



Mr. Andreas Cluver, Secretary-Treasurer
Building & Construction Trades Council of Alameda County
100 Hegenberger Road, Suite 120
Oakland, California 94621

February 28, 2019

Re: Letter of Intent for Construction of the Nautilus Data
Technologies Data Center in Building 530 in Alameda, CA

Dear Mr. Cluver:

As you know, Nautilus Data Technologies ("Developer") has submitted a proposal to the City of Alameda to develop a data center located in Building 530 to be leased from the City ("Project"). The purpose of this letter is to confirm our intent to require all construction work performed for Developer in Building 530 to be performed by craft workers represented by the 28 affiliated Unions ("Union") of the Building and Construction Trades Council of Alameda County. Recognizing the need to secure various approvals and permits for the Project, this Letter of Intent covers the entire Project as finally approved through all regulatory processes and entities.

Developer intends to enter into a private project labor agreement ("PLA") with the Building and Construction Trades Council of Alameda County ("Council") that is acceptable to the Council and Developer for all base building, mechanical, and electrical and associated parking improvement work performed for the Project, and all tenant improvement work as negotiated by the parties, as it is finally approved by the City; provided, however, that the requirement to enter into a PLA shall become effective only in the event that the City Council of the City of Alameda approves the Project.

Developer acknowledges that the construction of the Project is important to the development of the City of Alameda and to the Construction Industry in Alameda County, and therefore intends to require quality construction that can be obtained through the use of skilled construction workers represented by the Unions affiliated with the Council. Further, the need for timely completion of the Project without interruption or delay is paramount. The purpose of this Letter of



Intent is to enhance this cooperative effort through the establishment of a framework for labor-management cooperation and stability, should Developer be selected and approved to develop the Project.

Subject to the terms of this Letter and the terms to be agreed upon in the final PLA, Developer and its successors or assigns intend to construct the Project exclusively with construction manager(s), project manager(s), general contractor(s) and subcontractors signatory to the Master Labor Agreement of the applicable affiliated Union(s) and employing exclusively Union craft workers for all Base Building construction work for the Project undertaken by Developer, and all tenant improvement work as negotiated by the parties and agreed upon in the final PLA.

Developer and Council agree that any dispute concerning the interpretation and/or application of this Letter or the final PLA shall be subject to final and binding arbitration, which shall be the sole means of enforcement of this Letter or the final PLA. The Council agrees that any work dispute between the Unions shall be subject to an expedited dispute resolution process. The Council agrees to actively prevent any dispute which could delay the completion of the Project to the best of its ability.

Consistent with the provisions of the applicable Master Labor Agreements, Developer reserves the right to control the site at which the Project will be constructed and reserves the right to directly perform construction work on the Project with its own employees under the terms of this Letter of Intent, in which case the Developer will become signatory to the applicable Union Master Labor Agreement(s).

The terms contained in the PLA will cover all base building, mechanical and electrical, office and associated parking improvement work performed under the control of the Developer for development of any part or phase of the Project, and will cover all tenant improvement work as negotiated by the parties. Developer agrees that the PLA will be binding and legally effective upon any successor-in-interest to Developer whether by merger or acquisition, and upon any entity that acquires title to the Project whether by sale, ground lease, option, or other transfer of rights, or contribution to a partnership or joint venture with Developer. Any agreement for a sale, ground lease or other transfer of rights, or contribution to the Project, or an agreement for a merger or acquisition, including ownership or control of the Project, shall include an express assumption by any successor of Developer of the obligations and undertakings of Developer in the PLA, including this successorship provision. Developer shall provide the Council with notice in writing at the close of any sale, acquisition, merger, lease or other transfer or contribution, and shall



provide an original executed assumption of the PLA by the successor. Developer acknowledges that in the event it, or any successor-in-interest, breaches the terms of this Letter, the Council and its affiliated Unions and their members will suffer actual damages that would be unreasonably difficult, costly or impracticable to calculate. Therefore, in the event Developer or any successor-in-interest breaches this Letter, the breaching party shall pay as liquidated damages the full applicable wage and benefit package for each hour of work performed by employees of non-signatory contractors or subcontractors to the applicable Council-affiliated Union having jurisdiction over the work (referred to as the *Alcan* remedy). This shall be the sole remedy for breach of this Letter of Commitment.

The Council and Union will employ reasonable efforts and programs to assure construction costs are aligned to keep the Project competitive and viable.

The Council and Union acknowledge that the Project will be of a size to reasonably assume union contractors and workers from outside Alameda County may be needed to meet the Developer's timeline and maintain a competitive bidding environment. The Council and Union will work with these Union Groups in a cooperative and collaborative manner.

Developer recognizes the need for and appreciates quality construction that can be obtained through the use of skilled workers and appreciate the opportunity to work with the Building and Construction Trades Council of Alameda County. Developer looks forward to a cooperative and mutually beneficial relationship with the Council.

A large, stylized handwritten signature in blue ink, consisting of several loops and a long horizontal stroke at the end.

James L. Connaughton
President and CEO
Nautilus Data Technologies

Dated: February 28, 2019