

City of Vallejo
Proposed Key Business Terms
Ground Lease and Purchase Option and
Development Agreement (“Option Agreement”)
The Nimitz Group - North Mare Island

1. Parties.

City of Vallejo (“City”) and The Nimitz Group, LLC, a California limited liability company operating as a Qualified Opportunity Zone Business in Vallejo, CA (“Nimitz”).

2. Site.

Approximately 157 acres in the area known as North Mare Island Industrial Park, and Re-use Area 1a, consisting of approximately 191 acres, of which 34 acres are to be reserved in City ownership as a conservation area. The net developable area of 157 acres as depicted in the diagram attached as Exhibit A (“Site”) consists of 125.3 acres previously conveyed by the United States Navy to the City (“City-Owned Property”), and approximately 31.8 acres owned by the Navy (“Navy-Owned Property”) to be conveyed to City following the issuance of a Finding of Suitability for Transfer (FOST) and a determination by the State of California Department of Toxic Substances Control (“DTSC”) that no further remediation related action is required.

3. Lease of Site/Option to Purchase.

The parties shall enter into a Ground Lease with an Option to Purchase (the “Option Agreement”) that would grant Nimitz a ground lease position on the Site as well as the exclusive option to purchase the Site for the purposes of developing the same for the uses and within the times and subject to the conditions set forth herein. As to the Navy-Owned Property, pursuant to City’s authority under its Lease in Furtherance of Conveyance (“LIFOC”), City shall grant Nimitz a sublease of the Navy-Owned Property pursuant to the Option Agreement.

Approved as to form:

By: *Shamuel Edmeyer for*
Claudia Quintana
City Attorney

4. Term; Extension Milestones.

The initial term (“**Initial Term**”) of the Option Agreement will commence upon conclusion of the Inspection Period (defined in Section 15 below) and shall expire three (3) years thereafter. The Initial Term of the Option Agreement will be subject to limited extensions for litigation or referendum related delays and may also be automatically extended upon achievement of certain Extension Milestones as provided in Exhibit B only if Nimitz is not in a state of default per Section 5. The Initial Term together with any and all extension terms is referred to herein as the “**Term**”. Nimitz’ right to exercise the extensions shall also be conditioned upon Nimitz not being in default under the Option Agreement following notice and expiration of applicable cure periods. Upon satisfaction of the conditions for exercise of a Term extension, the City Manager and authorized officers of Nimitz shall execute an amendment of the Option Agreement memorializing such extension. Upon expiration of the Term, Nimitz shall surrender possession of those portions of the Site as to which Nimitz has not previously acquired fee title and thereafter Nimitz shall have no further rights or obligations with respect to such portions of the Site, other than those obligations which by their terms survive expiration or termination of the Option Agreement.

The Initial Term will be extended for an additional three (3) years (“**First Extension**”) if on or before expiration of the Initial Term Nimitz has achieved the Initial Term Extension Milestones as set forth in Exhibit B. As noted in Exhibit B, the First Extension will be further extended by an additional 12 months if City Council has denied a Tentative Map and/or Unit Plan application to allow Nimitz additional time to revise, resubmit and obtain approval of such applications.

The Initial Term, as extended by the First Extension, will be further extended for an additional three (3) years (“**Second Extension**”) if on or before expiration of the First Extension Nimitz has achieved the First Extension Milestones as set forth in Exhibit B.

The Initial Term, as extended by the First and Second Extensions, will be further extended for an additional ten (10) years (“**Third Extension**”) if on or before expiration of the Second Extension Nimitz has achieved the Second Extension Milestones as set forth in Exhibit B.

[NEED TO DISCUSS TERMINATION RIGHTS DURING TERM OF GROUND LEASE]

5. Deliverables.

In addition to the Extension Milestones to be achieved by Nimitz as a condition of each extension of the Term as set forth in Section 4, above, the Option Agreement will include a schedule of performance identifying key Nimitz and City performance “**Deliverables.**” The dates for the various Deliverables may be extended from time to time by mutual agreement of the City Manager and Developer. Subject to extension for limited force majeure events, failure to meet a deliverable by the date specified will constitute a default

under the Agreement. If Nimitz fails to cure such a default following written notice and expiration of cure periods to be agreed by the parties in the Option Agreement, City will have the right to terminate the Option Agreement. The Deliverables are identified in Exhibit B.

6. Rent.

In consideration for City's lease of the City-Owned Property and sublease of the Navy-Owned Property to Nimitz, Nimitz shall be responsible all operating and maintenance costs including those costs incurred under the interim beautification and maintenance plan, possessory interest taxes, the obligations under the 2002 CFD special taxes and assessments as "undeveloped land" with respect to City-Owned Property), utility expenses, and insurance costs with respect to the Site and the improvements thereon. Nimitz shall be entitled to any revenue generated on the Site during the term of the Ground Lease.

In addition, Nimitz shall pay to City as additional rent an amount equal to the principal and interest payments on the City's HUD108 loan dated _____, 201__ ("HUD 108 Loan"), the principal balance of which is approximately \$ _____ as of _____, 2019. Each such payment shall be made by Nimitz to City by no later than 10 business days prior to the date such payments are due and payable by City to HUD. Nimitz' shall continue to make such rent payments following Nimitz exercise of its purchase option(s) through the date of each closing for conveyance of the Site.

7. Project.

The Project to be developed on the Site will be defined during the First Extension in connection with Nimitz submission of a master Tentative Map, one or more Unit Plan applications, and, if applicable, amendment(s) to the existing Mare Island Specific Plan; provided, however, the Project shall consist of development of not less than _____ square feet of gross building space [to be negotiated in Option Agreement by December]. Nimitz will have the right to process Unit Plan and Tentative Map development application(s) under which the building space to be developed is allocated to just a portion of the Site with the balance of the Site transferred and developed with a mix of open space and/or recreational uses; provided, however, the master Tentative Map and all Unit Plan applications shall be consistent with the current Mare Island Specific Plan or Mare Island Plan as defined in this Agreement and shall satisfy the minimum building space square footage requirement set forth above.

8. Phased Closings.

Closings for sale of the Site may occur in a single phase or multiple phases depending upon the nature of the Mare Island Plan and the City-approved master Tentative Map and Unit Plan(s).

9. Purchase Price.

The purchase price for the Site will be equal to the "AS-IS" fair market value of the Site as of the execution of the Option Agreement taking into account only the uses permitted on the Site as of the execution of the Option Agreement, but in any event not less than the

outstanding principal and interest balance of the City's HUD 108 Loan plus closing costs, which shall be paid by Nimitz. Upon execution of the Option Agreement, and prior to commencement of the Initial Term City will obtain an "AS-IS" appraisal utilizing the methodology set forth in Exhibit C and present the same to Nimitz for its approval. Nimitz will have the right to either accept such appraised value or require that the parties enter into an appraisal arbitration process (to be outlined in the Option Agreement) to determine such appraised value. Such appraised value will be referred to as the "**Existing As-Is Value**". The Purchase Price will be calculated based on the Existing As-Is Value subject to increase based upon increases in the CPI between the effective date of the Option Agreement and the date(s) of each closing. In the event of phased closings, the Existing As-Is Value, as increased by CPI, will be prorated based on the acreage of the portion of the Site that is the subject of the closing as compared to the total acreage of the Site; provided, however, the entire principal and interest balance of the City's HUD 108 Loan shall not be prorated for phased closings and shall be due and payable in full at the first closing.

10. **Demolition of Improvements.** City shall complete demolition of all non-utilized buildings remaining on the Site in accordance with a mutually agreeable schedule. Nimitz shall be obligated to pay all principal and interest payments on the City's HUD 108 loan that arise from any demolition completed with HUD loan funding. If Parcel XV-B(1) has not yet transferred from the Navy, City shall complete demolition of all non-utilized buildings on Parcel XV-B(1) in accordance with a mutually agreeable schedule.
11. **Environmental Review.** City, at Nimitz' expense, shall prepare an initial study checklist pursuant to CEQA for the Project as envisioned by the Option Agreement and, to the extent any supplemental or additional CEQA documentation is required in connection with consideration of the Option Agreement for approval, whether pursuant to CEQA Guidelines section 15162 or other applicable provision of CEQA, such documentation shall be prepared by City at Nimitz' expense. To the extent any additional or supplemental CEQA analysis or documentation is required in connection with Nimitz' entitlement applications, including any proposed amendment(s) to the Mare Island Specific Plan, including, if applicable, amendments incorporating a new comprehensive master plan for Mare Island ("**Mare Island Plan**"), such additional or supplemental CEQA analysis and documentation shall be prepared by City at Nimitz' expense. This Agreement does not constitute any approval of our guarantee of CEQA environmental reviews and/or certifications.
12. **Site Transfer Conditions.**
Nimitz shall satisfy the following conditions precedent before escrow closes on each phase:
 - a. Complete environmental review as required.
 - b. Obtain any and all discretionary City approvals or amendments of existing City discretionary approvals as may be needed for development of the particular phase and obtain approval of and record a final subdivision map creating the parcel(s) which are the subject of the Phase.

- c. Obtain all approvals required from other public entities and utility providers required for development of the phase.
- d. Demonstrate readiness to start demolition of existing improvements, followed by construction of the applicable on and off-site Backbone Infrastructure as well as all internal infrastructure needed to support development within the phase, followed by the vertical construction of the applicable phase within the time periods set forth in Exhibit B, by among other things:

[OBLIGATIONS SPECIFIC TO ITEMS i-v TO BE FINALIZED DURING NEGOTIATION OF OPTION AGREEMENT]

- i. Demonstrate debt and equity commitments have been obtained for all such work;
 - ii. Finalize plans and obtain all approvals and permits necessary for all the work, including demolition permits, grading permits and building permits;
 - iii. Demonstrate readiness to enter into a demolition agreement for demolition of existing structures, if any, and providing the required security instruments to ensure completion of such demolition.
 - iv. Demonstrate readiness to enter into a general contractor agreement(s) for the Backbone Infrastructure, internal infrastructure and vertical construction associated with the applicable phase.
 - v. Enter into a Public Improvements Construction Agreement with City and provide the required security instruments to ensure completion of on- and off-site public improvements, including Backbone Infrastructure, associated with the development phase in question.
- e. Demonstrate that the phase (together with any previous phases already purchased) will be consistent with the City-approved Mare Island Plan and will be appropriate for development even if the remaining phases are never improved or developed **[TO BE DISCUSSED DURING NEGOTIATION OF OPTION AGREEMENT]**.
 - f. Ensure a person or entity acceptable to City will have executed and delivered into escrow a completion guaranty for the development associated with the applicable phase **[TO BE DISCUSSED DURING NEGOTIATION OF OPTION AGREEMENT]**.
 - g. With respect to the first closing, Nimitz will have paid off the entire outstanding principal and interest balance of the City's HUD 108 Loan, net of offsets, if any, required from City.

h. Minimum square footage and backbone infrastructure improvements required on NMI required for take-down of full 157 acres – TO BE DISCUSSED DURING NEGOTIATION OF OPTION AGREEMENT

13. Conveyance of Site.

Title shall be conveyed by quitclaim deed, in recognition that the Navy conveyed title to the City-Owned Property by quitclaim. Closing for conveyance of the Navy-Owned Property will be subject to City obtaining fee title to such property from the Navy.

14. Site Condition.

Site to be conveyed to Nimitz AS-IS, WITH ALL FAULTS, subject to any covenants set forth in Navy quitclaim deeds to City (“**Navy Covenants**”). If, following closing of any phase, Nimitz discovers hazardous materials contamination in the soil or ground water that Navy is obligated to remediate per the terms of the Navy Covenants, City will cooperate with Nimitz, at Nimitz’s expense to the extent that such expenses exceed the balance of reserves currently held by the City specific to direct costs incurred to pursue such claims, to cause the Navy to comply with the Navy Covenants.

15. Due Diligence.

- a. Nimitz will be responsible for the design, construction and financing of the Project, including required on- and off-site public improvements and Backbone Infrastructure. Accordingly, Nimitz is responsible to determine if the condition of the Site is adequate for the development and construction of the Project. Within 45 days following the effective date of the Option Agreement (“**Inspection Period**”), Nimitz will complete its investigation of the Site, including the investigation of hazardous materials in the soil or groundwater and condition of title, and notify City that either (i) Nimitz has determined that the Site is inadequate for development of the Project, and therefore Nimitz terminates the Option Agreement, or (ii) Nimitz has determined that the Site is adequate for development of the Project and therefore accepts the Site in its As-Is Condition.
- b. If upon expiration of the Option Agreement, Nimitz has not acquired from City fee title to the entirety of the Site then Nimitz shall provide City with full and complete copies of all investigation reports and studies applicable to the Site within Nimitz’ possession or direct control, including boring logs, sample or laboratory test results, or other technical data and backup, including in digital formats that can be accessed across similar platforms used by Nimitz, produced by Nimitz or its contractors or subcontractors in connection with Nimitz’ due diligence and pre-development activities (collectively, “**Work Product**”) within sixty (60) days following the expiration or termination of the Option Agreement and concurrently with City delivery to Nimitz of any remaining City entitlement processing security deposit funds. Notwithstanding the foregoing, in no event shall Nimitz be required to provide City with any of the following items: (1) appraisal and valuation reports and information, (2) any documents, materials or information which are subject to attorney/client, work product or similar privilege or which constitute attorney

communications with respect to the Property, (3) any confidential or proprietary information and communications, (4) any documents pertaining to the marketing of the Property for sale to prospective purchasers, (5) any internal memoranda, reports or assessments of Nimitz or Nimitz' affiliates to the extent relating to Nimitz' valuation of the Property or interpretation of any agreements, contracts or third party reports pertaining to the Property, (6) any materials projecting or relating to the future performance of the Property, (7) project development studies or design concepts and plans including the work of HOK or any other planning consultants. Once delivered, each of Nimitz and City shall own equal right, title and interest in and to such Work Product, or (8) investigation reports and studies as described above related to any property under diligence or ownership by Nimitz from Lennar Mare Island, LLC. Notwithstanding any reliance on or representations or warranties of Nimitz' consultants, Nimitz shall provide such GIS Work Product solely on an "AS IS" basis for use by City or any of its assigns or contractors at their own respective risk. Nimitz disclaims all WARRANTIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY IMPLIED WARRANTIES OF TITLE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. Nothing in the Option Agreement imposes on Nimitz any obligation to provide Work Product if additional Work Product is produced after the expiration or termination of the Option Agreement or to update or correct any inaccuracies in any previously provided Work Product.

16. Remediation of Navy-Owned Property. [TO BE DISCUSSED DURING NEGOTIATION OF OPTION AGREEMENT]

17. Backbone Infrastructure Improvement Agreement(s).

Prior to the expiration of the First Extension, Nimitz must prepare and submit and obtained City approval of a master infrastructure plan ("**Master Backbone Infrastructure Plan**") setting forth the scope and timing of construction and delivery of all backbone infrastructure, including roadway, sanitary sewer, potable water, storm drainage, and park and public access improvements, to be developed in connection with development of the Site ("**Backbone Infrastructure**"). The essential items of the Backbone Infrastructure shall be more particularly set forth in the Option Agreement. Prior to commencing any development on the Site and prior to recordation of any final map, Nimitz shall enter into a Backbone Infrastructure Improvement Agreement setting forth Nimitz's obligations to construct at its expense all requisite Backbone Infrastructure required for the applicable phase of the Project in a manner consistent with the City-approved Master Backbone Infrastructure Plan. A form of Backbone Infrastructure Improvement Agreement shall be attached as an exhibit to the Option Agreement and shall include among other terms and conditions requirements to commence and complete construction of the Backbone Infrastructure, or applicable portion thereof, with prescribed time periods, requirements for improvement security, and Nimitz' warranty period obligations.

18. Construction and Equipment Sales and Use Tax.

Nimitz will require contractors and subcontractors with contracts valued at \$5 million or more to (i) file a use tax direct payment permit; (ii) elect to obtain a subcontractor permit for the job site; or (iii) otherwise designate the Site as the place of use of material used in Project construction in order to have the local portion of the sales and use tax distributed directly to City instead of through the county-wide pool.

19. Force Majeure/Litigation Delays.

The parties' obligations under the Option Agreement, including the Extension Milestones and Nimitz' Deliverables obligations set forth in Exhibit B, would be subject to extension for certain to be agreed upon force majeure events which will not include changes in economic conditions or lack of availability of financing. The Term of the Option Agreement will be subject to extension, subject to certain agreed upon maximum time periods, in the event the Option Agreement or one or more of the Project approvals are subject to a third party litigation challenge or referendum or any of the Extension Milestones set forth in Exhibit B that expire on the last day of the Term are extended as provided in the preceding sentence. Otherwise, the Term shall not be subject to extension on force majeure grounds.

20. Property Tax Threshold. [TO BE DISCUSSED DURING NEGOTIATION OF OPTION AGREEMENT]

21. Possessory Interest Taxes.

Nimitz would acknowledge that, in the event that the Site is exempt from real property taxes, the Option Agreement may create a leasehold possessory interest that is taxable. The Option Agreement would require Nimitz to pay such possessory interest taxes prior to delinquency. The parties shall structure the transaction so as to minimize any possessory interest tax or property tax assessment against Nimitz.

22. Local Economic Benefits. [TO BE DISCUSSED DURING NEGOTIATION OF OPTION AGREEMENT]

23. Transfers.

With the exception of certain specified permitted transfers (i.e., transfers to affiliates, transfers of security interests to Nimitz lenders, admission of third-party equity and/or mezzanine participants, grants of easements, licenses and right of ways) to be set forth in the Option Agreement, Nimitz will be prohibited from assigning the Option Agreement or any interest in the Property, or any portion thereof. Notwithstanding the foregoing, Nimitz may convey subdivided portions of the Site to one or more vertical developers upon the satisfaction of certain conditions precedent, including the following:

- a. A master Tentative Map and Unit Plan(s) for development of the parcel in question shall have been obtained;
- b. The vertical developer shall have executed an assignment and assumption agreement with the City in substantially the form attached to the Option Agreement; and

- c. All Backbone Infrastructure required for the reuse of the applicable parcel shall have been completed or bonded for or insured around.
- d. Such other conditions as agreed by the parties in the Option Agreement.

Upon satisfaction of such parcel transfer conditions, Nimitz would have the right to transfer to such third party vertical developer Nimitz' rights and obligations under the Option Agreement (and any entitlements and ancillary development related agreements related thereto, as applicable) with respect to such parcel provided that such transfer is effectuated pursuant to an assignment and assumption agreement in a form acceptable to City.

24. CITY RIGHT TO REENTRY to be negotiated with Option Agreement

25. Public Trust Parcel Lease Agreement(s). [TO BE DISCUSSED DURING NEGOTIATION OF OPTION AGREEMENT]

26. Limitations of Term Sheet. This term sheet is not intended to be legally binding, and neither the City nor Nimitz will be legally bound unless and until an Option Agreement is approved by the parties and signed in the future.

EXHIBIT B – SCHEDULE OF PERFORMANCE

	Item	Milestone for Term Extension and/or Deliverable	Description	Date (measured from commencement of Initial Term)
1	Public Meetings	Deliverable	Nimitz shall have conducted developer noticed public meetings, not less than four (4) meetings per year, to inform and solicit input from the Vallejo community regarding Nimitz proposed development plans for the Site which shall be consistent with the Mare Island Specific Plan, as may be amended from time to time, including, if applicable, amendments incorporating a new comprehensive master plan for Mare Island, including North and South Mare Island (if and as amended, the “ Mare Island Plan ”). Nimitz’s obligation shall terminate following City approval of Phase I Tentative and Unit Plan(s) per #6 below.	Quarterly
2	Interim Beautification Plan - Submission	Deliverable	Nimitz shall have prepared and submitted a comprehensive interim beautification and maintenance plan, that will accommodate required surcharging and soil preparation, consistent with the Vallejo Municipal Code (VMC) setting forth the details for installation and ongoing maintenance of interim beautification and site improvements that will remain in place until such time as the Site is developed in accordance with the Mare Island Plan, Unit Plan approvals, master Tentative Map and other Project entitlements. Conditions to this plan shall include beautification requirements and site improvements that incorporate design elements that provide site security, including Crime Prevention Through Environmental Design (CPTED), as agreed to upon by parties to this Agreement.	6 months
3	Historic Inventory	Extension Milestone	Nimitz shall have completed a historic building inventory of all buildings on the Site as well as all buildings on the South Mare Island property that Nimitz proposes to acquire from Lennar Mare Island (“ South Mare Island Property ”) that is consistent with the Mare Island Specific Plan and Settlement Agreement between National Trust for Historic Preservation, Architectural Heritage Foundation, Lennar Mare Island, LLC, the City of Vallejo, Judy Irvin, Elizabeth Pidegon dated April 11, 2006.	12 months
4	Interim Beautification Plan - Approval	<i>Deliverable</i>	City will provide completeness letter review of the interim beautification plan within 30 days of submission. To the extent that City disapproves the interim beautification plan, then Nimitz shall modify and re-submit a revised interim beautification plan addressing City's concerns within 60 days following such disapproval by City. This process shall be followed until City has approved the interim beautification plan.	12 months
5	Interim Beautification Plan -	Extension Milestone	Nimitz shall have completed implementation of an interim beautification and maintenance plan, including an ongoing maintenance schedule.	12 months from City approval of

EXHIBIT B – SCHEDULE OF PERFORMANCE

	Completion			the interim beautification plan
6	Phase I Development - Tentative Map & Unit Plan – Submission	Extension Milestone	Nimitz shall have prepared and submitted a master Tentative Map and Unit Plan(s) applications for development (substantial restoration, renovation and adaptive re-use, new construction, or a combination thereof) of at least 100,000 square feet of uses, in the aggregate, on North and/or South Mare Island all in a manner consistent with the Mare Island Specific Plan and/or any Specific Plan Amendments or Master Island Plan, as approved by City.	3 years**
Initial Term of 3 years Ends				Year 3
7	Specific Plan Amendments	<i>Deliverable</i>	If and to the extent Nimitz’ proposed development of all or a portion of the Site would require an amendment of the existing Mare Island Specific Plan, or a new Master Plan, Nimitz shall have prepared and submitted to City and obtained City approval of such specific plan amendment(s) or Master Plan (the "MISP Amendment"), which may include, to the extent applicable, amendments incorporating a new comprehensive master plan for Mare Island, including North and South Mare Island and associated California Environmental Quality Act (CEQA) environmental review requirements.	5 years**
8	Phase I Development – Construction Complete	Extension Milestone	Nimitz shall have substantially completed construction of at least the 100,000 square feet of development of Phase I per #6 above. Substantially completed construction shall be referenced to an objective standard to be determined at a later date.	5 years**
9	Phase II Development - Tentative Map & Unit Plan – Submission	Extension Milestone	Nimitz shall have prepared and submitted a master Tentative Map and Unit Plan(s) applications for development (substantial restoration, renovation and adaptive re-use, new construction, or a combination thereof) of at least 100,000 square feet of uses, in the aggregate, on North and/or South Mare Island all in a manner consistent with the Mare Island Specific Plan and/or any Specific Plan Amendments or Mare Island Plan), as approved by City.	6 years**
10	Backbone Infrastructure Plan - Approval	Extension Milestone	Nimitz shall have prepared and submitted and obtained City approval of a Master Backbone Infrastructure Plan (as defined in Paragraph 17 of the Term Sheet).	6 years**
1st Extension of 3 years Ends				Year 6**
11	Phase II	Extension Milestone	Nimitz shall have substantially completed construction of at least the 100,000	8 years**

EXHIBIT B – SCHEDULE OF PERFORMANCE

	Development – Construction Complete		square feet of development of Phase II per #9 above. Substantially completed construction shall be referenced to an objective standard to be determined at a later date	
12	Phase III Development - Tentative Map & Unit Plan – Submission	Extension Milestone	Nimitz shall have prepared and submitted a master Tentative Map and Unit Plan(s) applications for development (substantial restoration, renovation and adaptive re-use, new construction, or a combination thereof) of at least 100,000 square feet of uses, in the aggregate, on North and/or South Mare Island all in a manner consistent with the Mare Island Specific Plan and/or any Specific Plan Amendments or Mare Island Plan), as approved by City.	9 years**
	2nd Extension of 3 years Ends			Year 9
13	Phase III Development – Construction Complete	Extension Milestone	Nimitz shall have substantially completed construction of at least the 100,000 square feet of development of Phase III per #12 above. Substantially completed construction shall be referenced to an objective standard to be determined at a later date	11 years**
	3rd Extension of 10 years Ends End of Term			Year 19

**The parties acknowledge that the final determination of the Minimum Development Threshold is dependent upon further review by HOK and qualified planners to include assessment of site conditions including soil conditions and seismic considerations and other required resilient design criteria.*

***City will review and provide completeness review under Milestones 6, 9 & 12 within [30] days of submission. The deadlines for Extension Milestones and the expiration of the First Extension and Second Extension will each be extended by an additional period of time (as agreed by the parties in the Option Agreement) if City (PC and/or Council) denies the Backbone Infrastructure Plan and/or the TM or UP application(s) to allow Nimitz additional time to revise, resubmit and obtain approval of such plan and/or applications.*