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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

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## DEVELOPMENT AGREEMENT

This Development Agreement is made and entered into by and between the CITY OF EL SEGUNDO ("City"), a general law city and municipal corporation, and RAYTHEON COMPANY ("Developer"), a Delaware corporation, as of this 24 day of MARCH, 2016. City and Developer are also individually referred to as "Party" and collectively as "Parties." In consideration of the mutual covenants and agreements contained in this Agreement, City and Developer agree as follows:

1. Definitions. Unless the contrary is stated or clearly appears from the context, the following definitions govern the construction of the words and phrases used in this Agreement. Words and phrases not defined in this Section will have the meaning set forth in this Agreement; the El Segundo Municipal Code; or in common usage.

"Agreement" means this Development Agreement between the City and Developer.

"Applicable Rules" means:

- The El Segundo General Plan, as it existed on the Application Date, as modified by the Project Approvals;
- The El Segundo Municipal Code, as it existed on the Effective Date, as modified by the Project Approvals;
- The El Segundo South Campus Specific Plan as adopted;
- Such other laws, ordinances, rules, regulations, and official policies governing permitted uses of the Campus, density, design, improvement, development fees, and construction standards and specifications applicable to the development of the Campus in force at the time of the Effective Date, which are not in conflict with this Agreement.

"Application Date" means December 8, 2011, the date on which the last of the Project Approval applications was deemed complete by the City.

"Approved Plans" means a plan for any aspect of the Project, including, without limitation, the Site Plan, signage plans, and landscaping and irrigation plans, which are approved by City in accordance with the Development Standards, Applicable Rules and Project Approvals.

"Building Regulations" means those regulations set forth in Title 13 of the El Segundo Municipal Code.

"Campus" means that 142.28 acre property located at 2000 El Segundo Boulevard in El Segundo, California more particularly described in attached Exhibit "A," which is incorporated by reference.

“CEQA” means the California Environmental Quality Act (Public Resources Code § 21000, *et seq.*) including the regulations promulgated thereunder (14 Cal. Code of Regulations §15000, *et seq.*, the “CEQA Guidelines”).

“City Council” means the City Council of the City of El Segundo.

“Developer” means Raytheon Company and its transferees, assigns and successors in interest.

“Development Standards” means the design and development standards that are applicable to the Project.

“Director” means the Director of Planning and Building Safety, or designee.

“Effective Date” means the date on which the Enabling Ordinance becomes effective in accordance with Government Code § 36937.

“ESMC” means El Segundo Municipal Code.

“Existing Development” means that development which exists on the Campus on the Effective Date, as more specifically set forth in attached Exhibit “B,” which is incorporated by reference.

“Enabling Ordinance” means Ordinance No. 1516, approving this Development Agreement.

“Future Approvals” means such subsequent discretionary and ministerial entitlements, including permits, which are required to develop the Project in addition to the Project Approvals, and which are applied for by Developer and approved by City.

“New Development” means any development constructed within the Specific Plan area after the Effective Date.

“Person” must mean a natural person or any entity.

“Project” means the development of the Campus in accordance with the Project Approvals.

“Project Approvals” means:

- Final Environmental Impact Report No. EA-905, as certified by Resolution No. 4958;
- Mitigation Monitoring Program for Final Environmental Impact Report No. EA-905, as adopted by Resolution No. 4958;
- General Plan Amendment No. 11-01, as approved by Resolution No. 4958 including a change in the Land Use Map;



- El Segundo South Campus Specific Plan No. 11-01, as adopted by Ordinance No. 1516;
- Zone Change No. 11-02, as approved by Ordinance No. 1516, including a change in the Zoning Map;
- Zone Text Amendment No. 11-01, as approved by Ordinance No. 1516;
- Vesting Map No. 71551, as approved by Resolution No. 4958; and
- This Agreement.

“Specific Plan” or “ESSCSP” means the El Segundo South Campus Specific Plan.

“Subsequent Rules” means any changes to the Applicable Rules, including, without limitation, any change by means of an ordinance, initiative, resolution, policy, order or moratorium, initiated or instituted for any reason whatsoever and adopted by the City Council, the Planning Commission or any other board, agency, commission or department of the City, or any officer or employee thereof, or by the electorate, which would, absent this Agreement, otherwise be applicable to the Campus.

“Transferee” means a Person which assumes in whole or in part the rights and obligations under this Agreement with respect to all or a portion of the Campus.

“Uniform Codes” means those Uniform Codes adopted by reference in the ESMC in accordance with Government Code §§ 50022.2, et seq. as required by applicable law including, without limitation, Health and Safety Code § 18944.5 and Title 24 of the California Code of Regulations. The Uniform Codes govern building and construction standards including, without limitation, the building, plumbing, electrical, mechanical, grading, sign, and fire standards.

2. Recitals. This Agreement is made with respect to the following facts and for the following purposes, each of which is acknowledged as true and correct by the Parties:

2.1 Pursuant to Government Code § 65865, *et seq.*, City is authorized to enter into a binding contractual agreement with any person having a legal or equitable interest in real property for the development of such property.

2.2 Developer is the owner of the Campus.

2.3 Developer desires to develop the Campus in accordance with the El Segundo South Campus Specific Plan.

2.4 By this Agreement, City desires to obtain the binding agreement of Developer to develop the Campus in accordance with the Project Approvals and Applicable Rules. In consideration thereof, City agrees to limit the future exercise of certain of its governmental and proprietary powers to the extent specified in this Agreement.

2.5 By this Agreement, Developer desires to obtain the binding agreement of City to permit the development of the Campus in accordance with the Project Approvals and Applicable Rules. In consideration thereof, Developer agrees to waive its rights to challenge legally the restrictions and obligations set forth in this Agreement.

2.6 City and Developer have acknowledged and agreed that the consideration that is to be exchanged pursuant to this Agreement is fair, just and reasonable.

2.7 This Agreement is intended to provide flexible entitlements, within the parameters set forth herein and subject to the terms and conditions hereof, to meet the changing market demands that are likely to occur throughout the Term of this Agreement.

2.8 The Project uses are consistent with the General Plan, as amended through General Plan Amendment No. GPA 11-01.

2.9 Development of the Project will further the comprehensive planning objectives contained within the General Plan, and will result in public benefits including, among others, better circulation in the northeast quadrant of the City.

2.10 All of the Campus is subject to this Agreement.

3. Binding Effect. The burdens of this Agreement are binding upon, and the benefits of the Agreement inure to, each Party and each successive transferee, assign and successor in interest thereto and constitute covenants that run with the land.

3.1 Constructive Notice and Acceptance. Every Person who acquires any right, title or interest in or to any portion of the Campus in which Developer has a legal interest is, and must be, conclusively deemed to have consented and agreed to be bound by this Agreement, whether or not any reference to this Agreement is contained in the instrument by which such person acquired such right, title or interest.

3.2 Rights to Transfer. Developer may assign or transfer in whole or in part its rights and obligations under this Agreement with respect to the Campus, or any portion thereof, to any Transferee at any time during the Term of this Agreement without approval of City, including through provision of a long-term ground lease. For purposes of this Agreement, the Transferee must be considered the "owner" of that portion of the Campus which is covered by such transfer.

3.3 Liabilities Upon Transfer. Upon the delegation of the duties and obligations under this Agreement and the sale, transfer or assignment of all or any portion of the Campus, Developer will be released from its obligations under this Agreement with respect to the Campus, or portion thereof, so transferred arising subsequent to the effective date of such transfer, if (i) Developer has provided to City prior or subsequent written notice of such transfer and (ii) Transferee has agreed in writing to be subject to all of the provisions hereof applicable to the portion of the Campus so transferred by executing an Assignment and Assumption Agreement in the form of attached Exhibit "C," which is incorporated by reference. Upon any transfer of any portion of the Campus and the express assumption of Developer's obligations under this Agreement by such Transferee, City agrees to look solely to Transferee for compliance by such Transferee with the provisions of this Agreement as such provisions relate to the portion of the Campus acquired by such Transferee.

Any such Transferee must be entitled to the benefits of this Agreement as “Developer” hereunder and is subject to the obligations of this Agreement applicable to the parcel(s) transferred. A default by any Transferee only affects that portion of the Campus owned by such Transferee and does not cancel or diminish in any way Developer’s rights hereunder with respect to any portion of the Campus not owned by such Transferee. The Transferee is responsible for satisfying the good faith compliance requirements set forth in Section 8 below relating to the portion of the Campus owned by such Transferee, and any amendment to this Agreement between the City and a Transferee must only affect the portion of the Campus owned by such Transferee.

3.4 Resumption of Rights. If Transferee defaults with respect to any provision of this Agreement, Developer may, but is not obligated to, resume Transferee’s obligations upon written notification to City.

4. Development of the Campus. The following provisions, in addition to Applicable Rules, govern the development and use of the Campus. However, nothing affects any Existing Development on the Campus which is allowed to continue in its current location and under its current development standards.

4.1 Entitlement to Develop. The Developer is granted the vested right to develop the Project on the Campus subject to the Applicable Rules, the Project Approvals and any Future Approvals.

4.2 Permitted Uses, Density, Height and Dedication of Land for Public Purposes. The permitted and conditionally permitted uses of the Campus as well as the density or intensity of use, the maximum height and size of buildings and provisions for reservation or dedication of land for public purposes are set forth in the Project Approvals and Applicable Rules.

4.3 Development Standards. The Development Standards applicable to the Campus are set forth in the Project Approvals and Applicable Rules.

4.4 Building Regulations. Nothing in this Agreement precludes City from applying changes occurring from time to time in the Building Regulations, provided that such changes (a) are found by City to be necessary to the health or safety of the citizens of the City, (b) are generally applicable to all similar types of property in the City, and (c) do not prevent or unreasonably delay development of the Project in accordance with this Agreement.

4.5 Subsequent Rules. Subsequent Rules cannot be applied by City to any part of the Campus unless Developer gives City written notice of its election to have such Subsequent Rule applied to the Campus, in which case such Subsequent Rule is deemed to be an Applicable Rule.

4.6 Fees, Exactions, Mitigation Measures, Conditions, Reservations and Dedications.

4.6.1 All fees, exactions, mitigation measures, conditions, reservations and dedications of land for public purposes that are applicable to the Project are set forth in the Project Approvals, the Applicable Rules and this Agreement.

4.6.2 Except as otherwise provided in this Agreement, and specifically excluding fees set by entities not controlled by City that are collected by City, City can only charge and

impose those fees and exactions, including, without limitation, dedications and any other fee relating to development or the privilege of developing, which are in effect on a City-wide basis as of the Effective Date.

4.6.3 Developer must pay the impact fees pursuant to City Council Resolution Nos. 4443 and 4687.

4.6.4 This Section cannot be construed to limit the authority of City to charge normal and customary application, processing, and permit fees, including legal and environmental processing costs, for land use approvals, building permits and other similar permits, for Future Approvals, which fees are designed to reimburse City's actual expenses attributable to such application, processing and permitting and are in force and effect on a City-wide basis at such time as applications for such approvals are filed with City.

4.6.5 Nexus/Reasonable Relationship Challenges. Developer consents to, and waives any rights it may have now or in the future to challenge the legal validity of, the conditions, requirements, policies or programs required by this Agreement or Applicable Rules including, without limitation, any claim that they constitute an abuse of the police power, violate substantive due process, deny equal protection of the laws, effect a taking of property without payment of just compensation, or impose an unlawful tax.

4.7 Use of Easements. Notwithstanding the provisions of the Applicable Rules, easements dedicated for vehicular and pedestrian use are permitted to include easements for underground drainage, water, sewer, gas, electricity, telephone, cable, environmental remediation and other utilities and facilities so long as they do not unreasonably interfere with pedestrian and/or vehicular use.

4.8 Timing of Development. In Pardee Construction Co. v. City of Camarillo (Pardee), 37 Cal.3d 465 (1984), the California Supreme Court held that the failure of the parties therein to provide for the timing or rate of development resulted in a later-adopted initiative restricting the rate of development to prevail against the parties' agreement. City and Developer intend to avoid the result in Pardee by acknowledging and providing that Developer has the right, without obligation, to develop the Campus in such order and at such rate and times as Developer deems appropriate within the exercise of its subjective business judgment, subject to the Term of this Agreement.

In furtherance of the Parties' intent, as set forth in this Section, no future amendment of any existing City ordinance or resolution, or future adoption of any ordinance, resolution or other action, that purports to limit the rate or timing of development over time or alter the sequencing of development phases, whether adopted or imposed by the City Council or through the initiative or referendum process, applies to the Campus. However, nothing in this Section must be construed to limit City's right to enforce Developer's obligation pursuant to this Agreement to provide all infrastructure required by the Project Approvals and this Agreement.

Notwithstanding the above, Developer must be required to build the on-site and off-site infrastructure required for the Project in accordance with the Project Milestones and Thresholds that are listed in Exhibit D, attached hereto and incorporated herein by reference.

4.9 Moratorium. No City-imposed moratorium or other limitation (whether relating to the rate, timing or sequencing of the development or construction of all or any part of the Campus, whether imposed by ordinance, initiative, resolution, policy, order or otherwise, and whether enacted by the City Council, an agency of City, the electorate, or otherwise) affecting parcel or subdivision maps (whether tentative, vesting tentative or final), building permits, occupancy certificates or other entitlements to use or service (including, without limitation, water and sewer) approved, issued or granted within City, or portions of City, applies to the Campus to the extent such moratorium or other limitation is in conflict with this Agreement. However, the provisions of this Section do not affect City's compliance with moratoria or other limitations mandated by other governmental agencies or court-imposed moratoria or other limitations.

#### 4.10 Infrastructure.

4.10.1 Infrastructure Capacity. Subject to Developer's installation of infrastructure in accordance with the requirements of the Project Approvals, this Agreement, and any Future Approvals, City acknowledges that it will have sufficient capacity in its infrastructure, services and utility systems, including, without limitation, traffic circulation, storm drainage, flood control, electric service, sewer collection, sewer treatment, sanitation service and, except for reasons beyond City's control, water supply, treatment, distribution and service, to accommodate the Project. To the extent that City renders such services or provides such utilities, City agrees that it will serve the Project and that there is no restriction on hookups or service for the Project except for reasons beyond City's control.

4.10.2 Infrastructure Phasing Flexibility. Notwithstanding the provisions of any phasing requirements in the Project Approvals or any Future Approvals, Developer and City recognize that economic and market conditions may necessitate changing the order in which the infrastructure is constructed. Therefore, City and Developer agree that should it become necessary or desirable to develop any portion of the Project's infrastructure in an order that differs from the order set forth in this Agreement, Developer and City will collaborate and City will permit any modification requested by Developer so long as the modification continues to ensure adequate infrastructure is available to serve that portion of the Project being developed and is in compliance with Section 4.12 of this Agreement.

4.10.3 Infrastructure Completion. No building permit, final inspection or certificate of occupancy will be unreasonably withheld, conditioned, or delayed by City if all infrastructure required to serve the portion of the Campus covered by the building permit, final inspection or certificate of occupancy is in place or is suitably guaranteed to be completed (by covenant, bond, letter of credit or otherwise) to the reasonable satisfaction of the City before completion of construction and all of the other relevant provisions of the Project Approvals and any Future Approvals are satisfied.

4.10.4 Prevailing Wages. In the event any infrastructure improvements are paid for in whole or in part out of public funds, as contemplated by Labor Code § 1720, Developer must pay prevailing wages for the construction of such improvements to the extent required by Applicable Law.

4.11 Term. The term of this Agreement is ten (10) years from the Effective Date (the "Term"). However, Developer or City is entitled to, by written notice to the other Party before the Agreement's expiration, one (1) five (5)-year extension, provided that the requesting Party is not in material default of this Agreement at such time beyond any applicable period to cure provided for by Section 12 below. Before the expiration of such five (5)-year extension, the Parties may mutually agree to further extensions. In the event of litigation challenging this Agreement, the Term is automatically suspended for the duration of such litigation and resumes upon final disposition of such challenge and any appeal thereof upholding the validity of this Agreement. In the event that a referendum petition concerning this Agreement is duly filed in such a manner that the ordinance approving this Agreement is suspended, then the Term is deemed to commence upon City Council certification of the results of the referendum election approving this Agreement.

4.12 Term of Map(s) and Other Project Approvals. Pursuant to California Government Code §§ 66452.6(a) and 65863.9, the term of any subdivision or parcel map that has been or in the future may be processed on all or any portion of the Campus and the term of each of the Project Approvals will be extended for a period of time through the scheduled termination date of this Agreement as set forth in Section 4.11 above, including any extensions thereto pursuant to Section 4.11 above.

4.13 Satisfaction of Mitigation Measures and Conditions. In the event that any of the mitigation measures or conditions required of Developer are implemented by others, Developer is conclusively deemed to have satisfied such mitigation measures or conditions, consistent with CEQA. If any such mitigation measures or conditions are rejected by a governmental agency with jurisdiction, Developer may implement reasonably equivalent substitute mitigation, consistent with CEQA, to the City's satisfaction, in lieu of the rejected mitigation measures or conditions. Such substitution is deemed to be a Minor Modification pursuant to the ESSCSP.

4.14 In Lieu Credits. The City must grant Developer in lieu credits, as appropriate, and as specified herein and for those matters set forth on attached Exhibit "E," which is incorporated by reference.

## 5. Developer Agreements.

5.1 General. Developer must comply, or cause compliance, with: (i) this Agreement; (ii) the Project Approvals including, without limitation, all mitigation measures required by the determination made pursuant to CEQA; and (iii) all Future Approvals for which it is the applicant.

5.2 Maintenance Obligations. Developer must maintain all portions of the Campus visible from a public street and in its possession or control, including improvements thereon, in a clean, neat and orderly manner. Developer's maintenance obligations survive any termination or expiration of this Agreement.

### 5.3 Sales and Use Tax.

5.3.1 In the event the contract price for any work on the Project is valued at ten million dollars (\$10,000,000) or more, Developer agrees to report, on a State Board of Equalization Tax Return, any purchases of tangible personal property made in connection with the finishing of and/or installation of materials, or fixtures for the Project, when such purchases were made without

sales or use tax due. Developer must indicate the City as a registered job site location on the State Board of Equalization Tax Return. In such event, Developer must also obtain a permit or a sub-permit from the State Board of Equalization indicating the City as the registered job site location, in accordance with Revenue and Taxation Code § 7051.3 or State Board of Equalization Compliance Policy and Procedure Manual (Section 295.060).

5.3.2 Developer further agrees that if Developer retains contractors or subcontractors to perform a portion of work in the Project, and said contracts or subcontracts are valued at ten million dollars (\$10,000,000) or more, said contracts or subcontracts must contain the provisions set forth in Section 5.3.1 above.

5.3.3 The Director of Finance of the City is authorized to relieve Developer, and Developer's contractors and subcontractors, from the requirements set forth in this Section 5.3 upon proof to the reasonable satisfaction of the Director of Finance that Developer and/or its contractors or subcontractors have made good faith efforts to obtain said permit or sub-permits, but were denied the same by the State Board of Equalization.

5.4 All new development must have buildings designed to be energy efficient, at least fifteen percent (15%) above the requirements set forth in California Code of Regulations Title 24 in effect at the time that building plans are submitted.

## 6. City Agreements.

6.1 Expedited Processing. The City must process in an expedited manner all plan checking, excavation, grading, building, encroachment and street improvement permits, Certificates of Occupancy, utility connection authorizations, and other ministerial permits or approvals necessary, convenient or appropriate for the grading, excavation, construction, development, improvement, use and occupancy of the Project in accordance with City's accelerated plan check process under the Applicable Rules. Without limiting the foregoing, if requested by Developer, City agrees to utilize private planners and plan checkers (upon Developer's request and at Developer's cost) and any other available means to expedite the processing of Project applications, including concurrent processing of such applications by various City departments.

6.2 Processing Cooperation and Assistance. To the extent permitted by law, City must reasonably cooperate with Developer in securing any and all entitlements, authorizations, permits or approvals which may be required by any other governmental or quasi-governmental entity in connection with the development of the Project or the Campus. Without limiting the foregoing, City must reasonably cooperate with the Developer in any dealings with federal, state and other local governmental and quasi-governmental entities concerning issues affecting the Campus. City must keep Developer fully informed with respect to its communications with such agencies which could impact the development of the Campus. City must not take any actions to encourage any other governmental or quasi-governmental entities from withholding any necessary approvals and any such contrary actions on the part of the City must be considered a breach of this Agreement by City.

6.3 Processing During Third Party Litigation. The filing of any third party lawsuit(s) against City or Developer relating to this Agreement, the Project Approvals, any Future Approvals or to other development issues affecting any portion of the Campus or the Project must not hinder, delay or stop the development, processing or construction of the Project, approval of applications for any Future Approvals, or issuance of ministerial permits or approvals, unless the third party obtains a court order preventing the activity. City must not stipulate to or cooperate in the issuance of any such order.

6.4 Reimbursement for City's Efforts on Behalf of Developer. To the extent that City, on behalf of Developer, attempts to enter into binding agreements with other entities in order to ensure the availability of certain permits and approvals or services necessary for development of the Project as described in this Agreement, Developer must reimburse City for all costs and expenses incurred in connection with seeking and entering into any such agreement. Any fees, assessments or other amounts payable by City pursuant to any such agreement must be borne by Developer except where Developer notified City in writing, before City entering into such agreement, that it does not desire for City to execute such agreement.

6.5 City's Efforts to Defend and/or Enforce Multi Agency Agreements. Except as limited by Section 19.1, Developer must defend and indemnify – the to the extent set forth in this Agreement – City in any challenge by any person to any such agreement, and must reimburse City for any costs and expenses incurred by City in enforcing any such agreement.

## 7. Traffic Improvements.

### 7.1 Nash Street.

7.1.1 At such time that the Nash Street connection is required under the terms of the Agreement, Developer must build the Nash Street extension consistent with the General Plan Secondary Arterial roadway classification and as shown on Vesting Map No. 71551.

7.1.2 The Nash Street extension must be completed before Phase II of Vesting Map No. 71551 is recorded or a certificate of occupancy being issued for any new development which would cause the Phase 1 Development trip cap of 89 a.m. peak hour, 225 p.m. peak hour trips, or 3,775 daily trips to be exceeded.

7.1.3 Developer will receive in lieu credit against City's traffic impact fees for the actual cost of construction of the Nash Street extension. Developer must submit appropriate documentation to City to verify the construction costs.

7.1.4 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.

7.1.5 When City accepts the Nash Street extension and improvements, Developer will not be responsible for maintenance of the public street improvements including, without limitation, sidewalks, signs, roadways, street lights, and lighting fixtures. Public use of the Nash Street extension is not permitted until City accepts such dedication.



7.1.6 Developer agrees to cooperate with City in creating a landscaping and lighting assessment district to cover only the maintenance costs of the landscape and lighting portion of the Nash Street improvements and will not protest the formation of any such district. The costs of the assessment engineer and other direct set-up costs of the assessment district will be included in the assessment costs to be levied against the affected properties.

## 7.2 Continental Boulevard Public Access.

7.2.1 Developer must build the extension of the Continental Boulevard roadway located on Parcel 25 consistent with the General Plan Secondary Arterial roadway classification (as shown on Vesting Map No. 71551) before Phase II of Vesting Map No. 71551 is recorded. The Developer must build the extension of the Continental Boulevard roadway located on Parcel 21 consistent with the General Plan Collector roadway classification (as shown on Vesting Map No. 71551) before Phase III of Vesting Map No. 71551 is recorded.

7.2.2 Continental Boulevard, and the extension thereof, must remain a private roadway, except as specified in Sections 7.2.3 and 7.2.4 below. The private roadway may be fenced, and/or guarded and/or gated.

7.2.3 If at any time buildings along Continental Boulevard are sold, leased, or used by any third party (i) that is not an affiliate of Raytheon; or (ii) does not use or operate the buildings in furtherance of Raytheon's business operations, Developer must provide a public access easement to City for this street. For purposes of this section, an affiliate includes a subsidiary or partner of Raytheon.

7.2.4 Notwithstanding Section 7.2.3, Developer may offer Continental Boulevard to City for dedication. The City will accept the dedication of the Continental Boulevard improvements if it is constructed in accordance with City standards. If City accepts Continental Boulevard and its improvements, Developer will not be responsible for maintenance of the public street improvements including, without limitation, sidewalks, signs, roadways, street lights, and lighting fixtures.

7.2.5 Developer agrees to cooperate with City in creating a landscaping and lighting assessment district to cover only the maintenance costs of the landscape and lighting portion of the Continental Boulevard improvements and will not protest the formation of any such district. The costs of the assessment engineer and other direct set-up costs of the assessment district will be included in the assessment costs to be levied against the affected properties.

7.2.6 Developer agrees to a 20-year irrevocable offer of dedication to the City of Parcel 26 of Vesting Map No. 71551. This dedication may be accepted by the City at such time the City permits circulation through the adjacent golf course and that portion of Continental Boulevard connecting Parcel 26 and El Segundo Boulevard is made accessible to the public.

## 7.3 El Segundo Boulevard Improvements.

7.3.1 Developer must complete the El Segundo Boulevard roadway improvements consistent with the General Plan Major Arterial classification and as shown on Vesting Map No. 71551, based on the following phasing criteria:

7.3.1.1 If either Parcel 15 or 16 of Vesting Map No. 71551 is developed, the required roadway improvements must be completed on the El Segundo Boulevard frontage of both Parcels 15 and 16 before City issues a certificate of occupancy for any new building in that area.

7.3.1.2 If Parcel 14 of Vesting Map No. 71551 is developed, the required roadway improvements must be completed on the El Segundo Boulevard frontage of Parcel 14 before City issues a certificate of occupancy for any new building in that area.

7.3.1.3 If Parcels 1, 2, 3, or 4 of Vesting Map No. 71551 are developed, then the required roadway improvements must be completed on the El Segundo Boulevard frontage for all parcels within the Specific Plan area with El Segundo Boulevard frontage before City issues a certificate of occupancy for any new building in such areas.

7.3.2 Developer is responsible for all construction costs relating to the El Segundo Boulevard roadway improvements, including the cost of roadway construction, retaining walls, pole relocation and Class 1 bicycle path (see Section 7.4), except as specified below.

7.3.2.1 Notwithstanding the above, Developer is not responsible for relocation of any infrastructure that is not directly on the El Segundo Boulevard frontage and located within the Campus. The SCE towers at the corner of El Segundo and Sepulveda Boulevards are specifically excluded from Developer's responsibility under this Section 7.3.2.

7.3.2.2 Developer is entitled to receive in lieu credit against City's traffic impact fees for the actual cost of construction of the El Segundo Boulevard improvements. Developer must submit documentation acceptable to City to verify the construction costs. No credit will be given for the value of the land area required for the El Segundo Boulevard widening.

7.3.2.3. Developer's costs will be offset by any grants provided to City for such improvements by any outside agency. City must use its best efforts to seek any and all available grants.

7.3.3 As an alternative to construction, Developer may pay a portion of the required traffic mitigation fees as a lump sum. This lump sum would cover the costs of El Segundo Boulevard improvements located in the plan area within 275 feet east of the Sepulveda Boulevard intersection. This area includes three (3) utility poles Developer has identified as having significant relocation costs. This lump sum would be required before the first building permit for new development in the Campus is issued. The amount of the lump sum will be based on a revised estimate of the costs associated with improvements within the El Segundo Boulevard right-of-way where Developer would like City to proceed with improvements instead of the Developer.

#### 7.4 El Segundo Boulevard Bicycle Path.

7.4.1 Developer must construct a Class 1 bicycle path on El Segundo Boulevard during the same period in which the El Segundo Boulevard Improvements discussed in Section 7.3 above are installed, subject to the following:

7.4.1.1 For lots with frontage on that portion of El Segundo Boulevard located east of the future extension of Continental Boulevard and west of the future extension of Nash Street, the bicycle path may be located within the required building setback areas as long as a five foot distance is maintained between the bicycle path and any building or structure.

7.4.1.2 In order to facilitate the 4<sup>th</sup> travel lane under the Green-Line light rail overpass, the El Segundo Boulevard bike path must be routed south of the overpass supports and through the Metro Station area. An easement must be provided over Parcel 14 of Vesting Map No. 71551 to allow this routing. No building setback modifications are required due to such rerouting as long as a five foot distance between the bicycle path and any building is maintained.

7.4.1.3 Developer is not responsible for the cost of relocation any infrastructure that is not directly on the El Segundo Boulevard frontage of the Campus, including without limitation, the SCE tower at the corner of El Segundo and Sepulveda Boulevards.

7.4.2 Developer is entitled to receive in lieu credit against City's traffic impact fees for the actual cost of construction of the El Segundo Boulevard bicycle path. Developer must submit documentation acceptable to City to verify the construction costs. No credit will be given for the value of the land area under the El Segundo Boulevard bike path.

7.4.3 Developer's costs will be offset by any grants provided to the City of El Segundo by any outside agency relating to the construction of the bicycle path along El Segundo Boulevard.

#### 7.5 Nash Street Extension Bicycle Lane.

7.5.1 At such time as the Nash Street Extension must be completed pursuant to Section 7.1.2 above, Developer must construct a Class II bicycle lane in each direction of the Nash Street extension.

7.5.2 The Class II bicycle lane will be integrated into the Nash Street roadway.

7.5.3 Construction costs for the bicycle lane are considered to be part of the overall Nash Street roadway extension and are Developer's responsibility.

7.5.4 The width of the Class II bicycle lanes are included within the overall Right of Way width of the Nash Street Extension. This is illustrated in the Vesting Map No. 71551 exhibit entitled "Typical Section: Secondary Arterial Street." No additional public right-of-way will be required for the bicycle lane.

#### 7.6 Green Line Station.

7.6.1 Developer must pay \$75,000 towards the construction of bicycle parking facilities at or adjacent to the Metro Green Line El Segundo Station. The \$75,000 payment must be made before City issues a certificate of occupancy for any building included in Phase II. Developer is entitled to receive in lieu credit against City's traffic impact fees for this payment.

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 31<sup>st</sup>, 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.

11.2 Nothing in this Agreement prevents City from applying to the Project “standard specifications” for public improvements (e.g., streets, storm drainage, parking lot standards, driveway widths) as the same may be adopted or amended from time to time by City, provided that the provisions of any such standards and specifications apply only to the extent they are in effect on a Citywide basis and do not conflict with standards contained in the Specific Plan. As they concern the Project or the Project Site, to the extent any City Law or other City ordinance, regulation, standard, or specification conflicts with the Specific Plan, the Specific Plan controls unless otherwise provided herein.

11.3 State and Federal Law. As provided in Government Code § 65869.5, in the event that state or federal laws or regulations, enacted after the Vesting Date (“Changes in the Law”) prevent or preclude compliance with one or more provisions of this Agreement, such provisions of the Agreement will be, by operation of law, modified or suspended, or performance thereof delayed, as and to the extent necessary to comply with such Changes in the Law. In the event any state or federal resources agency (i.e., California Department of Fish and Game, U.S. Fish and Wildlife Service, U.S. Army Corps of Engineers, Regional Water Quality Control Board/State Water Resources Control Board), in connection with its final issuance of a permit or certification for all or a portion of the Project, imposes requirements (“Permitting Requirements”) that require modifications to the Project, then the parties will work together in good faith to incorporate such changes into the Project; provided, however, that if Developer appeals or challenges any such Permit Requirements, then the parties may defer such changes until the completion of such appeal or challenge.

## 12. Demonstration of Good Faith Compliance

12.1 Review of Compliance. In accordance with Government Code § 65865.1, this Section 12 and the Applicable Rules, once each year, on or before each anniversary of the Effective Date (“Periodic Review”), the Director will review the extent of Developer’s good faith substantial compliance with the terms and provisions of this Agreement as well as the performance by the City of its obligations under this Agreement.

12.2 Good Faith Compliance. During each Periodic Review, Developer must demonstrate that, during the preceding twelve (12) month period, that it has been in good faith compliance with this Agreement. For purposes of this Agreement, the phrase “good faith compliance” means that Developer has demonstrated that it acted in a commercially reasonable manner (taking into account the circumstances which then exist) and in good faith in and has substantially complied with Developer’s material obligations under this Agreement.

12.3 City Report - Information to be Provided to Developer. At least fourteen (14) days before the annual anniversary of the Effective Date the City must deliver to Developer a copy of all staff reports prepared in connection with a Periodic Review, any prior staff reports generated during the review period, written comments from the public and, to the extent practical, all related exhibits concerning such Periodic Review (“City Report”).

12.4 Developer’s Report. No later than the annual anniversary of the Effective Date, Developer must submit a written status report to the Director addressing the good faith compliance

issue and any issues raised by the City Report provided to Developer in accordance with Section 12.3 above.

12.5 Notice Of Non-Compliance; Cure Rights. If, after reviewing the Developer's Report, the Director reasonably concludes on the basis of substantial evidence that as to any parcel or parcels comprising the Campus, Developer has not demonstrated that it is in good faith compliance with this Agreement the Director may issue and deliver to Developer a written Notice of Violation as set forth in Section 14 below.

12.6 Public Notice of Finding. Any appeal of the Director's determination (including any appeal by Developer) must be filed within twenty (20) days following such decision. Filing such an appeal tolls the cure period specified in the Notice of Violation. Notwithstanding Section 17, an appeal regarding the Notice of Violation must be heard directly by the City Council at a duly-noticed public hearing and the City Council must issue a final decision. Not in limitation of the forgoing, Developer retains the right to challenge City's issuance of any final decision pursuant to Code of Civil Procedure § 1094.5 without complying with the procedures set forth in Section 13.4 below.

12.7 Failure of Periodic Review. The City's failure to review, at least annually, compliance by Developer with the terms and conditions of this Agreement does not constitute nor can it be asserted by any Party as a breach by any other Party of this Agreement. If the City fails to provide the City Report by the Effective Date, Developer will be deemed to be in good faith compliance with this Agreement.

13. Excusable Delays. Performance by any Party of its obligations in this Agreement is excused during any period of "Excusable Delay," as defined, provided that the Party claiming the delay gives notice of the delay to the other Party as soon as reasonably possible after the same has been ascertained. For purposes hereof, Excusable Delay means delay that directly affects, and is beyond the reasonable control of, the Party claiming the delay, including without limitation: (a) civil commotion; (b) riot; (c) strike, picketing or other labor dispute; (d) shortage of materials or supplies; (e) damage to work in progress or delays by reason of fire, flood, including flood due to rains, earthquake, windstorm, or other casualty; (f) reasonably unforeseeable delay caused by a reasonably unforeseeable restriction imposed or mandated by a governmental entity other than City; (g) litigation brought by a third party attacking the validity of a Project Approval, a Future Approval or any other action necessary for development of the Campus; (h) delays caused by any default by the other Party; or (i) delays due to the presence or remediation of hazardous materials. The Term of this Agreement, including any extensions, will automatically be extended by any period of Excusable Delay.

#### 14. Default Provisions.

14.1 Default. Either Party to this Agreement will have breached this Agreement if it materially breaches any of the provisions of this Agreement and the same is not cured within the time set forth in a written notice of violation (the "Notice of Violation") from the non-breaching Party to the breaching Party, which period of time is not less than ten (10) days following receipt of written notice from the non-breaching Party for monetary defaults, and not less than sixty (60) days following receipt of written notice from the non-breaching Party for non-monetary defaults

from the date that the notice is deemed received, provided if the breaching Party cannot reasonably cure a non-monetary default within the time set forth in the notice, then the breaching Party will not be in default if it commences to cure the default within such time limit and diligently effects such cure thereafter. If City determines that a default may have occurred, City may choose to terminate this Agreement in which case it must give written notice to Developer of its intention to terminate and comply with the notice and public hearing requirements of Government Code §§ 65867 and 65868. At the time and place set for the hearing on termination, Developer will be given an opportunity to be heard. If the City Council finds based upon the evidence that Developer is in breach of this Agreement, the City Council may modify or terminate this Agreement; provided, however, if Developer initiates a resolution of dispute in accordance with the provisions of Section 14.4 below within sixty (60) days following the City Council's determination that Developer is in breach of this Agreement, the City Council's decision to modify or terminate this Agreement is stayed until the issue has been resolved through informal procedures, mediation, or court proceedings.

14.2 Content of Notice of Violation. Every Notice of Violation must state with specificity that it is given pursuant to this Section of the Agreement, the nature of the alleged breach, (including references to the pertinent provisions of this Agreement), the portion of the Campus involved, and the manner in which the breach may be satisfactorily cured. Notice must be given in accordance with Section 23 hereof.

14.3 Remedies for Breach. The Parties agree that the remedies for breach of this Agreement are limited to the remedies expressly set forth in this subsection. The remedies for breach of this Agreement by City or Developer are limited to injunctive relief and/or specific performance.

14.4 Resolution of Disputes. City and Developer agree to attempt to settle any claim, dispute or controversy arising from this Agreement through consultation and negotiation in good faith and in a spirit of mutual cooperation. If those attempts fail, the dispute may be mediated by a mediator chosen jointly by City and Developer within thirty (30) days after notice by one of the parties demanding non-binding mediation. Neither party may unreasonably withhold consent to the selection of a mediator, and City and Developer will share the cost of the mediation equally. The parties may agree to engage in some other form of non-binding alternate dispute resolution ("ADR") procedure in lieu of mediation. Any dispute that cannot be resolved between the parties through negotiation or mediation within two months after the date of the initial demand for non-binding mediation may then be submitted to a court of competent jurisdiction in the County of Los Angeles, California.

14.5 Attorneys Fees and Costs. Each party to this Agreement agrees to waive any entitlement of attorneys' fees and costs incurred with respect to any dispute arising from this Agreement. The parties will each bear their own attorneys' fees and costs in the event of any dispute.

15. Mortgagee Protection. This Agreement does not prevent or limit the Developer, in any manner, at Developer's sole discretion, from encumbering the Campus or any portion thereof or any improvements thereon by any mortgage, deed of trust or other security device. City acknowledges that the lender(s) providing such financing ("Mortgagee") may require certain



Agreement interpretations and agrees, upon request, from time to time, to meet with Developer and representatives of such lender(s) to provide within a reasonable time period City's response to such requested interpretations. City will not unreasonably withhold its consent to any such requested interpretation, provided that such interpretation is consistent with the intent and purposes of this Agreement. Any Mortgagee of a mortgage or a beneficiary of a deed of trust or any successor or assign thereof, including without limitation the purchaser at a judicial or non-judicial foreclosure sale or a person or entity who obtains title by deed-in-lieu of foreclosure on the Campus must be entitled to the following rights and privileges:

15.1 Mortgage Not Rendered Invalid. Neither entering into this Agreement nor a breach of this Agreement will defeat, render invalid, diminish, or impair the priority of the lien of any mortgage or deed of trust on the Campus made in good faith and for value. No Mortgagee has an obligation or duty under this Agreement to perform Developer's obligations, or to guarantee such performance, before taking title to all or a portion of the Campus.

15.2 Request for Notice to Mortgagee. The Mortgagee of any mortgage or deed of trust encumbering the Campus, or any part thereof, who has submitted a request in writing to the City in the manner specified herein for giving notices, is entitled to receive a copy of any Notice of Violation delivered to the Developer.

15.3 Mortgagee's Time to Cure. City must provide a copy of any Notice of Violation to the Mortgagee within ten (10) days of sending the Notice of Violation to Developer. The Mortgagee has the right, but not the obligation, to cure the default for a period of sixty (60) days after receipt of such Notice of Violation or such longer period of time as may be specified in the Notice. Notwithstanding the foregoing, if such default is a default which can only be remedied by such Mortgagee obtaining possession of a Campus, or any portion thereof, and such Mortgagee seeks to obtain possession, such Mortgagee has until sixty (60) days after the date of obtaining such possession to cure or, if such default cannot reasonably be cured within such period, to commence to cure such default, provided that such default is cured no later than one (1) year after Mortgagee obtains such possession.

15.4 Cure Rights. Any Mortgagee who takes title to all of the Campus, or any part thereof, pursuant to foreclosure of the mortgage or deed of trust, or a deed in lieu of foreclosure, will succeed to the rights and obligations of Developer under this Agreement as to the Campus or portion thereof so acquired; provided, however, in no event is such Mortgagee liable for any defaults or monetary obligations of Developer arising before acquisition of title to the Campus by such Mortgagee, except that any such Mortgagee is not entitled to a building permit or occupancy certificate until all delinquent and current fees and other monetary or non-monetary obligations due under this Agreement for the Campus, or portion thereof acquired by such Mortgagee, have been satisfied.

15.5 Bankruptcy. If any Mortgagee is prohibited from commencing or prosecuting foreclosure or other appropriate proceedings in the nature of foreclosure by any process or injunction issued by any court or by reason of any action by any court having jurisdiction of any bankruptcy or insolvency proceedings involving Developer, the times specified in Section 14.3 above will be extended for the period of the prohibition, except that any such extension cannot extend the Term of this Agreement.

15.6 Disaffirmation. If this Agreement is terminated as to any portion of the Campus by reason of (i) any default or (ii) as a result of a bankruptcy proceeding, this Agreement is disaffirmed by a receiver, liquidator, or trustee for Developer or its property, City, if requested by any Mortgagee, will negotiate in good faith with such Mortgagee for a new development agreement for the Project as to such portion of the Campus with the most senior Mortgagee requesting such new agreement. This Agreement does not require any Mortgagee or the City to enter into a new development agreement pursuant to this Section.

16. Estoppel Certificate. At any time and from time to time, Developer may deliver written notice to City and City may deliver written notice to Developer requesting that such Party certify in writing that, to the knowledge of the certifying Party: (i) this Agreement is in full force and effect and a binding obligation of the Parties; (ii) this Agreement has not been amended, or if amended, the identity of each amendment; and (iii) the requesting Party is not in breach of this Agreement, or if in breach, a description of each such breach. The Party receiving such a request must execute and return the certificate within thirty (30) days following receipt of the notice. The failure of City to deliver such a written notice within such time constitutes a conclusive presumption against City that, except as may be represented by Developer, this Agreement is in full force and effect without modification, and that there are no uncured defaults in the performance of the Developer. The Director is authorized to execute, on behalf of City, any Estoppel Certificate requested by Developer. City acknowledges that a certificate may be relied upon by successors in interest to Developer who requested the certificate and by holders of record of deeds of trust on the portion of the Campus in which that Developer has a legal interest.

17. Administration of Agreement.

17.1 Appeal of Determinations. Any decision by City staff concerning the interpretation or administration of this Agreement or development of the Campus in accordance herewith may be appealed by Developer to the Planning Commission, and thereafter, if necessary, to the City Council pursuant to the El Segundo Municipal Code. Developer cannot seek judicial review of any staff decision without first having exhausted its remedies pursuant to this Agreement. Final determinations by the City Council are subject to judicial review subject to the restrictions and limitations of California law.

17.2 Operating Memoranda. The provisions of this Agreement require a close degree of cooperation between City and Developer. During the Term of this Agreement, clarifications to this Agreement and the Applicable Rules may be appropriate with respect to the details of performance of City and Developer. If and when, from time to time, during the Term of this Agreement, City and Developer agree that such clarifications are necessary or appropriate, they will effectuate such clarification through a memoranda approved in writing by City and Developer (the "Operating Memoranda"), which, after execution, will be attached hereto and become part of this Agreement and the same may be further clarified from time to time as necessary with future written approval by City and Developer. Operating Memoranda are not intended to and do not constitute an amendment to this Agreement but are mere ministerial clarifications, therefore public notices and hearings are not required. The City Attorney is authorized, upon consultation with, and approval of, the Developer, to determine whether a requested clarification may be effectuated pursuant to this Section or whether the requested clarification is of such character to constitute an amendment hereof which requires compliance with the provisions of Section 18 below. The authority to enter

into such Operating Memoranda is hereby delegated to the Director, and the Director is hereby authorized to execute any Operating Memoranda hereunder without further City Council action.

17.3 Certificate of Performance. Upon the completion of the Project, or the completion of development of any parcel within the Project, or upon completion of performance of this Agreement or its earlier revocation and termination, City must provide Developer, upon Developer's request, with a statement ("Certificate of Performance") evidencing said completion or revocation and the release of Developer from further obligations hereunder, except for any ongoing obligations hereunder. The Certificate of Performance must be signed by the appropriate agents of Developer and City and be recorded in the official records of Los Angeles County, California. Such Certificate of Performance is not a notice of completion as referred to in Civil Code § 3093.

18. Amendment or Termination by Mutual Consent. Except as otherwise set forth herein, this Agreement may only be amended or terminated, in whole or in part, by mutual consent of City and Developer, and upon compliance with the provisions of Government Code §§ 65867 and 65867.5.

19. Indemnification/Defense.

19.1 Indemnification. Developer agrees to indemnify and hold the City harmless from and against any claim, action, damages, costs (including, without limitation, attorney's fees), injuries, or liability, arising from the City's approval of Project, this Agreement, Developer's performance of this Agreement, and all procedures with approving this Agreement (collectively, "Discretionary Approvals"), except to the extent such is a result of the City's sole negligence or intentional misconduct. Should the City be named in any suit, or should any claim be brought against it by suit or otherwise, whether the same be groundless or not, arising out of the Discretionary Approvals, Developer agrees to defend the City (at the City's request and with counsel satisfactory to the City) and will indemnify the City for any judgment rendered against it or any sums paid out in settlement or otherwise, except to the extent such action is a result of the City's sole negligence or intentional misconduct. For purposes of this Section "the City" includes the City of El Segundo's elected officials, appointed officials, officers, and employees.

19.2 Defense of Agreement. If City accepts Developer's indemnification and defense as provided in Section 19.1 above, City agrees to and must timely take all actions which are necessary or required to uphold the validity and enforceability of this Agreement, the Discretionary Approvals, Project Approvals, Development Standards and the Applicable Rules. This Section 19 will survive the termination of this Agreement.

20. Cooperation in the Event of Legal Challenge.

20.1 Third Party Challenges. In the event of any administrative, legal or equitable action or other proceeding instituted by any person or entity not a party to the Agreement challenging the validity of any provision of this Agreement, challenging any Approval, or challenging the sufficiency of any environmental review of either this Agreement or any Approval under CEQA (each a "Third Party Challenge"), each party must cooperate in the defense of such Third Party Challenge, in accordance with this Section. Developer agrees to pay City's costs of defending a Third Party Challenge, including all court costs and reasonable attorney's fees expended by City

(including the time and cost of the City Attorney) in defense of any Third Party Challenge, as well as the time of City's staff spent in connection with such defense. Developer may select its own legal counsel to represent Developer's interests in any Third Party Challenge at Developer's sole cost and expense. City agrees that it will not enter into a settlement agreement to any Third Party Challenge without Developer's written consent. Developer's obligation to pay City's costs in the defense of a Third Party Challenge does not extend to those costs incurred on appeal unless otherwise authorized by Developer in writing.

20.2 Third Party Challenges Related to the Applicability City Laws. The provisions of this Section will apply only in the event of a legal or equitable action or other proceeding, before a court of competent jurisdiction, instituted by any person or entity not a party to the Agreement challenging the applicability to the Project or Project Site of a conflicting City Law (a "Third Party Enforcement Action"):

20.2.1 In the event of a Third Party Enforcement Action, City must (i) promptly notify Developer of such action or proceeding, and (ii) stipulate to Developer's intervention as a party to such action or proceeding unless Developer has already been named as a respondent or real party in interest to such action or proceeding. In no event will City take any action that would frustrate, hinder, or otherwise complicate Developer's efforts to intervene, join or otherwise participate as a party to any Third Party Enforcement Action. As requested by Developer, City must use its best efforts to ensure that Developer is permitted to intervene, join or otherwise participate as a party to any Third Party Enforcement Action. If, for any reason, Developer is not permitted to intervene, join or otherwise participate as a party to any Third Party Enforcement Action, the parties to this Agreement agree to cooperate, to the maximum extent permitted by law, in the defense of such action or proceeding. For purposes of this Section, the required cooperation between the parties includes, without limitation, developing litigation strategies, preparing litigation briefs and other related documents, conferring on all aspects of the litigation, developing settlement strategies, and, to the extent permitted by law, jointly making significant decisions related to the relevant litigation, throughout the course thereof.

20.2.2 City's costs of defending any Third Party Enforcement Action, including all court costs, and reasonable attorney's fees expended by City (including the time and cost of the City Attorney) in defense of any Third Party Enforcement Action, as well as the time of City's staff spent in connection with such defense (the "Enforcement Action Defense Costs), will be paid in accordance with this Agreement. Notwithstanding the forgoing, in no event will the Enforcement Action Defense Costs extend to, nor will Developer or the Project be obligated to pay, any costs incurred on appeal unless otherwise authorized by Developer in writing;

20.2.3 City must not enter into a settlement agreement or take any other action to resolve any Third Party Enforcement Action without Developer's written consent. City cannot, without Developer's written consent, take any action that would frustrate, hinder or otherwise prevent Developer's efforts to settle or otherwise resolve any Third Party Enforcement Action.

20.2.4 Provided that City complies with this Section and provided that Developer is a party to the relevant Third Party Enforcement Action, Developer agrees to be bound by any final judgment (i.e., following all available appeals) arising out of a Third Party Enforcement Action and further agrees that no default under this Agreement will arise if such final judgment

requires City to apply to the Project or Project Site a City Law that conflicts with Applicable Rules or this Agreement.

21. Time of Essence. Time is of the essence for each provision of this Agreement of which time is an element.

22. Effective Date. This Agreement becomes operative on the Effective Date.

23. Notices. Any notice that a party is required or may desire to give the other must be in writing and may be sent by: i) personal delivery; or ii) by deposit in the United States mail, postage paid, registered or certified mail, return receipt requested; or iii) by overnight delivery using a nationally recognized overnight courier, providing proof of delivery; or iv) by facsimile or electronic delivery, evidenced by confirmed receipt, addressed as follows (subject to the right of a party to designate a different address for itself by notice similarly given):

If to City: City of El Segundo  
350 Main Street  
El Segundo, California 90245  
Attention: City Manager  
Phone: 310 524-2301  
Fax: 310 322-7137  
E-Mail: gcarpenter@elsegundo.org

With a Copy to: City of El Segundo  
350 Main Street  
El Segundo, California 90245  
Attention: Director of Planning and Building Safety  
Phone: 310 524-2346  
Fax: 310 322-4167  
E-mail: slcc@elsegundo.org

With a Copy to: City of El Segundo  
350 Main Street  
El Segundo, California 90245  
Attention: Planning Manager  
Phone: 310 524-2340  
Fax: 310 322-4167

With a Copy to: Hensley Law Group  
2600 W. Olive Avenue, Suite 500  
Burbank, California 91505  
Attention: Mark D. Hensley, Esq.  
Phone: 818/333-5120  
Fax: 818/333-5121

E-Mail: mhensley@hensleylawgroup.com

If to Developer:

Raytheon Company  
 2000 El Segundo Boulevard  
 Mail Station S158  
 El Segundo, California 90245  
 Attention: Director of Facilities and Real Estate  
 Phone: 310/647-8880  
 Fax: 310/647-9348  
 E-Mail: scott\_pozza@raytheon.com

With a Copy to:

Raytheon Company  
 2000 El Segundo Boulevard  
 Mail Station S175  
 El Segundo, California 90245  
 Attention: Senior Manager of Real Estate  
 Phone: 310/647-2567  
 Fax: 310/647-9348  
 E-Mail: aadamsl@raytheon.com

With a Copy to:

Raytheon Company  
 870 Winter Street  
 Waltham, MA 02451  
 Attention: Real Estate Department  
 Phone: 781/522-3062  
 Fax: 781/522-6465  
 Email: jerry\_a\_cellucci@raytheon.com

Any notice given by mail is deemed to have been given as of the date of delivery (whether accepted or refused) established by United States Post Office, return receipt, or the overnight carrier's proof of delivery, as the case may be. Notices given in any other manner are effective only if and when received by the party to be notified between the hours of 8:00 a.m. and 5:00 p.m., local time of the recipient, of any business day with delivery made after such hours deemed received the following business day. A party's address may be changed by written notice to the other party effective upon actual receipt of such notice. After a transfer of all or a portion of the Campus pursuant to Sections 3.2 and 3.3, Developer must be copied on all correspondence whether by City or Transferee relating to such transferred property.

24. Entire Agreement. This Agreement contains the entire agreement between the Parties regarding the subject matter hereof, and supersedes in its entirety all prior agreements or understandings, oral or written. This Agreement cannot be amended, except as expressly provided herein

25. Waiver. No waiver of any provision of this Agreement constitutes a waiver of any other provision, whether or not similar; nor must any such waiver constitute a continuing or subsequent

waiver of the same provision. No waiver is binding, unless it is executed in writing by a duly authorized representative of the Party against whom enforcement of the waiver is sought.

26. Ambiguities or Uncertainties. The parties hereto have mutually negotiated the terms and conditions of this Development Agreement and this has resulted in a product of the joint drafting efforts of both parties. Neither party is solely or independently responsible for the preparation or form of this Agreement. Therefore, any ambiguities or uncertainties are not to be construed against or in favor of either party.

27. Supersession of Subsequent Laws of Judicial Action. The provisions of this Agreement must, to the extent feasible, be modified or suspended as may be necessary to comply with any new law or decision issued by a court of competent jurisdiction, enacted or made after the effective date which prevents or precludes compliance with one or more provisions of this Agreement. Immediately after enactment of any such new law, or issuance of such decision, the parties must meet and confer in good faith to determine the feasibility of any such modification or suspension based on the effect such modification or suspension would have on the purposes and intent of this Agreement.

28. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement is effective to the extent the remaining provisions are not rendered impractical to perform, taking into consideration the purposes of this Agreement.

29. Relationship of the Parties. Each Party acknowledges that, in entering into and performing under this Agreement, it is acting as an independent entity and not as an agent of any other Party in any respect. Nothing contained herein or in any document executed in connection herewith must be construed as creating the relationship of partners, joint ventures or any other association of any kind or nature between City and Developer, jointly or severally.

30. No Third Party Beneficiaries. This Agreement is made and entered into for the sole benefit of the Parties and their successors in interest. No other person or party must have any right of action based upon any provision of this Agreement.

31. Recordation of Agreement and Amendments. This Agreement and any amendment thereof must be recorded with the County Recorder of the County of Los Angeles by the City Clerk of City.

32. Cooperation Between City and Developer. City and Developer will execute and deliver to the other all such other and further instruments and documents as may be reasonably necessary to carry out the purposes of this Agreement. Upon satisfactory performance by Developer, and subject to the continuing cooperation of the Developer, City will commence and in a timely manner proceed to complete all steps necessary for the implementation of this Agreement and development of the Project or Campus in accordance with the terms of this Agreement.

33. Rules of Construction. The captions and headings of the various sections and subsections of this Agreement are for convenience of reference only, and they do not constitute a part of this Agreement for any other purpose or affect interpretation of the Agreement. Should any provision

of this Agreement be found to be in conflict with any provision of the Applicable Rules or the Project Approvals or any Future Approvals, the provisions of this Agreement control.

34. Governing Law and Venue. This Agreement is made, entered into, and executed in the County of Los Angeles, California, and the laws of the State of California govern its interpretation and enforcement. Any action, suit or proceeding related to, or arising from, this Agreement must be filed in the appropriate court having jurisdiction in the County of Los Angeles.

35. Counterparts. This Agreement may be executed in multiple counterparts, each of which must be deemed an original, but all of which constitute one and the same instrument.

36. Weekend/Holiday Dates. Whenever any determination is to be made or action to be taken on a date specified in this Agreement, if such date falls upon a Saturday, Sunday or other holiday specified in Government Code § 6700, including the entire day on Good Friday, the date for such determination or action must be extended to the first business day immediately thereafter.

37. Not a Public Dedication. Except as otherwise expressly provided herein, nothing herein contained is a gift or dedication of the Campus, or of the Project, or any portion thereof, to the general public, for the general public, or for any public use or purpose whatsoever, it being the intention and understanding of the Parties that this Agreement be strictly limited to and for the purposes herein expressed for the development of the Project as private property. Developer has the right to prevent or prohibit the use of the Campus, or the Project, or any portion thereof, including common areas and buildings and improvements located thereon, by any person for any purpose which is not consistent with the development of the Project. Any portion of the Campus conveyed to the City by the Developer as provided herein can be held and used by the City only for the purposes contemplated herein or otherwise provided in such conveyance, and the City will not take or permit to be taken (if within the power or authority of the City) any action or activity with respect to such portion of the Campus that would deprive the Developer of the material benefits of this Agreement, or would in any manner interfere with the development of the Project as contemplated by this Agreement.

38. Releases. City agrees that upon written request of Developer and payment of all fees and performance of the requirements and conditions required by Developer by this Agreement, the City must execute and deliver to Developer appropriate release(s) of further obligations imposed by this Agreement in form and substance acceptable to the Los Angeles County Recorder's Office or as otherwise may be necessary to effect the release.



39. Consent. Where the consent or approval of City or Developer is required or necessary under this Agreement, the consent or approval will not be unreasonably withheld, delayed or conditioned.

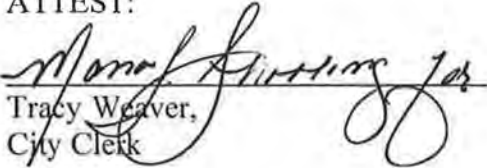
**IN WITNESS WHEREOF**, Developer and City of El Segundo have executed this Development Agreement on the date first above written.

CITY:

CITY OF EL SEGUNDO, a municipal corporation

By:   
Suzanne Fuentes Mayor

ATTEST:

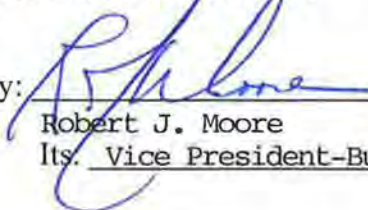
  
Tracy Weaver,  
City Clerk

APPROVED AS TO FORM:  
MARK D. HENSLEY, City Attorney

By:  FAR  
Karl H. Berger, Assistant City Attorney

DEVELOPER:

RAYTHEON COMPANY

By:   
Robert J. Moore  
Its. Vice President-Business Services

**EXHIBIT A**

**CAMPUS DESCRIPTION**

THAT PORTION OF SECTION 18, TOWNSHIP 3 SOUTH, RANGE 14 WEST, IN THE RANCHO SAUSAL REDONDO, IN THE CITY OF EL SEGUNDO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON THE MAP FILED IN CASE NO. 11629, SUPERIOR COURT OF SAID COUNTY ON JUNE 21, 1890, IN THE OFFICE OF THE COUNTY CLERK OF SAID COUNTY, A COPY OF SAID MAP APPEARING IN THE FILES OF THE COUNTY SURVEYOR OF SAID COUNTY AS CLERK'S FILED MAP NO. 218, BOUNDED AS FOLLOWS:

BOUNDED ON THE NORTH BY THE NORTH LINE OF SAID SECTION 18; BOUNDED ON THE EAST BY THE WESTERLY LINE AND THE NORTHERLY PROLONGATION THEREOF OF TRACT NO. 26556, AS SHOWN ON MAP RECORDED IN BOOK 675 PAGES 93 TO 94 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; BOUNDED ON THE SOUTHEAST BY THE NORTHWESTERLY LINE OF THE 80 FOOT STRIP OF LAND DESCRIBED IN THE DEED TO PACIFIC ELECTRIC RAILWAY CO., RECORDED MAY 27, 1913 AS INSTRUMENT NO. 210 IN BOOK 5750 PAGE 43 OF DEEDS, RECORDS OF SAID COUNTY AND BOUNDED ON THE SOUTHWEST BY THE NORTHEASTERLY LINE OF THE LAND DESCRIBED AS PARCEL 2 IN THE DEED TO SOUTHERN CALIFORNIA EDISON COMPANY, RECORDED MARCH 6, 1930 AS INSTRUMENT NO. 535 IN BOOK 9840 PAGE 33, OFFICIAL RECORDS OF SAID COUNTY.

EXCEPT THEREFROM, ALL OIL, GAS AND OTHER HYDROCARBONS, GEOTHERMAL RESOURCES AS DEFINED IN SECTION 6903 OF THE CALIFORNIA PUBLIC RESOURCES CODE AND ALL OTHER MINERALS, WHETHER SIMILAR TO THOSE HEREIN SPECIFIED OR NOT, WITHIN OR THAT MAY BE PRODUCED FROM THE PROPERTY BELOW A DEPTH OF FIVE HUNDRED (500) FEET, AS RESERVED BY DEED EXECUTED BY CHEVRON U.S.A. INC., A CORPORATION, RECORDED ON NOVEMBER 28, 1978 AS INSTRUMENT NO. 78-1317577, WHICH ALSO RECITES, "PROVIDED, HOWEVER, THAT ALL RIGHTS AND INTEREST IN THE SURFACE OF THE PROPERTY AND THE LAND MASS OF THE PROPERTY TO A DEPTH OF FIVE HUNDRED (500) FEET ARE HEREBY CONVEYED TO GRANTEE, NO RIGHT OR INTEREST OF ANY KIND THEREIN, EXPRESS OR IMPLIED, BEING EXCEPTED OR RESERVED TO GRANTOR EXCEPT AS HEREINAFTER EXPRESSLY SET FORTH."

**ASSESSOR'S PARCEL NOS. 4138-014-047 AND 4138-014-013**

**EXHIBIT B**  
EXISTING DEVELOPMENT

<b>Building</b>	<b>Use</b>	<b>Net Square Footage</b>
E-1	Office, Lab/R&D, Warehouse	1,055,479
E-2	Office, Lab/R&D, Warehouse	41,518
E-3	Office, Lab/R&D, Warehouse	35,137
E-4	Office, Lab/R&D, Warehouse	642,871
E-5	Office, Lab/R&D, Warehouse	24,865
E-6	Office	2,261
E-7	Office, Lab/R&D, Warehouse	54,924
E-20	Storage	7,076
E-21	Office, Warehouse	4,500
E-23	Restrooms	2,330
E-24	Recreation	1,530
Rain Shelter	Rain Shelter	2,100
		1,874,591

**EXHIBIT C**

Recording Requested By and  
When Recorded Mail To:  
Raytheon Company  
[address and attention]

**ASSIGNMENT AND ASSUMPTION AGREEMENT**

This ASSIGNMENT AND ASSUMPTION AGREEMENT ("Agreement") is made and entered into by and between Raytheon Company, ("Assignor"), and \_\_\_\_\_, a \_\_\_\_\_ ("Assignee").

**RECITALS**

A. The City of El Segundo ("City") and Assignor entered into that certain Development Agreement dated \_\_\_\_\_, 2016 (the "Development Agreement"), with respect to the real property located in the City of El Segundo, State of California more particularly described in Exhibit "A" attached hereto (the "Project Site"), and

B. Assignor has obtained from the City certain development approvals and permits with respect to the development of the Project Site, including without limitation, approval of \_\_\_\_\_ for the Project Site (collectively, the "Project Approvals").

C. Assignor intends to sell, and Assignee intends to purchase that portion, of the Project Site more particularly described in Exhibit "B" attached hereto (the "Transferred Property").

D. In connection with such purchase and sale, Assignor desires to transfer all of the Assignor's right, title, and interest in and to the Development Agreement and the Project Approvals with respect to the Transferred Property. Assignee desires to accept such assignment from Assignor and assume the obligations of Assignor under the Development Agreement and the Project Approvals with respect to the Transferred Property.

THEREFORE, the parties agree as follows:

1. Assignment. Assignor hereby assigns and transfers to Assignee all of Assignor's right, title, and interest in and to the Development Agreement and the Project Approvals with respect to the Transferred Property. Assignee hereby accepts such assignment from Assignor.

2. Assumption. Assignee expressly assumes and agrees to keep, perform, and fulfill all the terms, conditions, covenants, and obligations required to be kept, performed, and fulfilled by Assignor under the Development Agreement and the Project Approvals with respect to the Transferred Property, including without limitation those obligations specifically allocated to the Transferred Parcel as set forth on Exhibit "C" attached hereto.

3. Effective Date. The execution by City of the attached receipt for this Agreement must be considered as conclusive proof of delivery of this Agreement and of the assignment and assumption contained herein. This Agreement must be effective upon its recordation in the Official Records of Los Angeles County, California, provided that Assignee has closed the purchase and sale transaction and acquired legal title to the Transferred Property.

4. Remainder of Project. Any and all rights or obligations pertaining to such portion of the Project Site other than the Transferred Property are expressly excluded from the assignment and assumption provided in Sections 1 and 2 above.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the dates set forth next to their signatures below.

“ASSIGNOR”  
RAYTHEON COMPANY

Date: \_\_\_\_\_, \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_

“ASSIGNEE”  
\_\_\_\_\_  
a \_\_\_\_\_

Date: \_\_\_\_\_, \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_

RECEIPT BY CITY

The attached ASSIGNMENT AND ASSUMPTION AGREEMENT is received by the City of El Segundo on this \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

CITY OF EL SEGUNDO

By: \_\_\_\_\_  
Director of Planning and Building Safety

STATE OF CALIFORNIA   )  
                                      ) SS:  
COUNTY OF \_\_\_\_\_)

On \_\_\_\_\_, 20\_\_\_, before me, \_\_\_\_\_, a Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_  
(Seal)

STATE OF CALIFORNIA   )  
                                      ) SS:  
COUNTY OF \_\_\_\_\_)

On \_\_\_\_\_, 20\_\_\_, before me, \_\_\_\_\_, a Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_  
(Seal)

## EXHIBIT D

## PROJECT MILESTONES AND THRESHOLDS

Project Item	Threshold or Milestone	Required Action
6 annual payments. First payment of \$500,000 and five subsequent payments of \$700,000 each. All payments to the City's General Fund.	First annual payment is due on March 31, 2016. The final payment is due on March 31, 2021.	Total payment of \$4,000,000 over six years payable in six annual payments.
Payment of \$5,000,000 to the City's General Fund ten years after project approval.	If the Nash Street Roadway Extension is not completed within 10 years of the Effective Date, then a \$5,000,000 payment is due 10 years after project approval.	Total payment of \$5,000,000 payable in its entirety 10 years after project approval.
\$0.50 per gross square foot fee for all new development (floor area not existing on the site on the project approval date) is required.	The \$0.50 per gross square-foot fee is required before issuance of City building permits for any new floor area on the project site.	Payment of 0.50 per gross square foot fee to the City's General Fund before issuance of building permits.
Intersection Improvements-Mitigation Measures TRA-1 through TRA-9	Before Certificate of Occupancy is issued for any building in ESSCP Phase II (buildings in project area adding trips in excess of Phase I Peak Period Trip cap of 225 trips)	Proof of Payment of all applicable fair share mitigation fees must be provided to the Director of Planning and Building Safety and Director of Public Works.
Nash Street Roadway Extension, including Class II bicycle lane	Before Certificate of Occupancy is issued for any building in ESSCP Phase II (buildings in project area adding trips in excess of Phase I Peak Period Trip cap of 225 trips)	Completion of street and all associated public improvements.  Dedication of the Nash Street Improvements to the City.



Continental Boulevard Extension	Before any building located along Continental Boulevard is sold, leased, or used by any third party not an affiliate of Raytheon.	Developer must provide a dedication or public access easement to City for Continental Boulevard.
Parcel 26	Within 30 days of the effective date of the City Council ordinance approving the ESSCSP.	20-year irrevocable offer to Dedicate
Parcels 20 and 22	Within 30 days of the effective date of the City Council ordinance approving the ESSCSP.	20-year irrevocable offer to dedicate
El Segundo Boulevard Improvements, including Class I bicycle path	Before a certificate of occupancy is issued for any building on Parcel 15 or 16 of Vesting Map No. 71551.	Required roadway improvements must be completed on the El Segundo Boulevard frontage of Parcels 15 and 16
El Segundo Boulevard Improvements, including Class I bicycle path	Before a certificate of occupancy is issued for any building on Parcel 14 of Vesting Map No. 71551.	Required roadway improvements must be completed on the El Segundo Boulevard frontage of Parcel 14
El Segundo Boulevard Improvements, including Class I bicycle path	Before a certificate of occupancy is issued for any building on Parcels 1, 2, 3 or 4 of Vesting Map No. 71551.	Required roadway improvements must be completed on the El Segundo Boulevard frontage for all parcels within the Specific Plan area with El Segundo Boulevard frontage.
Green Line Station Bicycle Parking Facilities contribution	Before Certificate of Occupancy is issued for any building in ESSCP Phase II (buildings in project area adding trips in excess of Phase I Peak Period Trip cap of 89 a.m or 225 pm trips or 3775 daily trips).	Confirmation that the \$75,000 contribution has been transferred to either the City or LACMTA.

Green Line Station Pedestrian Easement	Before Certificate of Occupancy is issued for any building on Parcel 13 or 14 of Vesting Map No. 71551.	Complete construction of a paved walkway at least five feet in width and compliant with ADA requirements.
To obtain access to the El Segundo Boulevard City sewer trunk line for new development in the ESSCSP area.	Developer must make its contribution at the time the City awards the sewer improvement project, but no later than December 31, 2018.	Contribute 25% of the cost of the El Segundo sewer trunk line up-grade up to a maximum of \$375,000.
Non-Raytheon employee access to 7.54 acre Recreational Area.	If 28.44 acres of the Specific Plan area is sold to user that is not Raytheon or a Raytheon affiliated company.	Access must be provided to the recreational area for all persons employed within the Specific Plan area. Access must be formalized through agreements between Raytheon and owners of land within the Specific Plan area.
Transfer of 7.54 recreational area to the City for use as a public park.	If the 7.54 acre recreational area is located outside of the Raytheon facility's secured perimeter (south or east of the Nash Street Extension or west of Continental Boulevard).	Raytheon Company must record a 20 year offer of dedication for future potential park purposes if the recreation area is located on Parcels 1, 2, 3, 4, 7, 8, 13, or 14 of Vesting Map No. 71551, or other parcels as indicated in the Conditions of Approval.

**EXHIBIT E**  
**FEE/IN-LIEU CREDITS**

<b>Project Item</b>	<b>Credit</b>
<b>Construction Cost of the Nash Street Extension and Associated Improvements</b>	<b>Traffic Impact Mitigation Fee credit for the actual cost of construction. Appropriate documentation verifying costs must be provided and accepted by the City.</b>
<b>El Segundo Boulevard Improvements, including Class I bicycle path</b>	<b>Traffic Impact Mitigation Fee credit for the actual cost of construction. Appropriate documentation verifying costs must be provided and accepted by the City.</b>
<b>Intersection Improvements within the City of El Segundo</b>  <b>Environmental Impact Report Mitigation Measures TRA-1 to TRA-5</b>	<b>Traffic Impact Mitigation Fee credit for the required fair share fee paid to the City of El Segundo.</b>
<b>Bicycle Parking Facilities for the Metro Green Line El Segundo Station</b>	<b>\$ 75,000 payment may be credited against Traffic Impact Mitigation Fee.</b>