

Summary of Terms and Conditions
Operating Memorandum
for Disposition and Development Agreement
between
Successor Agency to the former Community Improvement Commission
and Catellus Alameda Development, LLC ("**Developer**")

Pursuant to section 13.10 of the DDA, and for purposes of implementing the disposition of former CIC property pursuant to the approved Long-Range Property Management Plan, the parties contemplate an Operating Memorandum to the DDA ("**DDA OM**") to make clarifications to the DDA in light of the proposed conveyance by Developer of certain wharf property to an entity controlled by Bay Ship & Yacht ("**Bay Ship**") and the 2017 Master Plan Amendment ("**MPA**"), upon the following terms and conditions.

A corresponding Operating Memorandum for the Development Agreement will also be prepared to address similar issues and provide conforming clarification to the Master Demolition, Infrastructure, Grading and Phasing Plan (MDIGP).

A. Boundary Modifications to Facilitate Conveyance of Maritime Commercial Parcel

(1) Technical boundary modifications necessary to expand the currently existing Conveyance Parcel 7 to create parcel consistent with Maritime Commercial Sub-Area as shown in the MPA to be conveyed to Developer and then to Bay Ship ("**Conveyance Parcel 7**").

(2) Clarification that the eastern boundary of the Third Demolition and Backbone Infrastructure Phase will be the eastern boundary of Conveyance Parcel 7, and the area to the east of Conveyance Parcel 7 that formerly was part of the Third Demolition and Backbone Infrastructure Phase will become part of the Second Demolition and Backbone Infrastructure Phase.

(3) Describes Adaptive Reuse of Conveyance Parcel 7 permitted by the MPA, and further describes a "New Construction" scenario if the Adaptive Use is discontinued and Conveyance Parcel 7 is redeveloped, to make consistent with MPA.

B. Facilitation of Phase 3 through Adaptive Reuse of existing buildings

(1) Clarifications to Section 2.2(d) of the DDA that Conveyance Parcel 7 can be used for Adaptive Re-Use.

(2) Clarifications to the DDA that toll certain obligations during Adaptive Reuse of Conveyance Parcel 7, consistent with MPA. Tolling would cease upon New Construction. Tolloed obligations to include the following:

(a) obligation to develop, construct, dedicate, or grant easements with respect to any portion of Conveyance Parcel 7 as Public Open Space or Public Use Area pursuant to Section 2.2(d) of the DDA;

(b) obligation to commence construction of Conveyance Parcel 7 no later than twenty-four (24) months after the Conveyance thereof, pursuant to the Schedule of Performance set forth in Attachment 8 of the DDA;

(c) obligation to complete construction of Conveyance Parcel 7 no later than sixty (60) months from the Conveyance Date, pursuant to the Schedule of Performance set forth in Attachment 8 of the DDA;

(d) obligation to perform Third Demolition and Backbone Infrastructure Work with respect to any portion of Conveyance Parcel 7;

(e) obligation to commence the Private Infrastructure work, pursuant to Attachment 12A of the DDA; and

(2) Transferee of Conveyance Parcel 7 (Bay Ship or subsequent Transferee) shall not be required to be a Qualified Developer or an End User, so long as such Transferee uses Conveyance Parcel 7 in accordance with the Adaptive Reuse. Transferee will either need to become a Qualified Developer or engage one, subject to the Successor Agency's consent, in order to do New Construction.

C. Early Office Demolition and Backbone Infrastructure Phase

(1) Clarifications to DDA that take effect after re-mapping to create the expanded Conveyance Parcel 7. These clarifications will stay in place regardless if the Adaptive Reuse is discontinued and will include:

(a) Conveyance Parcel 7 deemed to be the Early Office Demolition and Backbone Infrastructure Phase;

(b) allowing Developer to perform certain work with respect to Conveyance Parcel 7 without triggering other infrastructure and takedown obligations contemplated for a later date;

(c) identifying property to the east of Conveyance Parcel 7 as residential parcels to be developed by Developer consistent with MPA designation of Residential Sub-Area;

(d) Third Demolition and Backbone Infrastructure Phase deemed to include the land within Conveyance Parcel 7, and the residential variant is now within the Second Demolition and Backbone Infrastructure Phase;

(e) identifying purchase price for Conveyance Parcel 7;

(f) identifying purchase price for residential parcels consistent with DDA section 3.1(a);

(g) specifying how certain ancillary repayment obligations under the DDA will be handled;

(h) clarifying the work to be included within the Early Office Demolition and Backbone Infrastructure Phase work, including the access driveway to Conveyance Parcel 7 per the MPA.

(i) recognizing that Successor Agency will grant certain access and utility easements in favor of owner of Conveyance Parcel 7.

(j) recognizing that certain wharf demolition work described in the DDA has become moot.

(k) a "Reuse Certificate of Compliance" to be issued upon completion of the Early Office Demolition and Backbone Infrastructure Phase Work. The Reuse Certificate of Compliance would evidence completion of such work, but would not otherwise have the effect of a Certificate of Completion.

(l) clarifying certain reimbursement rights for UP Right-of-Way Acquisition Costs, Stargell Work Costs, Demolition Costs and the Backbone Infrastructure Costs in the event the Successor Agency exercises its reverter and resale rights over Conveyance Parcel 7.

C. Second/Third Phase Outside Date

(1) With respect to satisfaction or waiver of the Second Demolition and Backbone Infrastructure Phase Conditions Precedent, the Second/Third Phase Outside Date is clarified to mean 14 years from the Effective Date of the Original DDA (subject to tolling pursuant to Section 4.6 of the DDA);

(2) with respect to the Third Demolition and Backbone Infrastructure Phase, (a) with respect to satisfaction or waiver of the Third Demolition and Backbone Infrastructure Phase Conditions Precedent, the Second/Third Phase Outside Date is clarified to mean 19 years from December 5, 2006, the Effective Date of the Original DDA (not subject to further tolling pursuant to Section 4.6), (b) clarify that, although Developer has no obligation to commence New Construction, if Developer has not commenced the Third Phase Demolition and Backbone Infrastructure Work within 19 years following the Effective Date of the Original DDA, the DDA will automatically terminate with respect to Conveyance Parcel 7, and (c) clarify that, if Developer commences the Third Demolition and Backbone Infrastructure Phase prior to such termination, any additional time as may be provided by Section 4.6(d)(ii) notwithstanding, Developer must complete construction of all improvements to be constructed in the Third Demolition and Backbone Infrastructure Phase within 20 years following the Effective Date of the Original DDA.

D. Developer 115kV Undergrounding

(1) since CIC has not secured minimum funds for the Developer 115kV Undergrounding pursuant to DDA, clarify that the provisions with respect to the Developer 115 kV Undergrounding are moot and no longer required.

E. Attachments to DDA

(1) The DDA OM will include technical clarifications to the Attachments to the DDA for purposes of bringing the DDA Attachments in line with the clarifications made throughout the DDA OM.