

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:
CITY CLERK
CITY OF EL SEGUNDO
350 Main Street
El Segundo, California 90245

EXEMPT FROM RECORDER'S FEES
Pursuant to Government Code § 6103

DEVELOPMENT AGREEMENT
BY AND BETWEEN
THE CITY OF EL SEGUNDO
AND
RAYTHEON COMPANY

2000 El Segundo Boulevard
El Segundo, California 90245

THIS AGREEMENT MUST BE RECORDED WITHIN TEN DAYS OF EXECUTION BY
ALL PARTIES HERETO PURSUANT TO THE REQUIREMENTS OF GOVERNMENT
CODE § 65868.5

7.6.2 Developer must allow a pedestrian easement across one or a combination of Parcels 13, 14 and/or 24 of Vesting Map No. 71551 to allow direct pedestrian access to the Green Line station. The walkway must be completed before a certificate of occupancy is issued for any building on Parcel 13 or 14. The walkway must be paved and compliant with ADA requirements with a minimum width of five feet.

7.7 Coral Circle Connection. Developer agrees to provide City with a 20-year irrevocable offer of dedication of Parcels 20 and 22 of Vesting Map No. 71551. This dedication may be accepted by City at such time City enters agreements with adjacent landowners located at 363-365 Coral Circle and 401 Coral Circle to obtain public street access across their property for a roadway to connect Nash Street to Coral Circle. The offer of dedication will allow for fee simple ownership of Parcels 20 and 22 to be transferred to the owners of 363-365 Coral Circle and 401 Coral Circle, and a public street dedication for a portion of the two parcels to the City for a roadway consistent with the "Local Commercial Street" General Plan Circulation Element Street Classification.

7.8 Traffic Fee In Lieu Credits. Except as otherwise specified herein, Developer will be entitled to in lieu credits against the City's traffic impact fees for all required traffic mitigation measures within the City of El Segundo's jurisdiction that are constructed or paid by Developer. Developer is not entitled to any in lieu credits for mitigation measures outside of the City's jurisdiction.

8. Utilities

8.1 City must maintain all City-owned public utilities located in public or private streets within the Campus. Any utilities located on private property must be the responsibility of Developer, or its successor in interest.

8.2 City is contemplating a capacity upgrade in the El Segundo sewer line.

8.2.1 Up to 2,142,457 gross square feet of development, the total amount of new development allowed by the Specific Plan, must be able to access sewer service in the El Segundo Boulevard sewer trunk line after completion of the sewer line upgrade provided that Developer contributes twenty-five percent (25%) up to a maximum amount of \$375,000.00 toward completion of the sewer upgrade.

8.2.2 Developer must make its contribution at the time the City awards the sewer improvement project, but no later than December 31, 2018, for Developer to obtain access to the El Segundo Boulevard sewer trunk line.

8.2.3 Upon payment, City must reserve a portion of the available capacity in the existing fifteen inch (15") line up to a net increase of 30,212 gallons per day for Developer and Developer is entitled to connect to the existing line through a temporary sewer connection. Developer is entitled to make a permanent connection to the upgraded line once the sewer capacity upgrade project is completed.

9. Recreational Access.

9.1 The Specific Plan provides for 7.54 acres of land to be used for Open Space and Recreational purposes. This land must remain private and only available to Raytheon employees. However, should Developer sell more than twenty percent (20%) of ESSCSP Campus Area (i.e., at least 28.44 acres), to a user other than Raytheon or a Raytheon affiliate, Developer must provide non-Raytheon or Raytheon affiliated employees within the ESSCSP area with permanent access to the 7.54-acre recreational area within the Campus. The access must be formalized through agreements between Raytheon and the purchaser(s) of the property.

9.2 Within 30 days of approval of a land transfer of the recreational/open space area to an alternative parcel and before a building permit may be issued on Parcel 11, the Developer must record a 20-year irrevocable offer of dedication of a 7.54 acre recreational/open space area to the City of El Segundo, in a form approved by the City Attorney, for future potential park purposes if located on any of the lots (Parcels 1, 2, 3, 4, 7, 8, 13 or 14 of Vesting Map No. 71551) and outside the Raytheon security fenced perimeter.

10. Payments after Approval.

10.1 Six Annual Payments. The Developer must make one annual payment of \$500,000 and five subsequent annual payments of \$700,000 each to the City. Payments will start on March 31, 2016 and occur annually on March 31st, with the final payment due on March 31, 2021. These payments will be deposited to the City's General Fund and may be used for any general purpose identified by the City Council in its sole discretion. The total amount of the six payments is \$4,000,000.

10.2 Payment in Year 10. If the Nash Street extension, identified in Section 7.1, is not completed within 10 years of the Effective Date, then the Developer is required to make a \$5,000,000 payment not later than the anniversary date that the Ordinance became effective (e.g., if the Ordinance became effective December 1, 2015, then payment would be due not later than December 2, 2025). This payment will be deposited to the City's General Fund and may be used for any general purpose identified by the City Council in its sole discretion.

10.3 Building Permit Fee. Before building permits are issued for any new development (not existing at time of project approval) in the project area, the Developer must pay a \$0.50 per gross square-foot fee. All revenue from this fee will be deposited to the City's General Fund and may be used for any general purpose identified by the City Council in its sole discretion.

11. Uniform Codes and Standard Specifications

11.1 Nothing in this Agreement prevents City from applying Uniform Codes to the Project provided that the provisions of any such Uniform Code:

11.1.1 apply to the Project only to the extent that such code is in effect on a City wide basis;

11.1.2 with respect to those portions of any such Uniform Code that have been adopted by City without amendment, be interpreted and applied in a manner consistent with the interpretation and application of such code pursuant to California Law.

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FIRST AMENDMENT TO DEVELOPMENT AGREEMENT
BY AND BETWEEN THE CITY OF EL SEGUNDO
AND
RAYTHEON COMPANY

THIS AGREEMENT MUST BE RECORDED WITHIN TEN DAYS OF EXECUTION BY
ALL PARTIES HERETO PURSUANT TO THE REQUIREMENTS OF GOVERNMENT
CODE § 65868.5

5. Section 7.1.2 (“Nash Street”) is hereby amended to read as follows:

“The Nash Street extension must be constructed, inspected, approved and/or accepted by the Public Works Director and Building Official, and/or their designees prior to the issuance of any certificate of occupancy for any new structure or improvement within Phase II, III or IV or for any new structure or improvement which would cause the Phase I Development trip cap of 89 a.m. peak hour, 225 p.m. peak hour trips, or 3,775 daily trips to be exceeded.”

6. Section 7.1.4 (“Nash Street”) is hereby amended to read as follows:

“When the Nash Street extension is complete Developer must offer for dedication the street and public improvements associated with the street to City (collectively, “Nash Street Improvements”). The City will accept the dedication of the Nash Street improvements if it is constructed in accordance with City standards and as noted in 7.1.2.”

7. Section 7.2.1 (“Continental Boulevard Public Access”) is hereby amended to read as follows:

“Prior to the issuance of any Certificate of Occupancy for new structures within Phase III, Developer must build that portion of the extension of Continental Boulevard roadway that is to be located on Parcel 25 in a manner consistent with the Secondary Arterial and Collector roadway classifications, as well as the transition between them, as shown on Vesting Map No. 71551. Prior to the issuance of any Certificate of Occupancy for any new construction or improvements that result in a net increase in square footage or a change in use within Phase IV, the Developer must build the extension of Continental Boulevard roadway that is to be located on Parcel 21 in a manner consistent with the Collector roadway classification as shown on Vesting Map No. 71551. Parcel 25 must be built prior to, or concurrent with Parcel 21.”

8. The following Section 7.9 is hereby added to the Agreement:

7.9 Transportation and Traffic Mitigation Measures “Fair Share”. When noted in the Mitigation, Monitoring, and Reporting Program’s Mitigation Measures TRA-1 through 9 inclusive, the term “fair share” shall be determined by dividing the number of PM peak hour trips produced by the individual development seeking a Certificate of Occupancy by the total Project PM peak hour trips Ceiling as noted in City Council Ordinance No. 1516, Exhibit D “Conditions of Approval” (3,120); multiplied by the total construction value of the TRA-1 through 9 improvements that permit “fair share” contributions as opposed to actual construction, as submitted by a State-licensed Civil Engineer and accepted and approved by the City Engineer.”

9. Section 9 (“Recreational Access”) is hereby amended to read as follows:

“9.1 The Specific Plan provides for 7.54 acres of land to be used for Open Space and Recreational purposes. This land must remain private and only available to Raytheon employees. However, should Developer sell more than twenty percent (20%) of ESSCSP Campus Area (i.e., at least 28.44 acres and not including parcels for which an irrevocable offer of dedication has made to the City which are located in Phases I through IV), to a user other than Raytheon or a Raytheon affiliate, Developer must provide non-Raytheon or Raytheon affiliated employees within the ESSCSP area with permanent access to the 7.54-acre recreational area within the Campus. The

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**SECOND AMENDMENT TO DEVELOPMENT AGREEMENT
BY AND BETWEEN THE CITY OF EL SEGUNDO,
CDC MAR EAST CAMPUS 1 LLC, AND
RAYTHEON COMPANY**

**THIS AGREEMENT MUST BE RECORDED WITHIN TEN DAYS OF EXECUTION
BY ALL PARTIES HERETO PURSUANT TO THE REQUIREMENTS OF GOVERNMENT
CODE § 65868.5**

4. The Agreement and First Amendment are amended such that all references to Parcels 1 through 26 in the Agreement shall refer to those Parcels as they are depicted in Exhibit 5 to the Modified Specific Plan rather than in Vesting Map No. 71551 or Vesting Map No. 83507.

5. Section 9.4 is hereby added to read as follows:

“9.4 The Sports Complex Project and the Relocation Project shall not trigger the requirements of Sections 9 of this Agreement, including sections 9.1, 9.2, or 9.3 of this Agreement which are alternative options for Raytheon or CDC Mar to meet the requirements of Section 9 of this Agreement. If the City receives the first \$1 million payment pursuant to Section, and it is not subsequently required to return it to CDC Mar, then the 7.54 acre requirement set forth in Section 9, shall be reduced to 7.34 acres.

6. Section 10.4 is hereby added to read as follows:

10.4 CDC/MAR Payment and Land Dedication to the City

a. Upon City’s final approval of the items listed under “Project Approvals” above, CDC MAR shall deposit with the City \$1,000,000. The \$1,000,000 once deposited with the City shall be non-refundable to CDC MAR and shall only be used by the City for Approved Expenditures for the Urho Saari Swim Stadium (“The Plunge”) as defined below in subsection (b).

b. The use of the Deposit shall be limited to capital projects for The Plunge, specifically hard and soft costs of the City Council-approved project (the “Approved Expenditures”).

c. In addition to subsection (a) above, CDC MAR shall deposit into an escrow account \$2,000,000 (“the “Deposit”) upon CDC MAR purchase of the land required for the Sports Complex Project which shall take place within 10 days of the date that all of the entitlements required for the Sports Complex Project are approved and past all applicable challenge periods (the “Close of Escrow”) and in no event later than six months after the Effective Date unless a legal challenge is filed challenging said entitlements. If a legal challenge is filed, the time period for depositing the \$2,000,000 into escrow shall be the later of the (i) Close of Escrow, or (ii) six months after the date that the litigation is fully adjudicated by a court of competent jurisdiction or is settled by the parties thereto.

d. The Deposit shall be released from the escrow account to the City in phases as follows: (1) \$1,000,000 upon the City’s issuance of a building permit for construction of the Sports Complex Project; and (2) \$1,000,000 upon City’s issuance of the permanent certificate of occupancy for the entire Sports Complex Project (the “Permanent C of O”).

e. Except as set forth in Section 10.4.g., once an amount has been released from escrow to the City, the City shall be entitled to keep and use such amount; however the amounts received by the City shall only be used for Approved Expenditures

f. If no building permit is issued for the Sports Complex Project within twelve (12) months of the Effective Date, the Deposit shall be released to CDC MAR.