

FIRST AMENDMENT TO DEVELOPMENT AGREEMENT

City Place Santa Clara

This First Amendment to the Development Agreement ("**First Amendment**") is entered into as of _____, 2025 (the "First Amendment Effective Date"), by and between the City of Santa Clara ("City"), a chartered municipal corporation, and Related Santa Clara, LLC ("Developer"), a Delaware limited liability company.

R E C I T A L S

This First Amendment is made with reference to the following facts, intentions and understandings of the Parties:

A. Background. The City and Developer entered into that certain Development Agreement dated August 12, 2016 (as amended from time to time, the "**Agreement**") for the development of City Place Santa Clara. Defined terms in this First Amendment have the meanings ascribed to them in the original Development Agreement.

B. Scheme C Variant. At the request of Developer, the City has adopted an amendment to the Master Community Plan in the form of a Master Community Plan Scheme C Supplement (City Council Ordinance No. 25-____). The Master Community Plan Scheme C Supplement authorizes a new Scheme C Variant that includes the same total development area as Scheme A and Scheme B, having a total of approximately 9,164,400 square feet of mixed use, but would include (i) approximately 800,000 of retail; (ii) the same number of hotel rooms and residential units as Scheme A; (iii) approximately 4,517,400 square feet of office on Parcel 4; and (iv) approximately 1,600,000 square feet of light industrial uses on Parcels 1 and 2 (as described in the Master Community Plan Scheme C Supplement, the "Scheme C Variant"). The Master Community Plan Scheme C Supplement provides that any amount of permitted office use within the City Center Mixed-Use District (Parcels 4 and 5) may be swapped out for an equivalent square footage of retail space, subject to approval through the DAP process, or if a DAP has already been approved, then subject to approval through the Architectural Review process.

C. Environmental Review. The City analyzed the proposed potential environmental impacts of the Scheme C Variant and adopted a Fourth Addendum to EIR (City Council Resolution No. 25-____), in which it determined that the use of the Project Site under this Agreement, as amended for the Scheme C Variant, are included within the scope of the Project EIR in that the potential environmental impacts of the development and use of the Project Site for the Scheme C Variant under the DDA and the Master Community Plan are addressed in the Project EIR.

D. Scheme C Variant Project Approvals. Following the City's approval of the Fourth Addendum, the City took the following actions to implement the Scheme C Variant, all of which are deemed to be included within the definition of "Project Approvals" as set forth in the Development Agreement:

i. Amendments to the Santa Clara General Plan to revise the permitted uses under the Urban Center/Entertainment District land use designation to add a range of light industrial uses,

including general service, warehousing, storage, distribution, manufacturing and data centers for Parcels 1 and 2 (City Council Resolution No. 25-_____);

ii. Amendments to the City's Zoning Code to revise the permitted uses under the Planned Development Master Community (PD-MC) land use designation and to add a new Scheme C land use scenario to the Master Community Plan (City Council Resolution No. 25-_____);

iii. Amendments to the DDA (City Council Resolution No. 25-_____); and

iv. Approval of this First Amendment by City Council Ordinance No. _____ that authorized the City Manager to execute this Agreement on behalf of the City (the "Enacting Ordinance"). The Enacting Ordinance took effect on _____, 2025.

E. Compliance with All Legal Requirements; General Plan Consistency. City has given the required notice of its intention to adopt this First Amendment and has conducted public hearings thereon pursuant to Government Code section 65867 and Code Sections 17.10.150 through 17.10.170. As required by Government Code section 65867.5 and Code Section 17.10.180, City has found that the provisions of this Amendment and its purposes are consistent with the goals, policies, standards and land use designations specified in the General Plan (as amended by the Project Approvals).

A G R E E M E N T

In consideration of the foregoing Recitals, which are hereby incorporated into this Agreement as if set forth in full, the Parties hereby agree as follows:

I. Development Agreement Amendments

A. Development Fees.

a. Section 3.2 (Existing Development Fees) is hereby amended to add the following sentence at the end:

"Notwithstanding the foregoing, if Developer proceeds with the Scheme C Variant under the Master Community Plan, neither **Exhibit C** nor the Development Fee Vested Period under Section 3.3.1 shall apply to Development Fees for any development of the Scheme C Variant on Parcels 1 and 2, and, instead, Developer shall pay Development Fees for development of the Scheme C Variant on Parcels 1 and 2 in such amounts and at such times as is then-applicable to such development, as applied in accordance with Section 3.3.2 hereof (but without regard to the Development Fee Vested Period)."

b. Section 3.3.1 (During the Development Fee Vested Period) of the Agreement is hereby amended to add the following sentence at the end:

"Notwithstanding the foregoing, the Development Fee Vested Period shall not apply to development on Parcels 1 and 2 under the Scheme C Variant."

B. **Traffic Impact Fee Vested Period.** The first sentence of Section 3.4.1 (Current Traffic Impact Fees) is hereby amended in its entirety as follows:

“Beginning on the Effective Date and continuing until the later of (a) the date on which the Development Fee Vested Period expires and (b) the date by which building permits have been issued for at least one million five hundred thousand (1,500,000) square feet of office space on the Project Site (such time period being referred to as the “**Traffic Impact Fee Vested Period**”), Developer shall pay traffic impact fees (the “**Traffic Impact Fees**”) pursuant to Section 17.15.330 of the Code in the following amounts per square foot:”

C. **Regional Traffic Fees.** Section 3.5 of the Agreement is hereby amended to add the new underlined language:

3.5 Regional Traffic Fees. Developer agrees to pay the fixed sums of (a) One Dollar (\$1.00) per square foot of Office uses (as defined in Section 17.15.330(b)(8) of the Code), and Retail uses (as defined in the DDA), and b) Fifty Cents (\$0.50) per square foot for residential uses, and (b) \$1.00 per square foot of Light Industrial Uses (as defined in Appendix B to the Master Community Plan Scheme C Supplement) (together, the “**Regional Traffic Fees**”). The Regional Traffic Fees shall be payable to the City at the time of issuance of each Building Permit for Vertical Construction that contains office uses, retail uses, light industrial uses and/or residential uses, as applicable, based upon the square footage of such uses. Regional Traffic Fees are non-refundable, and shall not increase over the Term of this Agreement.

D. **Engineering Plan Check Fees.** Notwithstanding Section 5.1 of the Agreement, Engineering Plan Check Fees applicable to development of the Scheme C Variant on Parcels 1 and 2 shall be those in effect, as and when due.

E. **Housing Affordability.**

a. Section 1.2.5 of the Agreement is hereby amended in its entirety as follows:

“Affordable Unit” shall mean, for any residential units constructed within Phase 1, a residential unit that is affordable to households with income that does not exceed one hundred twenty percent (120%) of the Area Median Income for Santa Clara County, as adjusted and amended from time to time, and for any residential units constructed within Phase 2 or Phase 3, a residential unit that is affordable to households with income that does not exceed one hundred percent (100%) of the Area Median Income for Santa Clara County, as adjusted and amended from time to time.

b. Section 4.5.1 of the Agreement is hereby amended in its entirety as follows:

4.5.1 Voluntary Commitment. The Parties acknowledge the Project shall not be subject to the provisions of the Code adopted on or before the First Amendment Effective Date, or any future amendments thereto, with respect to affordable residential units within or in connection with the Project. Nevertheless, Developer voluntarily agrees that (i) at least ten percent (10%) of all residential units constructed in Phase 1 shall be Affordable Units; and (ii) at least fifteen percent (15%) of all residential units constructed in Phase 2 or Phase 3 shall be Affordable Units. Developer shall have the right to pay an in-lieu fee instead of constructing the Affordable Units

that are associated with any market-rate units constructed as part of Phase 1 (the “**Phase 1 Affordable Units**”) under the conditions set forth in Section 4.5.2 below.

II. **Miscellaneous**

A. Entire Agreement. This First Amendment, together with the Agreement, constitutes the entire understanding and agreement between the Parties with respect to the subject matter contained herein. All other terms and conditions of the Agreement shall remain in full force and effect.

B. Binding Effect. This First Amendment shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

C. Governing Law. This First Amendment shall be interpreted, construed, and enforced in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the First Amendment Effective Date.

CITY

CITY OF SANTA CLARA, a municipal corporation

By: _____
Name: Jovan Grogan
Title: City Manager

Approved as to form:

By: _____
Name: Glen Googins
Title: City Attorney

Approved on _____, 2025

City Council Ordinance No. _____

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

DEVELOPER

RELATED SANTA CLARA, LLC,
a California limited liability company

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of _____)

On _____ before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) 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)

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of _____)

On _____ before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) 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)