa
Signature of Notary Public

**My Commission Expires
January 26, 2025**

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

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

State of California

County of Solano

On May 24, 2022 before me, Livian Ellis, Notary Public
(Date) (Here insert Name and Title of the Officer)

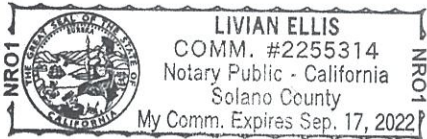
personally appeared Michael Malone, City Manager

who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature Livian Ellis
SIGNATURE OF NOTARY PUBLIC



Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another

Description of Attached Document

Title of Type of Document: Disposition and Development Agreement by and between the City of Vallejo and The Nimitz Group, LLC

Document Date: No date at time of Notary Number of Pages: 58 pages

Signer(s) Other Than Named Above: Veronica Nebb, City Attorney; Paul Kelly, City of Vallejo Staff; Armond Sarkis, City Risk Manager; Brian Sewell, Nimitz Group President

Government Code 27361.7

I certify under penalty of perjury that the notary seal on the document to which this statement is attached reads as follows:

Name of Notary: Livian Ellis

Commission Number: 2255314

Commissioned in: California - Solano County

Date Commission Expires: September 17, 2022

Vendor ID Number: NRO1

Date: May 24, 2022

Livian Ellis

By: Livian Ellis

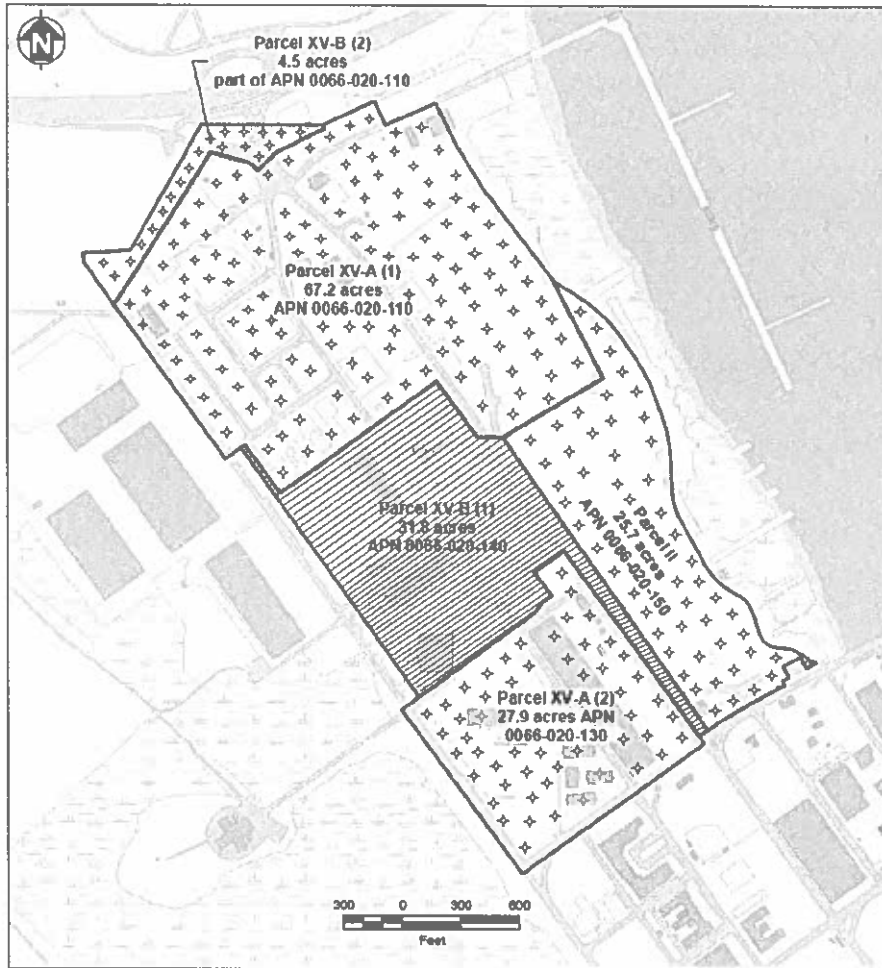
City of Vallejo

Firm Name (if any)

Exhibit A

DEPICTION OF PROPERTY

Exhibit A
Depiction of Property



LEGEND

Navy-owned Property
City-owned Property



Exhibit B-1

DESCRIPTION OF CITY-OWNED PROPERTY

Real property in the City of Vallejo, County of Solano, State of California, described as follows:

LEGAL DESCRIPTION
FOR
HUD LOAN - PORTION OF PARCEL II
NORTH MARE ISLAND, VALLEJO, CALIFORNIA

A tract of land being a portion of the Former Mare Island Shipyard lying in the City of Vallejo, Solano County, State of California being described as following:

Said Tract of land being a portion of trust termination Parcel II as describes in Mare Island Property Settlement and exchange Agreement Between the State of California and the City of Vallejo on pages 134 and 135 as recorded in Deed Document Number 2002-00037955 in the Official Records of Solano County on March 26, 2002, and a portion of of PARCEL II as shown on Record of Survey filed in Book 24, Surveys, Page 74, Solano County Records, Solano County, and corrected by a certificate of Correction filed 3/12/2002 at Series Number 2002-31491, Solano County, State of California and this tract of land is more particularly described as follows:

Commencing from a Point of Reference at the southwesterly corner of said PARCEL II as shown on said Record of Survey Map filed in Book 24, Surveys, Page 74, and also being the southwesterly corner of said Trust Termination Parcel II as described in Mare Island Property Settlement and Exchange Agreement; said southwesterly corner having California Coordinate System 1983, Zone 2, Coordinates of N=1,801,527.955 feet and E=6,481,191.253 feet

- (1) Thence along the southwesterly boundary line of said of said PARCEL II as shown on said Record of Survey Map filed in Book 24, Surveys, Page 74 and the southwesterly boundary line of the said Trust Termination Parcel II, N34°50'50"W, 43.95 feet to the POINT OF BEGINNING of this Legal Description;
1. Thence from said Point of Beginning along the southwesterly boundary line of said PARCEL II as shown on said Record of Survey Map filed in Book 24, Surveys, Page 74, and the southwesterly boundary line of the said Trust Termination Parcel II, N34°50'50"W, 1808.78 feet;
 2. Thence continuing said southwesterly boundary line of said PARCEL II as shown on said Record of Survey Map filed in Book 24, Surveys, Page 74 and the southwesterly boundary line of the said Trust Termination Parcel II, N59°09'34"E, 590.06 feet;
 3. Thence continuing said southwesterly boundary line of said PARCEL II as shown on said Record of Survey Map filed in Book 24, Surveys, Page 74, and the southwesterly boundary line of said Trust Termination Parcel II N26°55'36"W, 573.41 feet to the most northerly corner of said Trust Termination Parcel II;
 4. Thence leaving said southwesterly boundary line of said PARCEL II as shown on said Record of Survey Map filed in Book 24, Surveys, Page 74, and along the northeasterly boundary line of said Trust Termination Parcel II, S37°30'45"E, 26.76 feet;

LEGAL DESCRIPTION
FOR
HUD LOAN - PORTION OF PARCEL II
NORTH MARE ISLAND, VALLEJO, CALIFORNIA
(Continued)

5. Thence continuing along the northeasterly boundary line of said Trust Termination Parcel II, S57°33'04"E, 165.16 feet;
6. Thence continuing along the northeasterly boundary line of said Trust Termination Parcel II and along the tangent curve to the right having a radius of 620.00 feet, through a central angle of 22°24'12" for an arc distance of 242.43 feet;
7. Thence along the easterly boundary line of said Trust Termination Parcel II, S35°08'52"E, 145.86 feet;
8. Thence continuing along the easterly boundary line of a said Trust Termination Parcel II and along a tangent curve to the right having a radius of 875.00 feet, through a central angle of 16°15'37" for an arc distance of 248.32 feet;
9. Thence continuing along the easterly boundary line of said Trust Termination Parcel II, S18°53'15"E, 126.73 feet;
10. Thence continuing along the easterly boundary line of said Trust Termination Parcel II and along a tangent curve to the right having a radius of 625.00 feet, through central angle of 16°23'40" for an arc distance of 178.84 feet;
11. Thence continuing along the easterly boundary line of said Trust Termination Parcel II, S2°29'36"E, 154.29 feet;
12. Thence continuing along the easterly boundary line of said Trust Termination Parcel II and along a tangent curve to the left having a radius of 405.00 feet, through a central angle of 27°36'31" for an arc distance of 195.15 feet;
13. Thence continuing along the easterly boundary line of said Trust Termination Parcel II, S29°11'43"E, 240.78 feet;
14. Thence continuing along the easterly boundary line of said Trust Termination Parcel II and along a tangent curve to the left having a radius of 325.00 feet, through a central angle of 32°46'25" for an arc distance of 185.90 feet;
15. Thence continuing along the easterly boundary line of said Trust Termination Parcel II, S61°25'04"E, 39.18 feet;
16. Thence continuing along the easterly boundary line of said Trust Termination Parcel II and along a tangent curve to the right having a radius of 165.00 feet, through a central angle of 44°58'31" for an arc distance of 129.52 feet;

LEGAL DESCRIPTION
FOR
HUD LOAN - PORTION OF PARCEL II
NORTH MARE ISLAND, VALLEJO, CALIFORNIA
(Continued)

17. Thence continuing along the easterly boundary line of said Trust Termination Parcel II, S16°26'33"E, 99.16 feet;
18. Thence continuing along the easterly boundary line of said Trust Termination Parcel II and along a tangent curve to the left having a radius of 105.00 feet, through a central angle of 67°39'37" for an arc distance of 123.99 feet;
19. Thence continuing along the easterly boundary line of said Trust Termination Parcel II, S84°06'10"E, 51.74 feet;
20. Thence continuing along the easterly boundary line of said Trust Termination Parcel II and along a tangent curve to the right having a radius of 155.00 feet, through a central angle of 27°35'24" for an arc distance of 74.64 feet;
21. Thence continuing along the easterly boundary line of said Trust Termination Parcel II, S57°21'06"E, 96.29 feet to the northerly boundary line of EDC Parcel XXI-A as described in Quitclaim Deed from the United States of America to the City of Vallejo having Deed Document number 2002-00126209 as filed in the Official Records of Solano County on October 4, 2002;
22. Thence along said northerly boundary line of said EDC Parcel XXI-A, S62°21'41"W, 57.19 feet to the Southeasterly corner of Parcel One of said EDC Parcel XXI-A;
23. Thence continuing along the northerly boundary of said Parcel One of EDC Parcel XXI-A, N28°23'29"W, 65.00 feet;
24. Thence continuing along the northerly boundary of said Parcel One of EDC Parcel XXI-A, S62°21'41"W, 100.00 feet;
25. Thence continuing along said northerly boundary of said Parcel One of EDC Parcel XXI-A, S27°58'28"E, 65.00 feet;
26. Thence along continuing the northerly boundary of said Parcel One of EDC Parcel XXI-A, S62°21'41"W, 35.00 feet to the most northwesterly corner of said Parcel One of EDC Parcel XXI-A;

**LEGAL DESCRIPTION
FOR
HUD LOAN - PORTION OF PARCEL II
NORTH MARE ISLAND, VALLEJO, CALIFORNIA
(Continued)**

27. Thence along southwesterly boundary of said Parcel One of EDC Parcel XXI-A, S27°58'28"E, 22.85 feet to the northerly boundary line Eastern Early Transfer EDC Parcel as described in Quitclaim Deed from the United States of America to the City of Vallejo having Deed Document number 2002-00037960 as filed in the Official Records of Solano County on said Eastern Early Transfer EDC Parcel;
28. Thence along the northerly boundary line of said Eastern Early Transfer EDC Parcel, S61°52'06"W, 167.81 feet;
29. Thence continuing along the northerly boundary of said Eastern Early Transfer EDC Parcel, S59°24'29"W, 99.79 feet;
30. Thence continuing along the northerly boundary line of said Eastern Early Transfer EDC Parcel, S60°35'56"W, 85.74 feet;
31. Thence continuing along the northerly boundary line of said Eastern Early Transfer EDC Parcel, S56°30'44"W, 106.18 feet to the intersection with the southwesterly boundary line of said PARCEL II and to the **POINT OF BEGINNING** of this Legal Description.

END OF DESCRIPTION

The bearing and distances as mentioned in this legal description are based on the California State Coordinate System, Zone II, (NAD 1983).

All distances are ground, and to obtain grid distances multiply ground distances by 1.000062043

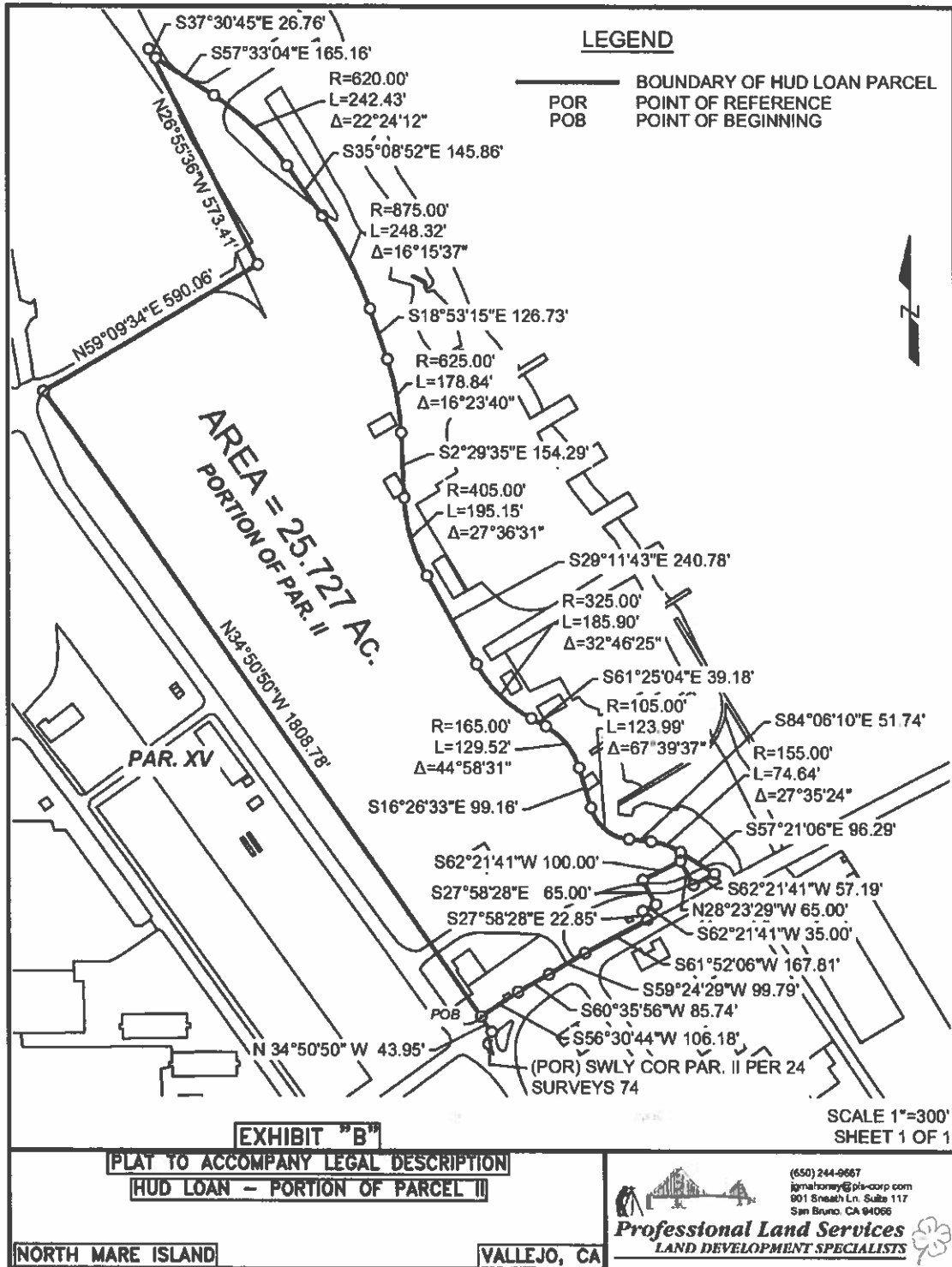
Said Tract of Land contains 25.727 acres, more or less.

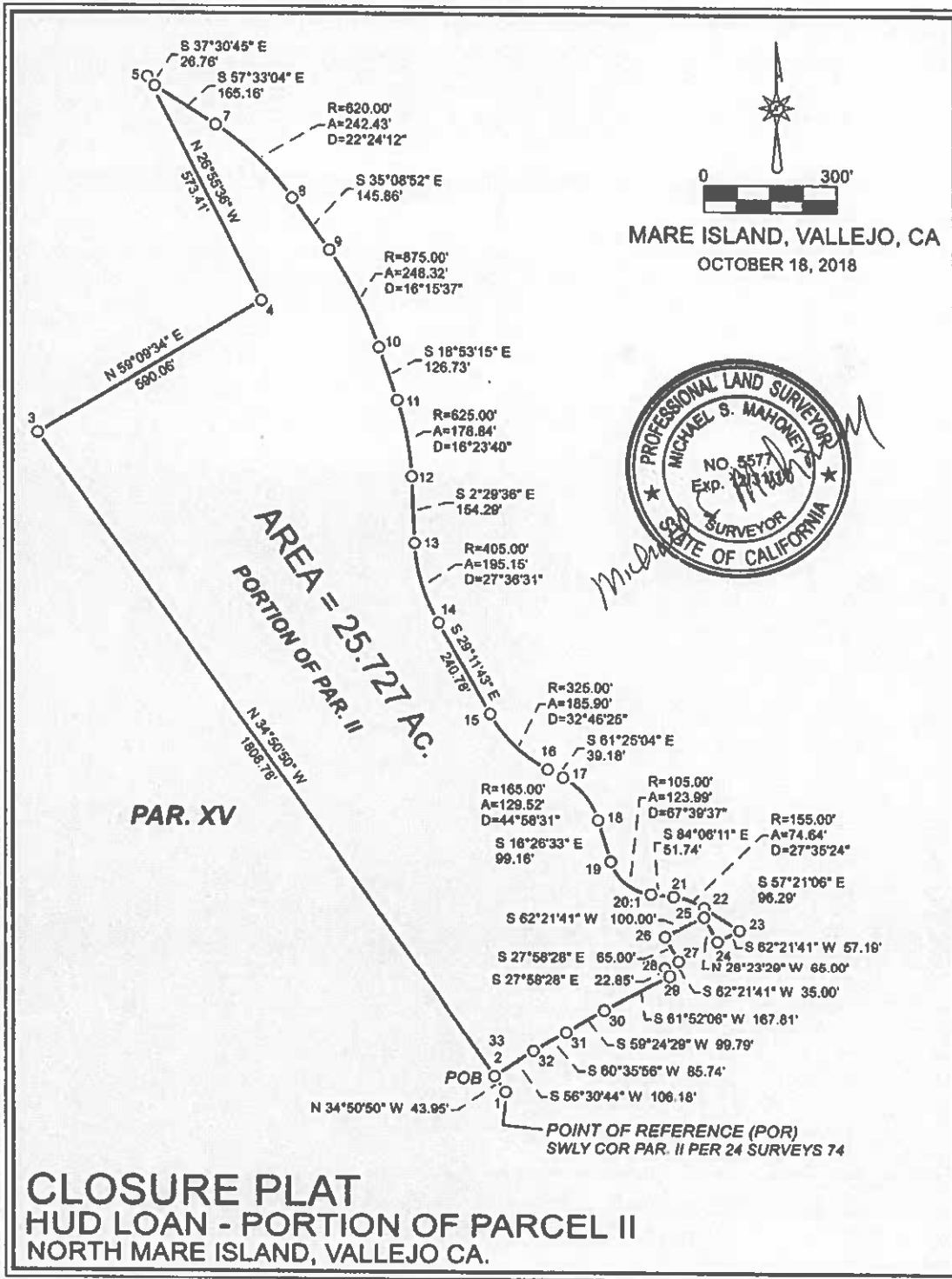
ALL AS SHOWN ON "PLAT TO ACCOMPANY LEGAL DESCRIPTION FOR HUD LOAN NORTH MARE ISLAND, VALLEJO, CALIFORNIA ATTACHED HERETO AND MORE APART HEREOF.

PREPARED BY:

Michael S. Mahoney
Michael S. Mahoney, P.L.S.
10/18/2018







C:\Users\msmah\Documents\Surveys\mi-hud-par-II.TRV

[[Traverse: PORTION-PAR-II]]
 Wednesday, October 24, 2018 13:12:43
 1120651.16SqFt 25.727Acres Grid Dist (inverse grid coordinates)
 Grid Bearing (inverse grid coordinates)

Point	Type	Grid Bearing	Grid Dist	Radius	Arc Length	Delta	Northing	Easting	Description
1		N34°50'50"W	43.95				1801527.955	6481191.253	POR SWLY COR PAR II
2		N34°50'50"W	1808.78				1801564.024	6481168.140	POB
3		N59°09'34"E	690.06				1803048.451	6480132.621	SWLY BDY
4		N26°55'36"W	573.41				1803350.945	6480639.245	SWLY BDY
5		S37°30'45"E	26.76				1803882.190	6480379.577	SWLY BDY
6		S57°33'04"E	185.16				1803840.964	6480395.872	SWLY BDY
7	PC	S46°20'58"E	240.89	620.00	242.43	22°24'12"	1803752.348	6480535.245	SWLY BDY
8	PT	S35°08'52"E	145.86				1803586.074	6480709.542	NELY BDY
9	PC	S27°01'04"E	247.49	875.00	248.32	16°15'37"	1803486.809	6480793.511	NELY BDY
10	PT	S18°53'15"E	128.73				1803248.329	6480905.937	NELY BDY
11	PC	S10°41'25"E	178.23	625.00	178.84	16°23'40"	1803126.423	6480948.961	NELY BDY
12	PT	S2°29'36"E	164.29				1802951.290	6480980.021	NELY BDY
13	PC	S18°17'50"E	193.27	-405.00	195.15	27°38'31"	1802797.146	6480986.734	NELY BDY
14	PT	S29°11'43"E	240.78				1802611.641	6481040.969	NELY BDY
15	PC	S45°34'56"E	183.38	-325.00	185.90	32°46'25"	1802401.449	6481158.419	NELY BDY
16	PT	S81°25'04"E	39.18				1802273.105	6481289.397	NELY BDY
17	PC	S38°55'49"E	126.22	165.00	128.52	44°58'31"	1802254.381	6481323.802	NELY BDY
18	PT	S16°26'33"E	99.16				1802158.173	6481403.115	NELY BDY
19	PC	S50°16'22"E	118.91	-105.00	123.99	67°39'37"	1802061.068	6481431.183	NEY BDY

TPC Desktop

Page 1

10/24/18 01:13PM

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20:1	PT					1801986.344 6481521.101 NELY BDY
21	PC	S84°06'11"E	51.74			1801981.028 6481572.567 NELY BDY
22	PT	S70°18'27"E	73.92	155.00	74.64	27°35'24"
23		S57°21'06"E	96.29			1801956.120 6481642.163 NELY BDY
24		S62°21'41"W	57.19			1801904.173 6481723.239 INTER W/NLY BDY PAR XXI-A
25		N28°23'29"W	65.00			1801877.643 6481672.575 SELY BDY & NLY BDY PAR XXI-A
26		S62°21'41"W	100.00			1801934.825 6481641.668 SELY BDY & NLY BDY PAR XXI-A
27		S27°58'28"E	65.00			1801898.436 6481553.079 SELY BDY & NLY BDY PAR XXI-A
28		S82°21'41"W	35.00			1801831.030 6481583.569 SELY BDY & NLY BDY PAR XXI-A
29	EETP	S27°58'28"E	22.85			1801814.794 6481552.563 SELY BDY & NLY BDY PAR XXI-A
30		S61°52'06"W	167.61			1801794.614 6481563.281 SELY BDY & NLY BDY PAR XXI-A INTER W/
31		S59°24'29"W	99.79			1801715.492 6481415.295 SELY BDY & NLY BDY EETP
32		S60°35'56"W	85.74			1801664.707 6481329.394 SELY BDY & NLY BDY EETP
33		S56°30'44"W	106.18			1801622.615 6481264.697 SELY BDY & NLY BDY EETP
2		S24°57'04"W	0.01			1801564.029 6481166.143 SELY BDY & NLY BDY EETP-CLOSING
						1801564.024 6481166.140 POB

LEGAL DESCRIPTION
FOR
HUD LOAN-PARCEL XV-A (1)
NORTH MARE ISLAND, VALLEJO, CA

A parcel of land being a portion of the former Mare Island Naval Shipyard located in the City of Vallejo, Solano County, State of California, and being a portion of Parcel XV-A (Northern Portion) of those lands conveyed to the City of Vallejo from the United States of America as described in Quitclaim Deed having Series Number 2001-00120695 filed for record in the Official Records of Solano County on October 17, 2001 being described as follows:

BEGINNING at a point on the southeasterly boundary line of said Parcel XV-A (Northern Portion) being described as the "True Point of Beginning" in said Quitclaim Deed of said Parcel XV-A (Northern Portion)

1. Thence along said southeasterly boundary line of said Parcel XV-A (Northern Portion), N88°33'28"W, 132.45 feet;
2. Thence continuing along said southeasterly boundary line of said Parcel XV-A (Northern Portion), N36°42'58"W, 245.88 feet;
3. Thence continuing along said southeasterly boundary line of said Parcel XV-A (Northern Portion), N36°42'04"W, 101.90 feet;
4. Thence continuing along said southeasterly boundary line of said Parcel XV-A (Northern Portion), S54°34'40"W, 979.99 feet;
5. Thence continuing along said southeasterly boundary line of said Parcel XV-A (Northern Portion), N36°26'07"W, 300.55 feet to the southwesterly corner of said Parcel XV-A (Northern Portion);
6. Thence along the southwesterly boundary line of said Parcel XV-A (Northern Portion), S55°13'59"W, 121.00 feet;
7. Thence continuing along the southwesterly boundary line of said Parcel XV-A (Northern Portion), N35°37'22"W, 963.87 feet to the northwesterly corner of said Parcel XV-A (Northern Portion) ;
8. Thence along the northwesterly boundary line of said Parcel XV-A (Northern Portion), N32°27'19"E, 917.74 feet;
9. Thence continuing along the northwesterly boundary line of said Parcel XV-A (Northern Portion), S74°33'39"E, 191.20 feet;
10. Thence continuing along the northwesterly boundary line of said Parcel XV-A (Northern Portion), S62°35'11"E, 29.57 feet;
11. Thence continuing along the northwesterly boundary line of said Parcel XV-A (Northern Portion), S43°47'32"E, 38.22 feet;
12. Thence continuing along the northwesterly boundary line of said Parcel XV-A (Northern Portion), N46°31'24"E, 132.99 feet;
13. Thence continuing along the northwesterly boundary line of said Parcel XV-A (Northern Portion), N63°08'30"E, 270.93 feet;

LEGAL DESCRIPTION
FOR
HUD LOAN-PARCEL XV-A (1)
NORTH MARE ISLAND, VALLEJO, CA
(Continued)

14. Thence continuing along the northwesterly boundary line of said Parcel XV-A (Northern Portion), N24°25'53"W, 19.61 feet;
15. Thence continuing along the northwesterly boundary line of said Parcel XV-A (Northern Portion), N64°52'15"E, 290.92 feet to the northwesterly corner of the Public Trust Parcel XV as described in the Mare Island Property Settlement and Exchange Agreement between the State of California and the City of Vallejo on pages 89, 90, and 91 as recorded in Deed Document Number 2002-00037955 in the Official Records of Solano County on March 26, 2002;
16. Thence along the southwesterly boundary line of said Public Trust Parcel XV, S24°27'49"E, 133.99 feet;
17. Thence continuing along the southwesterly boundary line of said Public Trust Parcel XV, N66°37'29"E, 281.30 feet;
18. Thence along the southwesterly boundary line of said Public Trust Parcel XV, S26°35'45"E, 254.30 feet;
19. Thence along the southwesterly boundary line of said Public Trust Parcel XV, S31°54'55"E, 234.55 feet;
20. Thence along the southwesterly boundary line of said Public Trust Parcel XV, S37°30'45"E, 574.13 feet to the northeasterly boundary line of said Parcel XV-A (Northern Portion);
21. Thence along the northeasterly boundary line of said Parcel XV-A (Northern Portion), S26°55'36"E, 575.69 feet to the southeasterly corner of said Parcel XV-A (Northern Portion);
22. Thence along said southeasterly boundary line of said Parcel XV-A (Northern Portion), S59°09'34"E, 590.06 feet to the point of BEGINNING of this legal description.

END OF DESCRIPTION

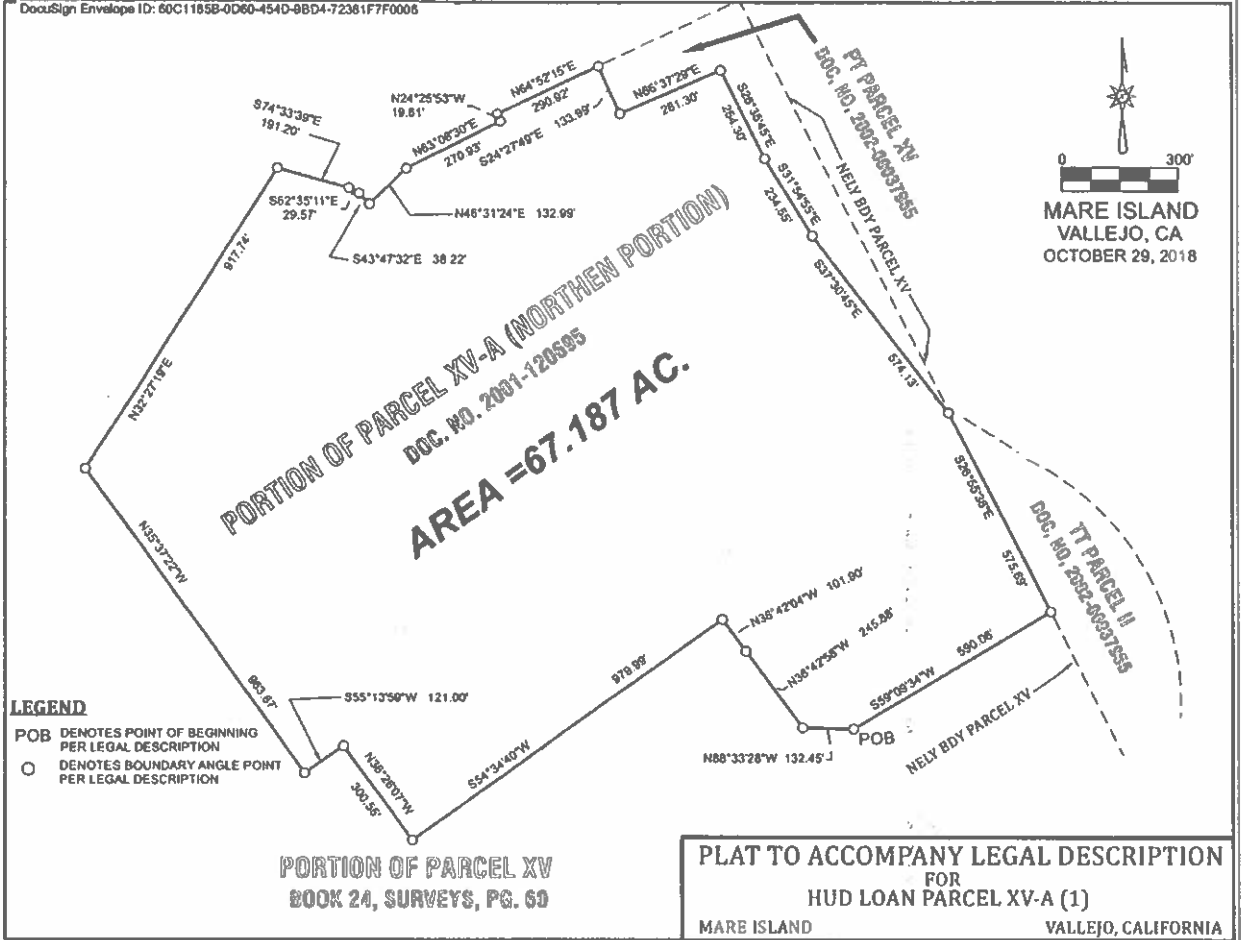
Said Hud Loan-Parcel XV-A (1) contains 67.187 acres, more or less.

ALL AS SHOWN ON "PLAT TO ACCOMPANY LEGAL DESCRIPTION FOR HUD LOAN PARCEL XV-A (1), MARE ISLAND, VALLEJO CALIFORNIA "ATTACHED HERETO AND MADE APART HEREOF.

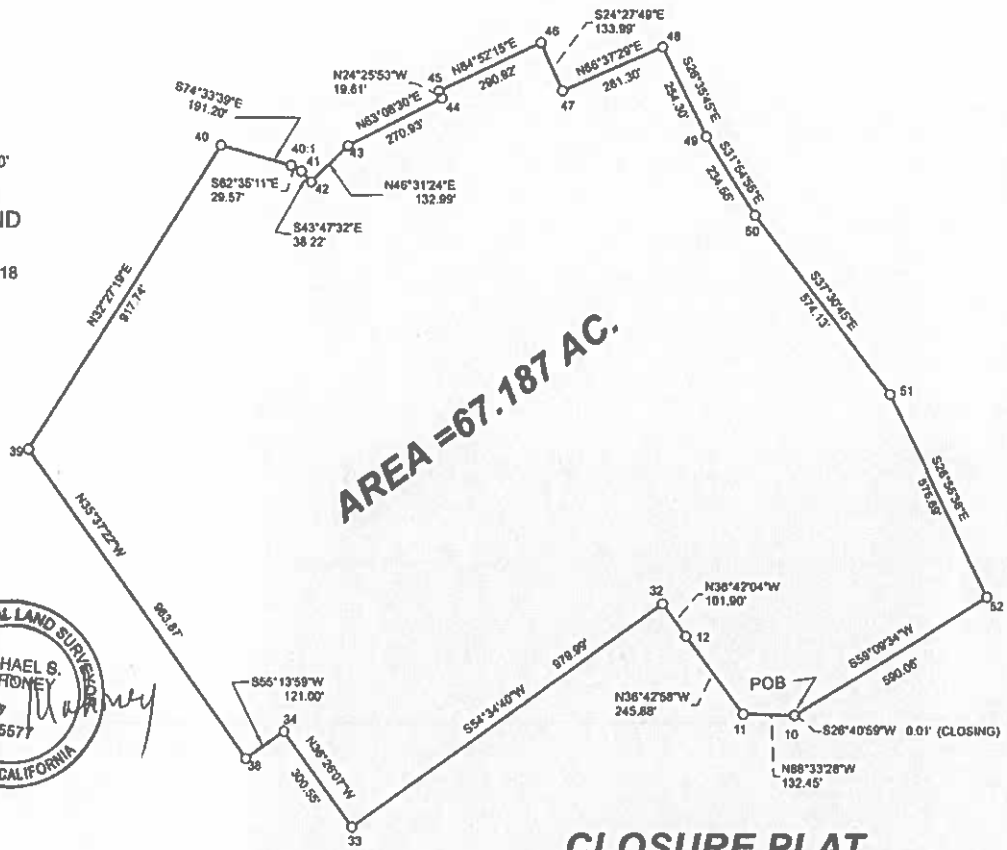
PREPARED BY:

Michael S. Mahoney
Michael S. Mahoney, P.L.S.
October 29, 2018





0 300'
MARE ISLAND
VALLEJO, CA
OCTOBER 29, 2018



AREA = 67.187 AC.

CLOSURE PLAT
HUD LOAN PARCEL XV-A (1)

Traverse View - PARCEL XV-A(1) (Grid Bearing, Grid Dist, Feet)
 2926681.35SqFt 67.187Acres Grid Dist (inverse grid coordinates)
 Grid Bearing (inverse grid coordinates)
 File: XV-B-1--MSM-2--1029-18-northern portion Date:11-2-2018

Point	Type	Grid Bearing	Grid Dist	Radius	Arc Length	Delta	Northing	Easting	Description
10							1803047.725	6480133.055	POB-PAR-XV-A (NORTHERN PORTION)
11		N88°33'28"W	132.45				1803051.059	6480000.647	SLY BDY XV-A(NLY POR)
12		N36°42'58"W	245.88				1803248.158	6479853.648	SLY BDY XV-A(NLY POR)
32		N36°42'04"W	101.90				1803329.658	6479782.748	SLY BDY XV-A(NLY POR)
33		S54°34'40"W	979.99				1802761.858	6478994.151	SLY BDY XV-A(NLY POR)
34		N38°26'07"W	300.55				1803003.659	6478816.650	WLY BDY XV-A (NLY POR)
38		S55°13'59"W	121.00				1802934.660	6478718.251	WLY BDY XV-A (NLY POR)
39		N35°37'22"W	963.87				1803718.160	6478154.849	WLY COR XV-A (NLY POR)
40		N32°27'19"E	917.74				1804492.559	6478647.348	NWLY BDY XV-A (NLY POR)
40:1		S74°33'39"E	191.20				1804441.659	6478831.648	NWLY BDY XV-A(NLY POR)
41		S82°35'11"E	29.57				1804428.044	6478857.898	NWLY BDY XV-A (NLY POR)
42		S43°47'32"E	38.22				1804400.455	6478884.348	NWLY BDY XV-A (NLY POR)
43		N46°31'24"E	132.99				1804491.960	6478980.851	NWLY BDY XV-A (NLY POR)
44		N63°08'30"E	270.93				1804614.383	6479222.654	NWLY BDY XV-A (NLY POR)
45		N24°25'53"W	19.61				1804632.217	6479214.444	NWLY BDY XV-A (NLY POR)
46		N64°52'15"E	290.92				1804765.759	6479477.828	SWLY BDY PT PAR-XV
47		S24°27'49"E	133.99				1804633.798	6479533.318	SWLY BDY PT PAR-XV
48		N66°37'29"E	281.30				1804745.404	6479791.528	SWLY BDY PT PAR-XV
49		S26°35'45"E	254.30				1804518.012	6478905.377	SWLY BDY PT PAR-XV
50		S31°54'55"E	234.55				1804318.919	6480029.378	SWL BDY PT PAR-XV
51		S37°30'45"E	574.13				1803863.508	6480378.983	TO NELY BDY XV-A (NLY POR)
52		S26°55'38"E	575.89				1803350.230	6480639.684	TO SELY BDY XV-A (NLY POR)
53		S59°09'34"W	590.08				1803047.735	6480133.060	CLOSING
10		S26°40'59"W	0.01				1803047.725	6480133.055	POB-PAR-XV-A (NORTHERN PORTION)

LEGAL DESCRIPTION
FOR
HUD LOAN-PARCEL XV-A (2)
NORTH MARE ISLAND, VALLEJO, CA

A parcel of land being a portion of the former Mare Island Naval Shipyard located in the City of Vallejo, Solano County, State of California, and being a portion of Parcel XV-A (Southern Portion) of those lands conveyed to the City of Vallejo from the United States of America as described in Quitclaim Deed having Series Number 2001-00120695 filed for record in the Official Records of Solano County on October 17, 2001 being described as follows:

BEGINNING at a point on the southeasterly boundary line of said Parcel XV-A (Southern Portion) being described as the "True Point of Beginning" in said Quitclaim Deed of said Parcel XV-A (Southern Portion); Also, said "True Point of Beginning" lies on the southern boundary line of Parcel XV as shown on that certain map entitled "RECORD OF SURVEY Showing PARCEL XV For Economic Development Conveyance For Benefit of the City of Vallejo", recorded in Book 24, Surveys, Page 60 on September 24, 2001 in the Official Records of Solano County, corrected by Certificate of Correction filed March 12, 2002 at Series Number 2002-31495 in the Official Records of Solano County, State of California;

1. Thence along said southern boundary line of said Parcel XV-A (Southern Portion) and the southern boundary line of said Parcel XV, S54°18'02"W, 1,138.98 feet to the southwesterly corner of said Parcel XV-A (Southern Portion);
2. Thence leaving said southern boundary line of said Parcel XV and along the southwesterly boundary line of said Parcel XV-A (Southern Portion), N36°31'46"W, 1,032.72 feet to the northwesterly corner of said Parcel XV-A (Southern Portion);
3. Thence along the northwesterly boundary line of said Parcel XV-A (Southern Portion), N54°06'55"E, 836.46 feet;
4. Thence continuing along said northwesterly boundary line of said Parcel XV-A (Southern Portion), N36°44'23"E, 70.38 feet;
5. Thence continuing along said northwesterly boundary line of said Parcel XV-A (Southern Portion), N54°14'14"E, 62.11 feet;
6. Thence continuing along said northwesterly boundary line of said Parcel XV-A (Southern Portion), N37°34'49"W, 148.39 feet;
7. Thence continuing along said northwesterly boundary line of said Parcel XV-A (Southern Portion), N53°59'44"E, 184.06 feet to the northeasterly corner of said Parcel XV-A (Southern Portion);
8. Thence along the northeasterly boundary line of said Parcel XV-A (Southern Portion), S36°07'51"E, 1,205.94 feet to the point of **BEGINNING** of this legal description.

END OF DESCRIPTION

LEGAL DESCRIPTION
FOR
HUD LOAN-PARCEL XV-A (2)
NORTH MARE ISLAND, VALLEJO, CA
(Continued)

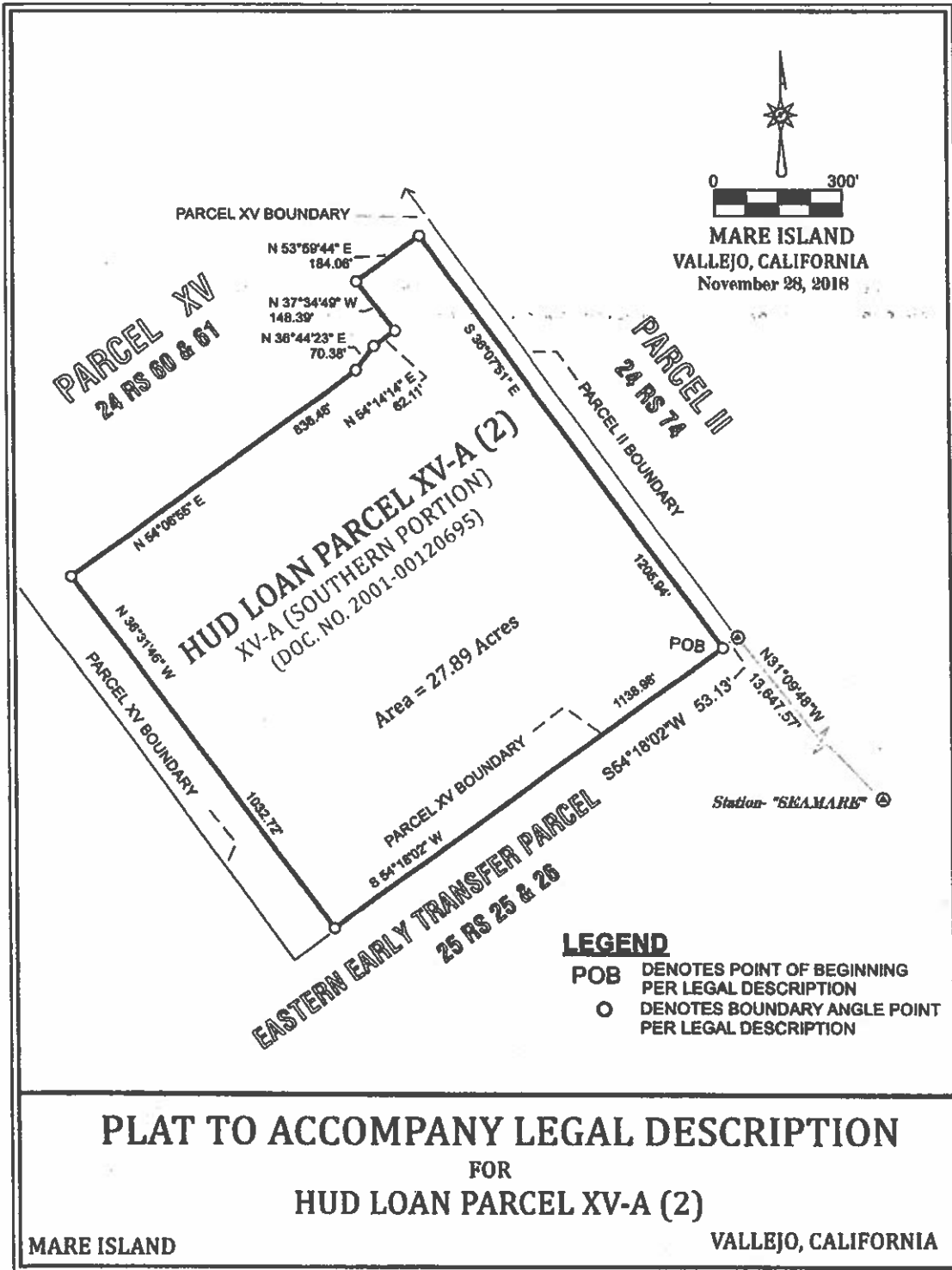
Said HUD Loan-Parcel XV-A (2) contains 27.89 acres, more or less.

ALL AS SHOWN ON "PLAT TO ACCOMPANY LEGAL DESCRIPTION FOR HUD LOAN PARCEL XV-A (2),
MARE ISLAND, VALLEJO CALIFORNIA "ATTACHED HERETO AND MADE APART HEREOF.

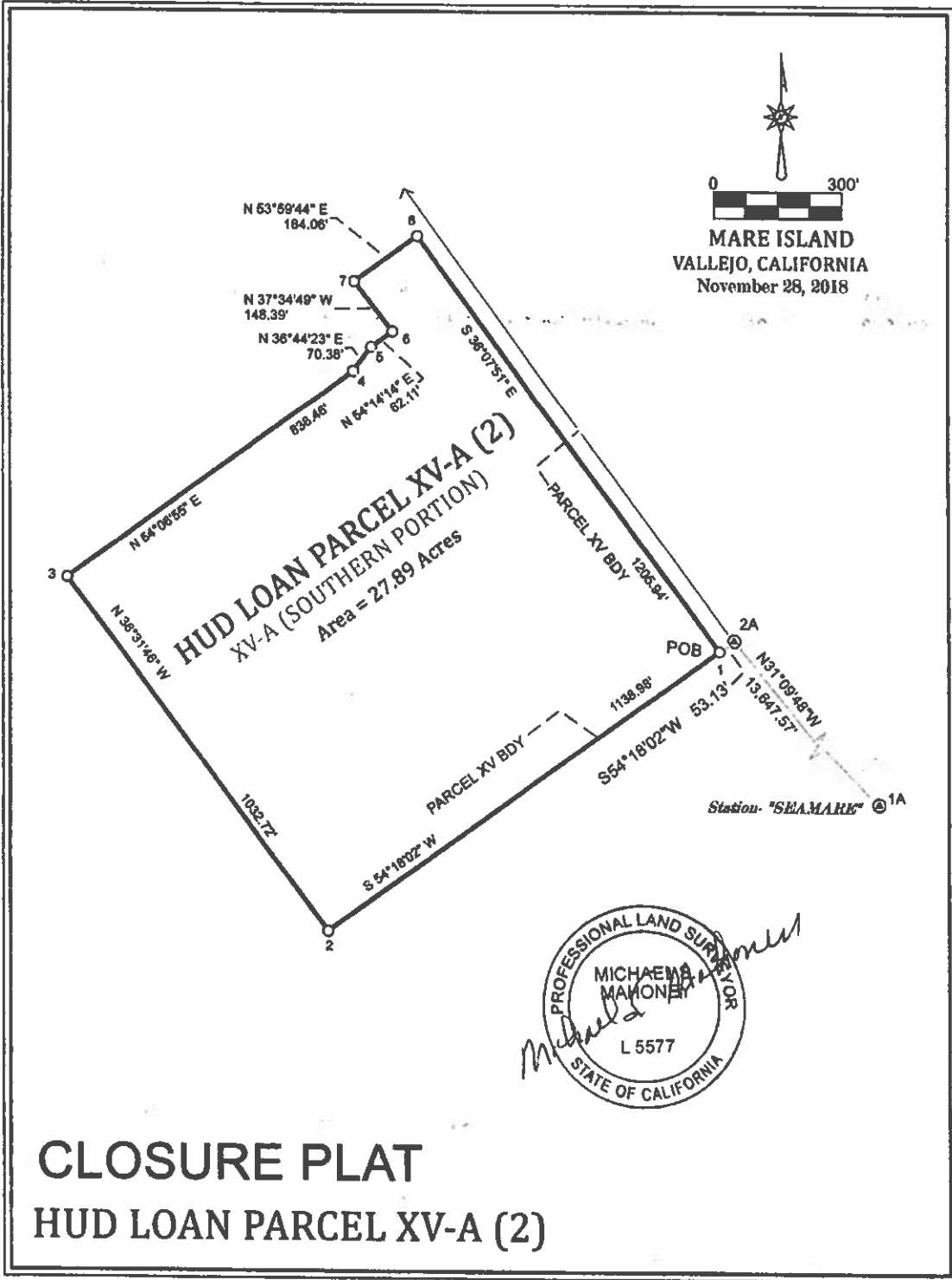
PREPARED BY:

Michael S. Mahoney

Michael S. Mahoney, P.L.S.
November 28, 2018



Traverse PC



Traverse PC

Traverse View - XV-A-SOUTHERN PORTION (Grid Bearing, Grid Dist, Feet)
 1214781.95SqFt 27.888Acres Grid Dist (inverse grid coordinates)
 Grid Bearing (inverse grid coordinates)
 File: XV-2-2-11-27-18 Date:11-27-2018

Point	Type	Grid Bearing	Grid Dist	Radius	Arc Length	Delta	Northing	Easting	Description
1A							1789849.064	6488254.025	SEMARE-TIE
2A		N31°09'48"W	13847.57				1801527.229	6481191.687	POC-TIE
1		S54°18'02"W	51.13				1801497.393	6481150.165	TPOB
2		S54°18'02"W	1138.88				1800832.760	6480225.212	SWLY COR- XV-A (SOUTHERN PORTION)
3		N36°31'46"W	1032.72				1801662.604	6479810.600	NWLY COR XV-A (SOUTHERN PORTION)
4		N54°06'55"E	836.46				1802152.900	6480288.198	NLY BDY XV-A (SOUTHERN PORTION)
5		N36°44'23"E	70.38				1802209.300	6480330.298	NLY BDY XV-A (SOUTHERN PORTION)
6		N54°14'14"E	62.11				1802245.699	6480380.697	NLY BDY XV-A (SOUTHERN PORTION)
7		N37°34'49"W	148.39				1802363.198	6480290.198	NLY BDY XV-A (SOUTHERN PORTION)
8		N53°59'44"E	184.06				1802471.397	6480439.097	NELY COR XV-A (SOUTHERN PORTION)
9		S36°07'51"E	1205.94				1801497.392	6481150.157	CLOSING
1		N83°46'45"E	0.01				1801497.393	6481150.165	TPOB

**LEGAL DESCRIPTION
FOR
XV-B (2)
AT
MARE ISLAND, VALLEJO CALIFORNIA**

A parcel of land in the City of Vallejo, County of Solano, State of California comprising all of Parcel No. 3 as described on that certain Quitclaim Deed to the City of Vallejo from the United States of America, recorded July 12, 1978 in Book 1978, Page 56592 as Instrument No. 32605, Solano County Official Records; and comprising a portion of Tract No. 38, Mare Island Navy Yard as delineated on the Map filed in Book 21 of Land Survey Maps, at Pages 94 to 98 inclusive, Official Records of Solano County on November 14, 1996, said Map titled "RECORD OF SURVEY FOR LANDS OWNED BY THE UNITED STATES OF AMERICA PER THE UNITED STATES SUPREME COURT DECISION "UNITED STATES V. O'DONNELL 303 U.S. 501" and further titled as being a "RETRACEMENT OF TRACT 38 OF THE JOY SURVEY ENTITLED " FRACTIONAL TOWNSHIP 3 NORTH, RANGE 4 WEST," APPROVED BY THE U.S. SURVEY GENERAL'S OFFICE OCTOBER 24, 1923, ACCEPTED NOVEMBER 8, 1923 AND FILED WITH BUREAU OF LAND MANAGEMENT MOUNT DIABLO BASE & MERIDIAN COUNTY OF SOLANO, STATE OF CALIFORNIA", and described as follows:

Commencing for a Point of Reference at AP-3 of said Parcel No. 3 as described in Quitclaim Deed to the City of Vallejo from the United States of America, recorded July 12, 1978 in Book 1978, Page 56592;

- (1) thence, along the northerly boundary of said Parcel No. 3 as described on that certain Quitclaim Deed to the City of Vallejo from the United States of America, recorded July 12, 1978 in Book 1978, S89°52'14"E, 1,361.87 feet to northeast corner of said Parcel No. 3 to the POINT OF BEGINNING of this description;
1. thence, along the north boundary line of said Tract No. 38 per Map filed in Book 21 of Land Survey Maps at Pages 94 to 98 inclusive, Official Records of Solano County on November 14, 1996, S89°52'14"E, 616.58 feet to a point on the northerly boundary line of Parcel One (XV-A NORTHERN PORTION) as described in Quitclaim Deed to the City of Vallejo from the United States of America, recorded with Document No. 2001-00120695 on October 17, 2001, Official Records of Solano County; said point on the northerly boundary line is the terminus of course 14 of said Parcel One;
2. thence, along the northerly boundary line of said Parcel One and along said course number 14, S24°25'58"E, 19.61 feet;
3. thence, continuing along the northerly boundary line of said Parcel One and along course number 13 of said Parcel One, S63°08'30"W, 270.93 feet;

**LEGAL DESCRIPTION
FOR
XV-B (2)
AT
MARE ISLAND, VALLEJO CALIFORNIA
(CONTINUED)**

4. thence, continuing along the northerly boundary line of said Parcel One and along course number 12 of said Parcel One, S46°31'24"W, 132.99 feet;
5. thence, continuing along the northerly boundary line of said Parcel One and along course number 11 of said Parcel One, N43°47'32"W, 38.22 feet;
6. thence, continuing along the northerly boundary line of said Parcel One and along course number 10 of said Parcel One, N62°35'11"W, 29.57 feet;
7. thence, continuing along the northerly boundary line of said Parcel One and along course number 9 of said Parcel One, N74°33'39"W, 191.20 feet;
8. thence, continuing along the northerly boundary line of said Parcel One and along course number 8 of said Parcel One, S32°27'19"W, 917.74 feet to the intersection northwesterly corner of said Parcel One (XV-A NORTHERN PORTION) with the northeasterly boundary line (course number 84) of the EASTERN EARLY TRANSFER EDC PARCEL as described in QUITCLAIM DEED to the City of Vallejo from the United States of America, recorded with Document No. 2001-00037960 on March 26, 2002, Official Records of Solano County ;
9. thence, along said northeasterly boundary line (course number 84) of the EASTERN EARLY TRANSFER EDC N35°37'22"W, 262.24 feet to the intersection of course number 4 on the southeasterly boundary line of said Parcel No. 3 as described in Quitclaim Deed to the City of Vallejo from the United States of America, recorded July 12, 1978 in Book 1978, Page 56592;
10. thence, continuing along course number 4 on the southeasterly boundary line of said Parcel No. 3 as described in said Quitclaim Deed to the City of Vallejo, N3°26'03"W, 51.24 feet; (record per said Parcel No. 3 = N3°22'40"W);
11. thence, along course number 3 of the southeasterly boundary line of said Parcel No. 3, as described in said Quitclaim Deed to the City of Vallejo N86°37'30"E, 239.98 feet;

**LEGAL DESCRIPTION
FOR
XV-B (2)
AT
MARE ISLAND, VALLEJO CALIFORNIA
(CONTINUED)**

12. thence, along course number 2 of the southeasterly boundary line of said Parcel No. 3, as described in said Quitclaim Deed to the City of Vallejo N29°25'27"E, 731.37 feet; (record per said Parcel No. 3 = N29°28'50"E,) to the **POINT OF BEGINNING;**

END OF DESCRIPTION

Said Tract of Land contains 4.49 acres, more or less.

ALL AS SHOWN ON "PLAT TO ACCOMPANY LEGAL DESCRIPTION OF XV-B (2) AT MARE ISLAND, VALLEJO CALIFORNIA " ATTACHED HERETO AND MADE APART HEREOF.

PREPARED BY:

Michael S. Mahoney
Michael S. Mahoney, P.L.S. 5/2/2007



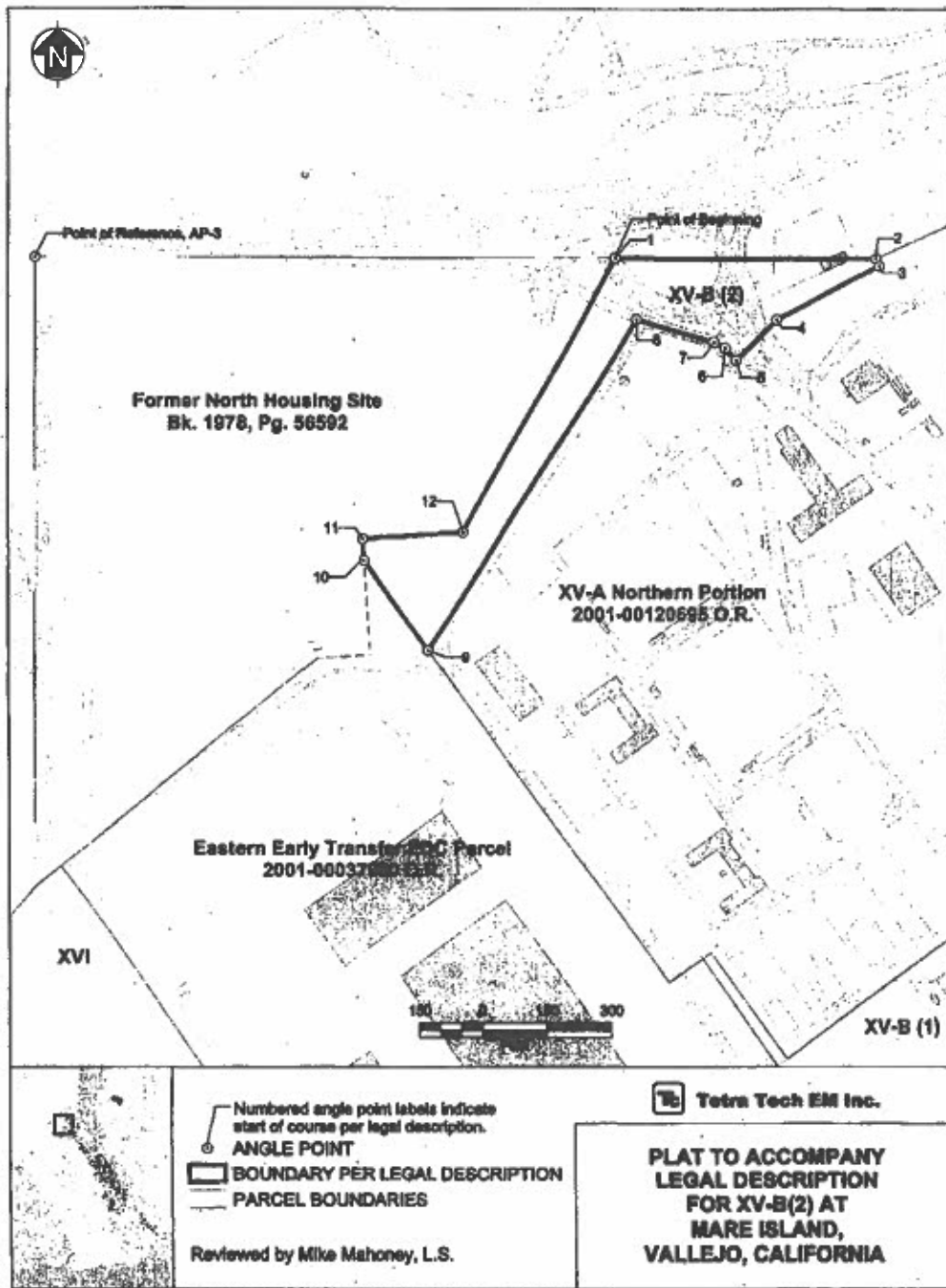


Exhibit B-2

DESCRIPTION OF NAVY-OWNED PROPERTY

Real property in the City of Vallejo, County of Solano, State of California, described as follows:

DocuSign Envelope ID: 60C1185B-0D60-454D-98D4-72381F7F0006

LEGAL DESCRIPTION

FOR

PARCEL XV-B (1)

MARE ISLAND, VALLEJO, CA

A parcel of land being a portion of the former Mare Island Naval Shipyard located in the City of Vallejo, Solano County, State of California, and being a portion of Parcel XV as shown on that certain map entitled "RECORD OF SURVEY Showing PARCEL XV For Economic Development Conveyance For Benefit of the City of Vallejo", recorded in Book 24, Surveys, Page 60 on September 24, 2001 in the Official Records of Solano County, corrected by Certificate of Correction filed March 12, 2002 at Series Number 2002-31495 in the Official Records of Solano County, State of California, and being described as follows:

BEGINNING at the southeasterly most boundary corner of said Parcel XV also being the southwesterly boundary corner of Parcel II as shown on that certain map entitled "RECORD OF SURVEY Showing PARCEL II For Economic Development Conveyance For Benefit of the City of Vallejo", recorded in Book 24, Surveys, Page 74 on September 24, 2001 in the Official Records of Solano County, corrected by Certificate of Correction filed March 12, 2002 at Series Number 2002-31491 in the Official records of Solano County, State of California;

1. Thence along the southeasterly boundary line of said Parcel XV, S54°18'02"W, 51.13 feet to the southeasterly boundary corner of Parcel XV-A (Southern Portion) of those lands conveyed to the City of Vallejo by the United States of America as described in Quitclaim Deed having Series Number 2001-00120695 filed for record in the Official Records of Solano County on October 17, 2001;
2. Thence along the northeasterly boundary line of said Parcel XV-A (Southern Portion), N36°07'51"W, 1205.94 feet to the northwesterly boundary corner of said Parcel XV-A (Southern Portion);
3. Thence along the northwesterly boundary line of said Parcel XV-A (Southern Portion), S53°59'44"W, 184.06 feet;
4. Thence continuing along said northwesterly boundary line of said Parcel XV-A (Southern Portion), S37°34'49"E, 148.39 feet;
5. Thence continuing along said northwesterly boundary line of said Parcel XV-A (Southern Portion), S54°14'14"W, 62.11 feet;
6. Thence continuing along said northwesterly boundary line of said Parcel XV-A (Southern Portion), S36°44'23"W, 70.38 feet;

LEGAL DESCRIPTION

FOR

PARCEL XV-B (1)

(Continued)

7. Thence continuing along said northwesterly boundary line of said Parcel XV-A (Southern Portion), S54°06'55"W, 725.99 feet to the northeasterly boundary line (course number 82) as described in that certain Deed of those lands conveyed to Lennar Mare Island, LLC by the City of Vallejo having Series Number 2002-0037966 filed for record in the Official Records of Solano County on March 26, 2002;
8. Thence along said northeasterly boundary line of those lands conveyed to Lennar Mare Island, LLC by the City of Vallejo, N35°38'13"W, 1552.93 feet to the southeasterly boundary line of said Parcel XV-A (Northern Portion) as described in Quitclaim Deed having Series Number 2001-00120695 filed for record in the Official Records of Solano County on October 17, 2001;
9. Thence along said southeasterly boundary line of said Parcel XV-A (Northern Portion), N55°13'59"E, 24.89 feet;
10. Thence continuing along said southeasterly boundary line of said Parcel XV-A (Northern Portion), S36°26'07"E, 300.55 feet;
11. Thence continuing along said southeasterly boundary line of said Parcel XV-A (Northern Portion), N54°34'40"E, 979.99 feet;
12. Thence continuing along said southeasterly boundary line of said Parcel XV-A (Northern Portion), S36°42'04"E, 101.90 feet;
13. Thence continuing along said southeasterly boundary line of said Parcel XV-A (Northern Portion), S36°42'58"E, 245.88 feet;
14. Thence continuing along said southeasterly boundary line of said Parcel XV-A (Northern Portion), S88°33'28"E, 132.45 feet to an angle point on the southwesterly boundary line of said Parcel II;
15. Thence along said southwesterly boundary line of said Parcel II, S34°50'50"E, 1852.73 feet to the point of **BEGINNING** of this legal description.

END OF DESCRIPTION

Said Parcel XV-B (1) contains 31.968 acres, more or less.

ALL AS SHOWN ON "PLAT TO ACCOMPANY LEGAL DESCRIPTION FOR PARCEL XV-B (1), MARE ISLAND, VALLEJO CALIFORNIA "ATTACHED HERETO AND MADE APART HEREOF.

PREPARED BY:

Michael S. Mahoney
Michael S. Mahoney, P.L.S.

April 25, 2017



2

REVIEWED & ACCEPTED
<i>RK</i> CADASTRAL
DATE <u>6/13/2017</u>

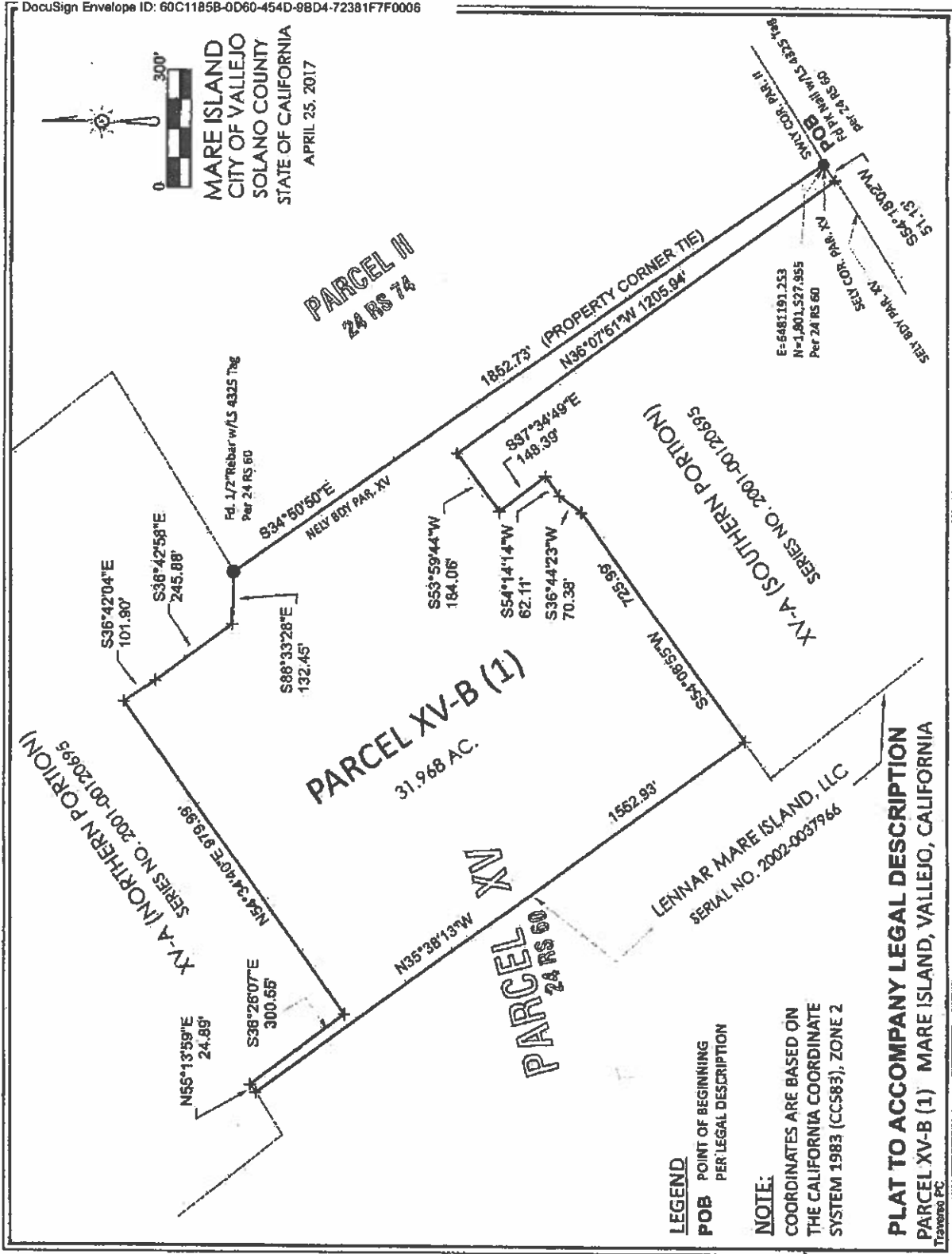
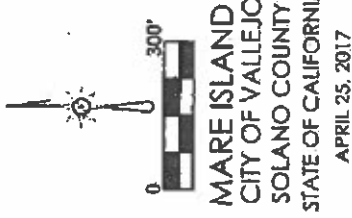


Exhibit C

SCOPE OF WORK

I. PLANNING WORK

A. Beautification Plan and Beautification Work. Within the time set forth in the Schedule of Performance, Developer will submit to City for review, input and comment, refine based on City's comments, and submit (and, if necessary, revise and resubmit one or more times) to City for consideration and potential approval a proposed Mare Island Beautification Plan for installation of interim landscaping; hardscaping; and fencing, lighting and security; which may include elements such as trees and flowers, public seating, and public art; with particular emphasis on the Mare Island Causeway Bridge and Highway 37 entry points to Mare Island and North Mare Island and also portions of South Mare Island as set forth below. The quality and scope of Beautification Work to be performed at the Causeway Bridge and Highway 37 entry points to Mare Island and at the Property will be generally commensurate with the illustrative interim landscaping examples submitted by Developer to City in the "Island Beautification – Potential Areas of Island Beautification" packet prepared by HOK Architects submitted to City on or about February 1, 2022. In the event City approves the proposed Beautification Plan then Developer will commence and complete the Beautification Work described in the City-approved Beautification Plan in two phases as set forth in the Schedule of Performance, with the first phase consisting of the Causeway Bridge and Highway 37 entry point work and the second phase consisting of work on the remaining portions of Mare Island, including the Property. The Parties acknowledge and agree that given the scale of the South Mare Island Property the interim Beautification Work shall address major public gathering points and connectivity corridors in and around South Mare Island but not all of the land comprising the South Mare Island Property. For avoidance of doubt, the Parties further acknowledge and agree that since the landscaping and hardscaping work to be constructed and installed by Developer in connection with the Connolly Corridor Development Work will be permanent in nature, the Beautification Plan does not need to address the Connolly Corridor area.

B. New Specific Plan Work (Entirety of Mare Island). Within the time set forth in the Schedule of Performance, Developer will submit to City for review and consideration of approval a proposed New Specific Plan for Mare Island, which New Specific Plan shall include a plan for phased installation and construction of Backbone Infrastructure to serve all new development and redevelopment contemplated by the New Specific Plan. The New Specific Plan will cover the entirety of Mare Island, including those portions owned or controlled by Developer or its affiliates, including the Property and the South Mare Island properties which Developer or its affiliates have acquired or are under contract to acquire from Lennar Mare Island, LLC, which plan shall include all requisite statutory requirements per Government Code Section 65421 and address, among other items, the following: a range of permitted land uses which potentially include commercial, retail, residential, office, hotel, industrial, community/civic and recreational uses, and the timing for construction and installation of Backbone Infrastructure. The infrastructure sections of the New Specific Plan will specify that substantially all existing utility and related infrastructure will need to be decommissioned and replaced and not reused or repurposed to serve new development on Mare Island. Developer's proposed New Specific Plan shall also address all requirements associated with the interfacing

and interconnection of the Property and the Backbone Infrastructure with other development on Mare Island. Developer's obligations with respect to the design and construction of the Backbone Infrastructure shall be set forth in one or more public/subdivision improvement agreements to be entered into by the parties at the time the Property is further parcelized or subdivided or at the time one or more components of Backbone Infrastructure are required to be constructed.

II. DEMOLITION WORK

A. Demolition Work (North Mare Island). Within the time set forth in the Schedule of Performance, Developer shall commence and complete all work of demolishing the Non-Utilized Buildings, including containing, removing and disposing of all debris, including lead based paint, PCB and asbestos containing materials in accordance with Applicable Laws, including Environmental laws all in accordance with the Agreement.

III. CONNELLY CORRIDOR DEVELOPMENT WORK

A. Connolly Corridor Development Work (South Mare Island). Within the time set forth in the Schedule of Performance, Developer shall commence and complete all of the Connolly Corridor Work, including those portions of Backbone Infrastructure reasonably necessary to support and service such new development as determined by City in its reasonable discretion.

IV. SOIL TESTING AND SITE PREPARATION WORK

A. Soil Testing (South Mare Island). Within the time set forth in the Schedule of Performance, Developer will cause a consultant selected by Developer to sample and test soil previously stockpiled by Lennar Mare Island at six locations (i.e. two within Area 14, two within Area 8, one within Area 18 and one within Area 21) as shown on the draft stockpile site plan prepared by ENGEO dated September 2007, so that a determination can be made as to whether such soil is suitable for importation as Clean Fill suitable for development of residential or residential mixed-use development.

B. Site Preparation Work (North Mare Island). In the event City approves a New Specific Plan then, as soon as practicable following City approval of the New Specific Plan, Developer will use commercially reasonable and diligent efforts to commence and complete importation of clean fill suitable for development of the various uses specified in such plan in quantities sufficient to raise the elevation of the Property to a level necessary to support Developer's intended development and in accordance with all applicable governmental approvals, which is currently estimated to be approximately two million cubic yards. Beginning on the date set forth in the Schedule of Performance, Developer shall report to City on an annual basis regarding Developer's progress in obtaining such Clean Fill and, if substantial progress in Clean Fill importation has not been made, an explanation as to why the Clean Fill was not obtained.

V. GENERAL REQUIREMENTS

A. Applicable Codes and Approvals. All Developer Work and all other construction and development work shall be performed in accordance with all conditions of approval imposed by the City Council, the Planning Commission and any other governmental body exercising jurisdiction over development of the Property. In addition, construction and development of all improvements, including Backbone Infrastructure, shall be in accordance with the Uniform Building Code (in effect in City from time to time with modifications thereto made by City) and the City Municipal Code and all other Applicable Laws.

B. Mitigation Measures. In connection with the development of the Property and construction and installation of Backbone Infrastructure and performance of the Developer's Work, Developer shall observe and comply with all of the mitigation measures imposed by City under CEQA and, if applicable, federal agencies under NEPA, and all conditions of approval imposed in connection with the applicable planning, land use and entitlement and development approvals.

Exhibit D

SCHEDULE OF PERFORMANCE

	<u>Ref.</u>	<u>Action</u>	<u>Date</u>
1.	§1018	<u>City's Execution and Delivery of DDA</u> City shall consider approval of this DDA and, if approved, shall deliver one executed original to Developer.	Within 60 days after Developer's execution and delivery of the DDA.
2.	§202	<u>Feasibility Period</u> Developer shall have the right to inspect the Property, review the Documents and approve the condition of the Property.	Commencing on the Date of Agreement and expiring 90 days thereafter.
3.	§208.1	<u>Delivery of Title Report</u> Developer shall cause Title Company to deliver to Developer and City the Title Report, together with copies of the exceptions.	Within 20 business days after the Date of Agreement.
4.	§208.2	<u>Delivery of Title Notice</u> Developer shall deliver to City and Escrow Agent written notice of Developer's approval or disapproval of the legal description and every item or exception disclosed by the Title Report and Survey, if any, and of any title insurance endorsements Developer requires.	No later than 60 days after the later of Developer's receipt of the Title Report, Survey (if requested by Developer) and copies of all exception documents.
5.	§202	<u>Escrow</u> Developer shall open the Escrow for the Conveyances with Fidelity National Title Insurance Company.	Within 5 business days following the Date of Agreement.

	<u>Ref.</u>	<u>Action</u>	<u>Date</u>
6.	§204.2	<u>Deposit</u> Developer shall deposit the Deposit into Escrow.	Within 10 days after the Date of Agreement.
7.	§202.3	<u>Delivery of Notice of Approval</u> If Developer elects to proceed with the purchase of the Property and performance of Developer's post-Closing obligations Developer shall deliver written Notice of Approval to City and Escrow Agent.	Prior to expiration of Feasibility Period.
8.	§207	<u>Closing – City-Owned Property</u> Initial Conveyance of the City-Owned Property shall close.	Within thirty (30) days after the satisfaction or waiver of City's and Developer's Conditions Precedent, but no later than the Outside Date for Initial Conveyance
9.	§207	<u>Closing(s) – Navy-Owned Property</u> Conveyances of the Navy-Owned Property, or applicable portions thereof, shall close.	Concurrently with City's acquisition of the Navy-Owned Property, or applicable portion thereof, from Navy through back-to-back escrows.
10.	§301	<u>Soil Testing</u> Developer will cause a consultant selected by Developer to sample and test soil previously stockpiled by Lennar Mare Island as shown on the draft stockpile site plan prepared by ENGEO dated September 2007, so that a determination can be made as to whether such soil is suitable for residential or residential mixed-use development on Mare Island.	Within 12 months following Closing of the Initial Conveyance.

	<u>Ref.</u>	<u>Action</u>	<u>Date</u>
11.	§301	<u>Demolition Work</u> Developer shall complete the Demolition Work.	Within 24 months following Closing of the Initial Conveyance.
12.	§301	<u>Connelly Corridor Development Work</u> Developer shall complete the Connelly Core Development Work.	Within 60 months following Closing of the Initial Conveyance.
13.	§301	<u>Beautification Plan</u> Developer shall cause to be prepared and submit to City for review and consideration, and potential approval, a Beautification Plan for interim Beautification Work on Mare Island with particular emphasis on the Mare Island Causeway Bridge and Highway 37 entry points to Mare Island and the Property.	Within 8 months following Closing of the Initial Conveyance.
14.	§301	<u>Beautification Work- Entry Points</u> Developer shall complete the Mare Island Causeway Bridge and Highway 37 entry point components of the Beautification Work.	Within 8 months following City's approval of the Beautification Plan.
15.	§301	<u>Beautification Work- Remainder</u> Developer shall complete the balance of the Beautification Work not included as part of the initial entry point work.	Within 24 months following City's approval of the Beautification Plan.

	<u>Ref.</u>	<u>Action</u>	<u>Date</u>
16.	§301	<p><u>New Specific Plan Submittal</u></p> <p>Developer shall cause to be prepared and submit to City for review and consideration, and potential approval, a comprehensive New Specific Plan for the entirety of Mare Island, including the Property and the South Mare Island Property.</p>	<p>Within 24 months following Closing of the Initial Conveyance.</p>
17.	§301	<p><u>New Specific Plan Approval</u></p> <p>Developer shall have obtained City approval of a New Specific Plan and the New Specific Plan approvals shall be "Final".</p>	<p>Within 42 months following Closing of the Initial Conveyance.</p>
18.	§309	<p><u>CFD Formation or Annexation or Owner Association</u></p> <p>Developer shall have either submitted all petitions, consents and written documents required to either (i) effect formation of, and inclusion of the Property and South Mare Island Property within the New CFD(s) covering Mare Island to replace the Existing CFDs, or (ii) annexation of the Navy-Owned Property, or applicable portion thereof, into the Existing CFDs and City-Owned Property into CFD 2005-1A and CFD 2005-1B, or (iii) formation of one or more owners associations to take on responsibility for funding services currently provided by the Existing CFDs.</p>	<p>By the earlier of the date on which a New Specific Plan is approved or the date of conveyance of the last Navy-Owned Property parcel, or at such later time(s) as the parties may mutually agree.</p>

	<u>Ref.</u>	<u>Action</u>	<u>Date</u>
19.	§301	<p><u>Site Preparation Work</u></p> <p>Developer shall commence and complete the Site Preparation Work.</p>	<p>As soon as practicable following approval of the New Specific Plan, with the understanding that the timing of completion of the fill importation work will depend upon the pace of development in the Bay Area region, in particular the extent to which other development projects are required to find locations for disposing of excavated soil, and the resulting market demand for and pricing for importation of Clean Fill.</p>
20.	§308 and Exh M	<p><u>Local Economic Benefit Program Reporting</u></p> <p>Developer shall submit a written report to City detailing Developer's and its contractors and subcontractors compliance with all Local Economic Development Program requirements.</p>	<p>Not less than annually.</p>
21.	§313	<p><u>Construction and Equipment Sales and Use Tax Reporting</u></p> <p>Developer shall submit a written report to City detailing Developer's and its contractors and subcontractors compliance with the use tax direct payment and subcontractor job site permit-related requirements.</p>	<p>Not less than annually during such times that no construction is ongoing and quarterly during all times when significant construction related activities are ongoing.</p>

	<u>Ref.</u>	<u>Action</u>	<u>Date</u>
22.	§301 and Exh C	<p><u>Site Preparation Work Reporting</u></p> <p>Developer shall report to City regarding Developer's progress in obtaining and importing Clean Fill.</p>	Not less than annually after approval or certification of an appropriate environmental document under CEQA for such work and the granting of any required permits or approvals for same.
23.	§1020	<p><u>Developer Provision of Work Product</u></p> <p>If by the Outside Date for Initial Conveyance (as such date may be extended due to Force Majeure Conditions) Developer has not acquired from City fee title to the entirety of the City-Owned Property, then Developer shall provide City with full and complete copies of all Work Product.</p>	Within 60 days following the expiration or termination of the DDA and concurrently with City delivery to Developer of any remaining Project Account funds.
24.	§1002	<p><u>Certificate of Completion</u></p> <p>City shall execute and acknowledge a Certificate of Completion and deliver such certificate to Developer for recordation in the Official Records of the County.</p>	Within 30 days following Developer's request and satisfactory completion of all of Developer's Work.

Exhibit E

**SUBLEASE IN FURTHERANCE
OF CONVEYANCE**

Between

CITY OF VALLEJO

And

THE NIMITZ GROUP, LLC

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LIST OF ATTACHMENTS

Attachment No. 1	Leased Premises (Legal Description)
Attachment No. 2	Leased Premises (Depiction)
Attachment No. 3	1999 LIFOC

INDEX OF DEFINED TERMS

[TO BE INSERTED]

SUBLEASE IN FURTHERANCE OF CONVEYANCE

THIS SUBLEASE IN FURTHERANCE OF CONVEYANCE ("**Sub-LIFOC**") is entered into as of _____, 202__ ("**Effective Date**"), by and between the CITY OF VALLEJO, a California municipal corporation ("**City**" or "**Sublessor**"), and THE NIMITZ GROUP, LLC, a California limited liability company ("**Sublessee**").

RECITALS

This Sub-LIFOC is made with reference to the following facts and understandings:

A. The United States of America, acting by and through the Department of the Navy, as lessor ("**Government**"), and City, as lessee, entered into that certain Lease In Furtherance Of Conveyance dated September 30, 1999 ("**1999 LIFOC**") attached hereto as Attachment No. 3, by which the Government has leased to City a portion of the former Mare Island Naval Shipyard, including approximately 31.8 acres within Reuse Area 1-A, as described in Attachment No. 1 and depicted in Attachment No. 2 to this Sub-LIFOC ("**Leased Premises**").

B. The Government has issued a Finding of Suitability for Transfer ("**FOST**") for one of the two subparcels comprising the Leased Premises but transfer of that property to the City has been delayed due to new regulatory requirements regarding polyfluoroalkyl substances ("**PFAS**"). Following resolution of the PFAS issue and issuance of a FOST with respect to the other subparcel comprising the Leased Premises, Navy will convey title to the Leased Premises to City via quitclaim deed.

C. City and Sublessee entered into an Exclusive Negotiation Agreement dated July 31, 2018 (as subsequently amended, the "**ENA**"), providing, among other things, for City and Sublessee to negotiate terms for Sublessee to sublease the Leased Premises on an interim basis and accept title conveyance of the Leased Premises following City's acquisition thereof from the Government. City and Sublessee subsequently negotiated and entered into a Disposition and Development Agreement dated _____, 2022 (the "**DDA**") recorded in the Official Records of the County of Solano as Instrument No. _____, providing in part for Sublessee to sublease the Leased Premises and acquire the Leased Premises upon its conveyance by the Government to City pursuant to a form of Sublease in Furtherance of Conveyance attached as an exhibit thereto.

D. Sublessee desires to obtain use of the Leased Premises prior to the transfer of title to the Leased Premises to City, and subsequently to Sublessee, pursuant to the DDA and has requested that City sublease the Leased Premises to Sublessee pursuant to this Sub-LIFOC.

E. Sublessee acknowledges that City has agreed to sublease the Leased Premises to Sublessee under this Sub-LIFOC in a conduit capacity only. As such, Sublessee has agreed to assume all of the obligations of City as Lessee under the 1999 LIFOC, as it relates solely to the Leased Premises and pursuant and subject to the terms and conditions of the 1999 LIFOC which exist on the Effective Date, and to perform its other obligations set forth herein. Sublessee further acknowledges that City has agreed to sublease the Leased Premises to Sublessee under this Sub-LIFOC based on Sublessee agreeing to accept conveyance of the Leased Premises from

City immediately following conveyance of the Leased Premises by the Government to City as part of a joint escrow as provided in, and subject to, the terms and conditions of the DDA, and Sublessee has agreed to such requirement and obligation.

A G R E E M E N T

NOW THEREFORE, in consideration of the foregoing recitals and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Capitalized Terms. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the 1999 LIFOC, unless otherwise indicated.

2. Leased Premises. City subleases to Sublessee and Sublessee subleases from City, on the terms and conditions of this Sub-LIFOC, the Leased Premises.

3. Term. The "**Term**" of this Sub-LIFOC shall commence on the Effective Date ("**Commencement Date**") and expire on the first to occur of (a) the date which is immediately prior to the expiration date of the 1999 LIFOC term, currently September 29, 2049 ("**Expiration Date**"); or (b) the effective date of conveyance by quitclaim deed of the Leased Premises from City to Sublessee pursuant to the DDA; or (c) the date on which City consummates the exercise of the City's option to repurchase, reenter and take possession of property previously conveyed by City to Sublessee, as Developer, pursuant to section 806 of the DDA; unless sooner terminated pursuant to the terms of this Sub-LIFOC (including without limitation those provisions of the 1999 LIFOC that are incorporated herein by reference). In the event of a conveyance by City to Sublessee of title to only a portion of the Leased Premises, then this Sub-LIFOC shall be deemed terminated only as to such portion so conveyed and, if requested by City or Sublessee, the parties shall execute an amendment of this Sub-LIFOC memorializing the reduction in the size of the Leased Premises subject to this Sub-LIFOC.

4. Rent. Sublessee shall pay to City as "**Base Rent**" for the term of this Sub-LIFOC the sum of One Dollar (\$1.00), payable concurrently with execution of this Sub-LIFOC and receipt of which is acknowledged hereby. Sublessee shall pay to City as "**Additional Rent**" any and all other amounts of any kind that become due or payable by City to Government or third parties under the terms of the 1999 LIFOC, within thirty (30) days of Sublessee's receipt of written demand therefor, which demand shall include copies of all applicable Government invoices and statements, and all other cost documents verification. Base Rent and Additional Rent are collectively referred to herein as "**Rent**". Sublessee's obligation to pay Rent under this Sub-LIFOC survives the Term to the extent such obligation has not been fulfilled during the Term.

5. 1999 LIFOC. A copy of the 1999 LIFOC is attached to this Sub-LIFOC as Exhibit B and, except as set forth below, is incorporated herein by reference. This Sub-LIFOC is subject to all provisions of the 1999 LIFOC, and Sublessee shall not permit any act or omission to act that will violate any of the provisions of the 1999 LIFOC. Notwithstanding the foregoing, nothing in this Sub-LIFOC shall in any way be construed as making Sublessee liable in any way for any violations of the 1999 LIFOC or any obligations of City under the 1999 LIFOC to the

extent occurring or accruing prior to the Commencement Date. City hereby represents and warrants to City's knowledge that the 1999 LIFOC attached hereto is in full force and effect, has not been modified or amended in any way other than pursuant to the written documents and instruments attached as exhibits hereto, and there are no outstanding defaults or claims of default currently existing with respect to the 1999 LIFOC by either City or Government. As used herein, to "City's knowledge" means the current, actual knowledge of Paul Kelley, Special Advisor to the City Manager/Economic Development Manager.

6. Incorporation by Reference; Performance; Assumption.

A. Incorporation; Interpretation. Except as otherwise set forth in this Sub-LIFOC, as applied to this Sub-LIFOC, the words "**Government**" or "**United States of America**" in the 1999 LIFOC shall be deemed to refer to City, the words "**Lessee**" shall be deemed to refer to Sublessee and the word "**Sublessee**" shall be deemed to refer to Sublessee's subtenants. Except as otherwise expressly provided herein, Sublessee shall perform to City or directly to Government, as appropriate, all of Lessee's obligations under the 1999 LIFOC accruing from and after the Effective Date. In the event of a conflict between the terms of the 1999 LIFOC and the terms of this Sub-LIFOC, the terms of this Sub-LIFOC will control as to disputes between City and Sublessee only.

B. Exceptions.

(i) The following provisions of the 1999 LIFOC are expressly omitted from this Sub-LIFOC: Section 1, Section 2, Subsection 3.1 (first and last sentences only), Subsection 5.1.1 (first sentence from "Government hereby" through "terms and conditions:"), Subsection 5.3, Subsection 7.1, Subsection 7.3 (last sentence), Subsection 9.1 (first sentence from "Government consent" through "(H) and the"), Subsection 11.2 (from "except as may be" through the end of that subsection), Subsection 14.14 (and all subsections thereof), Subsection 14.16 (from "excepted as" through the end of that subsection), Subsection 14.20 (from "until any inspections" through the end of that Subsection), Subsection 14.21 (first clause only), Subsection 14.23, Subsection 14.25, Subsection 15.2 (except the first sentence), Subsection 15.2.1, Subsection 15.3, Section 18 (including all subsections thereof), Addendum (a) to the 1999 LIFOC (in its entirety), and Exhibit I to the 1999 LIFOC (in its entirety including all appendices thereto).

(ii) The words "**Government**" or "**United States of America**" in the following 1999 LIFOC provisions shall be deemed to refer to The United States of America, acting by and through the Department of the Navy, only: Section 8, Subsection 10.2 (including all references thereto, wherever appearing), Section 12 (including all subsections thereof), Subsection 14.4 (fourth sentence only), Subsection 14.17, Section 20, Section 24 (including all subsections thereof), Section 29, and Section 33.

(iii) The words "**Government**" or "**United States of America**" in the following 1999 LIFOC provisions shall be deemed to refer to The United States of America, acting by and through the Department of the Navy, and the City: Subsection 3.2, Subsection 4.1, Subsection 4.2, Subsection 5.2, Subsection 7.2, Subsection 7.3, Subsection 9.1 (except portion omitted per Subsection 6.B.(i) of this Sub-LIFOC), Subsection 11.2 (except portion omitted per

Subsection 6.B.(i) of this Sub-LIFOC), Section 14 (including all subsections except Subsection 14.2 (first two sentences only)), Subsection 14.4 (fourth sentence only), Subsection 14.5, Subsection 14.6, Subsection 14.9, and those subsections or portions thereof omitted per Subsection 6.B.(i) of this Sub-LIFOC), Subsection 15.2 (first sentence only), and Section 17.

(iv) The words "**Government**" or "**United States of America**" in the following 1999 LIFOC provisions shall be deemed to refer to The United States of America, acting by and through the Department of the Navy, or the City, as applicable: Section 10 (but not including subsections thereof unless otherwise specified), Subsection 10.1, Subsection 14.5, Subsection 14.6, Subsection 14.9, Section 16, and Section 19.

(v) The word "**Lease**" in the 1999 LIFOC shall be deemed to refer to both the 1999 LIFOC and this Sub-LIFOC.

(vi) The word "**Lessee**" in Section 24 (including all subsections thereof) of the 1999 LIFOC shall be deemed to refer to Sublessee only.

(vii) The word "**City**" in Section 20 of the 1999 LIFOC shall be deemed to refer to City or Sublessee, as applicable.

(viii) The recitals as set forth in the 1999 LIFOC shall remain as originally drafted therein, with no changes to any of the parties or defined terms contained therein.

C. No Assumption by City. Notwithstanding anything in the 1999 LIFOC or this Sub-LIFOC to the contrary, City does not assume the obligations of the Government under the provisions of the 1999 LIFOC, but shall exercise good faith, reasonable efforts in attempting to cause the Government to perform its obligations under the 1999 LIFOC for the benefit of Sublessee. Further, Sublessee, to the extent permitted by applicable Law, shall have the right, acting on behalf of and/or in the place of City, to directly enforce the terms and conditions of the 1999 LIFOC and exercise the rights of the "Lessee" against Government thereunder.

7. Insurance and Exculpation.

A. Insurance. Sublessee shall, at Sublessee's expense, obtain and keep in force at all times during the Term insurance that meets all of the requirements set forth in Exhibit L to the DDA.

B. Notification of Incidents. Sublessee shall notify City within twenty-four (24) hours after the occurrence of any accident or incident on or about the Leased Premises or any portion thereof which could give rise to a claim against City, City's Insurance, Government, Sublessee, or Sublessee's Insurance, except that Sublessee shall not be obligated to give City notice of any accident or incident which could give rise to a claim under Sublessee's workers' compensation insurance. Sublessee's notice shall be accompanied by a copy of any report(s) relating to the accident or incident.

C. Compliance With Insurance Requirements, Warranties. Sublessee shall not do anything on or about the Leased Premises, or bring or keep anything therein, or subject

the Leased Premises or any portion thereof to any use which would damage the same or increase the risk of loss or fire, or violate City's Insurance, or Sublessee's Insurance, or which shall conflict with the regulations of the fire department or applicable Laws or with any insurance policy on the Leased Premises or any part thereof, or with any rules or regulation established by any administrative body or official having jurisdiction. Sublessee shall promptly comply with the reasonable requirements of any board of fire insurance underwriters or other similar body now or hereafter constituted. Sublessee shall not take any action which would abrogate any warranties.

D. Exemption of City from Liability. Sublessee, as a material part of the consideration to City, hereby assumes all risk of damage to property including, but not limited to, Sublessee's Property, or injury to or death of persons in, upon or about the Leased Premises arising from any cause from and after the Commencement Date, and Sublessee hereby waives all claims in respect thereof against City, except to the extent such claims are caused by City's or its employees', agents', contractors', or representatives' negligence or willful misconduct, or that of the Government, and further excluding damage and loss resulting from the breach of the 1999 LIFOC by City or Government and/or the breach of this Sub-LIFOC by City. Sublessee hereby agrees that City shall not be liable for injury to Sublessee's business or any loss of income therefrom or for damage to the property of Sublessee, or injury to or death of Sublessee, Sublessee Parties ("**Sublessee Parties**" shall mean Sublessee and the members of Sublessee, and its and their respective officers, directors, partners, members, managers, employees, agents, representatives, successors and assigns) or any other person on or about the Leased Premises or any portion thereof, whether such damage or injury is caused by fire, steam, electricity, gas, water or rain, or from the breakage, leakage or other defects of utility systems, or from any other cause, whether said damage or injury results from conditions arising on or about the Leased Premises or from other sources or places, and regardless of whether the cause of such damage or injury or the means of repairing the same is inaccessible to Sublessee, except to the extent such damage or injury is caused by City's, or its employees', agents', contractors', or representatives' negligence or willful misconduct, the breach of the 1999 LIFOC and/or this Sub-LIFOC by City. City shall not be liable for any damages arising from any act or neglect of any other subtenant or licensee or City's failure to enforce the terms of any agreements with parties other than Sublessee. The provisions of this subsection 7.D shall survive the termination of this Sub-LIFOC with respect to any claims occurring prior to such termination.

8. Intentionally Omitted.

9. Utility Services. City in no way warrants the adequacy of any of the existing utility systems serving the Leased Premises and will not be responsible during the Term of this Sub-LIFOC for any maintenance, alteration or repair of any part of said utility systems.

10. Termination of LIFOC upon Conveyance; Potential for Conversion to Direct Lease. Subsection 15.1 of the 1999 LIFOC provides for immediate termination of the 1999 LIFOC with respect the portion of the Leased Premises that has been conveyed by the Government to City (the "Conveyed Portion"). If, for any reason City agrees to accept conveyance from the Navy of all or a portion of the Leased Premises and such portion is not immediately conveyed to Sublessee through a back-to-back escrow as contemplated by the DDA then, as to the Conveyed Portion, this Sub-LIFOC shall be considered a direct lease from City to

Sublessee on all of the same terms and conditions as set forth herein. Upon close of escrow and delivery to Sublessee, in accordance with the terms of the DDA, of quitclaim deed between City and Sublessee conveying to Sublessee title to any portion of the Leased Premises, including any previously Conveyed Portion, this Sub-LIFOC (or, if applicable, the direct lease) shall automatically terminate with respect to the Leased Premises (or portion thereof conveyed) as if such date were the stated Expiration Date contained herein and neither party hereto shall have any further obligations under this Sub-LIFOC with respect to the Leased Premises (or portion thereof conveyed) after such termination date, other than any obligations which otherwise would survive termination of this Sub-LIFOC.

11. Notices. All written notices to be given to City or Sublessee in connection with this Sub-LIFOC shall be in writing and given by (a) certified mail, return receipt requested and postage prepaid, (b) personal delivery, or (c) nationally recognized reputable overnight courier (but not by facsimile or email), addressed to the party entitled to receive such notice at the address specified below by such party, or changed by written notice in accordance with this section. Any notice shall be deemed received on the date of delivery if delivered by personal service, on the date of delivery or refused delivery as shown by the return receipt if sent by certified mail, and on the date of delivery or refused delivery as shown by the records of the overnight courier if sent via courier. If notice is received on a Saturday or a Sunday or a legal holiday, it shall be deemed received on the next business day. All written notices to be given to Government shall be sent to the then current address of the Department of the Navy BRAC – Program Management Office; the address for Department of the Navy BRAC as of the Effective Date is set forth below. Notices sent by a party’s attorney on behalf of such party shall be deemed delivered by such party.

City: City of Vallejo
P.O. Box 3068
555 Santa Clara Street
Vallejo, CA 94590-5934
Attn: City Manager
Tel: (707) 648-4576

With copies to: City of Vallejo
P.O. Box 3068
555 Santa Clara Street
Vallejo, CA 94590-5934
Attn: City Attorney
Tel: (707) 648-4545

and: City of Vallejo
P.O. Box 3068
555 Santa Clara Street
Vallejo, CA 94590-5934
Attn: Economic Development Manager
Tel: (707) 648-4444

and: Gerald J. Ramiza, Esq.
Burke, Williams & Sorensen, LLP
1901 Harrison Street, 9th Floor
Oakland, CA 94612-3501
Tel: (510) 273-8780

Sublessee: c/o Southern Land Company, LLC
3990 Hillsboro Pike, Suite 400
Nashville, TN 37215
Attention: Legal Department
Email: LegalNotices@southernland.com

Navy: Department of the Navy BRAC – Program Management
Office
33000 Nixie Way – Building 50, Suite 207
San Diego, CA 92147
Tel: (619) 524-5096

12. Assignment and Subletting. In addition to the 1999 LIFOC restrictions, Sublessee shall not sublet, transfer or assign all or any portion of its interests, rights or obligations under this Sub-LIFOC without the prior written approval of the City which may be granted, denied or conditioned in City's sole, absolute discretion; provided any transfer permitted under the DDA shall also be permitted under this Sub-LIFOC, subject to the applicable terms and conditions of the DDA. Excluding the transfers permitted under the DDA, no sublease, transfer or assignment shall be recognized under this Sub-LIFOC, nor shall any person or entity acquire any rights hereunder by virtue of such transfer or assignment, unless and until approved by City in its sole discretion as provided above, and by Government pursuant to the 1999 LIFOC.

13. Obtaining the Government's Consent. Whenever the consent or approval of the Government is required under the 1999 LIFOC, City agrees to use reasonable, good faith efforts to obtain such consent or approval on behalf of Sublessee. Notwithstanding anything in this Sub-LIFOC or the 1999 LIFOC to the contrary, any action taken by Sublessee for which such approval is required under the terms and conditions of the 1999 LIFOC, and such approval is not obtained or is denied, shall be voidable by Government, and City shall bear no liability to Sublessee in connection therewith.

14. Notice by the Government to City. Whenever City receives notice from the Government under the 1999 LIFOC that may in any way affect the rights of Sublessee or the Leased Premises, City shall deliver such notice to Sublessee as soon as possible, but in no event later than five (5) business days after City receives such notice.

15. Hazardous Materials. Except with respect to Pre-existing Conditions, as defined in Section 18, City and Sublessee agree as follows with respect to the existence or use of Hazardous Materials on the Leased Premises. Obligations of Sublessee hereunder are in addition to those set forth in the 1999 LIFOC, and assumed by Sublessee pursuant to this Sub-LIFOC.

A. **"Environmental Laws"** shall mean all present and future applicable Laws pertaining to Hazardous Materials (including, without limitation, the use, handling, transportation, production, disposal, discharge or storage thereof) or the environmental conditions on, under or about the Leased Premises and to the protection of human health or the environment.

B. **"Hazardous Materials"** shall mean any hazardous or toxic substance, material or waste the storage, use, or disposition of which is or becomes regulated by any local governmental authority, the State of California or the United States Government. The term Hazardous Material includes, without limitation, any material or substance which is (i) defined as a hazardous or extremely hazardous waste pursuant to Article II of Title 22 of the California Administrative Code, Division 4, Chapter 20, (ii) defined as a hazardous waste pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. 6901 et seq. ("**42 U.S.C. 69093**"), (iii) defined as a hazardous substance pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601 et seq. ("**42 U.S.C. 9601**") or (iv) is listed or defined as a hazardous waste, hazardous substance, or other similar designation by any regulatory scheme of the State of California or the United States Government that is similar to the foregoing.

C. Except as contemplated by the terms and conditions of a relevant Government approval, Sublessee shall not use, generate, manufacture, produce, store, release, discharge, or dispose of, on, under or about the Leased Premises or transport to or from the Leased Premises any Hazardous Material or allow its members or its or their officers, employees, agents, contractors, subcontractors, licensees, invitees or subtenants (collectively, "**Sublessee's Agents**") to do so; provided, however, that materials containing Hazardous Materials which are normally, prudently and properly used in connection with the operations of Sublessee's subtenants and the operation and maintenance of improvements, if any, of the same type as those located on the Leased Premises may be stored and used on the Leased Premises, in reasonably necessary quantities, provided such use and storage is incidental to and reasonably necessary for the normal, prudent and proper operation and maintenance of the improvements, and in all respects in strict compliance with all Environmental Laws. Sublessee shall comply with and shall cause Sublessee's Agents to comply with, and shall keep and maintain the Leased Premises and cause Sublessee's Agents to keep and maintain the Leased Premises in compliance with all Environmental Laws.

D. Sublessee shall give written notice to City promptly after Sublessee receives actual notice of any of the following: (i) any proceeding or inquiry by, notice from, or order of any governmental authority (including, without limitation, the California State Department of Toxic Substances Control) with respect to the presence of any Hazardous Material on, under or about the Leased Premises or the migration thereof from or to other property; and (ii) all claims made or threatened by any third party against Sublessee or the Leased Premises relating to any loss or injury resulting from any Hazardous Materials. Sublessee shall give written notice to City promptly after Sublessee obtains actual knowledge of any spill, release or discharge of Hazardous Materials with respect to the Leased Premises by Sublessee or Sublessee's Agents.

E. Sublessee shall protect, defend, indemnify and hold harmless City, its elected officials, employees, officers, volunteers, contractors, agents, successors and assigns from and against any and all claims, actions, causes of action, suits, debts, liens, demands, contracts, liabilities, costs, expenses, losses, fines, judgments, penalties, damages, or liability (including reasonable attorneys' fees and costs) (collectively, "**Claims**") to the extent directly or indirectly arising out of or attributable to the action of Sublessee or Sublessee's Agents after the Commencement Date in connection with the use, generation, manufacture, production, storage, release, threatened release, discharge or disposal of any Hazardous Material on, under or about the Leased Premises or the transportation of any Hazardous Material to or from the Leased Premises by Sublessee or Sublessee's Agents including, without limitation, the costs of any investigation, monitoring, removal, restoration, abatement, repair, cleanup, detoxification or other ameliorative work of any kind or nature arising therefrom and required by any governmental authority whether or not permitted or contemplated by the terms and conditions of any Government approval (collectively, "**Remedial Work**").

F. Upon receiving actual or constructive notice of any spill or release of Hazardous Materials by Sublessee or Sublessee's Agents, Sublessee shall promptly notify City of the spill or release of Hazardous Materials and shall, at its sole expense and promptly after demand by City, commence to perform and thereafter diligently prosecute to completion such Remedial Work as is required under Environmental Laws.

16. EBS and FOSL Notification. Sublessee acknowledges that it has received a copy of and reviewed the Environmental Baseline Study ("**EBS**") and the Finding of Suitability to Lease ("**FOSL**") attached to the 1999 LIFOC as Exhibits A and C, respectively, including, without limitation, those provisions and restrictions relating to lead-based paint, unexploded ordnance safety arcs, asbestos containing materials, and other known health and safety matters at the Leased Premises.

17. Non-Interference with Government Regulator Operations; Unexploded Ordnance Removal, Lead Based Paint and Asbestos Requirements.

A. Non-Interference with Government Regulator Operations. Sublessee shall not conduct any operations, install any improvements or make any alterations at the Leased Premises that interfere with or restrict operations, environmental cleanup or restoration actions by the Government, the Department of the Navy, the Environmental Protection Agency ("**EPA**"), State of California environmental regulators (e.g., DTSC and the Regional Water Quality Control Board, San Francisco Bay Region), or its or their contractors (collectively, "**Government Regulators**"). Environmental clean-up, restoration and testing activities by said Government Regulators shall take priority over Sublessee's use of the Leased Premises in the event of any conflict.

B. Unexploded Ordnance Removal. Sublessee acknowledges that (i) areas of the Leased Premises may from time to time be made subject to ordnance safety arcs in accordance with the terms of the 1999 LIFOC; and (ii) that during the period of any unexploded ordnance ("**UXO**") removal, Sublessee shall be prohibited from entering said areas of the Leased Premises. Sublessee expressly assumes such risk and shall not be entitled to any abatement of

rent or other remedies under this Sub-LIFOC or otherwise, during the period of any UXO removal.

C. Asbestos Containing Materials. During the term of this Sub-LIFOC, and to the extent not the obligation of the Government pursuant to the 1999 LIFOC, including, without limitation, paragraph 14.14.2 thereof, Sublessee shall, at its sole expense, cause the removal, remediation or abatement of any asbestos containing materials ("ACM") which deteriorate through the passage of time or which become damaged as a result of a natural disaster or the activities of Sublessee, its members, employees, agents, contractors or subcontractors, but only to the extent such removal, remediation, or abatement is, at such time, required under applicable Laws. In the event of an emergency abatement event, Sublessee shall notify the Government as soon as practicable of its emergency ACM response plan. Sublessee shall, at its expense, monitor the condition of existing ACM on the Leased Premises for deterioration or damage and shall accomplish repairs or abatement, as necessary, pursuant to the applicable provisions of this Sub-LIFOC. If Sublessee desires to make any improvements, repairs or alterations requiring the removal of ACM, Sublessee shall, at its expense, prepare an appropriate ACM disposal plan and submit such disposal plan to the Government for its review and approval. The ACM disposal plan shall either identify the ACM disposal site or provide for such disposal at a licensed facility authorized to receive ACM.

D. Lead Based Paint Property. During the Term of this Sub-LIFOC, and to the extent not the obligation of the Government pursuant to the 1999 LIFOC, Sublessee shall, at its sole expense, manage and, if, to the extent, and when required by applicable Law, cause the removal, remediation or abatement of any lead-based paint property and shall comply with all applicable Federal, State and local laws, in compliance with, and to the extent required by, the terms of the 1999 LIFOC.

18. Additional Requirements.

A. Pre-Existing Conditions. If, during the performance of any work of improvements or alterations at the Leased Premises, Sublessee encounters pre-existing conditions caused by the Government which may require the Government to take action in accordance with Federal, State or local laws, or pursuant to any agreement to which the Government is a party, to remove, remediate, correct or abate Hazardous Materials, pollutants or contaminants ("**Pre-existing Conditions**"), except where such Pre-existing Conditions are encountered in accordance with the terms and conditions of a relevant Government approval, Sublessee shall promptly notify City and the Government of such Pre-existing Conditions and shall immediately cease all work of improvements or alterations and secure the work site, to the extent incompatible with such remediation of Pre-existing Conditions as reasonably determined by the City and/or Government. If deemed reasonably necessary by the City or the Government, Sublessee shall promptly vacate the portion of the Leased Premises on which the Pre-existing Conditions are located. Sublessee shall not be entitled to any abatement of rent as a result of any Pre-existing Conditions or any required vacation of the Leased Premises.

B. Notice Regarding Holders. Sublessee shall deliver to City a list of all holders of any permitted subleasehold mortgage, subleasehold deed of trust or other subleasehold

security interest in the Leased Premises, or any portion thereof, within ten (10) business days after receipt of City's written request.

C. Compliance with Laws. Sublessee at Sublessee's sole expense, shall comply with all applicable statutes, laws, codes, rules, orders, zoning, ordinances, directions, regulations, regulations, permits, or other requirements of federal, state, county, municipal, or other governmental authorities having jurisdiction, now in force or which may hereafter be in force (individually and collectively, "Law(s)"), which shall impose any duty upon City or Sublessee with respect to the use, occupancy, or alteration of the Leased Premises during the Term of this Sub-LIFO.

19. General Release. Except to the extent of any Claims caused by the City's sole active negligence or willful misconduct, Sublessee releases and forever discharges the City Parties (defined below) from any and all known or unknown Claims which the Sublessee Parties (defined above) have or may have against the City Parties, including but not limited to Claims of property damage, bodily injury including death, consequential damage, incidental damage, damage to reputation, loss of existing, future or potential business, loss of good will, attorneys' fees, costs and expenses arising out of (i) environmental clean-up, restoration and testing activities by Government Regulators, (ii) UXO removal, (iii) Lead Remediation, (iv) ACM removal, remediation and abatement, and (v) Pre-existing Conditions. "City Parties" shall mean the City and its elected officials, employees, agents, contractors, volunteers, attorneys, successors and assigns. Sublessee hereby acknowledges that it has been advised by legal counsel and is familiar with Section 1542 of the California Civil Code, which provides as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

Sublessee further acknowledges that this Sub-LIFO has been negotiated and executed with full knowledge of potential unknown or unsuspected damage, loss, cost or expense and expressly waives any and all rights which the Sublessee Parties may have under California Civil Code Section 1542 or any other state or federal statute or common law principle of similar effect.

20. Intentionally Omitted.

21. Labor Provisions of 1999 LIFO. Sublessee shall comply with all of the requirements set forth in Section 19 of the 1999 LIFO, if and as required by applicable Laws.

22. Taxes. As used in this Lease "Taxes" means Property Taxes, Possessory Interest Taxes, Personal Taxes, Municipal Service Charges, and any other taxes or assessments. Sublessee's obligations for Taxes for the last full or partial year of the Term and for any prior unpaid Taxes shall survive the expiration or earlier termination of this Lease.

A. Real Property Taxes. Although no Property Taxes are currently assessed, in the event they are assessed, then Sublessee shall pay to City any and all such Property Taxes in each calendar year on or before the date which is thirty (30) calendar days prior to the date such Property Taxes are due. City shall deliver to Sublessee an invoice, with reasonable supporting documentation, not less than twenty (20) days prior to the date on which such payment is due from Sublessee to City. Should Sublessee fail to pay the Property Taxes, City may elect to do so on Sublessee's behalf. Sublessee will thereafter be required to pay the Property Taxes. Notwithstanding the foregoing, City may, from time to time and in City's sole discretion, require that Sublessee pay such amounts in monthly installments of one-twelfth (1/12th) thereof on the first calendar day of each month. Property Taxes for partial tax fiscal years, if any, falling within the Term, shall be prorated on a per diem basis.

(i) Definition of Property Taxes. "**Property Taxes**" shall be the sum of the following: all real property taxes, business or license taxes or fees, service payments in lieu of such taxes or fees, annual or periodic license or use fees, excises, transit and traffic charges, housing fund assessments, open space charges, child care fees, school, sewer and parking fees, public infrastructure improvement assessments or any other assessments, levies, fees, exactions or charges, general and special, ordinary and extraordinary, unforeseen as well as foreseen (including fees "in lieu" of any such tax or assessment) which are assessed, levied, charged, conferred or imposed by any public authority upon the Leased Premises or portion thereof or its operations, together with all taxes, assessments or other fees imposed by any public authority upon or measured by any Rent or other charges payable hereunder, including any gross receipts tax or excise tax levied by any governmental authority with respect to receipt of rental income, or upon, with respect to or by reason of the development, possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Sublessee of the Leased Premises or any portion thereof, or documentary transfer taxes upon this transaction or any document to which Sublessee is a party creating or transferring an interest in the Leased Premises, together with any tax imposed in substitution, partially or totally, of any tax previously included within the aforesaid definition or any additional tax the nature of which was previously included within the aforesaid definition.

(ii) Statement Regarding Possessory Interest Tax. This Lease creates a possessory property interest in Sublessee. Sublessee's property interest may be subject to property taxation, and Sublessee or the party in whom the possessory interest is vested may be subject to the payment of property taxes levied on the interest. Such taxes are referred to herein as "**Possessory Interest Taxes**".

B. Personal Taxes. Sublessee shall pay directly to the taxing authority all taxes and assessments levied upon the trade fixtures, alterations, additions, improvements, equipment, inventories and other personal property located and/or installed on the Leased Premises by Sublessee, if any (individually and collectively "**Sublessee's Property**"). Such taxes are referred to herein as "**Personal Taxes**".

C. Payment of Taxes. Sublessee shall pay all Taxes prior to delinquency. To the extent any such taxes are not separately assessed or billed to Sublessee by the taxing authority, City shall deliver to Sublessee copies of the assessment and tax bill together with a statement of Sublessee's share of taxes. Sublessee shall pay the amount reasonably allocated to

Sublessee no later than thirty (30) days prior to the date on which such Taxes are due. Taxes attributable to any of Sublessee's personal property shall be charged to and paid by Sublessee. Should Sublessee fail to pay its Taxes prior to delinquency, City may elect to do so on Sublessee's behalf and, if City so elects, Sublessee will thereafter be required to pay said Taxes and interest at the Applicable Interest Rate, from the date City tendered payment, until the date Sublessee fully reimburses City.

23. Events of Default. Any of the following events or occurrences shall constitute a material breach of this Sub-LIFOC by Sublessee and, after the expiration of any applicable cure period, shall constitute an event of default (each an "**Event of Default**"):

A. The failure by Sublessee to pay any amount in full when it is due under this Sub-LIFOC, said failure continuing for a period of five (5) business days after receipt of written notice that the same is due; or

B. The failure by Sublessee to perform any other obligation under this Sub-LIFOC, if the failure has continued for a period of thirty (30) days after City demands in writing that Sublessee cure the failure. If, however, by its nature the failure cannot be cured within thirty (30) days, Sublessee may have a longer period as is necessary to cure the failure, but this is conditioned upon Sublessee's promptly commencing to cure within the thirty (30) day period and thereafter diligently completing the cure; or

C. The appointment of a trustee or receiver to take possession of all or substantially all of Sublessee's assets; or the attachment, execution or other judicial seizure of all or substantially all of Sublessee's assets located at the Leased Premises or of Sublessee's interest in this Sub-LIFOC, unless the appointment or attachment, execution, or seizure is discharged within thirty (30) days; or the involuntary filing against Sublessee, of (i) a petition to have Sublessee declared bankrupt, or (ii) a petition for reorganization or arrangement of Sublessee under any law relating to insolvency or bankruptcy, unless, in the case of any involuntary filing, it is dismissed within sixty (60) days; or

D. Sublessee is in default under the DDA following notice and expiration of applicable cure periods.

24. Remedies. Upon the occurrence of an Event of Default, and after expiration of any applicable notice and cure period, City, in addition to any other rights or remedies available to City at law or in equity, shall have the right to terminate this Sub-LIFOC and all rights of Sublessee under this Sub-LIFOC by giving Sublessee written notice that this Sub-LIFOC is terminated. Except where inconsistent with or contrary to any express provisions of this Sub-LIFOC or the DDA, no right or remedy conferred upon or reserved to either party is intended to be exclusive of any other right or remedy, or any right or remedy given or now or later existing at law or in equity or by statute.

25. Default Interest. If Sublessee fails to pay any amount due under this Sub-LIFOC that amount shall bear interest at the rate of ten percent (10%) per annum from the due date until paid, or at such lower rate as may be the highest rate legally permitted ("**Applicable Interest Rate**").

26. Arbitration of Disputes Involving the Government. Any claim or dispute arising out of or relating to this Sub-LIFOC, which also involves the Government, shall be settled in accordance with the alternative dispute resolution provisions set forth in Section 24 of the 1999 LIFOC, which section is incorporated herein only as to such disputes.

27. Ambiguities. This Sub-LIFOC has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with in this Sub-LIFOC. Accordingly, any rule of law (including Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Sub-LIFOC against the party that has drafted it is not applicable and is waived. The provisions of this Sub-LIFOC shall be interpreted in a reasonable manner to effect the purpose of the parties.

28. Other Events of Termination. Sublessee acknowledges that the Government has the right, following expiration of applicable cure periods, to terminate the 1999 LIFOC upon the occurrence of any of the events set forth in paragraph 15.2 thereof. In the event of such termination of the 1999 LIFOC, this Sub-LIFOC, together with any subleases entered into pursuant to this Sub-LIFOC, shall automatically terminate.

29. Relocation Waiver. Sublessee fully releases and discharges City and Government from all and any manner of rights, benefits, demands, liabilities, obligations, claims, or cause of actions, in law or equity, of whatever kind or nature, whether known or unknown, whether now existing or hereinafter arising, which arise from or relate in any manner to the relocation of Sublessee's business operations or the relocation of any person or persons, business or businesses, or other occupant or occupants located on the Leased Premises upon the expiration or earlier termination of this Sub-LIFOC, including, without limitation, the specific waiver and release of any right to any relocation benefits, assistance and/or payments under federal or state law, including Government Code Sections 7260 et seq. (collectively, "**Relocation Assistance Law**").

30. Use of Leased Premises; NEPA Review. Sublessee shall use the Leased Premises exclusively (i) for the purposes set forth in the Mare Island Final Reuse Plan or the Mare Island Specific Plan, as adopted, and as amended, by ordinance of the City, subject to the uses being consistent with the National Environmental Policy Act ("NEPA") Record of Decision for the disposal and reuse of the former Mare Island Naval Shipyard, (ii) in accordance with the restrictions and requirements set forth in the 1999 LIFOC, including the FOSL attached thereto as Exhibit C, and (iii) in a manner consistent with all applicable Laws, including City zoning requirements, and the conditions of all City land use approvals and permits. Subject to all applicable Laws, Sublessee may modify the use of the Leased Premises with the prior written consent of the City and the Government. City shall not unreasonably withhold, condition or delay its consent to such a proposed modification. If the Government determines, in connection with a proposed modification in use of the Leased Premises, that additional NEPA review is necessary, applicable NEPA documentation shall be prepared by City at Sublessee's expense. Sublessee shall pay to City upon demand any and all costs which Sublessee is obligated to pay under this Section 30.

31. Successors in Interest. Subject to the restrictions on assignment and subletting set forth in Section 12 hereof and in Paragraph 5 of the 1999 LIFOC, this Sub-LIFOC shall be binding on and shall inure to the benefit of the heirs, executors, administrators, successors, and assigns of City and Sublessee.

32. Severability. Should any provision of this Sub-LIFOC be held by a court of competent jurisdiction to be either invalid or unenforceable, the remaining provisions of this Sub-LIFOC shall remain in effect to the fullest extent allowed by law.

33. Attorneys' Fees. If any action at law or in equity is brought to recover any Rent or other sums due under this Sub-LIFOC, or for or on account of any breach of, or to enforce or interpret any of, the covenants, terms, or conditions of this Sub-LIFOC, or for the recovery of possession of the Leased Premises, the prevailing party shall be entitled to recover from the other party as part of prevailing party's costs reasonable attorneys' fees, the amount of which shall be fixed by the court and shall be made a part of any judgment rendered.

34. Amendments. This Sub-LIFOC may be modified only in writing and only if signed by the parties.

35. Execution. By their signatures below, each of the following represents that it has authority to execute this Sub-LIFOC and to bind the party on whose behalf the execution is made.

36. Counterparts. This Sub-LIFOC may be executed in counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute one and the same instrument. The signature pages of multiple counterparts may be combined into a single document.

37. Entire Agreement. This Sub-LIFOC (including attachments hereto), together with the DDA, represents the entire understanding and agreement of the parties with respect to the matters set forth herein. No oral statements or representations made by, for or on behalf of either party shall be a part of this Sub-LIFOC. Should a conflict arise between the provisions of this Sub-LIFOC on the one hand, and the provisions of the DDA, on the other, the provisions of this Sub-LIFOC shall control.

[Signatures follow on next page]

IN WITNESS WHEREOF, the parties have executed this Sub-LIFOC as of the date first set forth above.

SUBLESSEE:

THE NIMITZ GROUP, LLC, a California limited liability company

By: _____

Name: _____

Its: _____

CITY:

CITY OF VALLEJO, a California municipal corporation

By: _____

_____, City Manager

ATTEST:

_____, City Clerk

APPROVED AS TO FORM:

_____, City Attorney

APPROVED AS TO INSURANCE REQUIREMENTS:

_____, City Risk Manager

ATTACHMENT NO. 1

LEASED PREMISES

[Legal Description -- to be inserted]

ATTACHMENT NO. 2

LEASED PREMISES

[Diagram showing parcel -- to be inserted]

ATTACHMENT NO. 3

1999 LIFO

[To be inserted]

Exhibit F

QUITCLAIM DEED

**RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:**

The Nimitz Group
c/o _____

Attn: _____

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY
[Exempt from recording fee per Gov. Code § 27383]

QUITCLAIM DEED (INCLUDING COVENANTS)

(APNs: _____, _____ and _____)

This Quitclaim Deed is made this _____ day of _____, 202__, by and between the CITY OF VALLEJO, a California municipal corporation (“Grantor”), and THE NIMITZ GROUP, LLC, a California limited liability corporation (“Grantee”).

WHEREAS, Grantor, and Grantee are parties to that certain Disposition and Development Agreement dated _____, 2022 (“DDA”) recorded in the Official Records of the County of Solano as Instrument No. _____, which provides for, among other things, the conveyance by Grantor to Grantee of certain City-Owned Property and Navy-Owned Property comprising a portion of Mare Island Reuse Area 1A, and Grantee’s performance of certain Developer’s Work on and about such property and certain adjacent real property owned by Grantee. Capitalized terms not otherwise defined herein shall have the meaning set forth in the DDA; and

WHEREAS, in 2001, 2008 and 2011, the United States Department of the Navy (“Navy”) approved three separate Findings of Suitability for Transfer (individually and collectively, the “FOST(s)”) determining, among other things, that the portions of Reuse Area 1A as described in each of the FOST(s) were environmentally suitable for transfer in accordance with and subject to Section 120(h)(3)(A) of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9620 et seq. (“CERCLA”); and

WHEREAS, pursuant to the FOST(s), Navy has conveyed to City various portions of Reuse Area 1A, including the Property (described below), by Quitclaim Deeds dated September 26, 2001, October 6, 2008, and April 13, 2011, and recorded in the Official Records of the County of Solano as Instrument Nos. 2001 00120695; 2009-00004941, and 2011-00042113 respectively (individually and collectively, the “Navy Quitclaim Deed(s)”, and collectively with the FOST(s) and other documents referenced in the Navy Quitclaim Deed(s) the “Transfer Documents”); and

WHEREAS, the Transfer Documents, including the covenants, warranties and indemnifications made and to be made by the Navy pursuant to 42 U.S.C. 9620(h)(3)(a)(ii) as set forth in the Navy Quitclaim Deed(s), govern the respective rights and obligations of the parties thereto and their respective successors and assigns for completion of environmental response actions with respect to the applicable portions of Reuse Area 1A, including the Property; and

WHEREAS, as contemplated by the DDA, Grantor and Grantee desire that Grantor convey certain property representing *[Insert as applicable: all or a portion of the City-Owned Property or Navy-Owned Property]* to Grantee so that Grantee may commence and complete Developer's Work as provided in the DDA, and otherwise exercise and enjoy Developer's rights as owner of the Property; and

WHEREAS, concurrently herewith, Grantee, as offeror, is executing and recording an irrevocable offer to dedicate to Grantor ("**Irrevocable Offer**") certain existing road, street, alley and other customary appurtenant access improvements (including, without limitation, streetlights, curbs, gutters, drain inlets, signs, signals, benches and sidewalks) located on the Property (collectively, "**Roadways**") and ancillary easements with respect to same; and

WHEREAS, concurrently herewith, Grantor and Grantee are entering into a water system reimbursement agreement ("**Water System Reimbursement Agreement**") to be recorded in the Official Records of the County pursuant to which Grantee and its successors will reimburse Grantor for the ongoing costs to be incurred by Grantor in connection with the maintenance and repair of existing potable and fire suppression water lines and ancillary above and below ground facilities and improvements located on and under the Property (collectively, "**Water Lines**") until such time as Grantee or its successors have upgraded and/or replaced such Water Lines with new potable and fire suppression water lines and ancillary facilities and improvements and such new infrastructure improvements, together with customary easements for same, have been accepted by Grantor; and

WHEREAS, concurrently herewith, Grantee and Vallejo Flood and Wastewater District ("**VFWD**") are entering into a sewer system reimbursement agreement ("**Sewer System Reimbursement Agreement**") to be recorded in the Official Records of the County pursuant to which Grantee and its successors will reimburse VFWD for the ongoing costs to be incurred by VFWD in connection with the maintenance and repair of existing storm drains and sanitary sewer lines and ancillary above and below ground facilities and improvements located on and under the Property (collectively, "**Sewer Lines**") until such time as Grantee or its successors have upgraded and/or replaced such Sewer Lines with new storm drains and sanitary sewer lines and ancillary above and below ground facilities and improvements and such new storm drains, sanitary sewer lines, facilities and improvements, together with customary easements for same, have been accepted by VFWD.

NOW THEREFORE, FOR VALUE RECEIVED, Grantor does hereby remise, release and forever quitclaim to Grantee all of Grantor's right, title and interest in and to that certain real property ("**Property**") situated in the City of Vallejo, County of Solano, State of California, more particularly described in Attachment No. 1 attached hereto and by this reference incorporated herein, together with all of Grantor's right, title, and interest in and to the buildings, facilities, roadways, rail lines, and other improvements located on or about said Property, and all right, title

and interest in and to all appurtenant tangible, intangible and other rights and privileges associated with such Property;

EXCEPTING AND RESERVING THEREFROM THE FOLLOWING:

1. All existing Water Lines located on, under and about the Property currently operated by City, and all existing Sewer Lines located on, under and about the Property currently operated by VFWD. The Water Lines and Sewer Lines reserved hereby to City and VFWD, respectively, shall not include the lateral line pipes or conduits serving existing buildings and improvements located on or about the Property. The foregoing reservations of Water Lines and Sewer Lines shall not be deemed to release or relieve Grantee or its successors from any of its and their obligations under the Water System Reimbursement Agreement, the Sewer System Reimbursement Agreement, the Transfer Documents or the DDA, including (i) the DDA Scope of Work which specifies that Grantee must decommission and replace, rather than reuse or repurpose, substantially all existing utility and related infrastructure on the Property and (ii) Section 210 of the DDA which obligates Grantee to cause the remediation of Hazardous Materials contamination before undertaking any Site Preparation Work or other horizontal or vertical development work on or about the Property.

2. Non-exclusive easements in favor of City and VFWD for ingress, egress and access over, under and across the Property for purposes of accessing, inspecting, maintaining, repairing and, at the discretion of Grantor and/or VFWD, replacing, the Water Lines and Sewer Lines. The foregoing reserved easements shall be replaced, from time to time, as and when specific easement locations and Backbone Infrastructure improvements have been determined and such Backbone Infrastructure improvements have been satisfactorily constructed by Grantee or its successors in accordance with applicable laws and the conditions imposed in connection with Grantor's approval of Grantee's and its successor's Future Applications for land use approvals, permits and entitlements, including the proposed New Specific Plan. Upon Grantee's written request made from time to time following the replacement of the easements reserved hereby, Grantor shall execute, acknowledge and deliver to Grantee for recordation in the Official Records of Solano County, quitclaim deeds or other similar instruments evidencing the termination in whole or in part, as applicable, of the replaced easements.

GRANTEE HEREBY COVENANTS AND AGREES, FOR ITSELF AND ITS SUCCESSORS AND ASSIGNS, AS FOLLOWS:

A. All improvements constructed by Grantee on the Property shall comply with the terms of the DDA, the Existing Specific Plan and, if and when approved by City, the New Specific Plan, and Applicable Laws.

B. Except as otherwise permitted under the New Specific Plan, if any, the following uses shall be prohibited on the Property: LNG facilities, cement batch plants, dumps and heavy recycling facilities, refineries, heavy industrial uses, and cannabis cultivation and dispensary facilities.

C. Except as otherwise permitted under the New Specific Plan, if any, no more than 370,000 square feet of warehouse uses, which is the maximum amount allowed under the Existing Specific Plan, shall be permitted on the Property.

D. Prior to the issuance of the Certificate of Completion, Grantee shall not, except as permitted by the DDA, sell, transfer, convey, assign or lease the whole or any part of the Property without the prior written approval of the City, with such approval to be granted or withheld in accordance with the terms and conditions of the DDA.

E. Grantee shall comply with the Transfer Documents and all Environmental Laws concerning the Property and take all reasonably necessary precautions to prevent the release of any Hazardous Materials into the environment in violation of any Environmental Laws or the Transfer Documents. In addition, Grantee shall install and utilize such equipment and implement and adhere to such procedures as are consistent with Environmental Laws and the requirements of the Transfer Documents as to the disclosure, storage, use, remediation, removal and/or disposal of Hazardous Materials. Nothing herein shall be deemed to relieve Navy of its obligations under the Transfer Documents.

F. Grantee shall notify Grantor, and provide to Grantor a copy or copies, of any and all environmental permits, or applications relating to the Property, including notices of violation, notices to comply, citations, clean up or abatement orders, cease and desist orders, reports filed pursuant to self-reporting requirements and reports filed or applications made pursuant to any Environmental Laws.

G. In the event of a release of any Hazardous Materials onto or from the Property in violation of any Environmental Law, Grantee shall, as soon as possible after such release, furnish to Grantor a copy of any and all reports relating thereto and copies of all official correspondence with regulatory agencies relating to the release. Upon request of Grantor, Grantee shall furnish to Grantor a copy or copies of any and all other environmental work plans relating to or affecting the Property.

GRANTOR AND GRANTEE FURTHER AGREE AS FOLLOWS:

1. No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Quitclaim Deed shall defeat or render invalid or in any way impair the lien or charge of any mortgage, deed of trust or other financing or security instrument permitted by the DDA; provided, however, that any successor of Grantee to the Property shall be bound by such remaining covenants, conditions, restrictions, limitations and provisions, whether such successor's title was acquired by foreclosure, deed in lieu of foreclosure, trustee's sale or otherwise.

2. Grantee's covenants contained in this Quitclaim Deed shall remain in effect in perpetuity.

3. Grantor is deemed the beneficiary of the terms and provisions of this Quitclaim Deed and of the covenants running with the land, for and in its own right and for the purposes of protecting the interests of the community and other parties, public or private, in whose favor and for whose benefit this Quitclaim Deed and the covenants running with the land have been provided,

without regard to whether Grantor has been, remains or is an owner of any land or interest therein on Mare Island. Grantor shall have the right, if the Quitclaim Deed or covenants are breached, to exercise all rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breaches to which it or any other beneficiaries of this Quitclaim Deed and covenants may be entitled.

SUBJECT TO EXPRESS REPRESENTATIONS AND WARRANTIES OF GRANTOR IN THE DDA, THE PROPERTY IS CONVEYED TO GRANTEE WITHOUT WARRANTY OR COVENANT OF ANY KIND, EXPRESS OR IMPLIED, EXCEPT THAT GRANTOR COVENANTS THAT GRANTOR HAS NOT CONVEYED THE SAME ESTATE OR ANY RIGHT, TITLE OR INTEREST THEREIN TO ANY PERSON OTHER THAN GRANTEE.

IN WITNESS WHEREOF, Grantor and Grantee have caused this Quitclaim Deed to be executed on their behalf by their respective officers thereunto duly authorized as of this _____ day of _____, 202__.

[Signatures on next page]

GRANTOR:

CITY OF VALLEJO

By: _____

Print Name: _____

Its: _____

ATTEST:

_____, City Clerk

APPROVED AS TO FORM:

_____, City Attorney

THE PROVISIONS OF THIS QUITCLAIM DEED ARE HEREBY APPROVED AND ACCEPTED.

GRANTEE:

THE NIMITZ GROUP, LLC, a California limited liability company

By: _____

Print Name: _____

Its: _____

ATTACHMENT NO. 1

PROPERTY LEGAL DESCRIPTION

[Description of applicable City-Owned or Navy-Owned Property to be inserted]

ACKNOWLEDGMENT

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

State of California)

County of _____)

On _____, 20__ before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature: _____

(seal)

ACKNOWLEDGMENT

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

State of California)

County of _____)

On _____, 20__ before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature: _____

(seal)

ACKNOWLEDGMENT

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

State of California)

County of _____)

On _____, 20__ before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature: _____

(seal)

Exhibit G

INTENTIONALLY OMITTED

Exhibit H

PILOT AGREEMENT

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

City of Vallejo
P.O. Box 3068
555 Santa Clara Street
Vallejo, CA 94590
Attn: City Clerk

Record for the Benefit of
The City of Vallejo
Pursuant to Government Code
Section 27383

Space Reserved for Recorder's Use Only

**AGREEMENT FOR PAYMENT IN LIEU OF TAXES
[Property Tax Covenant]**

This Agreement for Payments in Lieu of Taxes (“**Agreement**”) dated as of _____, 202__ (“**Effective Date**”), is made and entered into by and between the CITY OF VALLEJO, a California municipal corporation (“**City**”), and _____, a _____ (“**Owner 1**”), and THE NIMITZ GROUP, LLC, a California limited liability company (“**Owner 2**” and collectively with Owner 1, the “**Owners**”). City and Owners are referred to herein individually as a “**Party**” and collectively as the “**Parties**”.

RECITALS

A. Owner 2, as successor in interest to Lennar Mare Island, LLC, is the fee owner of one hundred seven (107) parcels and lessee of five (5) parcels of real property listed by their respective Assessor Parcel Numbers (APNs) with current AV (defined below) shown in Attachment No. 2 attached hereto and incorporated herein (“**South Mare Island Property**”).

B. City, as successor in interest to the United States Department of the Navy, is the fee owner of approximately 125.3 acres of Mare Island consisting of a portion of Mare Island Reuse Area 1 as generally depicted on Attachment No. 1 and more particularly described in Attachment No. 3 (“**City-Owned Property**”). City is also the long term lessee of an additional approximately 31.8-acre portion of Mare Island Reuse Area 1 as generally depicted on Attachment No. 1 (“**Navy-Owned Property**” and, collectively with the City-Owned Property, the “**North Mare Island Site**”). The South Mare Island Property and the City-Owned Property are referred to collectively herein as the “**Mare Island Property**”.

C. The North Mare Island Site is the subject of a Disposition and Development Agreement between City and Owner 1 dated _____, 2022 (“**DDA**”), which has

been recorded in the Official Records of the County of Solano, as Instrument No. 2022-

D. Concurrently herewith City is conveying to Owner 1 the City-Owned Property so that Owner 1 may undertake certain planning work and thereafter undertake comprehensive redevelopment of the City-Owned Property and, following Owner 1's acquisition of the Navy-Owned Property from City as provided in the DDA, the balance of North Mare Island Site, all as provided in the DDA.

E. City agreed to provide Owner 1 requested flexibility regarding timing of development of the North Mare Island Site on the condition that Owners commit to make certain property tax in lieu payments to City and the Vallejo City Unified School District ("VCUSD") if, by the Minimum Tax Revenue Date (defined below), Owners' development related activities have not increased the assessed value (land and improvements only) ("AV") of the Mare Island Property for property tax purposes by a mutually agreed upon amount.

F. To effectuate the purposes of the DDA, the Parties intend that the Owners make annual payments to the City and VCUSD for the Term of this Agreement, to make up for the shortfall in the share of real property taxes payable with respect to the Mare Island Property and the improvements thereon that would have otherwise been received by the City and VCUSD but for Owners' decision to defer development of the Mare Island Property.

NOW THEREFORE, in exchange for the mutual commitments set forth herein and other good and valuable consideration, the Parties agree as follows:

AGREEMENTS

1. Term. The term ("Term") of this Agreement shall commence on the Effective Date set forth above and shall continue in effect until such time as the total AV of the Mare Island Property in effect for any given property tax year exceeds 110% of the Minimum Owner Property AV (defined below) in effect as of such property tax year. When the 110% threshold has been reached, City, upon written request of either of the Owners, shall execute a notice of termination or other similar instrument evidencing the termination of this Agreement.

2. Payment in Lieu of Property Taxes. The Parties acknowledge and agree that the AV of the South Mare Island Property as of the 2021/2022 tax year is \$102,134,345.00. The Parties further acknowledge that based on the purchase price to be paid by Owner 1 to City per the terms of the DDA, the AV of the City-Owned Property for the tax year in which the closing occurs will be approximately equal to the \$3,000,000. Owners hereby agree that if the AV of the Mare Island Property on the Minimum Tax Revenue Date (defined below) does not equal or exceed the Minimum Owner Property AV (defined below), then Owners shall pay City and VCUSD beginning on July 1 of the tax year following the Minimum Tax Revenue Date and on July 1 of each year thereafter ("Due Date") an amount equal to the difference between the property taxes actually received by City and VCUSD based on the AV of the Mare Island Property for the property tax year in question and the property taxes that City and VCUSD would have received (i.e. 19% and 24% of the total property taxes, respectively) if the total AV of the Mare Island Property had been equal to the Minimum Owner Property AV (defined below). The

Parties agree that the “**Minimum Owner Property AV**” as of July 1 of the first year following the Minimum Tax Revenue Date shall be the amount of \$144,782,913, which amount represents the sum of the South Mare Island 2021/22 AV + the City-Owned Property AV of \$3M + \$26,000,000, as increased by the Proposition 13 2% annual escalator for the period between the effective date of the DDA and the Minimum Tax Revenue Date (defined below). The Minimum Owner Property AV amount shall be increased annually by 2% per year each year following the Minimum Tax Revenue Date. The Parties further agree that the calculations of growth in AV for each tax year shall exclude (i) any increases in property assessed valuation resulting from construction and development related activities, if any, undertaken by City or any other governmental agency(ies) or the tenant(s) or subtenant(s) (other than Owners) of City or such other governmental agency(ies), and (ii) any increases in property assessed valuation attributable to personal property or any items other than land and improvements. The “**Minimum Tax Revenue Date**” shall be _____, 2027 [*Insert date that is 5 years after the effective date of the DDA*]; provided however the Minimum Tax Revenue Date shall be automatically extended by the period of any Recession (defined below) occurring between the Effective Date of this Agreement and the Minimum Tax Revenue Date set forth above. A “**Recession**” means a quarterly decline in the monetary value of all finished goods and services produced in the United States, as measured by initial quarterly estimates of US Gross Domestic Product (“**GDP**”) published by the US Department of Commerce Bureau of Economic Analysis (and not BEA’s subsequent monthly revisions), lasting more than two (2) consecutive calendar quarters. Any quarter of positive GDP growth shall end the period of such Recession. If Owners fail to make any payment by the applicable Due Date, then a late fee of ten percent of the amount due, plus interest at the rate of seven percent per annum or, if less, the maximum amount allowed by applicable law shall accrue on the amount due until paid in full.

3. Intentionally Omitted.

4. Recording; Amendment upon Acquisition of Navy-Owned Property. This Agreement shall be recorded with the County of Solano Recorder's Office upon execution. Upon City’s acquisition of fee title to the Navy-Owned Property or portion thereof from the Navy and conveyance thereof to Owner 1 pursuant to the DDA, City and Owners, upon request by either Party, shall execute and record an amendment to this Agreement to add the Navy-Owned Property or portion thereof to the Mare Island Property.

5. Future Taxes and Assessments. Nothing herein shall be deemed to limit the ability of the City to establish and impose upon the Mare Island Property in accordance with applicable law any new or increased special taxes or assessments.

6. Covenants Run with the Land. All covenants contained in this Agreement shall be covenants running with the land, but only for the duration of the Term, and thereafter shall be of no further force or effect. All covenants in this Agreement shall be binding for the benefit of the City and VCUSD and such covenants shall run in favor of the City and VCUSD for the Term, without regard to whether the City or VCUSD is or remains an owner of any land or interest therein to which such covenants relate, but only for the duration of the Term.

7. Statement of Good Faith. The Parties acknowledge and agree the payment obligations established by this Agreement were negotiated in good faith in recognition of and

To Owner 2: _____

Attn.: _____

With a copy to: The Nimitz Group, LLC
c/o Southern Land Company
Attn.: Legal Department
3990 Hillsboro Pike, Ste. 400
Nashville, TN 37215
Email: legal.notices@southernland.com

To the City: City of Vallejo
P.O. Box 3068
555 Santa Clara Street
Vallejo, CA 94590
Attn: City Manager
Telephone: (707) 648-4576

With a copy to: City of Vallejo
P.O. Box 3068
555 Santa Clara Street
Vallejo, CA 94590
Attn: City Attorney
Telephone: (707) 648-4545

Delivery of the Payment to the City:

City of Vallejo
P.O. Box 3068
555 Santa Clara Street
Vallejo, CA 94590
Attn: Economic Development Department
Telephone: (707) 649-5454

Delivery of the Payment to VCUSD:

Attn: _____
Telephone: (707) ____ - _____

Any such addresses for the giving of notices may be changed by either Party by giving written notice as provided above to the other Party. Notice given by counsel to a Party shall be effective as notice from such Party.

11. Representations of City. City represents and warrants to Owners (i) it has secured all approvals necessary to duly authorize the execution, delivery and performance of this Agreement and its obligations hereunder, and (ii) it is not prohibited from entering into this Agreement and discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Agreement by the terms, conditions or provisions of any law, any order of any court or other agency or authority of government, or any agreement or instrument to which the City is a party or by which the City is bound, and (iii) this Agreement is a legal, valid and binding obligation of the City and is enforceable in accordance with its terms.

12. Representations and Covenants of Owners. Each Owner represents and warrants to City (i) it is duly organized and is authorized to conduct business in the State of _____, and (ii) it is authorized and has the power under the laws of the State of California to enter into this Agreement and the transactions contemplated hereby, and to perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement, and (iii) the performance of its obligations hereunder will not violate, result in a breach of, or constitute a default under, any agreement or instrument to which such Owner is a party or by which Owner is bound, and this Agreement is a legal, valid and binding obligation of such Owner enforceable in accordance with its terms. During the Term of this Agreement, the Owners will not voluntarily seek to invalidate this Agreement.

13. City's Enforcement Rights; Mortgagee Protection. In the event that Owners or their respective successors or assigns shall fail to make any payment to City or VCUSD by the Due Date, the City shall have a lien on the Mare Island Property for the amount of such charges or costs, which lien shall be perfected by the recordation of a "Notice of Claim of Lien" against the Mare Island Property. Any lien in favor of the City created or claimed hereunder is expressly made subject and subordinate to any mortgage or deed of trust made in good faith and for value, recorded as of the date of the recordation of the Notice of Claim of Lien, and no such lien shall in any way defeat, invalidate, or impair the obligation or priority of any such mortgage or deed of trust. The City may also pursue any and all other remedies available in law or equity in the event of a breach of Owners' obligations and covenants set forth herein.

14. Miscellaneous.

- (a) Relationship. Nothing contained herein, shall be construed as creating a relationship of principal and agent, employer or employee, partnership, joint venture, or other relationship between City and Owners.
- (b) Attorneys' Fees. If, by reason of any default on the part of any Party in the performance of its respective obligations hereunder, the non-defaulting Party employs one or more attorneys, the defaulting Party shall pay the non-defaulting Party's reasonable costs, expenses, and attorneys' fees reasonably expended or incurred by the non-defaulting Party in connection therewith, whether or not suit is instituted.

- (c) Non-Waiver. The failure of any Party to exercise any of its rights under this Agreement or to insist upon strict performance of any of the provisions of this Agreement shall not be construed as a waiver of any such right or of any subsequent default of the same or a similar nature.
- (d) Severability. Invalidation of any one of the provisions of this Agreement shall in no way affect any other provision each of which shall remain in full force and effect.
- (e) Entire Agreement. This Agreement, together with the DDA, is fully integrated and contains the entire agreement between the Parties as to the subject matter hereof. There are no representations, inducements or promises of any kind other than expressly stated herein. This Agreement may not be modified except by a writing signed by all Parties.
- (f) Construction and Jurisdiction. This Agreement shall be governed by and construed under the laws of the State of California, without reference to choice of laws principles, and, unless otherwise required by applicable law, the Parties agree that any action brought by either Party under or in relation to this Agreement, including without limitation to interpret or enforce any provision of this Agreement, shall be brought in, and each Party agrees to and does hereby submit to the jurisdiction and venue of, any state court located in Solano County, California, or, if there is federal jurisdiction, the United States District Court (Northern District) San Francisco. This Agreement is deemed to be joint work product of the Parties, and shall not be construed against any particular Party as the drafter.
- (g) Captions. The captions in this Agreement are for convenience and ease of reference only, and in no way define or limit the intent of this Agreement.
- (h) Incorporation of Recitals and Exhibit. The recitals of this Agreement and the attachments and exhibits hereto are hereby incorporated into the body of this Agreement as though fully set forth herein.
- (i) Third Party Beneficiaries. VCUSD shall be third party beneficiary of this Agreement. Except as set forth in the preceding sentences, there are no third party beneficiaries of this Agreement, and no party other than VCUSD shall have any rights under this Agreement.
- (j) Joint Obligation. The obligations hereunder imposed upon Owners shall be joint and several.
- (k) Independent Representation. Each of the Parties to this Agreement is equally sophisticated. Each has conducted an independent investigation of all facts and circumstances they consider necessary or desirable. And each has consulted with its respective attorneys and advisors, to the extent it considers necessary or desirable, before entering into this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the day and year first above written.

CITY:

City of Vallejo, a California municipal corporation

By: _____
_____, City Manager
[Signature must be notarized]

ATTEST:

Dawn G. Abrahamson, City Clerk

APPROVED AS TO FORM:

Veronica Nebb, City Attorney

OWNER 1:

THE NIMITZ GROUP, LLC, a California limited liability company

By: _____
[Signature must be notarized]

Print Name: _____

Its: _____

OWNER 2:

By: _____
[Signature must be notarized]

Print Name: _____

Its: _____

ATTACHMENT NO. 1
DIAGRAM DEPICTING
CITY-OWNED PROPERTY AND NAVY-OWNED PROPERTY

To be inserted

ATTACHMENT NO. 2

LIST OF APNs AND 2021/22 AVs - SOUTH MARE ISLAND PROPERTY

	Assessment Number (1)	Solano County 2021/22 Value (2)	Address/Location (1)
1	0066-050-170-01	\$71,907,321	Commercial Parcel
2	0066-020-060-01	NA	Building 213
3	0066-113-010-01	\$606,216	1091 Azuar 6C - Bldg 760 (Touro)
4	0066-111-010-01	\$0	1031 Azuar Drive (Success Center)
5	0066-050-130	NA	6A-W
6	0066-030-030-01	NA	6W west portion @ Tisdale & Klein
7	0066-083-150-01	\$565,801	6C Prospect Ave @ east MCFR
8	0066-050-040-01	\$0	8W Portion
9	0066-050-190-01	\$3,687,814	8A & M37
10	0066-050-030-01	\$0	C3 area - West of Parade Grounds
11	0066-050-150-01	\$0	9E - Club Drive to Golf Course
12	0066-050-110-01	\$0	Club Drive Park
13	0066-181-010-01	\$90,932	8C 151 Colleen Circle
14	0066-181-020-01	\$90,932	8C 145 Colleen Circle
15	0066-181-030-01	\$90,932	8C 135 Colleen Circle
16	0066-181-040-01	\$90,932	8C 125 Colleen Circle
17	0066-181-050-01	\$90,932	8C 111 Colleen Circle
18	0066-181-060-01	\$90,932	8C 105 Colleen Circle
19	0066-181-070-01	\$90,932	8C 545 Coral Sea Circle
20	0066-181-080-01	\$90,932	8C 541 Coral Sea Circle
21	0066-181-090-01	\$90,932	8C 151 Juliet Circle
22	0066-181-100-01	\$90,932	8C 141 Juliet Circle
23	0066-181-110-01	\$90,932	8C 131 Juliet Circle
24	0066-181-120-01	\$90,932	8C 121 Juliet Circle
25	0066-181-130-01	\$90,932	8C 111 Juliet Circle
26	0066-181-140-01	\$90,932	8C 101 Coral Sea Circle
27	0066-181-150-01	\$90,932	8C 501 Coral Sea Circle
28	0066-181-160-01	\$90,932	8C 491 Coral Sea Circle
29	0066-181-170-01	\$90,932	8C 481 Coral Sea Circle
30	0066-181-180-01	\$90,932	8C 471 Coral Sea Circle
31	0066-181-190-01	\$90,932	8C 461 Coral Sea Circle
32	0066-181-200-01	\$90,932	8C 451 Coral Sea Circle
33	0066-181-210-01	\$90,932	8C 441 Coral Sea Circle
34	0066-181-220-01	\$90,932	8C 431 Coral Sea Circle
35	0066-181-230-01	\$90,932	8C 421 Coral Sea Circle
36	0066-181-240-01	\$90,932	8C 411 Coral Sea Circle
37	0066-181-250-01	\$90,932	8C 401 Coral Sea Circle (Blu Homes)
38	0066-181-260-01	\$90,932	8C 1559 Club Drive (Blu Homes)
39	0066-181-270-01	\$90,932	8C 1203 Club Drive (Blu Homes)
40	0066-183-010-01	\$0	8C Parcel A - Eleanor Circle pocket park
41	0066-181-300-01	\$0	8C Parcel B - Juliet Circle pocket park
42	0066-181-290-01	\$0	8C Parcel C - Colleen Circle pocket park
43	0066-191-010-01	\$0	8C Parcel D APN 2 - Large Trail
44	0066-181-280-01	\$0	8C Parcel D APN 1 - Large Trail
45	0066-182-350-01	\$0	8C Parcel E - Small Trail
46	0066-182-010-01	\$85,880	8C 495 Eleanor Circle
47	0066-182-020-01	\$85,880	8C 487 Eleanor Circle
48	0066-182-030-01	\$85,880	8C 479 Eleanor Circle
49	0066-182-040-01	\$85,880	8C 471 Eleanor Circle
50	0066-182-050-01	\$85,880	8C 463 Eleanor Circle
51	0066-182-060-01	\$85,880	8C 455 Eleanor Circle
52	0066-182-070-01	\$85,880	8C 447 Eleanor Circle
53	0066-182-080-01	\$85,880	8C 439 Eleanor Circle
54	0066-182-090-01	\$85,880	8C 431 Eleanor Circle
55	0066-182-100-01	\$85,880	8C 423 Eleanor Circle
56	0066-182-110-01	\$85,880	8C 415 Eleanor Circle
57	0066-182-120-01	\$85,880	8C 407 Eleanor Circle
58	0066-182-130-01	\$85,880	8C 401 Eleanor Circle

(1) Information provided by Southern Land
(2) Information from County Website

	Assessment Number (1)	Solano County 2021/22 Value (2)	Address/Location (1)
59	0066-182-140-01	\$85,880	8C 412 Coral Sea Circle
60	0066-182-150-01	\$85,880	8C 422 Coral Sea Circle
61	0066-182-160-01	\$85,880	8C 432 Coral Sea Circle
62	0066-182-170-01	\$85,880	8C 442 Coral Sea Circle
63	0066-182-180-01	\$85,880	8C 452 Coral Sea Circle
64	0066-182-190-01	\$85,880	8C 462 Coral Sea Circle
65	0066-182-200-01	\$85,880	8C 476 Coral Sea Circle
66	0066-182-210-01	\$85,880	8C 494 Coral Sea Circle
67	0066-182-220-01	\$85,880	8C 510 Coral Sea Circle
68	0066-182-230-01	\$85,880	8C 520 Coral Sea Circle
69	0066-182-240-01	\$85,880	8C 530 Coral Sea Circle
70	0066-182-250-01	\$85,880	8C 540 Coral Sea Circle
71	0066-182-260-01	\$85,880	8C 546 Coral Sea Circle
72	0066-182-270-01	\$85,880	8C 552 Coral Sea Circle
73	0066-182-280-01	\$85,880	8C 560 Coral Sea Circle
74	0066-182-290-01	\$85,880	8C 568 Coral Sea Circle
75	0066-182-300-01	\$85,880	8C 575 Coral Sea Circle
76	0066-182-310-01	\$85,880	8C 580 Coral Sea Circle
77	0066-182-320-01	\$85,880	8C 584 Coral Sea Circle
78	0066-182-330-01	\$85,880	8C 590 Coral Sea Circle
79	0066-182-340-01	\$85,880	8C 600 Coral Sea Circle
80	0066-191-090-01	\$90,932	8C 601 Coral Sea Circle
81	0066-191-100-01	\$90,932	8C 595 Coral Sea Circle
82	0066-191-110-01	\$90,932	8C 589 Coral Sea Circle
83	0066-191-120-01	\$90,932	8C 585 Coral Sea Circle
84	0066-191-130-01	\$90,932	8C 581 Coral Sea Circle
85	0066-191-140-01	\$90,932	8C 577 Coral Sea Circle
86	0066-191-150-01	\$90,932	8C 575 Coral Sea Circle
87	0066-191-020-01	\$111,139	8C 400/402/404/406 Nereus Street (706 Nereus Street)
88	0066-191-030-01	\$111,139	8C 410/412/414/416 Nereus Street (716 Nereus Street)
89	0066-191-040-01	\$111,139	8C 420/422/424/426 Nereus Street (726 Nereus Street)
90	0066-191-050-01	\$111,139	8C 430/432/434/436 Nereus Street (736 Nereus Street)
91	0066-191-060-01	\$111,139	8C 440/442/444/446 Nereus Street (746 Nereus Street)
92	0066-191-070-01	\$111,139	8C 450/452/454/456 Nereus Street (756 Nereus Street)
93	0066-191-080-01	\$111,139	8C 460/462/464/466 Nereus Street (766 Nereus Street)
94	0066-112-210-01	\$80,828	6B Lot 2
95	0066-112-220-01	\$80,828	6B Lot 3
96	0066-112-230-01	\$80,828	6B Lot 4
97	0066-112-240-01	\$80,828	6B Lot 5
98	0066-112-250-01	\$80,828	6B Lot 1
99	0066-150-010-01	\$757,770	8B South
100	0066-150-020-01	\$3,031,080	8B South
101	0066-150-030-01	\$1,616,576	8B South
102	0066-150-040-01	\$1,667,094	8B South
103	0066-160-010-01	\$404,144	8B South
104	0066-160-020-01	\$454,662	8B South
105	0066-160-030-01	\$202,072	8B South
106	0066-160-040-01	\$0	8B South
107	0066-160-070-01	\$1,566,058	8B South
108	0066-050-160-01	\$0	Lennar Land Lease Parcel
109	0066-050-180-01	\$3,615,196	Lennar Land Lease Parcel
110	0066-030-050-01	\$1,818,648	
111	0066-040-010-01	\$3,040,172	1800 Club Drive - Lighthouse
	TOTAL:	\$102,134,345	

(1) Information provided by Southern Land
(2) Information from County Website

ATTACHMENT NO. 3

LEGAL DESCRIPTION – CITY-OWNED PROPERTY

To be inserted

[NOTARY ACKNOWLEDGMENTS]

To be inserted

Exhibit I

DEPICTION OF SOUTH MARE ISLAND

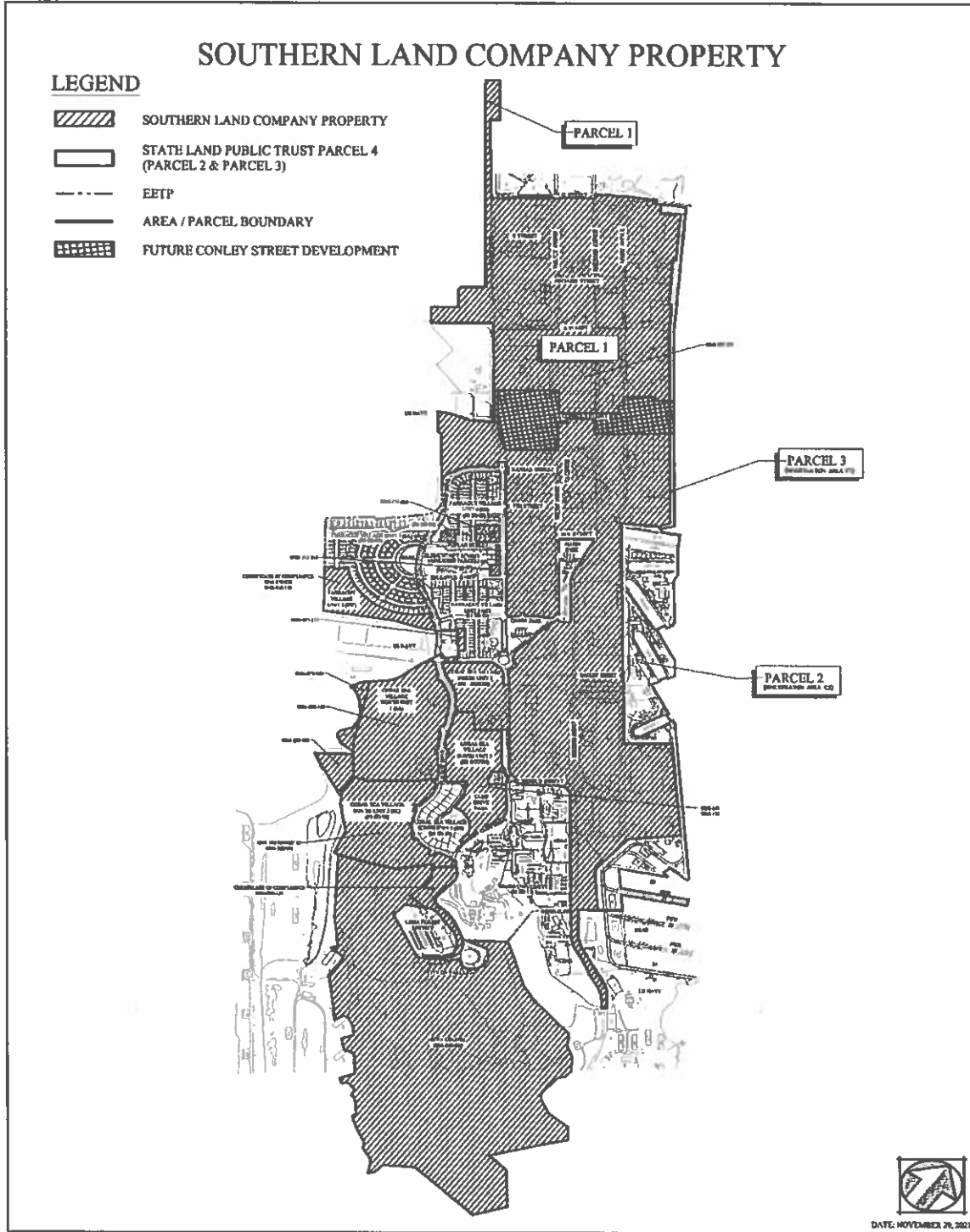


Exhibit J

LEGAL DESCRIPTION OF SOUTH MARE ISLAND

TRACT ONE: A PORTION OF THE "EASTERN EARLY TRANSFER PARCEL"

ALL THAT REAL PROPERTY SITUATE ON THE FORMER MARE ISLAND NAVAL SHIPYARD, CITY OF VALLEJO, COUNTY OF SOLANO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

PARCEL 1 OF "PARCEL MAP NO. 19-0003 MARE ISLAND" FILED NOVEMBER 7, 2019, IN BOOK 52 OF PARCEL MAPS, AT PAGES 97 THROUGH 110, INCLUSIVE, OF SOLANO COUNTY RECORDS.

APNS: 0066-050-120 (PORTION); 0066-050-140; AND 0066-020-060

TRACT TWO: "GAP LANDS" AND THE REMAINDER OF THE "EASTERN EARLY TRANSFER PARCEL"

THREE PARCELS OF TIDE AND SUBMERGED LAND SITUATED IN THE CITY OF VALLEJO, SOLANO COUNTY, CALIFORNIA, BEING A PORTION OF THOSE LANDS COMMONLY KNOWN AS MARE ISLAND NAVAL SHIPYARD AS CONVEYED TO THE UNITED STATES FOR MILITARY PURPOSES BY THE STATE OF CALIFORNIA BY AN ACT APPROVED MARCH 9, 1897 IN CHAPTER 81, STATUTES OF 1897 AND AN ACT APPROVED JULY 13, 1963 IN CHAPTER 1452, STATUTES OF 1963, AND PORTIONS OF THE LAND SHOWN WITHIN THE BOUNDARY OF THAT PARCEL SHOWN AND SO DELINEATED ON THE MAP FILED FOR RECORD ON AUGUST 27, 2001 IN BOOK 24 OF SURVEYS, AT PAGE 51, COUNTY OF SOLANO OFFICIAL RECORDS, SAID MAP BEING TITLED "RECORD OF SURVEY OF THE LAND SHOWN ON THE RECORD OF SURVEY FILED IN BOOK 21 OF SURVEYS, AT PAGE 94 OF SOLANO COUNTY RECORDS AND CERTIFICATE OF CORRECTION FILED APRIL 26, 2001 AT SERIES NUMBER 2001-00041434 RETRACEMENT OF TRACT 38 OF THE JOY SURVEY ENTITLED: "FRACTIONAL TOWNSHIP 3 NORTH, RANGE 4 WEST", APPROVED BY THE US SURVEY GENERAL'S OFFICE OCTOBER 24, 1923, ACCEPTED NOVEMBER 8, 1923 AND FILED WITH THE BUREAU OF LAND MANAGEMENT, MOUNT DIABLO BASE AND MERIDIAN, COUNTY OF SOLANO, STATE OF CALIFORNIA", AND A PORTION OF THOSE TIDE AND SUBMERGED AND SWAMP AND OVERFLOWED LANDS GRANTED TO THE U.S. GOVERNMENT AS PROVIDED BY CHAPTER 43, STATUTES 1854 AND CHAPTER 81, STATUTES 1897, SAID PORTIONS BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS::

NORTH PARCEL EASTERN EARLY TRANSFER PARCEL (EETP, 25 RS 25):

BEING A PORTION OF THE EASTERN EARLY TRANSFER PARCEL (EETP), AS SAID EETP IS SHOWN AND SO DESIGNATED IN THAT CERTAIN RECORD OF SURVEY FILED FOR RECORD MARCH 27, 2002, IN BOOK 25 OF SURVEYS, AT PAGE 25, AND A PORTION OF PARCEL 1, AS SAID PARCEL 1 IS DESCRIBED IN THE GRANT DEED TO LENNAR MARE ISLAND, LLC, RECORDED MARCH 26, 2002, AS DOCUMENT NO. 2002-00037967, BOTH IN THE OFFICE OF THE COUNTY RECORDER, PURSUANT TO A CERTIFICATE OF COMPLIANCE

RECORDED NOVEMBER 7, 2019, AS DOCUMENT NO. 2019-00081608, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTHWESTERLY LINE OF SAID PARCEL 1 (DN 2002-00037967), SAID POINT ALSO BEING THE MOST SOUTHERLY CORNER OF LOT 126, AS SAID LOT 126 IS SHOWN AND SO DESIGNATED ON THE FINAL MAP OF "FARRAGUT VILLAGE UNIT 1" WHICH MAP WAS FILED FOR RECORD NOVEMBER 16, 2004 IN BOOK 80 OF FINAL MAPS AT PAGE 88, IN SAID OFFICE OF THE COUNTY RECORDER;

THENCE, FROM SAID POINT OF BEGINNING, ALONG THE EXTERIOR BOUNDARY OF SAID MAP (80 SD 88), THE FOLLOWING FOUR (4) COURSES:

- 1) NORTH 55°26'35" EAST 109.91 FEET;
- 2) ALONG THE ARC OF A NON-TANGENT 870.00 FOOT RADIUS CURVE TO THE LEFT, FROM WHICH THE CENTER OF SAID CURVE BEARS NORTH 48°05'22" EAST, THROUGH A CENTRAL ANGLE OF 01°41'37", AN ARC DISTANCE OF 25.72 FEET;
- 3) NORTH 46°24'48" EAST 147.00 FEET;
- 4) ALONG THE ARC OF A NON-TANGENT 723.00 FOOT RADIUS CURVE TO THE LEFT, FROM WHICH THE CENTER OF SAID CURVE BEARS NORTH 46°24'48" EAST, THROUGH A CENTRAL ANGLE OF 95°59'22", AN ARC DISTANCE OF 1,211.27 FEET, TO THE SOUTHWESTERLY LINE OF FLAGSHIP DRIVE, AS SAID FLAGSHIP DRIVE IS SHOWN ON "RECORD OF SURVEY, BEING A PORTION OF THE FORMER MARE ISLAND NAVAL BASE", FILED FOR RECORD MARCH 7, 2011, IN BOOK 30 OF SURVEYS AT PAGE 8, IN SAID OFFICE OF THE COUNTY RECORD.

THENCE, ALONG SAID SOUTHWESTERLY LINE (30 RS 8), THE FOLLOWING SIX (6) COURSES:

- 1) ALONG THE ARC OF A NON-TANGENT 1,160.50 FOOT RADIUS CURVE TO THE RIGHT, FROM WHICH THE CENTER OF SAID CURVE BEARS SOUTH 37°21'47" WEST, THROUGH A CENTRAL ANGLE OF 03°21'22", AN ARC DISTANCE OF 67.97 FEET;
- 2) ALONG THE ARC OF A COMPOUND 25.00 FOOT RADIUS CURVE TO THE RIGHT, FROM WHICH THE CENTER OF SAID CURVE BEARS SOUTH 40°43'09" WEST, THROUGH A CENTRAL ANGLE OF 92°16'17", AN ARC DISTANCE OF 40.26 FEET;
- 3) SOUTH 46°59'52" EAST 54.00 FEET;
- 4) NORTH 43°00'08" EAST 4.63 FEET;

5) ALONG THE ARC OF A TANGENT 20.00 FOOT RADIUS CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 92°42'08", AN ARC DISTANCE OF 32.36 FEET;

6) ALONG THE ARC OF A COMPOUND 1,160.50 FOOT RADIUS CURVE TO THE RIGHT, FROM WHICH THE CENTER OF SAID CURVE BEARS SOUTH 45°42'15" WEST, THROUGH A CENTRAL ANGLE OF 03°19'02", AN ARC DISTANCE OF 67.19 FEET TO THE EXTERIOR BOUNDARY OF SAID EASTERN EARLY TRANSFER PARCEL (EETP)(25 RS 25)

THENCE, ALONG SAID EXTERIOR BOUNDARY, THE FOLLOWING THREE (3) COURSES:

- 1) SOUTH 66°38'57" WEST 169.65 FEET;
- 2) SOUTH 73°03'16" WEST 306.76 FEET;
- 3) SOUTH 63°45'06" WEST 201.33 FEET, TO THE EXTERIOR BOUNDARY OF SAID PARCEL 1 (DN 2002-00037967)

THENCE, ALONG SAID EXTERIOR BOUNDARY, THE FOLLOWING THREE (3) COURSES:

- 1) SOUTH 31°30'29" EAST 0.24 FEET;
- 2) SOUTH 63°43'53" WEST 558.00 FEET;
- 3) NORTH 34°33'18" WEST 582.50 FEET TO SAID POINT OF BEGINNING.

APN: 0066-030-030 AND 0066-050-130

SOUTH PARCEL EASTERN EARLY TRANSFER PARCEL (EETP, 25 RS 25):

BEING A PORTION OF THE EASTERN EARLY TRANSFER PARCEL (EETP), AS SAID EETP IS SHOWN AND SO DESIGNATED IN THAT CERTAIN RECORD OF SURVEY FILED FOR RECORD MARCH 27, 2002, IN BOOK 25 OF SURVEYS, AT PAGE 25, IN THE OFFICE OF THE COUNTY RECORDER OF SOLANO COUNTY, PURSUANT TO A CERTIFICATE OF COMPLIANCE RECORDED NOVEMBER 7, 2019, AS DOCUMENT NO. 2019-00081610, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE SOUTHEASTERLY LINE OF SAID EETP, SAID POINT BEING THE NORTHEASTERN TERMINUS OF THAT CERTAIN COURSE DESIGNATED AS "{S 25°02'11" E, 214.74'}" ON SAID RECORD OF SURVEY (25 RS 25), SAID POINT ALSO BEING ON THE EXTERIOR BOUNDARY OF "CORAL

SEA VILLAGE SOUTH UNIT 2" WHICH MAP WAS FILED FOR RECORD NOVEMBER 3, 2017 IN BOOK 91 OF FINAL MAPS AT PAGE 90, IN SAID OFFICE OF THE COUNTY RECORDER;

THENCE, FROM SAID POINT OF COMMENCEMENT, ALONG SAID SOUTHEASTERLY LINE AND SAID EXTERIOR BOUNDARY, SOUTH 25°02'11" EAST 50.33 FEET, TO THE POINT OF BEGINNING FOR THIS DESCRIPTION;

THENCE, FROM SAID POINT OF BEGINNING, LEAVING SAID SOUTHEASTERLY LINE, CONTINUING ALONG SAID EXTERIOR BOUNDARY (91 M 90), THE FOLLOWING FOUR (4) COURSES:

- 1) NORTH 51°20'29" EAST 216.53 FEET;
- 2) NORTH 43°26'48" WEST 30.78 FEET;
- 3) ALONG THE ARC OF A TANGENT 206.50 FOOT RADIUS CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 09°02'05", AN ARC DISTANCE OF 32.56 FEET;
- 4) NORTH 34°29'13" WEST (NORTH 33°24'43" WEST)(91 M 90) 23.13 FEET, TO THE SOUTHEASTERLY LINE OF CLUB DRIVE, AS SAID CLUB DRIVE IS SHOWN ON "RECORD OF SURVEY CLUB DRIVE" WHICH MAP WAS FILED FOR RECORD MARCH 7, 2011 IN BOOK 30 OF SURVEYS AT PAGE 16, IN SAID OFFICE OF THE COUNTY RECORDER;

THENCE, ALONG SAID SOUTHEASTERLY LINE, NORTH 56°11'05" EAST (NORTH 56°20'49" EAST)(30 RS 16) 32.71 FEET, TO THE SOUTHWESTERLY LINE OF "TOURO UNIVERSITY SOUTH CAMPUS", AS SAID TOURO UNIVERSITY IS SHOWN ON "TOURO UNIVERSITY SOUTH CAMPUS" WHICH MAP WAS FILED FOR RECORD MARCH 10, 2010 IN BOOK 86 AT PAGE 17, IN SAID OFFICE OF THE COUNTY RECORDER;

THENCE, ALONG SAID SOUTHWESTERLY LINE, THE FOLLOWING TEN (10) COURSES:

- 1) NORTH 56°24'11" EAST 3.50 FEET;
- 2) ALONG THE ARC OF A NON-TANGENT 282.00 FOOT RADIUS CURVE TO THE LEFT, FROM WHICH THE CENTER OF SAID CURVE BEARS NORTH 56°24'11" EAST, THROUGH A CENTRAL ANGLE OF 09°50'59", AN ARC DISTANCE OF 48.48 FEET;
- 3) SOUTH 43°26'48" EAST 103.20 FEET;
- 4) ALONG THE ARC OF A TANGENT 175.00 FOOT RADIUS CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 50°30'26", AN ARC DISTANCE OF 154.27 FEET;

- 5) SOUTH 07°03'38" WEST 257.45 FEET;
- 6) ALONG THE ARC OF A TANGENT 75.00 FOOT RADIUS CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 87°51'25", AN ARC DISTANCE OF 115.00 FEET;
- 7) SOUTH 80°47'47" EAST 136.33 FEET;
- 8) ALONG THE ARC OF A TANGENT 450.00 FOOT RADIUS CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 24°21'29", AN ARC DISTANCE OF 191.31 FEET;
- 9) SOUTH 56°26'18" EAST 177.09 FEET;
- 10) SOUTH 52°43'18" EAST 49.79 FEET TO SAID SOUTHEASTERLY LINE OF THE EETP (25 RS 25);

THENCE, ALONG SAID SOUTHEASTERLY LINE, THE FOLLOWING FIFTEEN (15) COURSES:

- 1) SOUTH 57°28'45" WEST 6.07 FEET;
- 2) ALONG THE ARC OF A NON-TANGENT 184.78 FOOT RADIUS CURVE TO THE RIGHT, FROM WHICH THE CENTER OF SAID CURVE BEARS SOUTH 37°55'55" WEST, THROUGH A CENTRAL ANGLE OF 102°58'44", AN ARC DISTANCE OF 332.11 FEET;
- 3) NORTH 34°28'06" WEST 40.00 FEET;
- 4) NORTH 55°33'32" EAST 32.48 FEET;
- 5) ALONG THE ARC OF A TANGENT 35.00 FOOT RADIUS CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 63°08'18", AN ARC DISTANCE OF 38.57 FEET;
- 6) NORTH 07°35'28" WEST 1.68 FEET;
- 7) ALONG THE ARC OF A NON-TANGENT 400.03 FOOT RADIUS CURVE TO THE LEFT, FROM WHICH THE CENTER OF SAID CURVE BEARS SOUTH 82°24'31" WEST, THROUGH A CENTRAL ANGLE OF 20°49'23", AN ARC DISTANCE OF 145.38 FEET;
- 8) NORTH 49°13'00" WEST 144.77 FEET;
- 9) NORTH 70°36'55" WEST 312.98 FEET;
- 10) NORTH 84°29'01" WEST 61.17 FEET;
- 11) SOUTH 78°13'15" WEST 37.17 FEET;
- 12) SOUTH 69°03'04" WEST 56.94 FEET;
- 13) NORTH 83°30'37" WEST 216.33 FEET;
- 14) NORTH 08°31'59" EAST 312.50 FEET;
- 15) NORTH 25°02'11" WEST 164.41 FEET TO SAID POINT OF BEGINNING.

APN: 0066-050-150

PARCEL IE:

COMMENCING AT SAID NATIONAL GEODETIC SURVEY MONUMENT "MARE ID SE 1852 1932" HAVING CALIFORNIA COORDINATE SYSTEM 1983, ZONE II COORDINATES OF N1,789,849.06 FEET AND E6,488,254.02 FEET AS SHOWN ON SAID RECORD SURVEY AS FILED IN BOOK 21, SURVEYS, PAGE 94, SOLANO COUNTY RECORDS; THENCE NORTH 47° 16' 59" WEST, 7329.52 FEET TO THE BOUNDARY OF TRACT 38 AS SHOWN ON RECORD OF SURVEY, SAID POINT HAVING CALIFORNIA COORDINATE SYSTEM 1983, ZONE 2 COORDINATES OF N1,794,821.24 FEET AND E6,482,868.92 FEET AND THE POINT OF BEGINNING AND THE BEGINNING OF A CURVE FROM WHICH THE RADIUS POINT BEARS SOUTH 40° 35' 30" EAST FROM SAID POINT OF BEGINNING, SAID CURVE CONCAVE TO THE SOUTHEAST HAVING A RADIUS OF 398.00 FEET AND A CENTRAL ANGLE OF 22° 58' 33"; THENCE LEAVING SAID TRACT 38 THE FOLLOWING COURSES:

- (1) SOUTHWESTERLY ON THE ARC OF SAID CURVE, 159.60 FEET;
- (2) SOUTH 26° 25' 57" WEST, 52.81 FEET;
- (3) SOUTH 63° 34' 03" EAST, 15.82 FEET TO A POINT ON A CURVE FROM WHICH THE RADIUS POINT BEARS SOUTH 31° 25' 20" EAST, SAID CURVE CONCAVE TO THE SOUTHEAST HAVING A RADIUS OF 36.00 FEET A CENTRAL ANGLE OF 54° 00' 41";
- (4) EASTERLY ON THE ARC OF SAID CURVE, 33.94 FEET TO A COMPOUND CURVE CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 433.00 FEET AND A CENTRAL ANGLE OF 22° 03' 18";
- (5) SOUTHEASTERLY ON THE ARC OF SAID CURVE, 166.67 FEET TO A COMPOUND CURVE CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 838.00 FEET AND A CENTRAL ANGLE OF 12° 34' 42";
- (6) SOUTHEASTERLY ON THE ARC OF SAID CURVE, 183.97 FEET TO A COMPOUND CURVE CONCAVE TO THE WEST HAVING A RADIUS OF 203.00 FEET AND A CENTRAL ANGLE OF 30° 18' 21";
- (7) THENCE SOUTHERLY ON THE ARC OF SAID CURVE, 107.37 FEET;
- (8) SOUTH 02° 28' 19" EAST, 89.82 FEET;
- (9) SOUTH 37° 17' 43" WEST, 139.74 FEET;
- (10) SOUTH 07° 09' 43" WEST, 53.79 FEET;
- (11) SOUTH 47° 28' 04" EAST, 69.61 FEET;
- (12) SOUTH 71° 59' 57" EAST, 118.11 FEET;

(13) SOUTH 88° 08' 34" EAST, 114.75 FEET TO SAID TRACT 38; THENCE ALONG SAID BOUNDARY THE FOLLOWING COURSES:

(14) NORTH 36° 15' 24" WEST, 100.62 FEET;

(15) NORTH 22° 45' 39" WEST, 732.89 FEET;

(16) NORTH 31° 30' 29" WEST, 113.62 FEET TO THE POINT OF BEGINNING.

APN: 0066-050-040

PARCEL IF:

COMMENCING AT SAID NATIONAL GEODETIC SURVEY MONUMENT "MARE ID SE 1852 1932" HAVING CALIFORNIA COORDINATE SYSTEM 1983, ZONE II COORDINATES OF N1,789,849.06 FEET AND E6,488,254.02 FEET AS SHOWN ON SAID RECORD OF SURVEY AS FILED IN BOOK 21, SURVEYS, PAGE 94, SOLANO COUNTY RECORDS, THENCE NORTH 51° 12' 23" WEST, 6133.60 FEET TO THE BOUNDARY OF TRACT 38 AS SHOWN ON SAID RECORD OF SURVEY, SAID POINT HAVING CALIFORNIA COORDINATE SYSTEM 1983, ZONE II COORDINATE OF N1,793,691.86 AND E6,483,473.44 FEET AND THE POINT OF BEGINNING; THENCE ALONG THE TRACT 38 THE FOLLOWING COURSES:

(1) SOUTH 00° 13' 53" WEST, 211.28 FEET;

(2) SOUTH 28° 00' 33" EAST, 65.73 FEET; THENCE LEAVING SAID TRACT 38 THE FOLLOWING COURSES:

(3) SOUTH 58° 33' 36" WEST, 24.71 FEET;

(4) NORTH 62° 19' 18" WEST, 440.70 FEET;

(5) NORTH 58° 02' 45" WEST, 169.42 FEET;

(6) NORTH 55° 57' 40" EAST, 416.53 FEET TO SAID TRACT 38; THENCE ALONG SAID BOUNDARY

(7) SOUTH 36° 15' 24" EAST, 304.24 FEET TO THE POINT OF BEGINNING.

THIS DESCRIPTION IS BASED ON CALIFORNIA COORDINATE SYSTEM 1983, ZONE 2. ALL DISTANCES ARE GRID AND IN FEET.

APN: 0066-050-030

TRACT THREE:

"REMAINDER PARCEL" AS SHOWN ON THAT CERTAIN SUBDIVISION MAP ENTITLED "FARRAGUT VILLAGE UNIT 3", WHICH WAS FILED FOR RECORD IN THE OFFICE OF THE RECORDER SOLANO COUNTY ON MAY 17, 2005 IN BOOK 81 OF MAPS, PAGES 43 THROUGH 48.

APN: 0066-083-150

TRACT FOUR:

LOTS 12 AND 60 AS SHOWN ON THAT CERTAIN SUBDIVISION MAP ENTITLED "FARRAGUT VILLAGE UNIT 4", WHICH WAS FILED FOR RECORD IN THE OFFICE OF THE RECORDER SOLANO COUNTY ON NOVEMBER 28, 2005 IN BOOK 82 OF MAPS, PAGES 8 THROUGH 13.

APN: 0066-111-010 and 0066-113-010

TRACT FIVE:

LOTS 1, 2, 3, 4 AND 5 AS SHOWN ON THAT CERTAIN SUBDIVISION MAP ENTITLED "FARRAGUT VILLAGE UNIT 6", WHICH WAS FILED FOR RECORD IN THE OFFICE OF THE RECORDER SOLANO COUNTY ON OCTOBER 11, 2011 IN BOOK 86 OF MAPS, PAGES 93 AND 94.

APN: 0066-112-210, 220, 230, 240 and 250

TRACT SIX:

PARCELS A, B, C, D, E, F, G, H AND I, AS SHOWN ON THAT CERTAIN SUBDIVISION MAP ENTITLED "CORAL SEA VILLAGE SOUTH UNIT 3", WHICH WAS FILED FOR RECORD IN THE OFFICE OF THE RECORDER SOLANO COUNTY ON DECEMBER 20, 2007 IN BOOK 85 OF MAPS, PAGES 40 THROUGH 47.

APN: 0066-050-110 (PARCEL A), 0066-150-010 (PARCEL F), 0066-150-020 & 0066-160-020 (PARCEL C), 0066-150-030 (PARCEL E), 0066-150-040 (PARCEL B), 0066-160-010 (PARCEL G), 0066-160-030 (PARCEL H), 0066-160-040 (PARCEL I) AND 0066-160-070 (PARCEL D)

TRACT SEVEN:

LOTS 1 THROUGH 75, INCLUSIVE AND PARCELS A, B, C, D AND E OF SUBDIVISION MAP "CORAL SEA VILLAGE SOUTH UNIT 2", WHICH MAP WAS FILED FOR RECORD IN THE OFFICE OF THE RECORDER OF SOLANO COUNTY, STATE OF CALIFORNIA ON NOVEMBER 3, 2017, IN BOOK 91 OF MAPS, PAGES 90 THROUGH 96.

APN: 0066-181-010 THROUGH 300, 0066-182-010 THROUGH 350, 0066-183-010 AND 0066-191-010 THROUGH 150.

Exhibit K

CERTIFICATE OF COMPLETION

Recording Requested By)
And When Recorded Mail To:)
)
City of Vallejo)
P.O. Box 3068)
555 Santa Clara Street)
Vallejo, CA 94590)
Attn: City Clerk)

(Space Above This Line for Recorder's Use Only)
[Exempt from recording fee per Gov. Code § 27383]

CERTIFICATE OF COMPLETION

THIS CERTIFICATE OF COMPLETION ("Certificate") is made by the CITY OF VALLEJO, a California municipal corporation ("City"), in favor of _____, a _____ ("Developer"), as of the date set forth below. Certain terms used but not defined herein shall have the meaning provided in Section 101 of the Disposition and Development Agreement described in Recital A below.

RECITALS

A. City and Developer have entered into that certain Disposition and Development Agreement ("DDA") dated _____, 2022, concerning the purchase and sale of, and performance of planning and pre-development work with respect to, certain real property constituting of an approximately _____-acre portion of North Mare Island, as more fully described in Attachment No. 1 attached hereto and made a part hereof (the "Property").

B. As referenced in Section 1022 of the DDA, upon Developer's satisfactory completion of Developer's Work and fulfillment of certain of its other obligations under the DDA, City is required to furnish Developer or its successors with a Certificate of Completion, which Certificate is required to be in such form as to permit it to be recorded in the Recorder's Office of Solano County. This Certificate is conclusive determination of Developer's satisfactory completion of _____, _____, and _____.

C. City has conclusively determined that all such Developer's Work [*Insert: "other than the Site Preparation Work" if that work is addressed in separate recordable agreement*] has been satisfactorily completed.

NOW, THEREFORE, City hereby certifies as follows:

1. Developer's Work consisting of the Soil Testing, Planning Work (including new Specific Plan and Beautification Plan), Beautification Work, Demolition Work, Connolly

Corridor Development Work, [and Site Preparation Work] [Insert: "other than the Site Preparation Work" if that work is addressed in separate recordable agreement] has been fully and satisfactorily completed in conformance with the DDA. [Note: Reference to "Site Preparation Work" may be deleted and this Certificate may be recorded prior to completion of such work if Developer's obligation to perform Site Preparation Work is set forth and memorialized in a separate statutory development agreement or other recordable agreement running with the land.]

2. The DDA is of no further force and effect and, except for those obligations which by their express terms survive termination of the DDA, City and Developer shall have no further rights, duties, obligations or liabilities thereunder. Without limiting the foregoing, the City option to repurchase, reenter and take possession of the Property upon the occurrence of certain events as provided for under DDA Section 806 is hereafter void and of no further force or effect.

3. This Certificate of Completion shall not be deemed or construed to constitute evidence of compliance with or satisfaction of any obligation of Developer to any holder of a mortgage, or any insurer of a mortgage, securing money loaned to finance the development of the Property. This Certificate of Completion is not a notice of completion as referred to in section 3093 of the California Civil Code.

4. All covenants set forth in the Quitclaim Deeds from City to Developer, the Construction Staging Area Irrevocable License, the Water System Reimbursement Agreement, the Sewer and Storm System Reimbursement Agreement, the Irrevocable Offer to Dedicate Roadways and the Agreement for Payment in Lieu of Taxes (PILOT Agreement) between City and Developer recorded in the Recorder's Office of Solano County on _____, 202__, as Instrument Nos. _____, _____, _____, _____, and _____, respectively, and in the _____ shall remain in effect and enforceable according to their terms.

IN WITNESS WHEREOF, City has executed this Certificate this _____ day of _____, 202__.

CITY OF VALLEJO, a California municipal corporation

By: _____, City Manager

ATTEST:

_____, City Clerk

ATTACHMENT NO. 1

PROPERTY LEGAL DESCRIPTION

Real property in the City of Vallejo, County of Solano, State of California, described as follows:

[to be inserted]

Exhibit L

INSURANCE REQUIREMENTS

A. Developer shall procure and maintain, or as applicable, shall cause its contractor(s) to procure and maintain, for the duration of the DDA insurance policies set forth in subsection B. below. It shall be a requirement under this DDA that any available insurance proceeds broader than or in excess of the specified minimum Insurance coverage requirements and/or limits shall be available to the Additional Insured. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this DDA; or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured; whichever is greater. Such insurance shall not be construed to relieve Developer or its contractor(s) of any liability in excess of such coverages.

B. The required insurance coverages shall include:

(1) Commercial General Liability insurance at least as broad as Insurance Services Office Commercial General Liability form CG 0001 (“occurrence” form).

(2) Automobile Liability insurance at least as broad as Insurance Services Office form number CA 0001 covering Automobile Liability, code 1 (any auto).

(3) Workers’ Compensation insurance as required by the State of California, with Statutory Limits, and Employer’s Liability insurance: \$1,000,000 per accident for bodily injury or disease.

(4) Builder’s Risk insurance in an amount not less than the full insurable cost of the development project improvements and the Backbone Infrastructure on a replacement cost basis.

(5) Pollution and environmental liability insurance, including coverage for damages, cleanup and restoration costs.

C. The limits of the required insurance shall be no less than:

(1) General Liability: \$10,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the DDA, or the general aggregate limit shall be twice the required occurrence limit.

(2) Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.

(3) Employer’s Liability: \$1,000,000 per accident for bodily injury or disease.

(4) Pollution and environmental liability insurance: \$5,000,000 per occurrence.

D. Any deductibles or self-insured retentions must be declared to and reasonably approved by the City. At the reasonable discretion of City, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City and City Parties; or Developer shall cause its contractor to provide a financial guarantee (including without limitation indemnifications and bonds as applicable) reasonably satisfactory to the City guaranteeing payment of losses and related investigations, claim administration and defense expenses.

E. The general liability, automobile liability and pollution and environmental liability insurance policies must contain, or be endorsed to contain, the following provisions:

(1) Each policy shall include City and City Parties as additional insureds with respect to the liability, including defense costs, arising out of (a) work or operations by or on behalf of Developer or its contractor(s) including materials, parts or equipment furnished in connection with such work or operations, and (b) automobiles owned, leased, hired or borrowed by or on behalf of Developer or its contractor(s). The coverage shall contain no special limitations on the scope of protection afforded to the City and City Parties.

(2) For any claims related to the DDA, the insurance coverage shall be primary insurance as respects the City and City Parties. Any insurance, self-insurance or joint self-insurance maintained by the City and City Parties shall be excess of the insurance required hereunder and shall not contribute with it.

(3) Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the City and City Parties.

(4) The insurance required to be maintained by Developer or its contractor(s) hereunder shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.

(5) Each insurance policy shall be endorsed to state that coverage shall not be cancelled by any party, reduced in coverage or in limits, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City or ten (10) days' prior written notice by certified mail, return receipt requested for the non-payment of premium.

F. The workers' compensation policy required hereunder shall be endorsed to state that the workers' compensation carrier waives its right of subrogation against City, its officers, officials, employees, agents and volunteers, which might arise by reason of payment under such policy in connection with Developer's performance under the DDA. The waiver of subrogation rights endorsement in favor of the City of Vallejo shall be attached to the Certificate of Insurance.

G. Insurance is to be placed with insurers with a current A.M. Best rating of no less than A:VII, unless otherwise agreed by City.

H. Developer shall furnish City with an original certificate of insurance and amendatory endorsements evidencing all required insurance coverage. The endorsements shall be on forms reasonably approved by the City. The certificates of insurance and all endorsements must be signed by a person authorized by the insurer to bind coverage on its behalf. All certificates and endorsements are required to be received and approved by the City before any work commences on the Property. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements effecting coverage required by these specifications at any time. All insurance documents are to be sent to:

City of Vallejo
555 Santa Clara Street
Vallejo, CA 94590
Attn: Risk Manager
Phone: (707) 648-4485

With a copy to:

City of Vallejo
P.O. Box 3068
555 Santa Clara Street
Vallejo, CA 94590
Attn: Economic Development Program Manager
Phone: (707) 649-5452

Developer shall include or cause its contractor to include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverage for subcontractors shall be subject to all the requirements stated herein.

Exhibit M

LOCAL ECONOMIC BENEFIT PROGRAM

The following procedures and provisions are intended to maximize local economic benefits to be derived from the Demolition Work, the Site Preparation Work and all future work of constructing and installing Backbone Infrastructure and other horizontal and vertical improvements on the Property (collectively, “**Development Activities**”), whether undertaken by Developer or its successors or assigns. As used herein the term “**Developer**” means Developer and its permitted successors and assigns. These procedures and provisions shall apply to all contracting and procurement activities related to performance or implementation of the Development Activities. Developer and its Qualifying Contractor(s) (defined below) shall make good faith, commercially reasonable efforts to maximize the inclusion of Locally-Owned Business Enterprises and create opportunities for and hire qualified Local Residents. “**Qualifying Contractor(s)**” means and includes all general contractor(s) and each subcontractor with a contract or contracts to supply materials or labor or perform services in connection with Development Activities the total value of which is \$100,000 or more. Developer and its Qualifying Contractors shall each affirm in writing that they will not discriminate against or give preference to any subcontractor or employee based on race, color, religion, age, gender, national origin, ancestry, creed, union membership, sexual orientation, or disability. Developer shall compile documentation of these efforts and provide data regarding the inclusion of Locally-Owned Business Enterprises and Local Residents in an Annual Report (defined below) to the City.

1. LBE Inclusion

Developer shall employ the following processes to ensure that good faith, commercially reasonable efforts are made to achieve the inclusion of LBEs. A “**Locally-Owned Business Enterprise**” or “**LBE**” is a firm with a valid business license that has a Substantial Presence (defined below) in the City of Vallejo. As used herein “Substantial Presence” means:

A. Opportunity Facilitation. All development, contracting and subcontracting opportunities shall be evaluated in an effort to package work into separate solicitations (including labor, materials, equipment, etc.) in a way that is practical, cost-effective, and meets the technical needs of the project while also maximizing opportunity and ensuring the competitiveness of LBEs and Local Residents.

B. Opportunity Advertising. Developer and all Qualifying Contractors issuing solicitations for contracts, subcontracts, sub-subcontracts, services or purchase orders shall take actions to ensure that such solicitations are administered in accordance with the following procedures:

- Announcements, including instructions for submission and the names and contact information for the Developer, general contractor(s) and/or contractor(s), shall be posted on a project website.

- Advertisements shall appear in the *Vallejo Times Herald*, the *North Bay Business Journal*, and, at Developer’s option, such other periodicals and websites featuring local or regional news at least 30 days before the bid date.
 - Information regarding upcoming bids shall be made available to community organizations for posting on their respective websites at least 30 days before the bid date.
 - Written notifications of bids shall be sent in advance to the City, the Solano County Workforce Development Board (“WDB”), the Solano Small Business Development Center (“SBDC”), and local chambers of commerce and business organizations, including but not limited to organizations listed in Section 6(A) below.
- C. Contractor Proposal Evaluation. Each Qualifying Contractor shall be required to prepare and submit to Developer a “**Local Business Inclusion Plan**” that identifies the scope of work; any part(s) of that scope it intends to subcontract; and how it intends, through subcontracting, joint venturing, or using vendors and suppliers, to include LBEs. A Local Business Inclusion Plan form is provided as Attachment M-1.
- D. Small Business Development Center Consultation. Developer and each Qualifying Contractor with potential to include LBEs as subcontractors, sub-subcontractors, vendors or suppliers shall submit its Local Business Inclusion Plan to the SBDC and schedule a meeting with the SBDC. The meeting will provide the contract awardee the opportunity to learn about opportunities to contract with Vallejo LBEs.
- E. Priority Consideration. Qualifying Contractors who submit proposals with LBE firms as partners or in joint ventures shall be given priority consideration for contract awards by the Developer.

As used herein “**Substantial Presence**” means a fixed and established place where work is carried on a clerical, administrative, and professional or production nature directly pertinent to the business being certified. A temporary location or movable property or one that was established to oversee a project such as a construction project office does not qualify. Businesses with offices both within and outside of the City that seek certification as a LBE must demonstrate the existence of a bona fide local office in accordance with the following criteria:

- The local office can and does function as an independent office site.
- The local office maintains a City of Vallejo business license.
- The local office serves as the point of sale for taxable transactions originating from or serviced out of that location.
- The local office is not merely a sham operation set up by a non-local business for the purpose of gaining LBE certification;

- The local office contains all fixtures and/or equipment, including but not limited to, as appropriate, computer(s) software, copy machine(s), furniture, vehicle(s), tools, appliances and/or machinery necessary to operate the business for which the certification is sought;
- The local office contains all space necessary to operate the business for which certification is sought, including but not limited to, as appropriate, office space, warehouse space, parking, yard area and/or shop area;
- The local office must be the main office for assigned personnel who conduct a full range of the business' activities out of the local office including but not limited to, as appropriate, professional, clerical and/or administrative staff assigned and dedicated to the local office as necessary to operate the business for which certification is sought;
- The local office functions on a daily basis, or a regular basis as otherwise appropriate, providing all services to operate the business for which certification is sought.

2. **Job Creation and Local Workforce Inclusion**

Developer shall establish a process for individuals who reside in the incorporated or unincorporated areas within Vallejo City boundaries, or in unincorporated areas within one (1) mile of the City boundary ("**Local Residents**") to receive priority consideration for hiring by Developer and Qualifying Contractors working on the development of the Property during pre-development and development phases of the Project.

A. **Workforce Projection Plan.** Each Qualifying Contractor submitting a bid or proposal for work shall be required to prepare and submit a "**Workforce Projection Plan**" to Developer as part of its bid or proposal. The Workforce Projection Plan shall describe the general scope of work under the potential development; its total projected staffing; the projected number of new hires and the type of skills and expertise needed for new hires that will be involved in fulfilling the contract; and a timeline for commencing the work. A form for a Workforce Projection Plan is provided as Attachment M-2.

B. **Workforce Development Board Consultation.** Each Qualifying Contractor with projected new hires shall also submit its Workforce Projection Plan to the WDB and schedule a meeting with the WDB. The meeting will provide the Qualifying Contractor the opportunity to learn about local workforce resources and employment related services.

C. **Local Hiring Policy.** Each Qualifying Contractor shall advise the WDB of each job opening associated with the applicable Development Activities and provide a job description including any special requirements. Referrals of qualified Local Residents by the WDB shall receive priority consideration for hiring.

3. Non-Discrimination Hiring Policy

Developer and each Qualifying Contractor performing work or providing materials, goods or services in connection with the Development Activities shall provide the following “**Declaration of Non-Discrimination Hiring Policy**” as part of their bid or proposal for work:

- Affirmation that neither the Developer nor Qualifying Contractor, will discriminate on the basis of race, color, religion, age, gender, national origin, ancestry, creed, union membership, sexual orientation, or disability in the award and performance of its contract and/or any sub-contracts that may be needed to perform the work or services for which they are contracted.
- Affirmation that neither the Developer nor Qualifying Contractor will discriminate on the basis of race, color, religion, age, gender, national origin, ancestry, creed, union membership, sexual orientation, or disability with respect to hiring or employment practices.
- Affirmation that the Developer or Qualifying Contractor, as applicable, will comply with all applicable requirements of any federal, state or local law ordinance or regulation relating to equal opportunity and nondiscrimination.

A form for a Declaration of Non-Discrimination Hiring Policy is provided as Attachment M-3.

4. Reporting

A. Reporting to Developer. Following the execution of each applicable contract, Developer shall require each Qualifying Contractor to provide the following to Developer: a copy of its Local Business Inclusion Plan, a copy of its Workforce Projection Plan, and a signed Declaration of Non-Discrimination Hiring Policy. Developer and each Qualifying Contractor shall maintain a “**Record of Local Hiring and Contracting**”, stating: (i) the number of all bids or proposals submitted by LBEs and a list of each accepted bid or proposal by a LBE during the period covered by the invoice, and (ii) a record of the number of applications for jobs submitted by Local Residents, the number of offers made, and the number of LBEs hired for the period covered by the invoice. A form for the Record of Local Hiring and Contracting is provided as Attachment M-4.

B. Reporting to the City. Developer shall prepare an Annual Local Economic Benefit Report (“**Annual Report**”) to be submitted to the City. The Annual Report will provide data on the number and type of LBEs that have received contracts as well as the number of Local Residents that have been hired for work related to the Development Activities based on records submitted by Qualifying Contractors. The Annual Report will also provide information on anticipated contracting and employment opportunities. The first Annual Report will cover the period following Closing through the end of the calendar year in which Closing occurs. Annual reports will be submitted annually no later than April 1. The final report will be submitted following the completion of the Development Activities.

5. Funding for LBE and Local Resident Outreach

Developer shall make an annual payment of Ten Thousand Dollars (\$10,000) to each of the following entities:

Solano Small Business Development Center
500 Chadbourne Road
Fairfield, CA 94534
(707) 646-1071; info@solanosbdc.org
<https://www.solanosbdc.org/>

Workforce Development Board of Solano County
1440 Marin Street
Vallejo, CA
Tel: (707) 648-4024; SECinfo@solanowdb.org
<https://www.solanoemployment.org/>

The first payments shall be made prior to the submission of the first Annual Report. Payments shall be made annually thereafter in the first quarter of the calendar year, and shall be reported in the Annual Report.

6. Outreach to Business Enterprises and Local Residents

Developer will voluntarily conduct outreach to LBEs through the following measures:

A. Requiring advertising of bid solicitations broadly to local and regional chambers of commerce and business associations, including but not limited to the following organizations:

Vallejo Chamber of Commerce
425-A Virginia Street
Vallejo, CA 94590
(707) 644-5551; info@vallejochamber.com
www.vallejochamber.com

Solano Hispanic Chamber of Commerce
P.O. Box 2118
Fairfield, CA 94533
(707) 280-8771; president@solhcc.com
www.solanohispanicchamber.com

Solano County Black Chamber of Commerce
P.O. Box 149
Vallejo, CA 94590
(707) 704-7426; info@scbcc.org

www.sbcc.org
Filipino American Chamber of Commerce of Solano County
239 Cassady Street
Vallejo, CA 94590
(707) 556-5800; contact@faccsolano.com
www.filamchamberatsolano.org

B. Encouraging outreach to trade associations and contractor associations organized by and for women, minorities and underrepresented groups with membership with qualifications relevant to opportunities related to the Property, including but not limited to:

National Association of Minority Contractors, Northern California
8100 Capwell Dr.
Oakland, CA 94621
(877) 791-1630; info@namcnc.org
<http://www.namcnc.org/>

Tradeswomen, Inc.
337 17th Street, Suite 204
Oakland, CA 94612
(510) 891-1243; info@tradeswomen.org
<https://tradeswomen.org/>

National Association of Women in Construction, San Francisco Chapter
nawicsf@gmail.com
<https://www.nawicsf.org/>

Asian American Contractors Association
1167 Mission Street, 4th Floor
San Francisco, CA
(415) 928-5910
<https://www.viethosting.com/aaca/>

C. Following up on all Qualifying Contractor bid solicitations directly with the applicable contractors and subcontractors, vendors or service providers expressing interest in current opportunities; and

D. Negotiating in good faith with contractor and subcontractors, vendors and service providers identified through outreach efforts that express interest.

Attachment M-1

Local Business Inclusion Plan

Note: Do not include confidential or sensitive business information. Submit following contract execution. Attach additional page(s) if needed.

Name of Contractor: _____ **Date Submitted:** _____

Scope of Proposed Work:

Scope of Work Available for contracting through Locally-Owned Business Enterprises (LBEs), defined as firms with a valid business license that has a substantial presence and a principal place of business in Vallejo:

Is this work being submitted as a partnership or joint venture with a LBE? Yes ___ No ___

If yes, please provide the name and contact information of the LBE(s):

Are there plans for subcontracting any of this work through LBEs? Yes ___ No ___

If yes, please describe the planned or potential subcontract(s):

Are there plans for potential joint venture(s) with LBE(s)? Yes ___ No ___

If yes, please describe the potential joint venture(s):

Are there plans for the potential use of LBEs as vendors or suppliers? Yes ___ No ___

If yes, please describe plans for LBEs as vendors or suppliers:

Date of Submittal to Solano Small Business Development Center: _____

Date of meeting with Solano Small Business Development Center: _____

Attachment M-2

Workforce Projection Plan

Note: Do not include confidential or sensitive business information. Submit following contract execution. Attach additional page(s) if needed.

Name of Contractor: _____

Date Submitted: _____

Scope of Proposed Work:

Total Projected Staffing: _____

Projected Number of New Hires: _____

Skills and Expertise Needed for New Hires (list number of hire(s) expected for each skill or area of expertise):

Expected timeline for work:

- **Expected start of work or contract:** _____
- **Date(s) to advertise for new hires (>30 days prior to expected hire(s)):** _____
- **Expected hiring date(s):** _____
- **Expected end of work or contract:** _____

Date of Submittal to Solano County Workforce Development Board: _____

Date of meeting with Solano County Workforce Development Board: _____

Attachment M-3

Declaration of Non-Discrimination Hiring Policy

Note: Submit with signed contract.

On behalf of _____ (name of business entity),

I, _____ (name of authorized signatory), as an owner and/or officer of the above-named business entity, hereby declare and affirm that good faith, commercially reasonable efforts will be used to implement and uphold the following policies with respect to any and all work and business related to the development of the approximately 157-acre property commonly known as North Mare Island and referred to as the "Property" in the Disposition and Development Agreement dated _____, 2021, by and between City of Vallejo and The Nimitz Group, LLC:

The business entity named above will not discriminate on the basis of race, color, religion, age, gender, national origin, ancestry, creed, union membership, sexual orientation, or disability in the award and performance of its contract and/or any sub-contracts that may be needed to perform the work or services for which they are contracted.

The business entity named above will not discriminate on the basis of race, color, religion, age, gender, national origin, ancestry, creed, union membership, sexual orientation, or disability with respect to hiring or employment practices.

The business entity named above will comply with all applicable requirements of any federal, state or local law ordinance or regulation relating to equal opportunity and nondiscrimination.

Signature: _____ Date: _____

Attachment M-4

Record of Local Contracting and Hiring

Note: Do not include confidential or sensitive business information. Report information for the period covered by the signed contract. Attach additional page(s) if needed.

Name of Contractor: _____ **Date Submitted:** _____

Period Reported: _____

Local Hiring Report

Number of applications for jobs submitted by Local Residents, defined as individuals residing in Vallejo or an unincorporated area within one (1) mile of city limits: _____

Number of offers of jobs made to Local Residents: _____

Number of Local Residents Hired: _____

Local Contracting Report

Number of bids or proposals submitted by Local Business Entities (LBEs), defined as firms with a valid business license that have a substantial presence and a principal place of business in Vallejo: _____

Number LBE bids or proposals accepted: _____

List and describe any contract(s) entered or business conducted with LBEs:

Exhibit N

Irrevocable Offer to Dedicate Roadways

RECORDED AT THE REQUEST OF
AND AFTER RECORDING MAIL TO:

City of Vallejo
555 Santa Clara Street
Vallejo, CA 94590
Attn: City Clerk

APNs: _____

Space above this line reserved for recorder's use
Exempt from Recording Fees (Government Code §27383)

**IRREVOCABLE OFFER TO DEDICATE
ROADWAYS AND ROADWAY EASEMENTS**

This Irrevocable Offer to Dedicate Roadways and Roadway Easements (“Offer”) is entered into as of _____, 202__, by THE NIMITZ GROUP, LLC, a California limited liability company (“Offeror”), to the CITY OF VALLEJO, a California municipal corporation (“City”).

RECITALS:

A. Offeror and City are parties to that certain Disposition and Development Agreement dated _____, 2022 (“DDA”), which provides for, among other things, conveyance by City to Offeror of City’s interest in certain City-Owned Property and Navy-Owned Property comprising a portion of Mare Island Reuse Area 1A (as such terms are defined in the DDA) for purposes of development, including construction and installation of new backbone infrastructure. The DDA was recorded on _____, 202__ as Instrument No 202_-_____ in the Official Records of the County of Solano, against title to the City-Owned Property and the Navy-Owned Property.

B. Concurrently herewith City is conveying to Offeror all of City’s right, title and interest in *[Insert as applicable: “all” or “a portion of”]* the *[Insert as applicable: “City-Owned Property” or “Navy-Owned Property”]* as described in Attachment No. 1 attached hereto (“Property”) pursuant to that certain Quitclaim Deed dated _____, 2022 (“Quitclaim Deed”) recorded in the Official Records of the County of Solano as Instrument No. 2022-_____.

C. The Property contains certain existing roadways and ancillary improvements (collectively, Roadways as described below) which will be upgraded and/or replaced by Offeror

or its successors at such time as the Property is developed. The DDA requires as a condition to City conveying the Property to Offeror that Offeror grant City an irrevocable offer to dedicate the Roadways, together with easements for same, which may or may not be accepted by City or its designee(s) in whole or in part at a future date. The Roadways and easements, including anticipated future replacements thereof, are intended to provide the public, including owners and occupants of other properties on Mare Island with rights of pedestrian and vehicular access over, across and under and ingress and egress to and from the northerly portions of Mare Island, including rights-of-way between G Street and the State Highway 37 interchange.

D. The Parties intend that at such time as Offeror develops the Property, Offeror at its expense will install and dedicate to City, the Vallejo Flood and Wastewater District and other public and governmental agencies new Backbone Infrastructure, including road, street, alley and other customary appurtenant access improvements (including, without limitation, streetlights, curbs, gutters, drain inlets, signs, signals, benches and sidewalks) serving the Property and surrounding properties, together with easements for same, in accordance with the requirements of the New Specific Plan and conditions of approval applicable to Developer's Future Applications for discretionary approvals. At such time as the new road, street, alley and other customary appurtenant access improvement and easement dedications are accepted by City, this Offer (except as to any Roadways and easements previously accepted by City), shall be deemed to have been rejected and terminated, and upon request by Offeror, City shall execute such documents as are reasonably necessary to memorialize termination of this Offer.

NOW THEREFORE, FOR VALUE RECEIVED, the value, adequacy and receipt of which are hereby acknowledged, the parties agree as follows:

AGREEMENTS:

1. **Irrevocable Offer of Dedication.** Offeror does hereby irrevocably offer to dedicate to City or a governmental entity designated by the City the road, street, alley and other customary appurtenant access improvements (including, without limitation, streetlights, curbs, gutters, drain inlets, signs, signals, benches and sidewalks) along the routes through the Property generally depicted in Attachment No. 2 attached hereto and by this reference incorporated herein, and as shown in more detail on that certain roadways diagram prepared by LFR Reimer dated March 14, 2002, on file with the City Clerk of the City of Vallejo (collectively, "**Roadways**") together with non-exclusive, perpetual rights-of-way and easements for ingress, egress, access over, across and under, and use of, those portions of the Property improved with such Roadways. Upon acceptance of dedication, the City shall be responsible for all maintenance and repair of such Roadways or the applicable portion thereof accepted by City; provided, however, nothing herein shall be deemed to limit City's ability to impose special taxes to fund such maintenance and repair through assessment or special tax districts established in accordance with applicable law. The Roadways are not and shall not become by virtue of this Offer, dedicated public rights-of-way and are not reserved to or accepted by City as such.

2. Location of Easements.

2.1 At the time of recordation of this Offer, the exact dimensions of the Roadways and the easements following such Roadways have not yet been determined. Prior to acceptance of this Offer, City shall prepare a legal description of the Roadways and easement areas or portions thereof being accepted, and shall submit such descriptions and related materials to Offeror for its review and comment prior to finalizing such descriptions; provided however the parties agree that all Roadway widths shall be consistent with City standards and not limited by the existing paved dimensions of such Roadways. Offeror agrees that City and its designees may access the Property to complete a legal description prior to acceptance of the Offer.

2.2 Notwithstanding the above, in connection with its development of the Property, Offeror may alter the routes of some or all of the Roadways and/or replace existing Roadways with new Roadways in locations indicated in the New Specific Plan (or other locations approved by City, so long as such altered and/or new Roadways are sufficient in City's reasonable judgement to provide the public, including owners and occupants of other property on Mare Island, adequate rights-of-way for pedestrian and vehicular access, ingress, and egress to and from northerly portions of Mare Island, including a means of travel between G Street and the State Highway 37 interchange). To the extent the locations of such new or altered Roadways have not yet been memorialized in new recorded offers of dedication, this Offer shall be deemed to apply to the Roadways in their new or altered routes.

3. Responsibility for Roadways Prior to Acceptance of Offer.

3.1 Prior to City's acceptance of the Offer, Offeror agrees that the Roadways shall remain open and accessible for use by the general public, including owners and occupants of other properties on Mare Island. Offeror shall maintain all Roadways in a safe and usable condition until such time as City accepts the Offer, and Offeror shall not close, block or otherwise interfere with such use of the Roadways by the general public, including owners or occupants of other properties on Mare Island.

3.2 City shall incur no liability with respect to this Offer and shall not assume any responsibility for the Roadways or any portion thereof unless and until accepted by City. Offeror shall bear all costs and liabilities of any kind related to the operation, upkeep and maintenance of the Roadways until the City has accepted the Offer, and following such acceptance the City will be responsible for the operation, upkeep and maintenance of the Roadways or applicable portion thereof which City has accepted. Notwithstanding the above, without being deemed to have accepted the Offer as to any portion of the Roadways, City, at its option and prior to accepting the Offer, may elect to undertake repairs or maintenance of the Roadways if Offeror fails to do so after being given written notice of the need for and a reasonable time to complete such work, all as City deems reasonably necessary to preserve public use of the Roadways, and Offeror hereby grants City and its contractors and subcontractors a right of entry onto the Property for such work. If, following notice and expiration of applicable cure periods, City undertakes repair and/or maintenance work with respect to the Roadways, Offeror shall reimburse City, within thirty (30) days following receipt of City's written demand therefor (including copies of cost verification documents), for City's reasonable out-of-pocket costs incurred in connection with such work.

3.3 Offeror shall indemnify, defend and hold City harmless from all liabilities, claims, demands, damages and costs (including attorneys' fees and costs) for bodily injury (including death) or property damage arising out of or relating to use of the Roadways, occurring prior to the date City accepts the Offer as to each portion of the Roadways, except to the extent arising from City's or its employees, agents, or contractors active negligence or willful misconduct; provided, however, that Offeror shall remain obligated to defend City notwithstanding any actual or alleged comparative negligence on the part of City or its employees, agents or contractors until such time as the actual or alleged comparative negligence is adjudicated.

4. **Time and Manner of Acceptance.** This Offer is irrevocable and shall remain in effect until accepted by the City or terminated as provided below. This Offer may not be terminated, or the right to accept the Offer abandoned, except by Resolution of City's City Council in the same manner as prescribed for summary vacation of streets or highways by Part 3 (commencing with Section 8300) of Division 9 of the Streets and Highways Code. City or an entity designated by City may accept this Offer in whole or in part by recording an acceptance of the Offer in the Official Records of Solano County. Upon recording of an acceptance, this Offer shall have the effect of a grant of the Roadways, or applicable portion thereof, and associated easement rights to City. Offeror agrees that to the extent permitted by law, City may elect to accept this Offer one or more times as to a portion or portions of the Roadways, and the Offer shall remain in effect as to the remainder of the Roadways.

5. **Benefit and Burden.** The provisions of this Offer shall run with the land and inure to the benefit of and be binding upon the parties and their heirs, successors or assigns, and any other person claiming an interest through them, whether voluntary or involuntary. All obligations, terms, conditions, and restrictions imposed by this Offer shall be deemed covenants and restrictions running with the land and shall be effective limitations on the use of the Property.

6. **Notification upon Conveyance or Transfer.** Upon the conveyance or transfer of the Property or a portion thereof or granting of an interest therein, Offeror or its successor, shall advise the purchaser or transferee of the existence of this Offer. Any use of the Property as security for any debt shall be subject to this Offer and City's rights herein.

7. **Notices.** Any approval, disapproval, demand, document or other notice which either party may desire to give to the other party under this Offer must be in writing and shall be given by certified mail, return receipt requested and postage prepaid, personal delivery, or reputable overnight courier (but not by facsimile or email), to the party to whom the notice is directed at the address of the party as set forth below, or at any other address as that party may later designate by notice.

CITY:

City of Vallejo
P.O. Box 3068
555 Santa Clara Street
Vallejo, CA 94590
Attn: City Manager
Telephone: (707) 648-4576

With a copy to: City of Vallejo
P.O. Box 3068
555 Santa Clara Street
Vallejo, CA 94590
Attn: City Attorney
Telephone: (707) 648-4545

OFFEROR: The Nimitz Group, LLC

Attn.: _____
Phone: () -

With a copy to: _____

Attn.: _____
Phone: () -

Any notice shall be deemed received on the date of delivery if delivered by personal service, on the date of delivery or refused delivery as shown by the return receipt if sent by certified mail, and on the date of delivery or refused delivery as shown by the records of the overnight courier if sent via nationally recognized overnight courier. Notices sent by a party's attorney on behalf of such party shall be deemed delivered by such party. Telephone numbers are provided for convenience but use of such communication method shall not constitute delivery of notice as required by this Section.

8. Severability. If any provision of this Offer or its application is held to be invalid or unenforceable, no other provision shall be affected or impaired by such holding and the remainder of this Offer shall be valid and enforceable to the fullest extent permitted by law.

9. Applicable Law; Venue. The laws of the State of California, without regard to conflict of law principles, shall govern interpretation and enforcement of this Offer. Venue for any legal action shall be in the Superior Court of Solano County, California, or in the Federal District Court for the Northern District of the State of California.

10. Modifications. Any alteration, change or modification of or to this Offer in order to become effective, shall be made in writing and in each instance approved and signed on behalf of each party, and thereafter recorded.

11. Counterparts. This Offer may be executed by the parties in counterparts, each of which shall be deemed to be an original and which when signed by the parties shall constitute a binding agreement.

12. **Recordation.** This Offer shall be recorded in the Official Records of Solano County.

13. **Recitals and Exhibits.** The above Recitals and attached Exhibits are incorporated in and made part of this Offer.

[Signatures follow on next page]

IN WITNESS WHEREOF, the parties have executed this Offer as of the day and year first written above.

OFFEROR:

THE NIMITZ GROUP, LLC,
a California limited liability company

By: _____

Name: _____

Its: _____

CITY:

CITY OF VALLEJO, a
California municipal corporation

By: _____

Name: _____

Its: _____

ATTEST:

_____, City Clerk

APPROVED AS TO FORM:

_____, City Attorney

ACKNOWLEDGMENT

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

State of California)

County of _____)

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

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

WITNESS my hand and official seal.

Signature _____

ACKNOWLEDGMENT

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

State of California)

County of _____)

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

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

WITNESS my hand and official seal.

Signature _____

ATTACHMENT NO. 1
Legal Description of the Property

ATTACHMENT NO. 2
Depiction of the Roadways

Exhibit O

FORM OF WATER SYSTEM REIMBURSEMENT AGREEMENT

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

City of Vallejo
P.O. Box 3068
555 Santa Clara Street
Vallejo, CA 94590
Attn: City Clerk

Record for the Benefit of
the City of Vallejo
Pursuant to Government Code
Section 27383

Space Reserved for Recorder's Use Only

WATER SYSTEM REIMBURSEMENT AGREEMENT

This WATER SYSTEM REIMBURSEMENT AGREEMENT ("**Agreement**") is made and entered into as of _____, 2022 ("**Effective Date**"), by and between the CITY OF VALLEJO, a California municipal corporation ("**City**"), and THE NIMITZ GROUP, LLC, a California limited liability company ("**Developer**").

Recitals

The following Recitals are a substantive part of this Agreement.

A. City and Developer are parties to that certain Disposition and Development Agreement ("**DDA**") dated _____, 2022, recorded in the Official Records of the County of Solano as Instrument No. _____, which provides, among other things, for (i) City's phased conveyance to Developer of approximately 157 acres of real property comprising a portion of Mare Island Reuse Area 1-A, consisting of the City-Owned Property and Navy-Owned Property (collectively, the "**Property**"), as described in the DDA, excluding certain existing storm drain and sanitary sewer lines and ancillary above and below ground facilities and improvements (collectively, "**Sewer Lines**") and existing potable and fire suppression water lines and ancillary above and below ground facilities and improvements (collectively, "**Water Lines**") located on and under such Property, which will be retained by Vallejo Flood and Waste Water District ("**VFWD**") and City, respectively; (ii) Developer's construction and installation of new backbone infrastructure improvements, including roadways, pedestrian paths, and other public rights-of-way and public access facilities; potable water, sanitary sewer, storm water, electrical, telephone/cable/data and natural gas lines, conduits and facilities; parks; landscaping; public

parking; and lighting; and other public facilities and utilities in connection with Developer's development of the Property; and (iii) Developer's commitment, on behalf of itself and its successors and assigns, to reimburse VFWD and City for the costs incurred by VFWD and City in connection with the ongoing maintenance and repair of such existing Sewer Lines and Water Lines, until such time as Developer or its successors or assigns have upgraded and/or replaced the existing Sewer Lines and Water Lines with new storm drain and sanitary sewer facilities and improvements and new potable and fire suppression water lines, facilities and improvements and such new facilities and improvements, together with customary easements for same, have been accepted by VFWD or City, as applicable. Nothing herein shall be deemed to prohibit City and Developer from pursuing alternatives to public dedication of new facilities and improvements, including establishment of privatized utility systems, to the extent acceptable to City and Developer, each in its sole and absolute discretion. Capitalized terms not otherwise defined herein shall have the meanings set forth in the DDA.

B. Concurrently herewith, (i) City is conveying to Developer the City-Owned Property described in Attachment No. 1 attached hereto and incorporated herein so that Developer may undertake certain planning related work and thereafter undertake comprehensive redevelopment of the City-Owned Property and, following Developer's acquisition of the Navy-Owned Property from City as provided in the DDA, the balance of such Property, all as provided in the DDA, and (ii) Developer and VFWD are entering into a Sewer System Reimbursement Agreement setting forth Developer's commitments to reimburse VFWD for costs to be incurred by VFWD in connection with the ongoing maintenance and repair of the existing Sewer Lines.

C. City has agreed to provide Developer requested flexibility regarding timing of development of the Property on the condition that Developer commit to reimburse City for the ongoing costs to be incurred by City in connection with the maintenance and repair of the existing Water Lines retained by City until such time as Developer or its successors or assigns have upgraded and/or replaced such existing Water Lines with new potable and fire suppression water lines and ancillary facilities and improvements and such new infrastructure improvements, together with customary easements for same, have been accepted by City, all as set forth herein and in the DDA.

D. City has determined that by entering into this Agreement, City will promote orderly growth and quality development on Mare Island in accordance with the goals and policies set forth in the Reuse Plan and the City's General Plan.

NOW THEREFORE, in consideration of the foregoing recitals and for other good and valuable consideration, the parties hereby agree as follows:

Agreements

1. Term. The term ("*Term*") of this Agreement shall commence on the Effective Date set forth above and shall continue in effect until such time as Developer has upgraded and/or replaced all of the existing Water Lines with new potable and fire suppression water lines and ancillary facilities and improvements and such new infrastructure improvements, together with customary easements for same, have been accepted by City. As and when the existing Water Lines are upgraded and/or replaced by Developer and accepted by City, City upon written

request of Developer, shall execute and record a notice of termination or other similar instrument evidencing the termination of this Agreement as to the Property or portion thereof, as applicable.

2. Reimbursement Obligation. For the Term of this Agreement, Developer, at its sole cost and expense, shall bear all actual labor and materials costs and expenses directly or indirectly incurred or payable by City in connection with maintenance and repair of the existing Water Lines ("**Eligible Costs**"). The scope of anticipated maintenance and repair work includes, by way of illustration and without limitation, the tasks and services described in Attachment No. 2 attached hereto and incorporated herein. Developer acknowledges that the existing Water Lines are well beyond their anticipated useful life and that Developer's decision to delay development of the Property and associated upgrading and/or replacement of the existing Water Lines is likely to result in escalating maintenance and repair costs over time. City shall have the right to perform Water Lines maintenance and repair work with its own staff and/or outside contractors as determined by City in its sole discretion. If City utilizes outside contractors to perform such work, those contractors will be properly licensed and insured and selected through applicable City contracting procedures, including competitive bidding to the extent applicable. To the extent Water Lines maintenance and repair work is performed by City personnel, Developer shall pay the fully-loaded hourly cost of such personnel at the then current hourly rates for such personnel as reasonably determined by City. For convenience of reference, the fully loaded hourly rates for City Water Department staff as of the Effective Date are listed in the Hourly Rate Sheet attached hereto as Attachment No. 3 and incorporated herein. Developer acknowledges that the rates set forth in the Hourly Rate Sheet will be adjusted annually by City, and upon request by Developer from time to time during the Term the City shall provide Developer with updated copies of City's then current Hourly Rate Sheet. To the extent Waterline maintenance and repair work is performed by third-party contractors, Developer shall pay the actual out-of-pocket costs of such work, plus an administrative fee equal to 20% of the cost of such work. Developer's obligation to reimburse City for Eligible Costs incurred by City during the Term shall survive the expiration or termination of this Agreement.

3. Deposit and Payment.

a. Deposit. Upon execution of this Agreement, Developer shall deposit with City the sum of Thirty Thousand Dollars (\$30,000) in cash or other immediately available funds ("**Deposit**"). The Deposit shall be held by City in a non-interest bearing account. The Deposit is not a "source of income" within the meaning of the California Political Reform Act (pursuant to California Government Code Section 87103.6).

b. Payment Process. City is authorized to pay or deduct from the Deposit all bills, invoices or demands for Eligible Costs. City shall draw upon the Deposit and pay each Invoice in full, without deduction or offset, within thirty (30) calendar days of the Invoice date (or such longer time period as provided under the applicable Invoice) to the extent sufficient Deposit funds are available. If the amount of any unpaid Invoice(s) exceeds the available Deposit funds, City shall promptly notify Developer in writing, and Developer shall have twenty (20) business days after the date of City's notice to deposit with City cash or other immediately available funds to cover any such Invoice(s), which notice shall include copies of all applicable cost verification documents.

c. Deposit Replenishment. If the funds in the Deposit amount to less than Ten Thousand Dollars (\$10,000), Developer shall replenish the Deposit to the full amount set forth in subsection 3.a. above, by remitting to City cash or other immediately available funds in the required amount within twenty (20) business days following City's written demand therefor, which demand shall be accompanied by a copy of each invoice, bill, or other evidence or reasonable substantiation of Eligible Costs ("*Invoice*") evidencing amounts previously paid by City from Developer's Deposit. Developer's failure to timely replenish the Deposit will result in a Late Charge in accordance with Section 3.d.

d. Late Charge. Late replenishment of the Deposit or late payment of any Eligible Costs will cause City to incur additional costs, including administration and collection costs and processing and accounting of expenses ("*Delinquency Costs*"). If Developer has not timely replenished the Deposit or timely paid Eligible Costs as provided in this Agreement, Developer shall immediately be charged a late charge of five percent (5%) of the delinquent amount ("*Late Charge*" or "*Late Charges*"). City is authorized to deduct any and all Late Charges from the Deposit. City and Developer recognize that the expenses City shall suffer as a result of Developer's failure to make timely payments is difficult to ascertain and agree that the five percent (5%) late charge represents a reasonable estimate of the Delinquency Costs that would be incurred by City by reason of late payment by Developer. Late Charges are in addition to any penalties, late charges, and/or interest assessed by third parties under any Invoice. City's acceptance of any Late Charge does not prevent City from exercising any rights and remedies available under this Agreement, at law, or in equity, all of which are and shall remain available to City.

e. Interest on Unpaid Amounts. In the event Developer fails to timely reimburse City for Eligible Costs, any unpaid amount shall accrue interest at 5% per annum, compounded annually, or the maximum amount allowed under applicable law, whichever is less. Interest on unpaid amounts is in addition to any Late Charges assessed by City, as well as late charges, penalties, and/or interest assessed by third parties under any Invoice.

f. Return of Deposit. Within thirty (30) days following expiration or termination of this Agreement, City shall refund that portion of the Deposit (if any) that has not been expended or committed by City.

4. Notice of Maintenance and Repair Work. City shall provide Developer with at least 72-hours prior notice of scheduled Water Lines maintenance and repair work, except in case of emergency repairs, in which case City shall endeavor to provide telephonic notice to Developer prior to commencing such work. City's failure to provide such prior notice shall not relieve Developer of its obligation to reimburse City for the Eligible Costs of such work.

5. Recording; Amendment upon Acquisition of Navy-Owned Property. This Agreement shall be recorded with the County of Solano Recorder's Office upon execution. Upon City's acquisition of fee title to the Navy-Owned Property or portion thereof from the Navy and

conveyance thereof to Developer pursuant to the DDA, City and Developer, upon request by either party, shall execute and record an amendment to this Agreement to add the Navy-Owned Property or portion thereof to the property which is the subject of this Agreement as of the Effective Date.

6. Covenants Run with the Land. All covenants contained in this Agreement shall be covenants running with the land, but only for the duration of the Term, and thereafter shall be of no further force or effect. All covenants in this Agreement shall be binding for the benefit of the City and such covenants shall run in favor of the City for the Term, without regard to whether the City is or remains an owner of any land or interest therein to which such covenants relate, but only for the duration of the Term.

7. Statement of Good Faith. The parties acknowledge and agree the payment obligations established by this Agreement were negotiated in good faith in recognition of and with due consideration of the cyclical nature of the real estate development business. Each party was represented by counsel in negotiation and preparation of this Agreement and has entered into this Agreement after full and due consideration and with the advice of its counsel and its independent consultants.

8. Notices. All notices, consents, requests, or other communications provided for or permitted to be given hereunder by a party must be in writing and will be deemed to have been properly given or served upon the personal delivery thereof, via courier delivery service or otherwise. Such notices shall be addressed or delivered to the parties at their respective addresses shown below.

To Developer: The Nimitz Group, LLC
c/o Southern Land Company
1195 Walnut Ave
Vallejo, CA 94592
Attn.: Andrea Jones
Telephone: (707) 356-8810

With a copy to: The Nimitz Group, LLC
c/o Southern Land Company
Attn.: Legal Department
3990 Hillsboro Pike, Ste. 400
Nashville, TN 37215
Email: legal.notices@southernland.com

To the City: City of Vallejo
P.O. Box 3068
555 Santa Clara Street
Vallejo, CA 94590
Attn: City Manager
Telephone: (707) 648-4576

With a copy to: City of Vallejo
P.O. Box 3068
555 Santa Clara Street
Vallejo, CA 94590
Attn: City Attorney
Telephone: (707) 648-4545

9. Representations of City. City represents and warrants to Developer (i) it has secured all approvals necessary to duly authorize the execution, delivery and performance of this Agreement and its obligations hereunder, and (ii) it is not prohibited from entering into this Agreement and discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Agreement by the terms, conditions or provisions of any law, any order of any court or other agency or authority of government, or any agreement or instrument to which the City is a party or by which the City is bound, and (iii) this Agreement is a legal, valid and binding obligation of the City and is enforceable in accordance with its terms.

10. Representations and Covenants of Developer. Developer represents and warrants to City (i) it is duly organized and is authorized to conduct business in the State of California, and (ii) it is authorized and has the power under the laws of the State of California to enter into this Agreement and the transactions contemplated hereby, and to perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement, and (iii) the performance of its obligations hereunder will not violate, result in a breach of, or constitute a default under, any agreement or instrument to which such Developer is a party or by which Developer is bound, and this Agreement is a legal, valid and binding obligation of such Developer enforceable in accordance with its terms. During the Term of this Agreement, Developer will not voluntarily seek to invalidate this Agreement.

11. City's Enforcement Rights; Mortgagee Protection. In the event that Developer fails to make any payment to City by the date such payment is due, the City shall have a lien on the Property, or applicable portion thereof, for the amount of such Eligible Costs, which lien shall be perfected by the recordation of a "Notice of Claim of Lien" against the Property or applicable portion thereof. Any lien in favor of the City created or claimed hereunder is expressly made subject and subordinate to any mortgage or deed of trust made in good faith and for value, recorded on title to the Property, or applicable portion thereof, as of the date of the recordation of the Notice of Claim of Lien, and no such lien shall in any way defeat, invalidate, or impair the obligation or priority of any such mortgage or deed of trust. City may also pursue any and all other remedies available in law or equity in the event of a breach of Developer's obligations and covenants set forth herein.

12. Miscellaneous.

(a) Relationship. Nothing contained herein, shall be construed as creating a relationship of principal and agent, employer or employee, partnership, joint venture, or other relationship between City and Developer.

(b) Attorneys' Fees. If, by reason of any default on the part of any party in the performance of its respective obligations hereunder, the non-defaulting party employs one or more attorneys, the defaulting party shall pay the non-defaulting party's reasonable costs, expenses, and attorneys' fees reasonably expended or incurred by the non-defaulting party in connection therewith, whether or not suit is instituted.

(c) Non-Waiver. The failure of any party to exercise any of its rights under this Agreement or to insist upon strict performance of any of the provisions of this Agreement shall not be construed as a waiver of any such right or of any subsequent default of the same or a similar nature.

(d) Severability. Invalidation of any one of the provisions of this Agreement shall in no way affect any other provision each of which shall remain in full force and effect.

(e) Entire Agreement. This Agreement, together with the DDA, is fully integrated and contains the entire agreement between the parties as to the subject matter hereof. There are no representations, inducements or promises of any kind other than expressly stated herein. This Agreement may not be modified except by a writing signed by all parties.

(f) Construction and Jurisdiction. This Agreement shall be governed by and construed under the laws of the State of California, without reference to choice of laws principles, and, unless otherwise required by applicable law, the parties agree that any action brought by either party under or in relation to this Agreement, including without limitation to interpret or enforce any provision of this Agreement, shall be brought in, and each party agrees to and does hereby submit to the jurisdiction and venue of, any state court located in Solano County, California, or, if there is federal jurisdiction, the United States District Court (Eastern District) Sacramento. This Agreement is deemed to be joint work product of the parties, and shall not be construed against any particular party as the drafter.

(g) Captions. The captions in this Agreement are for convenience and ease of reference only, and in no way define or limit the intent of this Agreement.

(h) Incorporation of Recitals and Attachments. The recitals of this Agreement and the attachments hereto are hereby incorporated into the body of this Agreement as though fully set forth herein.

(i) Independent Representation. Each of the parties to this Agreement is equally sophisticated. Each has conducted an independent investigation of all facts and circumstances they consider necessary or desirable. And each has consulted with its respective attorneys and advisors, to the extent it considers necessary or desirable, before entering into this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first written above.

CITY:

City of Vallejo, a California municipal corporation

By: _____
Michael Malone, Interim City Manager
[Signature must be notarized]

ATTEST:

Dawn G. Abrahamson, City Clerk

APPROVED AS TO FORM:

Veronica Nebb, City Attorney

DEVELOPER:

THE NIMITZ GROUP, LLC, a California limited liability company

By: _____
[Signature must be notarized]

Print Name: _____

Its: _____

NOTARY ACKNOWLEDGMENTS

To be inserted

ATTACHMENT NO. 1
PROPERTY LEGAL DESCRIPTION

To be inserted

ATTACHMENT NO. 2

ILLUSTRATIVE LIST OF MAINTENANCE AND REPAIR SERVICES

- Water main repairs, including but not limited to sheer, longitude or holes in main line, contractor hitting pipelines while excavating cutting in all types fittings to reconnect water main or services
- Service laterals including fire services up to the point of service (from main to meter/ backflow device repairs, replacement, hit by contractor
- Repair/Replace (R/R) valves, curb stops, corporation stops, angle stops, gate and butterfly valves.
- R/R Meter, backflow set, meter spud leaks
- R/R Air relief valves
- R/R Backflow devices
- Install/test new backflow devices
- Cross connection surveys
- Backflow repairs and subsequent testing
- Leak detection
- R/R fire hydrants. knock overs, nozzles, operating nuts and leaking
- Fire flow testing
- Service/main abandonments
- Hot taps
- Bacteriological sampling after repairs
- Valve exercising
- First responder duties that include triage of leaks, turn on/ shutoffs, water quality complaints after hour responses
- Soil testing/haul off if applicable
- Underground Service Alerts (USA's locating services)..
- R/R damaged meter boxes, valve cans clusters
- R/R blow off assemblies and related appurtenances.

ATTACHMENT NO. 3
HOURLY RATE SHEET
(IN EFFECT FOR FISCAL YEAR 2021/22)

<u>Position</u>	<u>Hourly Rate</u>
<u>Distribution - for repairs and planned maintenance</u>	
Water Distribution Superintendent	\$117.05
Assistant Water Distribution Superintendent	\$97.80
Utility Supervisor	\$117.74
Senior Water Distribution Technician	\$89.38
Water Distribution Technician	\$62.86
Heavy Equipment Operator	\$74.93
Water Maintenance Worker	\$64.36
Senior Meter Mechanic	\$74.93
Meter Mechanic	\$68.75
 <u>Water Quality Sampling- for main breaks and periodic routine required sampling</u>	
Laboratory Supervisor	\$100.11
Water Quality Analyst	\$64.22
Laboratory Analyst	\$71.87
 <u>Engineering - in case of complex main break requiring re-routing of water</u>	
Water Engineering Manager	\$128.40
Senior Civil Engineer	\$112.97
Associate Civil Engineer	\$103.09
Assistant Civil Engineer	\$103.09
Senior Engineering Tech	\$95.68
Engineering Tech II	\$64.22
GIS Specialist	\$92.91
 <u>Facilities Maintenance – applicable if main break involves a pump station</u>	
Senior Utility Mechanic	\$83.68
Utility Mechanic II	\$83.30
Senior Instrumentation Technician	\$101.48
Instrumentation Technician I/II	\$87.19

Exhibit P

ARBITRATION PROCEDURES

(A) In the event of any dispute with respect to (i) the matters set forth in Sections 601 through 606, or (ii) the amount of Developer's Project Hard Costs (collectively the "**Arbitration Disputes**"), if any Arbitration Disputes are not resolved by the Initial Dispute Resolution Process (defined below), then without limiting any other remedy permitted hereunder, either party may elect to refer such matter to arbitration by a single arbitrator (the "**Arbiter**") and may compel the matter to be arbitrated as provided herein. The parties shall agree and designate the Arbiter within ten (10) business days of a written request therefor. The Arbiter shall be an experienced professional with a background and/or education in engineering, architecture or other fields relevant to the subject matter of the dispute and familiar with the development and construction of projects comparable to the Developer's proposed development of the Property. If the parties cannot agree on an Arbiter within ten (10) business days after a request for arbitration hereunder, then either party may, on behalf of both parties, request that the appointment of an Arbiter be designated by JAMS in San Francisco, California, and the other party shall not raise any questions as to such person's full power and jurisdiction to entertain the application for and make the appointment. Notwithstanding the foregoing, prior to submitting any Arbitration Disputes to arbitration in accordance with the foregoing, the parties shall first be required to meet and confer with the appropriate employees and representatives of each party, as well as the parties' respective senior management, in an effort to resolve the applicable Arbitration Dispute (such process, the "**Initial Dispute Resolution Process**"). The Initial Dispute Resolution Process shall be conducted in good faith and within a reasonable period of time given the circumstances, but not to exceed thirty (30) days. If the Arbitration Dispute is not resolved during the Initial Dispute Resolution Process, then the parties may proceed with arbitration in accordance with this Exhibit.

(B) The Developer and the City shall each initially advance fifty percent (50%) of the required arbitration fee. Within fifteen (15) days following the appointment of the Arbiter the parties shall each state their respective arguments in writing, and attach such supporting statements and materials as it shall deem appropriate, and deliver such statement with attachments to the Arbiter and to the other party. If a party does not so deliver such statement or if a party fails to appear at the hearing, the Arbiter may enter a default award against such party, provided said party received actual notice of the hearing. In order to obtain a default award, the complaining party need not first seek or obtain an order to arbitrate the controversy pursuant to Code of Civil Procedure §1281.2 or any other relevant law.

(C) The Arbiter shall issue its opinion within ten (10) business days after his or her receipt of the statements. If the Arbiter refuses to or fails to act within such time, JAMS shall appoint a successor Arbiter. The Arbiter may order specific, reasonable actions and procedures, in the form of a temporary restraining order, preliminary injunction or permanent injunction, to mitigate the effects of the non-compliance and/or to bring the non-compliant party into compliance.

(D) Except as otherwise provided, the Arbiter shall have no power to add to, subtract from, disregard, modify or otherwise alter the terms of the this Agreement, or any other agreement between the parties, or to negotiate new agreements or provisions among the parties. The inquiry of the Arbiter shall be restricted to the particular Arbitration Dispute at issue.

(E) A decision of the Arbiter issued hereunder shall be final and binding upon the parties.

(F) The losing party in arbitration shall pay the Arbiter's fees and related costs of arbitration. Each party shall pay its own attorneys' fees and costs provided that fees may be awarded to the prevailing party if the Arbiter finds that the request was frivolous or that the arbitration action was otherwise instituted or litigated in bad faith. Judgment upon the Arbiter's decision may be entered in any court of competent jurisdiction.

(G) Applicable California laws, including the California Arbitration Act, shall govern all arbitration proceedings.

Exhibit Q

CONSTRUCTION STAGING AREA IRREVOCABLE LICENSE

Recording Requested By)
And When Recorded Mail To:)
)
City of Vallejo)
P.O. Box 3068)
555 Santa Clara Street)
Vallejo, CA 94590)
Attn: City Clerk)

(Space Above This Line for Recorder's Use Only)
[Exempt from recording fee per Gov. Code § 27383]

This CONSTRUCTION STAGING AREA IRREVOCABLE LICENSE (this "Agreement") is made as of _____, 202__, by and between [*THE NIMITZ GROUP, LLC, a California limited liability company*] ("Licensor") and the CITY OF VALLEJO, a California municipal corporation ("Licensee") with reference to the following facts:

Recitals

A. Licensor and Licensee are parties to that certain Disposition and Development Agreement ("DDA") dated _____, 2022, recorded in the Official Records of the County of Solano as Instrument No. _____, which provides, among other things, for Licensee's phased conveyance to Licensor of approximately 157 acres of Property comprising a portion of Mare Island Reuse Area 1A, as described in the DDA. Capitalized terms not otherwise defined herein shall have the meanings set forth in the DDA.

B. Concurrently herewith, Licensee is conveying to Licensor a portion of the Property so that Developer may undertake certain planning related work and thereafter undertake comprehensive redevelopment thereof, all as provided in the DDA. The portion of the Property conveyed to Licensor includes the real property located in the City of Vallejo, California described in Attachment No. 1 attached hereto (the "Licensor Property").

C. Pursuant to Section 317 of the DDA, Licensor is obligated to grant Licensee an irrevocable floating license to use, from time to time, a portion consisting of no more than three (3) acres of the Licensor's Property for the sole and limited purpose of a construction lay down area for storage of equipment and materials for repair and maintenance work on the Mare Island Causeway Bridge that City will perform or cause to be performed from time to time. The portion of Licensor's Property which is subject to the floating license ("Potential License Area") is generally depicted in Attachment No. 2 attached hereto

NOW THEREFORE, in consideration of the mutual covenants contained in this Agreement, and for valuable consideration, the receipt and sufficiency of which are acknowledged by the parties, the parties agree as follows:

Agreement

1. GRANT OF FLOATING LICENSE: Licensor hereby grants to Licensee, at no cost to Licensee, an irrevocable floating license (“License”) to access and use an area within the Potential License Area not to exceed three (3) acres in size (“License Area”) to be mutually agreed upon by the parties from time to time as provided herein for intermittent repair and maintenance work on the Mare Island Causeway Bridge that City will perform or cause to be performed from time to time (the “Permitted Use”).
2. PROCESS FOR IDENTIFICATION OF SPECIFIC LICENSE AREA. Not less than sixty (60) days prior to the date on which Licensee requires use of the License Area, Licensee shall provide written notice (“Lay-Down Notice”) to Licensor detailing the nature and anticipated duration of the repair or maintenance project (“Project”), the required term (“Term”) of use of the License Area for such Project, the size of the laydown area required by Licensee in connection with the Project, and any other factors that may be relevant to identification of a mutually acceptable License Area location. Within ten 10 business days following receipt of such Lay-Down Notice Licensor (or, if Licensor includes more than one person or entity, the various persons and entities comprising Licensor) shall provide written notice to Licensee identifying the proposed License Area to be made available for Licensee’s Project which License Area shall be consistent with the parameters specified by Licensee in its initial Lay-Down Notice. If Licensee determines that the License Area as proposed by Licensor is not reasonably acceptable for Licensee’s use, the parties shall meet and confer and work together in good faith to identify a mutually acceptable License Area location.
3. PROJECT SPECIFIC LIMITED TERM LICENSE AGREEMENTS. Either party, at its option, may require for any particular Project that the Term and location of the specific License Area and other rights and obligations of the parties, be memorialized in an unrecorded Project-specific license agreement which shall be consistent in all material respects with this Agreement,
4. LICENSOR RESERVED RIGHTS. Licensor retains the right to access and use the Licensor Property for any purpose which is not inconsistent with the floating License granted herein and so long as such access and use by Licensor does not unreasonably interfere with Licensee’s intermittent Permitted Use of a mutually acceptable License Area for each Project. Licensee shall have no right to access any portion of the Licensor’s Property outside of the License Area; provided, however, Licensee shall have the right of vehicular and pedestrian access over and across those areas (“Access Areas”) that Licensee and Licensee Parties (defined below) need to cross to gain access to and from the License Area and the nearest street or roadway.
5. USE OF THE LICENSE AREA: During the Term of each intermittent Permitted Use, the License Area may be used by Licensee and Licensee’s employees, agents, guests, contractors, subcontractors, and invitees (collectively, the “Licensee Parties”) solely for the

Permitted Use, and for no other purposes. Licensee agrees to comply with all reasonable rules and regulations that Licensor may establish for the use of the License Area and Access Areas (including without limitation commercially reasonable security procedures), and Licensee agrees to abide by all such rules, regulations, and procedures. Licensee further agrees, at its cost, to comply with all applicable laws, ordinances, codes, orders, rules, regulations and directions of governmental authorities with respect to its use and/or occupancy of the License Area, and not allow or permit the use of the License Area or Access Areas for any unlawful purpose. The parties hereby acknowledge and agree that Licensee shall not be allowed to bring upon, store, or use any hazardous substances or materials on the License Area other than paints and similar materials of a type and in quantities typically used in connection with maintenance work that is similar to the work Licensee is performing in connection with Licensee's Project, subject to the foregoing provisions of this Section 5 and any other applicable provisions of this Agreement.

6. INDEMNIFICATION AND RELEASE:

6.1 Licensee, as a material part of the consideration for this Agreement, waives any and all claims against Licensor, its directors, officers, employees and agents (individually, a "Licensor Party" and, collectively, the "Licensor Parties") for damages by reason of any death of or injury to any person or persons, including Licensee, any other Licensee Parties, or any other third persons, in or about the License Area, or any injury to property of any kind whatsoever and to whomsoever belonging, including, without limitation, property of any Licensee Party, arising or in any way connected with Licensee's use of the License Area, except to the extent such result from the negligence or willful misconduct of a Licensor Party. The preceding notwithstanding, in no event shall Licensor be liable to Licensee under any circumstances for any claims of lost profits, loss of business or lost income, or consequential or punitive damages.

6.2 Licensee shall defend, indemnify and hold harmless Licensor and the other Licensor Parties from and against any and all claims, demands, liabilities, damages, judgments, orders, decrees, actions, proceedings, fines, penalties, losses, costs and expenses, including without limitation, court costs and attorneys' fees (collectively "Claims") arising from or relating to (i) any loss of life, damage or injury to person, property or business occurring in or from the License Area to the extent caused (in whole or in part) by Licensee or any other Licensee Party, (ii) any violation of this Agreement by any Licensee Party, and (iii) any hazardous materials or substances brought onto the License Area by Licensee or any Licensee Party during the Term of each intermittent Permitted Use; in each case except to the extent such Claims are the result of the negligence or willful misconduct of a Licensor Party. Licensee will give prompt written notice to Licensor of any casualty or accident on or about the License Area.

6.3 The provisions of this Section 6 will survive the expiration of the Term of each intermittent Permitted Use.

7. INSURANCE: At its sole cost and expense, Licensee shall maintain, and cause any contractors performing any work at the License Area to maintain, in full force and effect during the Term of each intermittent Permitted Use (i) general liability insurance coverage, including property damage and contractual liability coverage, with minimum limits of \$1,000,000 per occurrence; \$3,000,000 general aggregate, for bodily injury, personal injury, and property

damage insuring against claims which may arise in connection with the use of the License Area, and (ii) Workers' Compensation Insurance and Employers liability insurance with statutory limits. Licensor may satisfy the foregoing insurance requirements through participation in joint self-insurance pool with other public agencies. Any insurance carried by Licensor shall be for the sole benefit of Licensor as to claims brought under this Agreement. All insurance policies herein to be procured by Licensee or its contractors shall (a) be provided by reputable insurers qualified in the State of California or be authorized to self-insure per State of California regulations; (b) be written as primary policy coverage and not contributing with or in excess of any coverage which Licensor may carry; and (c) name the Licensor and such other parties reasonably designated by Licensor as additional insured as its (their) interests may appear (general liability only). Neither the issuance of any insurance policy required hereunder, nor the minimum limits specified herein, shall be deemed to limit or restrict in any way Licensee's liability arising under or out of this Agreement. The term "insurance policy" as used in this Agreement shall be deemed to include any extensions or renewals of such insurance or joint pool self-insurance policy. Licensee shall provide Licensor with reasonable proof of such insurance or joint pool self-insurance coverages (such as a certificate of insurance or coverage) and endorsements showing additional insured status prior to the start of each Project and thereafter upon request.

8. AGREEMENT RUNS WITH THE LAND. All covenants contained in this Agreement shall be covenants running with the Licensor Property, and the benefits and burdens of this Agreement and the floating License will inure to and be binding upon the parties and their respective heirs, successors and assigns. All covenants in this Agreement shall be binding for the benefit of the City and shall run in favor of the City, without regard to whether the City is or remains an owner of any land or interest therein to which such covenants relate.

9. ASSIGNMENT: Licensee may not transfer, assign, sublet or otherwise delegate this Agreement or any of its rights and obligations hereunder without the prior written consent of Licensor, which may be withheld in Licensor's sole discretion.

10. CONDITION OF LICENSE AREA: The License Area is being delivered to Licensee in "AS IS", "WHERE IS", AND "WITH ALL FAULTS" condition, and Licensor shall have no obligation to Licensee to make any other improvements, alterations, or repairs thereto. Licensee shall not make any permanent alterations, improvements, or additions to the License Area without Licensor's prior written consent, which may not be unreasonably withheld. During the Term of each intermittent Permitted Use, Licensee, at its sole cost and expense, shall maintain the License Area established for the Project in good condition and repair and shall promptly repair any damage to the License Area caused by any Licensee Party. Upon the expiration of the Term of each intermittent Permitted Use, Licensee shall, at Licensee's sole cost and expense, (i) remove any and all equipment, supplies, materials, and other property of any Licensee Party from the License Area, repair any and all damage caused by the removal of such items, clean or cause to be cleaned the Licensed Area and place the Licensed Area in at least as clean a condition as when Licensee's use thereof commenced, and (ii) return the License Area to Licensor in the condition received, normal wear and tear and damage from casualty excluded. Any property of a Licensee Party that is not removed from the License Area on or before the expiration of the Term of each intermittent Permitted Use shall be deemed abandoned by

Licensee, and Licensor may remove and/or dispose of such in any way it chooses. In the event Licensee's repair or clean-up is not reasonably satisfactory to Licensor, or is not performed in a timely manner, Licensor shall be entitled (but not required) to perform such obligation(s) on Licensee's behalf, at the sole cost and expense of Licensee. Licensee agrees to reimburse Licensor for Licensor's reasonable costs incurred in performing such obligations on Licensee's behalf upon receipt of an invoice therefor, which obligation shall survive the expiration of the Term of each intermittent Permitted Use.

11. **DEFAULT:** Licensee shall be in default hereunder if at any time Licensee fails to perform any of its obligations hereunder, or otherwise fails to observe all of the terms and conditions of this Agreement, where such failure is not cured within thirty (30) days after receipt of written notice from Licensor; provided such 30-day cure period shall only be ten (10) days with respect to a failure to maintain insurance or joint pool self-insurance as required above. At any time Licensee is in default hereunder, beyond the notice and cure periods above, Licensor may elect (in its sole discretion) to perform such obligation on Licensee's behalf, and at Licensee's reasonable expense. Such remedies shall be cumulative and in addition to any remedies that Licensor may have at law or in equity due to such default, and Licensor may elect such remedies without the need of prior notice to Licensee. If Licensor performs any obligation on Licensee's behalf, then it shall be entitled to recover all reasonable costs incurred therewith plus a ten percent (10%) administrative fee to compensate Licensor for the administrative costs associated with such performance. The waiver by Licensor of any agreement, condition, or provision contained in this Agreement will not be deemed to be a waiver of any subsequent breach of the same or any other agreement, condition or provision, nor will any custom or practice which may grow up between the parties in the administration of the terms of this Agreement be construed to waive or to lessen the right of Licensor to insist upon the performance by the Licensee of all such agreements, conditions or obligations in strict accordance with the terms of this Agreement.

12. **NOTICES:** Notices pursuant to this Agreement will be given by either party in connection with this Agreement via registered or certified mail, postage prepaid, return receipt requested, or by courier service addressed to the other party at its address set forth below, or, at such other address as the party shall specify in writing. All notices will be deemed given upon proof of receipt.

Licensor:

Attn: _____

Licensee:

Attn: _____

13. **GENERAL PROVISIONS.** If any provision of this Agreement or the application of any provision of this Agreement to any person or circumstance is, to any extent, held to be invalid or unenforceable, the remainder of this Agreement or the application of that provision to persons or circumstances other than those as to which it is held invalid or unenforceable, will not be affected, and each provision of this Agreement will be valid and be enforced to the fullest extent permitted by law. The applicable provisions of the DDA and this Agreement constitute the final,

complete, and exclusive statement between the parties to this Agreement pertaining to the License Area, supersedes all prior and contemporaneous understandings or agreements of the parties, and is binding on and inures to the benefit of their respective heirs, representatives, successors, and assigns. No party has been induced to enter into this Agreement by, nor is any party relying on, any representation or warranty outside those expressly set forth in this Agreement. Any agreement made after the date of this Agreement is ineffective to modify, waive, release, terminate, or effect an abandonment of this Agreement, in whole or in part, unless that agreement is in writing, is signed by the parties to this Agreement, and specifically states that such agreement modifies this Agreement. This Agreement will be governed by and in all respects construed in accordance with the laws of the State of California without reference to its choice of law provisions. If Licensor consists of more than one person or entity the obligations of Licensor shall be joint and several. The Exhibits attached hereto are hereby incorporated by reference into this Agreement. This Agreement may be executed in any number of counterparts and each counterpart shall be deemed to be an original document. All executed counterparts together shall constitute one and the same document, and any counterpart signature pages may be detached and assembled to form a single original document. If any action or proceeding is brought by either party against the other pertaining to or arising out of this Agreement, the finally prevailing party (i.e., the party that recovers the greater relief as a result of the action or proceeding) shall be entitled to recover all costs and expenses, including reasonable attorneys' fees, incurred on account of such action or proceeding. Subject to the provisions hereof pertaining to assignment, the covenants and agreements of this Lease shall be binding upon the heirs, legal representatives, successors and assigns of the parties hereto. In the event of a dispute between any of the parties hereto over the meaning of this Agreement, both parties shall be deemed to have been the drafter hereof, and any applicable law that states that contracts are construed against the drafter shall not apply.

*Remainder of page intentionally left blank.
Signatures on the following page.*

IN WITNESS WHEREOF, Licensor and Licensee have executed this Agreement as of the date first shown above.

Licensor:

_____ [name]
a(n) _____ [state] _____ [entity type]
By: _____
Name: _____
Title: _____
[Signature must be acknowledged]

Licensee:

CITY OF VALLEJO,
a California municipal corporation

By: _____
Name: _____
Title: _____
[Signature must be acknowledged]

NOTARY ACKNOWLEDGEMENTS

To be inserted

ATTACHMENT NO. 1
DESCRIPTION OF LICENSOR PROPERTY

ATTACHMENT NO. 2

POTENTIAL LICENSE AREA



G:\1646-60\ACADEM\EXHIBITS\NORTH MARE ISLAND\LAY DOWN AREA EXHIBIT DWG

Exhibit R

FORM OF SEWER SYSTEM REIMBURSEMENT AGREEMENT

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

Vallejo Flood and Wastewater District
450 Ryder Street
Vallejo, CA 94590
Attn: District Manager

Record for the Benefit of
Vallejo Flood and Wastewater District
Pursuant to Government Code
Section 27383

Space Reserved for Recorder's Use Only

SEWER AND STORM DRAIN SYSTEM REIMBURSEMENT AGREEMENT

This SEWER AND STORM DRAIN SYSTEM REIMBURSEMENT AGREEMENT ("**Agreement**") is made and entered into as of _____, 2022 ("**Effective Date**"), by and between the VALLEJO FLOOD AND WASTEWATER DISTRICT, a sanitation and flood control district created by the State of California ("**VFWD**"), and THE NIMITZ GROUP, LLC, a California limited liability company ("**Developer**").

Recitals

The following Recitals are a substantive part of this Agreement.

A. The City of Vallejo ("**City**") and Developer are parties to that certain Disposition and Development Agreement ("**DDA**") dated _____, 2022, recorded in the Official Records of the County of Solano as Instrument No. _____, which provides, among other things, for (i) City's phased conveyance to Developer of approximately 157 acres of real property comprising a portion of Mare Island Reuse Area 1-A, consisting of the City-Owned Property and Navy-Owned Property (collectively, the "**Property**"), as described in the DDA, excluding certain existing storm drain and sanitary sewer lines and ancillary above and below ground facilities and improvements, including but not limited to sanitary sewer lift stations, storm drain lines, and storm drain pump stations (collectively, "**Sewer/Storm Facilities**") located on and under such Property; (ii) Developer's construction and installation of new backbone infrastructure improvements, including roadways, pedestrian paths, and other public rights-of-way and public access facilities; potable water, sanitary sewer, storm water, electrical, telephone/cable/data and

natural gas lines, conduits and facilities; parks; landscaping; public parking; and lighting; and other public facilities and utilities in connection with Developer's development of the Property; and (iii) Developer's commitment, on behalf of itself and its successors and assigns, to reimburse VFWD for the costs incurred by VFWD in connection with the ongoing maintenance and repair of such existing Sewer/Storm Facilities, until such time as Developer or its successors or assigns have either confirmed with VFWD that the existing Sewer/Storm Facilities are adequate and/or have upgraded or replaced the existing Sewer/Storm Facilities with new storm drain and sanitary sewer facilities and improvements and such new facilities and improvements, together with customary easements for same, have been accepted by VFWD. Nothing herein shall be deemed to prohibit VFWD and Developer from pursuing alternatives to public dedication of new facilities and improvements, including establishment of privatized utility systems, to the extent acceptable to VFWD and Developer, each in its sole and absolute discretion. Capitalized terms not otherwise defined herein shall have the meanings set forth in the DDA.

B. Concurrently herewith, City is conveying to Developer the City-Owned Property described in Attachment No. 1 attached hereto and incorporated herein so that Developer may undertake certain planning related work and thereafter undertake comprehensive redevelopment of the City-Owned Property and, following Developer's acquisition of the Navy-Owned Property from City as provided in the DDA, the balance of such Property, all as provided in the DDA.

C. City has agreed to provide Developer requested flexibility under the DDA regarding timing of development of the Property on the condition that Developer commit to reimburse VFWD for the ongoing costs to be incurred by VFWD in connection with the maintenance and repair of the existing Sewer/Storm Facilities until such time as Developer or its successors or assigns have either confirmed with VFWD that the existing Sewer/Storm Facilities are adequate and/or have upgraded or replaced such existing Sewer/Storm Facilities with new storm drain and sanitary sewer lines and ancillary above and below ground facilities and improvements and such new facilities and improvements, together with customary easements for same, have been accepted by VFWD, all as set forth herein and in the DDA.

NOW THEREFORE, in consideration of the foregoing recitals and for other good and valuable consideration, the parties hereby agree as follows:

Agreements

1. Term. The term ("**Term**") of this Agreement shall commence on the Effective Date set forth above and shall continue in effect until such time as Developer has upgraded and/or replaced all of the existing Sewer/Storm Facilities with new storm drain and sanitary sewer lines and ancillary above and below ground facilities and improvements and such new facilities and improvements, together with required easements for same, have been accepted by VFWD. As and when all of the existing Sewer/Storm Facilities are upgraded and/or replaced by Developer and accepted by VFWD, VFWD upon written request of Developer, shall execute and record a notice of termination or other similar instrument evidencing the termination of this Agreement as to the Property or portion thereof, as applicable.

2. Reimbursement Obligation. For the Term of this Agreement, Developer, at its sole cost and expense, shall bear all actual labor and materials costs and expenses directly or indirectly incurred or payable by VFWD in connection with maintenance and repair of the existing Sewer/Storm Facilities (“*Eligible Costs*”); *provided*, that such Eligible Costs shall not exceed \$175,000.00 in any calendar year (the “*Eligible Cost Cap*”); *provided further*, that the Eligible Cost Cap shall be inclusive of any and all taxes and fees paid by Developer to VFWD. By way of example only, if Developer pays \$100,000 in fees to VFWD during a calendar year, Developer shall be obligated to reimburse VFWD for \$75,000 in Eligible Costs (i.e., the Eligible Cost Cap *minus* fees paid by Developer to VFWD). VFWD shall prepare a detailed annual budget of anticipated Eligible Costs (the “*Annual Budget*”) and shall present such Annual Budget to Developer for approval no later than 90 days before the end of the then-current calendar year. Any Eligible Costs not included in the Annual Budget (i.e., in excess of the Eligible Cost Cap) must be mutually agreed upon by Developer and VFWD. The scope of anticipated maintenance and repair work includes, by way of illustration and without limitation, the tasks and services described in Attachment No. 2 attached hereto and incorporated herein. Developer acknowledges that the existing Sewer/Storm Facilities may be well beyond their anticipated useful life and that Developer’s decision to delay development of the Property and associated upgrading and/or replacement of the existing Sewer/Storm Facilities is likely to result in escalating maintenance and repair costs over time. VFWD shall have the right to perform Sewer/Storm Facilities maintenance and repair work with its own staff and/or outside contractors as reasonably determined by VFWD if such maintenance and repair work is covered in the Annual Budget. If VFWD utilizes outside contractors to perform such work, those contractors will be properly licensed and insured and selected through applicable VFWD contracting procedures, including competitive bidding to the extent applicable. To the extent Sewer/Storm Facilities maintenance and repair work is performed by VFWD personnel, Developer shall pay the fully-loaded hourly cost of such personnel at the then current hourly rates for such personnel as reasonably determined by VFWD. For convenience of reference, the fully loaded hourly rates for VFWD staff as of the Effective Date are listed in the Hourly Rate Sheet attached hereto as Attachment No. 3 and incorporated herein. Developer acknowledges that the rates set forth in the Hourly Rate Sheet will be adjusted annually by VFWD and VFWD, upon request by Developer from time to time during the Term, shall provide Developer with a copy of VFWD’s then current Hourly Rate Sheet. To the extent Sewer/Storm Facilities maintenance and repair work is performed by third-party contractors, Developer shall pay the actual out-of-pocket costs of such work, plus an administrative fee equal to 20% of the cost of such work. Developer’s obligation to reimburse VFWD for Eligible Costs incurred by VFWD during the Term, subject to the Eligible Cost Cap, shall survive the expiration or termination of this Agreement.

3. Deposit and Payment.

a. Deposit. Upon execution of this Agreement, Developer shall deposit with VFWD the sum of Fifty Thousand Dollars (\$50,000) in cash or other immediately available funds acceptable to VFWD (“*Deposit*”). The Deposit shall be held by VFWD in a non-interest bearing account. The Deposit is not a “source of income” within the meaning of the California Political Reform Act (pursuant to California Government Code Section 87103.6).

b. Payment Process. VFWD is authorized to pay or deduct from the Deposit all reasonably incurred Eligible Costs, whether incurred for work performed by a third-party contractor or for work performed by VFWD personnel. VFWD shall maintain reasonably detailed records of all Eligible Costs, which shall be available for review by the Developer upon the Developer's request. If the Eligible Costs are incurred for work performed by a third-party contractor, such records will consist of bills, invoices or demands for payment prepared by the third-party contractor describing in reasonable detail the work performed and the costs for such work. If the Eligible Costs are incurred for work performed by VFWD personnel, such records will consist of a reasonably detailed description of the work, the VFWD personnel that performed the work, and the Hourly Rate(s) of the VFWD personnel that performed the work. Such records of Eligible Costs, whether received from a third-party contractor or prepared by VFWD, are referred to herein as "*Invoices.*" VFWD may draw upon the Deposit to pay any Invoice within thirty (30) calendar days of the Invoice date (or such longer time period as provided under the applicable Invoice) to the extent sufficient Deposit funds are available. If the amount of any unpaid Invoice(s) exceeds the available Deposit funds, VFWD shall promptly notify Developer in writing, and Developer shall have twenty (20) business days after the date of VFWD's notice to deposit with VFWD cash or other immediately available funds reasonable acceptable to VFWD to cover any such Invoice(s), which notice shall include copies of applicable Invoices. Notwithstanding anything to the contrary contained herein, Developer shall only be obligated to deposit the amount of the Eligible Cost Cap each calendar year.

c. Deposit Replenishment. If at any time the funds in the Deposit amount to less than Twenty-Five Thousand Dollars (\$25,000), Developer shall replenish the Deposit to the full amount set forth in subsection 3.a. above, by remitting to VFWD cash or other immediately available funds reasonably acceptable to VFWD in the required amount within twenty (20) business days following VFWD's written demand therefor. Developer's failure to timely replenish the Deposit will result in a Late Charge in accordance with Section 3.d.

d. Late Charge. Late replenishment of the Deposit, or late payment by VFWD of any Eligible Costs due to the insufficiency of the Deposit, will cause VFWD to incur additional costs, including administration and collection costs and processing and accounting of expenses ("*Delinquency Costs*"). If Developer has not timely replenished the Deposit or timely paid Eligible Costs as provided in this Agreement, Developer shall immediately be charged a late charge of ten percent (10%) of the delinquent amount ("*Late Charge*" or "*Late Charges*"). VFWD is authorized to deduct any and all Late Charges from the Deposit. VFWD and Developer recognize that all expenses VFWD may suffer as a result of Developer's failure to make timely payments is difficult to ascertain and agree that the ten percent (10%) late charge represents a reasonable estimate of the Delinquency Costs that would be incurred by VFWD by reason of late payment by Developer. Late Charges are in addition to any penalties, late charges, and/or interest assessed by third parties under any Invoice. VFWD's acceptance of any Late Charge does not prevent VFWD from exercising any rights and remedies available under this Agreement, at law, or in equity, all of which are and shall remain available to VFWD.

e. Interest on Unpaid Amounts. In the event Developer fails to timely reimburse VFWD for Eligible Costs, any unpaid amount shall accrue interest at ten percent (10%) per annum, compounded annually, or the maximum amount allowed under applicable law, whichever is less. Interest on unpaid amounts is in addition to any Late Charges assessed by VFWD, as well as late charges, penalties, and/or interest assessed by third parties under any Invoice.

f. Return of Deposit. Within thirty (30) days following expiration or termination of this Agreement, VFWD shall refund that portion of the Deposit (if any) that has not been expended or committed by VFWD.

4. Notice of Maintenance and Repair Work. VFWD shall provide Developer with at least forty-eight (48) -hours prior notice of scheduled Sewer/Storm Facilities maintenance and repair work, except in case of (i) routine maintenance work (i.e., work that occurs on a regular schedule), in which case, VFWD shall only be required to notify Developer at the outset of such work, or (ii) emergency repairs, in which case VFWD shall endeavor to provide e-mail notice to Developer prior to commencing such work. VFWD's failure to provide such prior notice shall not relieve Developer of its obligation to reimburse VFWD for the Eligible Costs of such work. Developer shall provide contact information for notification by VFWD that will be the Developer's responsibility to keep updated.

5. Recording; Amendment upon Acquisition of Navy-Owned Property. This Agreement shall be recorded with the County of Solano Recorder's Office upon execution. Upon City's acquisition of fee title to the Navy-Owned Property or portion thereof from the Navy and conveyance thereof to Developer pursuant to the DDA, VFWD and Developer, upon request by either party, shall execute and record an amendment to this Agreement to add the Navy-Owned Property or portion thereof to the property which is the subject of this Agreement as of the Effective Date.

6. Covenants Run with the Land. All covenants contained in this Agreement shall be covenants running with the land, but only for the duration of the Term, and thereafter shall be of no further force or effect. All covenants in this Agreement shall be binding for the benefit of the VFWD and such covenants shall run in favor of the VFWD for the Term, without regard to whether the VFWD is or remains an owner of any land or interest therein to which such covenants relate, but only for the duration of the Term.

7. Statement of Good Faith. The parties acknowledge and agree the payment obligations established by this Agreement were negotiated in good faith in recognition of and with due consideration of the cyclical nature of the real estate development business. Each party was represented by counsel in negotiation and preparation of this Agreement and has entered into this Agreement after full and due consideration and with the advice of its counsel and its independent consultants.

8. Notices. All notices, consents, requests, or other communications provided for or permitted to be given hereunder by a party must be in writing (which may include email) and will be deemed to have been properly given or served upon the personal delivery thereof, via courier delivery service, upon actual

receipt of an email, or otherwise. Such notices shall be addressed or delivered to the parties at their respective addresses shown below.

To Developer: The Nimitz Group, LLC
c/o Southern Land Company
1195 Walnut Ave
Vallejo, CA 94592
Attn.: Andrea Jones
Telephone: (707) 356-8810
Email: Andrea.Jones@southernland.com

With a copy to: The Nimitz Group, LLC
c/o Southern Land Company
Attn.: Legal Department
3990 Hillsboro Pike, Ste. 400
Nashville, TN 37215
Email: legal.notices@southernland.com

To VFWD: Vallejo Flood and Wastewater District
450 Ryder Street
Vallejo, CA 94590
Attn: Melissa Morton, District Manager
Telephone: (707) 644-8949
Email: _____

With a copy to: Daniel P. Doporto
The Law Office of Daniel P. Doporto
3478 Buskirk Avenue, Suite 1000
Pleasant Hill, CA 94523
Telephone: 510-368-6413
Email: ddoporto@doportolaw.com

9. Representations of VFWD. VFWD represents and warrants to Developer (i) it has secured all approvals necessary to duly authorize the execution, delivery and performance of this Agreement and its obligations hereunder, and (ii) it is not prohibited from entering into this Agreement and discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Agreement by the terms, conditions or provisions of any law, any order of any court or other agency or authority of government, or any agreement or instrument to which VFWD is a party or by which VFWD is bound, and (iii) this Agreement is a legal, valid and binding obligation of VFWD and is enforceable in accordance with its terms.

10. Representations and Covenants of Developer. Developer represents and warrants to VFWD (i) it is duly organized and is authorized to conduct business in the State of California, and (ii) it is authorized and has the power under the laws of the State of California to enter into this Agreement and the transactions contemplated hereby, and possesses the necessary capacity, expertise, and financial and other resources to perform and carry out all covenants and obligations on its part to be performed under and

pursuant to this Agreement, and (iii) the performance of its obligations hereunder will not violate, result in a breach of, or constitute a default under, any agreement or instrument to which such Developer is a party or by which Developer is bound, and this Agreement is a legal, valid and binding obligation of such Developer enforceable in accordance with its terms. During the Term of this Agreement, Developer will not voluntarily seek to invalidate this Agreement.

11. VFWD's Enforcement Rights; Mortgagee Protection. In the event Developer fails to make any payment to VFWD by the date such payment is due, VFWD shall have a lien on the Property, or applicable portion thereof, for the amount of such Eligible Costs, which lien shall be perfected by the recordation of a "Notice of Claim of Lien" against the Property or applicable portion thereof. Any lien in favor of VFWD created or claimed hereunder is expressly made subject and subordinate to any mortgage or deed of trust made in good faith and for value, recorded on title to the Property as of the date of the recordation of the Notice of Claim of Lien, and no such lien shall in any way defeat, invalidate, or impair the obligation or priority of any such mortgage or deed of trust. VFWD may also pursue any and all other remedies available in law or equity in the event of a breach of Developer's obligations and covenants set forth herein.

12. Miscellaneous.

(a) Relationship. Nothing contained herein, shall be construed as creating a relationship of principal and agent, employer or employee, partnership, joint venture, or other relationship between VFWD and Developer.

(b) Attorneys' Fees. If, by reason of any default on the part of any party in the performance of its respective obligations hereunder, the non-defaulting party employs one or more attorneys, the defaulting party shall pay the non-defaulting party's reasonable costs, expenses, and attorneys' fees reasonably expended or incurred by the non-defaulting party in connection therewith, whether or not suit is instituted.

(c) Non-Waiver. The failure of any party to exercise any of its rights under this Agreement or to insist upon strict performance of any of the provisions of this Agreement shall not be construed as a waiver of any such right or of any subsequent default of the same or a similar nature.

(d) Severability. Invalidation of any one of the provisions of this Agreement shall in no way affect any other provision each of which shall remain in full force and effect.

(e) Entire Agreement. This Agreement is fully integrated and contains the entire agreement between the parties as to the subject matter hereof. There are no representations, inducements or promises of any kind other than expressly stated herein. This Agreement may not be modified except by a writing signed by all parties.

(f) Construction and Jurisdiction. This Agreement shall be governed by and construed under the laws of the State of California, without reference to choice of laws principles, and, unless otherwise required by applicable law, the parties agree that any action brought by either party under or in relation to this Agreement, including without limitation to interpret or enforce any provision of this Agreement, shall be brought in, and each party agrees to and does hereby submit to the jurisdiction and venue of, any state court located in Solano County, California, or, if there is federal jurisdiction, the United States District Court (Eastern District) Sacramento. This Agreement is

deemed to be joint work product of the parties, and shall not be construed against any particular party as the drafter.

(g) Captions. The captions in this Agreement are for convenience and ease of reference only, and in no way define or limit the intent of this Agreement.

(h) Incorporation of Recitals and Attachments. The recitals of this Agreement and the attachments hereto are hereby incorporated into the body of this Agreement as though fully set forth herein.

(i) Independent Representation. Each of the parties to this Agreement is equally sophisticated. Each has conducted an independent investigation of all facts and circumstances they consider necessary or desirable. And each has consulted with its respective attorneys and advisors, to the extent it considers necessary or desirable, before entering into this Agreement.

[Remainder of page intentionally left blank]

[Signatures on next page]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first written above.

VFWD:

VALLEJO FLOOD AND WASTEWATER DISTRICT, a sanitation and flood control district created by the State of California

By: _____

Print Name: _____

Its: _____

[Signature must be notarized]

ATTEST:

_____, District Secretary

APPROVED AS TO FORM:

Daniel P. Doport, Special Counsel

DEVELOPER:

THE NIMITZ GROUP, LLC, a California limited liability company

By: _____

[Signature must be notarized]

Print Name: _____

Its: _____

NOTARY ACKNOWLEDGMENTS

To be inserted

ATTACHMENT NO. 1

PROPERTY LEGAL DESCRIPTION

To be inserted

ATTACHMENT NO. 2

ILLUSTRATIVE LIST OF MAINTENANCE AND REPAIR SERVICES

Sanitary Sewer and Storm Drain Systems

- Corrective Maintenance
- Preventative Maintenance (provided such work is detailed in the Annual Budget and agreed to by Developer)
- Jetting/Cleaning
- CCTV/Inspection
- Repairs
 - Pipe break
 - Blockage/obstruction
 - Pipe burst
 - CIPP
 - Remove and replace
 - Surveying
 - Maintenance Hole rehabilitation/coating/replacement
- Lift Station - L Street, DOM 2, and Pump Station - Storm 15
 - Pump maintenance and repair and, if needed, rehabilitation/replacement
 - Pump parts maintenance and repair and, if needed, rehabilitation/replacement
 - Motor maintenance and repair and, if needed, rehabilitation/replacement

ATTACHMENT NO. 3
HOURLY RATE SHEET
 (IN EFFECT FOR FISCAL YEAR 2021/22)

Job Title	Hourly Rate
FIELD OPERATIONS	
Collection System Technician I	\$93.66 - \$112.63
Collection System Technician II	\$112.53 - \$122.51
Collection System Technician II/Equipment Operator	\$124.11
Collection System Supervisor	\$134.43
Field Operations Superintendent	\$162.97
Director of Field Operations	\$204.44
MAINTENANCE	
Senior Office Assistant	\$72.09
Utility Person/Truck Driver	\$116.66 - \$127.12
Maintenance Mechanic I	\$118.10 - \$128.88
Maintenance Mechanic II	\$99.05 - \$145.24
Maintenance Mechanic III	\$135.24
Maintenance Mechanic Supervisor	\$153.58
ENGINEERING	
Engineering Technician	\$85.48
Associate Engineer	\$174.08
Engineering Manager	\$227.60
Director of Engineering	\$239.60
ENVIRONMENTAL SERVICES	
Environmental Compliance Supervisor	\$115.42

1. Depending on the service, other VFWD staff may be required.
2. Changes in staff may adjust hourly rates for some Job Titles.
3. Benefit changes may adjust hourly rates.
4. Hourly rates will need to be adjusted every July 1.
5. Overtime work will add an additional 30% - 50% to the hourly rates.

Exhibit S

BUILDING 571 REMEDIATION AGREEMENT

This BUILDING 571 REMEDIATION AGREEMENT ("Agreement") is made and entered into this ___ day of _____, 202__ (the "Effective Date") by and between THE NIMITZ GROUP, LLC, a California limited liability company ("Developer") and the CITY OF VALLEJO, a California municipal corporation ("City"). Developer and City are sometimes referred to herein individually as a "Party" and collectively as the "Parties".

RECITALS

- A. The Developer and City are parties to that certain Disposition and Development Agreement ("DDA"), dated as of _____, 2022, and recorded in the Official Records of the County of Solano ("Official Records") on _____, 2022, at Instrument No. 2022_____.
- B. For purposes of this Agreement, defined terms as used in the DDA are hereby incorporated herein among the provisions of this Agreement as if set forth in full.
- C. The DDA provides, among other things, the terms and conditions related to the transfer of City-Owned Property and Navy-Owned Property from City to Developer.
- D. As provided in section 210.1 of the DDA, due diligence work undertaken by Developer identified the presence of PCB Contaminated Debris in soils within the upper most levels of and across the surface of the site of former Building 571 ("**Building 571 Site**"). The Building 571 Site is located on a portion of the City-Owned Property depicted on the map in **Attachment 1** attached hereto and legally described in **Attachment 2** attached hereto.
- E. City has notified the contractors and subcontractors responsible for performance of Building 571 demolition work, including pre-demolition building inspection, that the failure to properly identify and abate PCB materials within the building prior to demolition has resulted in the distribution of PCB Contaminated Debris across the surface of the Building 571 Site. As provided in the DDA, from and after the Closing, the City shall retain all rights and remedies City has or may have against such contractors and subcontractors, including the right to recover damages from and against such contractor and subcontractors, and Developer shall have no right to share in any damage awards or settlements that City may receive, if any, in connection with City's pursuit of claims against such contractors and subcontractors.
- F. Concurrently herewith, City is conveying to Developer the City-Owned Property as the Initial Conveyance. Because the Building 571 Remediation Work at the Building 571 Site has not been completed, City and Developer, as contemplated by Section 210.1 of the DDA desire to enter into this Agreement to memorialize City's post-closing obligation to complete the Building 571 Remediation Work at its expense (except to the extent City recovers all or a portion of the costs from the contractors and subcontractors noted above) in accordance with the terms of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. The Recitals set forth above are true and correct and are hereby incorporated herein among the operative provisions of this Agreement as if set forth in full.
2. *[Alt 1: If Remedial Work Plan has not been completed and submitted to DTSC as of Effective Date then insert: "City, at its expense, shall prepare and submit, or cause to be prepared and submitted, a draft work plan governing the Building 571 Remediation Work ("Draft Remedial Work Plan") to Developer for its review and comment. City shall use good faith efforts to submit the Draft Remedial Work Plan to Developer within one hundred twenty (120) calendar days following the Effective Date of this Agreement. Developer shall use good faith efforts to conduct its review of the Draft Remedial Work Plan and provide comments thereon to City within 45 calendar days following receipt of the Draft Remedial Work Plan. If requested by either Party, City and Developer shall convene a meeting to consider and discuss Developer's comments to the Draft Remedial Work Plan. Following the receipt of Developer's comments and any meeting thereon, City shall modify the Draft Remedial Work Plan, as it deems reasonably necessary. City shall use good faith efforts to complete its modification of the Draft Remedial Work Plan, if any, within sixty (60) calendar days following City's receipt of Developer's comments and any meeting thereon and thereafter shall submit such Draft Remedial Work Plan to DTSC for its review and approval."]*

[Alt 2; If Remedial Work Plan has been completed and submitted to DTSC as of Effective Date then insert: "Prior to the Effective Date, City has prepared and submitted to DTSC the Draft Remedial Work Plan prepared by _____, dated, _____, 2022"]

City shall utilize good faith efforts to secure DTSC approval within one hundred eight (180) calendar days following submission of the Draft Remedial Work Plan. However, the Parties acknowledge that review and approval of the Draft Remedial Work Plan by DTSC may be subject to further environmental review pursuant to the requirements of the California Environmental Quality Act ("CEQA"). Accordingly, while the Parties believe the actions to be authorized by the Draft Remedial Work Plan will either be covered by the existing CEQA documents for the Mare Island Specific Plan and DDA or be determined to be exempt from environmental review pursuant to State CEQA Guidelines Section 15330, City cannot dictate or control the determination to be made by DTSC, as lead agency, in accordance with CEQA, nor the time in which the Draft Remedial Work Plan will be approved by DTSC.

3. City shall include Developer in all communications to DTSC regarding the Building 571 Site and request that DTSC include Developer in all of its communications to City regarding the Building 571 Site. In the event City notes that Developer has not been included in a communication regarding the Building 571 Site as between DTSC and City, City shall promptly provide said communication to Developer.

4. The Draft Remedial Work Plan, which the Parties anticipate to be required by DTSC, shall include, at a minimum, the following: (i) the excavation, loading, transportation and off-site disposal at an appropriately licensed facility of PCB Contaminated Debris located within the top 12 inches of the soil within the boundaries of the 20' x 20' sampling grids within the footprint of former Building 571 (“**PCB Excavation Areas**”), as delineated in **Attachment 3** attached hereto, (ii) collection of samples from the sidewalls and floor of the PCB Excavation Areas and testing of said samples to confirm the removal of PCB Contaminated Debris in accordance with DTSC’s then prevailing remediation standards for commercial/industrial use, (iii) preparation and implementation of dust and odor control plan, ambient air monitoring, transportation plan, and site health and safety plan, (iv) backfill of PCB Excavation Areas with clean fill (collectively, “**Remediation Activities**”), and (v) a process for DTSC to confirm the completion of Remediation Activities in accordance with the Final Remedial Work Plan, defined below, through DTSC’s approval of (A) an Interim Remedial Completion Report, defined below, and (B) a Backfill Completion Report, defined below.
5. Upon approval of the Draft Remedial Work Plan by DTSC (hereinafter, the “**Final Remedial Work Plan**”), (i) City shall, at its expense, implement the Remediation Activities set forth in the Final Remedial Work Plan, excluding the backfill of PCB Excavation Areas with clean fill, and (ii) following DTSC’s approval of the Interim Remedial Completion Report, as defined below, Developer shall, at its expense, implement the backfill of the PCB Excavation Areas with clean fill in accordance with the requirements of the Final Remedial Work Plan.
6. Upon approval of the Final Remedial Work Plan, Developer shall grant permission to City, including its employees, contractors, subcontractors and agents, to enter the Building 571 Site at mutually agreeable times to conduct Remediation Activities, as set forth in the Final Remedial Work Plan; accordingly, the Parties shall execute an addendum to this Agreement setting forth a mutually agreeable timeframe for commencement and completion of Remediation Activities. The Remediation Activities will be performed under the independent oversight of DTSC. All work will be conducted between Monday and Saturday from 7:00 a.m. to 7:00 p.m. For workplace safety reasons, Developer will not have access to the Building 571 Site while Remediation Activities are taking place; the foregoing notwithstanding, Developer reserves the right, at its expense, to engage appropriate licensed and trained environmental consultants to independently observe Remediation Activities undertaken by City or its contractors on the Building 571 Site.
7. City shall procure and maintain, or cause its contractors to procure and maintain, insurance as set forth in **Attachment 4**, prior to their entry on the Building 571 Site and at all times during the implementation of Remediation Activities on the Building 571 Site.
8. Any PCB Contaminated Debris and spoils taken from the Building 571 Site pursuant to the Remediation Activities, will be removed and disposed of by City, at its expense, and in accordance with all federal, state and local laws and regulations. Further, City shall prepare and sign all waste manifests required in connection with the removal and

disposal of PCB Contaminated Debris and related spoils taken from the Building 571 Site, and City shall be identified as the generator thereof.

9. Following conclusion of the Remediation Activities, excepting the backfill of PCB Excavation Areas with clean fill, City shall, at its expense, prepare and submit to Developer for its review and comment a completion report regarding the results of the Remediation Activities, excepting the backfill of PCB Excavation Areas with clean fill ("**Interim Remedial Completion Report**"). City shall thereafter address any comments provided by Developer and submit the Interim Remedial Completion Report to DTSC for its review and approval, as provided by the Final Remedial Work Plan.
10. Upon DTSC's approval of the Interim Completion Report, Developer, at its expense, shall backfill the PCB Excavation Areas with clean fill in accordance with any requirements set forth in the Final Remedial Work Plan.
11. Following completion of the backfill of PCB Excavation Areas with clean fill, Developer, at its expense, shall prepare and submit to City for its review and comment a completion report regarding the results of the backfill of PCB Excavation Areas with clean fill ("**Backfill Completion Report**"). Developer shall thereafter address any comments provided by City and submit the Backfill Completion Report to DTSC for its review and approval, as provided by the Final Remedial Work Plan.
12. During the course of the Remediation Activities, City will limit its Remediation Activities to PCB Contaminated Debris identified within the PCB Excavation Areas. However, City may discover debris or soils contaminated with Hazardous Materials other than PCB Contaminated Debris from the Building 571 demolition activities ("**non-PCB Contaminated Material**"), from other sources on the Building 571 Site below or beyond the PCB Excavation Areas.
13. If, during the course of Remediation Activities undertaken by City, PCB Contaminated Debris are found below or beyond the PCB Excavation Areas on the Building 571 Site, City, at its expense, shall (i) pay all costs, fees and expenses of excavation, transportation and disposal required to remediate said PCB Contaminated Debris pursuant to any local, state or federal environmental remediation program or as otherwise required by a local, state or federal regulatory agency, and (ii) said areas shall be included within the PCB Excavation Areas for purposes of the Final Removal Work Plan and this Agreement.
14. If, during the course of Remediation Activities undertaken by City, non-PCB Contaminated Material is found below or beyond the PCB Excavation Areas on the Building 571 Site, City will inform Developer and contact the DTSC's project manager overseeing the Final Remedial Work Plan. Developer shall thereafter work with the DTSC project manager to determine how the findings related to non-PCB Contaminated Material should be addressed by Developer. In no event shall the remedy related to such non-PCB Contaminated Material agreed to by Developer and DTSC involve a revision, modification, supplement or amendment of the Final Remedial Work Plan and shall be addressed in a separate and distinct remedial document.

15. City shall be responsible for obtaining all permits and approvals necessary for the Remediation Activities, excepting the backfill of PCB Excavation Areas with clean fill and any separate plan or work relating to non-PCB Contaminated Material. City will indemnify, defend, and hold Developer harmless from any claims, loss or liability, including attorneys' fees and costs (collectively, "**Developer Claims**") caused by or alleged to arise from the Remediation Activities undertaken by City or City's contractors, subcontractors, or agents, on the Building 571 Site, except for Developer Claims arising from the sole negligence, intentional acts, or willful misconduct of Developer or its agents, employees, contractors or subcontractors.
16. Developer shall be responsible for obtaining all permits and approvals necessary for the backfill of PCB Excavation Areas with clean fill and all work, if any, related to non-PCB Contaminated Material. Developer will indemnify, defend, and hold City harmless from any claims, loss or liability, including attorneys' fees and costs (collectively, "**City Claims**") caused by or alleged to arise from the backfill of PCB Excavation Areas with clean fill undertaken by Developer or Developer's contractors, subcontractors or agents, on the Building 571 Site, except for City Claims arising from the sole negligence, intentional acts, or willful misconduct of City or its agents or employees.
17. Upon approval of the Interim Completion Report by DTSC, City shall have no further duty, obligation, responsibility, or liability related to the PCB Contaminated Debris, whether pursuant to the terms of the DDA, this Agreement or the Final Remedial Work Plan, and as of the date of DTSC's approval of the Interim Remedial Completion Report, Developer hereby waives, releases and discharges forever the City Parties from any and all present and future Claims arising out of or in any way connected with the condition of the Building 571 Site, any Hazardous Materials, including PCB Contaminated Debris, on, under or about the Building 571 Site however they came to be placed there, or the release of Hazardous Materials, including PCB Contaminated Debris, from the Building 571 Site. Developer is aware of and familiar with the provisions of California Civil Code section 1542, which provides as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

As such relates to this Section 17, Developer hereby waives and relinquishes all rights and benefits that it may have under California Civil Code section 1542.

18. This Agreement shall be governed by the laws of the State of California, and may not be amended except by a written agreement executed by both City and Developer. Venue for any proceeding to enforce or interpret this Agreement shall be in the Superior Court of the County of Solano, California.

19. This Agreement may be executed in any number of counterparts, all of which together shall constitute one original Agreement. By signing this agreement, City and Developer confirm that they have the authority to sign.
20. This is an Agreement, not an admission of responsibility by City or Developer for any contamination at or beneath the Building 571 Site. This Agreement shall not be construed or interpreted as an admission or concession of liability on the part of City or Developer. Nothing in this Agreement shall be construed to be a waiver by City of any rights City may have with respect to PCB Contaminated Debris or non-PCB Contaminated Material on or about the Building 571 Site.

CITY:

CITY OF VALLEJO, a California municipal corporation

By: _____

Print Name: _____

Its: City Manager

Date: _____, 202__

APPROVED AS TO FORM:

Veronica Nebb, City Attorney

DEVELOPER:

THE NIMITZ GROUP, LLC, a California limited liability company

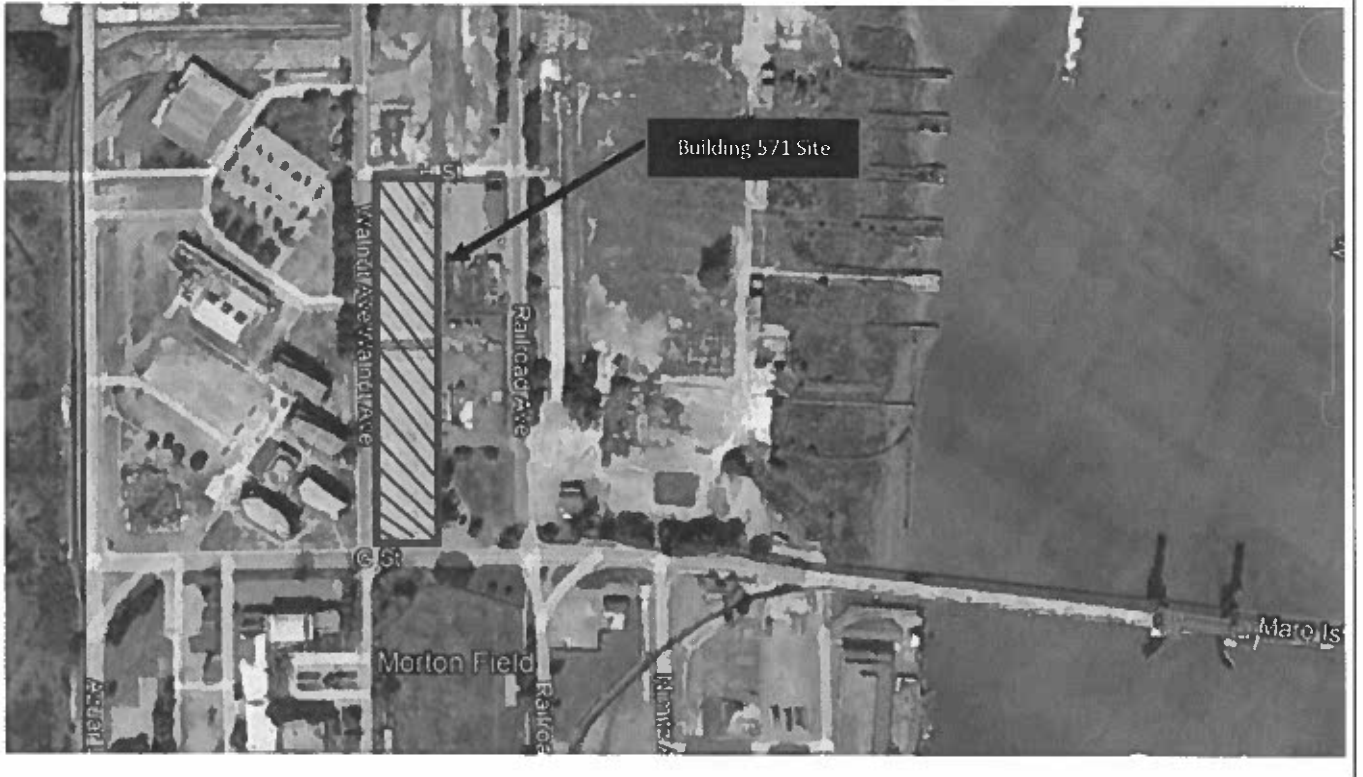
By: _____

Print Name: _____

Its: _____

Date: _____, 202__

ATTACHMENT 1
Map of Building 571 Site



ATTACHMENT 2
Legal Description of
Building 571 Site

ATTACHMENT 4

Insurance Requirements

City shall procure and maintain, or cause its agents and contractors to procure and maintain, prior to entry on the Building 571 Site and at all times during the implementation of Remediation Activities on the Building 571 Site, insurance insuring against claims on account of bodily injury or death, personal injury, property damage, and contractual liability that may arise from, or be related to, use of the Building 571 Site as provided for hereunder by City and its agents, representatives, employees, or subcontractors, as more particularly set forth below.

All policies shall be written on an occurrence basis and provided by and/or written by companies that are authorized to write business in the State of California and have, at all times, a Best's rating of "A- VIII" (A minus VIII) or better by AM Best & Company, and with coverage and policy limits as follows (unless otherwise specified herein):

- (i) Commercial General Liability insurance written on Insurance Services Office ("ISO") Commercial General Liability Coverage "occurrence" form CG 00 01 or another Commercial General Liability "occurrence" form providing equivalent coverage and including Broad Form Comprehensive General Liability coverage, blanket contractual liability coverage, Independent Contractors coverage, coverage for bodily injury (including death and mental anguish), property damage (including loss of use thereof) and products and completed operations with limits of not less than \$2,000,000 per occurrence, \$5,000,000 in the annual aggregate, and \$2,000,000 for products / completed operations coverage. All coverage shall be written on a per location or per project basis. Products / completed operations coverage must be carried up to the applicable statute of limitations and / or repose in the state of California;
- (ii) Comprehensive auto liability insurance for all owned, hired and non-owned vehicles brought onto the Building 571 Site with combined single limits of not less than \$1,000,000 per occurrence;
- (iii) Worker's Compensation insurance as required by the State of California;
- (iv) Employer's liability insurance on all employees, for occupational accidents or disease, with limits of not less than \$1,000,000 per accident, \$1,000,000 per disease, and \$1,000,000 policy limit;
- (v) Contractor's Pollution Legal Liability Insurance for liabilities caused by or resulting from a release of hazardous materials or other pollution conditions (including, but not limited to, remediation of soil, groundwater or other contaminants) in connection with work within the Building 571 Site pursuant to this Agreement, whether such operations be by City or its contractors, subcontractors, consultants or suppliers, with minimum liability limits of Five Million Dollars (\$5,000,000) per occurrence and Five Million Dollars (\$5,000,000) in the aggregate. The policy shall provide coverage for or be specifically endorsed to include coverage for pollution conditions resulting in, arising from or in connection with: (i) bodily injury (including death), property damage and environmental cleanup costs (on-site and off-site) resulting from any work within the Building 571 Site pursuant to this Agreement; (ii) the use or operation of motor vehicles (whether owned, non-owned or leased) in connection with work within the Building 571 Site pursuant to this Agreement, including transportation of any hazardous materials to or from the Building 571 Site, including any interim or temporary storage or transfer sites (the transportation

coverage also shall include loading/unloading of materials); (iii) claims by third parties (other than disposal sites) arising out of any disposal location or facility, both final and temporary, to which any waste is delivered that is generated in connection with the performance of any work within the Building 571 Site pursuant to this Agreement; all such disposal locations/facilities, both final and temporary, shall be scheduled to the foregoing policy as non-owned disposal sites for coverage under the foregoing policy. The policy shall be written on an occurrence form and shall be maintained without lapse for, or contain an extended reporting period up to the applicable statute of limitations/repose. The policy definition of "Covered Operations" or any other such designation of services or operations performed by City or its contractors, subcontractors, consultants and suppliers must include all work or services performed by City and its contractors, subcontractors, consultants, and suppliers under or in connection with the work within the Building 571 Site pursuant to this Agreement.

(vi) Under the policies required in clauses (i), (ii) and (v) above, City shall name Developer as an Additional Insured and with respect to clauses (i) and (v) herein, such coverage shall be provided via endorsement CG 20 10 (04/13) or the equivalent thereof.

(vii) All policies shall provide for (a) at least thirty (30) days written notice to Developer prior to cancellation, and (b) at least ten (10) days written notice to Developer for cancellation due to non-payment of applicable premiums.

(viii) City's insurance coverage shall be the primary insurance with respect to any other insurance or self-insurance programs maintained by the Developer and such other insurance or self-insurance programs of the Developer shall be excess and non-contributory.

(ix) City shall include all subcontractors as insured under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverage for subcontractors shall be subject to all of the requirements stated herein. For Commercial General Liability coverage subcontractors shall provide coverage with a form at least as broad as CG 20 38 04 13.

(x) City shall furnish Developer with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) and a copy of the Declarations and Endorsement Page of the CGL policy listing all policy endorsements to Developer prior to the commencement of any Remediation Activities on the Building 571 Site. However, failure to provide the required documents prior to the commencement of any Remediation Activities on the Building 571 Site shall not waive Developer's right to require them, nor City's obligation to provide them.

(xi) City hereby grants Developer a waiver of subrogation which any insurer may acquire against Developer, its officers, officials or employees, from City by virtue of the payment of any loss. City agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation from its insurer, but this provision applies regardless of whether or not the City has obtained and Developer has received a waiver of subrogation endorsement from the insurer. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the Developer for all work performed by City and its contractors, employees, agents, and subcontractors.