

TL PARTNERS I, LP

May 11, 2016

Mr. Andrew Thomas
Assistant Community Development Director
Planning Department
2263 Santa Clara Avenue
Alameda, CA 94501

The City of Alameda, a municipal corporation of the State of California (the "City"), and TL Partners I, LP, a California limited partnership ("Developer") entered into that certain Development Agreement for the Del Monte Warehouse Project dated January 17, 2015 (the "Development Agreement"). Developer is submitting this annual review document in accordance with the Development Agreement and pursuant to the requirements of Government Code Section 65865.1 and Alameda Municipal Code Section 30-95.1. This letter will report on activities developments taking place between January 17, 2015 and December 31, 2015, and contains a summary of Developer's efforts toward good faith compliance with the terms of the Development Agreement.

Developer has been working with its design team to complete the construction drawings and improvement plans for the site. Improvement plans are being plan checked now with the City of Alameda, and commencement of infrastructure improvements is expected in 2016. Construction documents for vertical improvements will be submitted in the summer of 2016; vertical building construction is expected to start in in late 2016, with first occupancies in 2017.

Specific commentary is required on the status of the Jean Sweeney Contribution (Section 6.a), Clement Extension (Section 6.b), Transit Demand Management Program (Section 6.c), Retail/Commercial Space leasing (Section 6.d), execution of the Beneficial Transfer Fee Agreement (Section 6.e) and an Affordable Housing Agreement (Section 6.g). Once the Transportation Management Agency (TMA) is established pursuant to Section 6.c of this Agreement, the TMA's annual report shall satisfy the annual reporting requirement for the Transit Demand Management Program (Section 6.c).

JEAN SWEENEY OPEN SPACE PARK:

Developer is obligated to make a payment of \$2,000,000 in order to fund portions of the Jean Sweeney Open Space Park ("JSOSP"), a 22 acre planned park. In February 2015, Developer made

its required Soft Cost Contribution by submitting a check in the amount of Three Hundred Thousand Dollars (\$300,000). This contribution will be used by the City's Recreation and Park's Director exclusively to cover the cost of preparation of 100% construction drawings implementing the master plan approved by the Alameda City Council for JSOSP.

Using the Developer's \$2 Million contribution as matching funds, the City was able to secure a \$2 Million grant from the California Department of Parks and Recreation, and when combined, will fund approximately half of the improvements required to complete the park. The City has also received \$2.3 Million from the Regional Active Transportation Program, specifically for completion of the Cross Alameda Trail, which runs the length of the park and will be started in 2016.

Construction of the easterly portion of JSOSP is anticipated to begin in late 2016 or early 2017.

CLEMENT EXTENSION:

Developer is required to complete improvements to a portion of Clement Avenue from Atlantic Avenue to Entrance Road, including a new intersection and signal at Sherman, Clement, and Atlantic and installation of stop signs at the following intersections: Buena Vista/Entrance Road and Clement/Entrance Road (the "Clement Extension"). Developer must acquire a portion of the improvement area from the adjacent Wind River property before it can construct all improvements. Over the past three and a half years, Developer has made extensive efforts to acquire the property from Wind River (WR), and those efforts continued during the annual Review Period, as during 2015, several offers and counter offers were exchanged between the parties. A final agreement is expected in summer 2016.

TRANSIT DEMAND MANAGEMENT PROGRAM:

Del Monte is obligated to implement its Transportation Demand Management Program prior to the first certificate of occupancy. Since this is not anticipated until late 2017 or 2018, none of the implementation measures, which include establishment of the TMA, provision of a shuttle to BART and to provide AC Transit passes to each household, have been completed. However, TLP has been working diligently with the City to begin implementation of the plan, specifically with regard to establishment of a Northern Waterfront TMA, and in so doing, TLP has worked closely with the City in beginning to implement an anticipated Citywide TMA. TLP is also currently working with the City and AC Transit to finalize the agreement that will resurrect the Line 19 service in the northern waterfront area by the end of 2016.

RETAIL/COMMERCIAL LEASING:

Current plans include a minimum of 30,000 square feet of ground floor neighborhood-serving retail/commercial space within the Project, in accordance with the Master Plan. Leasing will commence with building completion.

BENEFICIAL TRANSFER FEE AGREEMENT:

The Beneficial Transfer Fee Agreement was executed concurrently with the Development Agreement in January 2015.

AFFORDABLE HOUSING AGREEMENT:

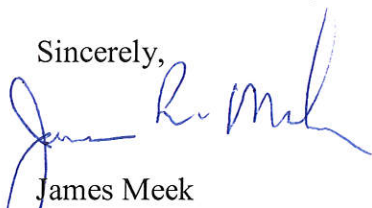
Prior to issuance of the first building permit for the Project, Developer was obligated to submit for City Council's review and approval, an Affordable Housing Agreement for the provision of fifty-five (55) affordable housing units, consistent with the requirements of the Master Plan and in a form acceptable to the City Attorney. On May 26, 2015, the Planning Board approved the Development Plan and Design Review for the 31 unit low and very low income senior affordable building. On July 21, the City Council approved the Affordable Housing Agreement and the agreement to convey the City of Alameda owned portion of the property (which will contain the future senior affordable building), to the Housing Authority of the City of Alameda ("Housing Authority"). The Housing Authority anticipates commencement of construction of the 31 unit senior affordable building in late 2016 or early 2017.

OTHER INFORMATION:

Developer has met regularly during 2015 with City staff to ensure that the Development Agreement and all subsequent approvals were being implemented in a timely fashion.

Please let us know if you require additional information regarding the annual Review.

Sincerely,



James Meek
Director of Land