

**RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:**

City of Pleasanton  
City Clerk's Office  
123 Main Street  
P.O. Box 520  
Pleasanton, CA 94566

Recording Fees Exempt Pursuant to Government Code  
§ 27383

DRAFT

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**THIS DEVELOPMENT AGREEMENT ("Agreement")** is made and entered into in the City of Pleasanton, California, on this \_\_\_\_\_ day of \_\_\_\_\_, 2014, by and between the City of Pleasanton, a municipal corporation (the "**City**"), and Workday, Inc., a Delaware corporation, (the "**Developer**") pursuant to the authority of California Government Code sections 65864 *et seq.*

**RECITALS**

A. To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California enacted California Government Code sections 65864 *et seq.* (the "**Development Agreement Statute**"), which authorizes City to enter into an agreement with any person having a legal or equitable interest in real property regarding the development of such property.

B. **Developer** has a legal interest [i.e. a ground leasehold interest agreement as tenant with a term expiring December 31, 2108, pursuant to the Restated and Amended Pleasanton Ground Lease dated January 30, 2014, between **Developer** and the Bay Area Rapid Transit District ("**BART**")] in certain real property located in the City of Pleasanton, County of Alameda, California consisting of approximately 6.9 acres located at 6110 Stoneridge Mall Road ("**6110**") as described in **Exhibit A-1**. NPC Holdings, LLC, a Nevada limited liability company (the "**Adjacent Property Owner**") has a legal interest in certain real property located in the City of Pleasanton, County of Alameda, California consisting of approximately 25.4 acres at 6120-6160 Stoneridge Mall Road, commonly known as Stoneridge Corporate Plaza ("**SCP**") as shown on the site plan attached hereto as **Exhibit A-2**. 6120-6160 Stoneridge Mall Road is currently developed with five multi-story office buildings and related site improvements.

C. **Developer**, with **Adjacent Property Owner's** consent, contemplates developing a six-story, approximately 430,000 square foot office building, parking garage, surface parking at 6110, and a parking garage and surface parking on a portion of the property at **SCP**, along with related site improvements such as landscape modifications, stormwater treatment areas, and other related improvements (the "**Project**"). **Developer**, **BART** and **Adjacent Property Owner** anticipate providing future lot-line adjustments and/or other related property modifications between **6110** and **SCP** to allow for the aforementioned improvements.

D. Workday, Inc. is an important employer in the City of Pleasanton. Workday's employees patronize local businesses, especially those in the adjacent Stoneridge Mall. The City has obtained a Fiscal Impact Analysis report dated April \_\_, 2014 which outlines the fiscal benefit to the City of Pleasanton from the contemplated **Project**. Workday's 2014 Fiscal Year revenues were approximately \$469,000,000 and for the prior two fiscal years, the company's global revenues were approximately \$274,000,000 in Fiscal Year 2013 and approximately \$134,000,000 in Fiscal Year 2012. During the same period, Workday's total global employee count increased to more than 2600 as of January 31, 2014, from about 1750 and 1050 at the end of its 2013 and 2012 fiscal years respectively. Workday's growth has benefited the City of Pleasanton in many respects. This **Project** is adjacent to the West Dublin-Pleasanton BART station. It is expected that more and more of Workday Inc.'s employees will take BART to work, thereby helping to alleviate traffic congestion on City streets and Bay Area freeways.

E. This **Project** will include installation of a Police Sub Station at the West Dublin-Pleasanton BART station for use by both the Pleasanton and BART Police Departments, along with landscaping, plaza and pedestrian walkway improvements connecting the project site to the West Dublin-Pleasanton BART station.

F. CEQA Compliance. On \_\_\_\_\_, the City Council adopted a resolution approving a Mitigated Negative Declaration for the **Project**.

G. PUD Development Plan. Following review and recommendation by the City Planning Commission and after a duly noticed public hearing, preparation and consideration of a negative declaration, the City Council, by Ordinance \_\_\_\_\_ approved the PUD Rezoning and Development Plan and PUD Major Modification (the "**Project Design Review**") for a six-story, approximately 430,000 square foot office building, parking garage, surface parking, plaza and walkway connection to the BART station, and passenger drop-off improvements on and around the existing BART parking garage and 6110, and a parking garage and surface parking at SCP, along with related site improvements such as landscape modifications, storm water treatment areas, etc., and collectively referred to in this **Agreement** as the "**Project Site**".

H. Development Agreement. Following review and recommendation by the City Planning Commission and after a duly noticed public hearing, the City Council, by Ordinance \_\_\_\_\_, determined that this **Agreement** was consistent with the City's General Plan and PUD-\_\_\_\_\_, and approved this **Agreement**.

I. The approvals described in Recitals H and I are collectively referred to herein as the "**Project**" or the "**Project Approvals**" and applies to the six-story, approximately 430,000 square foot office building, parking garage, and surface parking at 6110, and a parking garage and surface parking at SCP, along with related site improvements such as landscape modifications, stormwater treatment areas, etc, and the contemplated lot-line adjustments.

J. In exchange for the benefits to City described in these recitals, including but not limited to assurance that the **Project** consistent with the PUD Development Plan approval referred to above can proceed, together with the other public benefits that will result from the development of the **Project Site**, **Developer** will receive by this **Agreement** assurance that it may proceed with the **Project** in accordance with the "**Applicable Law**" (defined below), and therefore desires to enter into this **Agreement**.

**NOW, THEREFORE**, with reference to the foregoing recitals and in consideration of the mutual promises, obligations and covenants herein contained, **City and Developer** agree as follows:

**AGREEMENT**

**Article I. Description of Property, Effective Date and Term.**

**Section 1.01 Description of Property.** The real properties which are the subject of this Agreement are the 6110, described in Exhibit A-1, and, to the extent described in this Agreement, SCP, as delineated on the Site Plan attached **Exhibit A-2**.

**Section 1.02 Effective Date.** This **Agreement** shall become effective upon the date the ordinance approving this **Agreement** becomes effective (the “**Effective Date**”).

**Section 1.03 Term.** The term of this **Agreement** shall commence on the **Effective Date** and extend ten (10) years thereafter (the “**Term**”).

**Article II. Standards, Laws and Procedures Governing the Project.**

**Section 2.01 Vested Right To Develop.** **Developer** shall have a vested right to develop the **Project Site** in substantial conformance with the terms and conditions of the **Project Approvals**, the **Subsequent Approvals** (defined below) (as and when issued), the **Applicable Law** (defined below) and amendments as shall, from time to time, be approved pursuant to this **Agreement**. Specifically, while **Developer** contemplates constructing the **Project Site** in accordance with the **Project Design Review**, **Developer** shall have the vested right to develop the **Project Site** with a six-story, approximately 430,000 square foot office building, two parking garages, and surface parking, in accordance with the PUD Development Plan referred to above.

**Section 2.02 Permitted Uses.** The permitted uses and the density and intensity of use of the **Project Site**; the maximum height, bulk and size of the proposed buildings, provisions for reservation or dedication of land for public purposes and the location of public improvements; the general location of public utilities; and other terms and conditions of development applicable to the **Project**, shall be as set forth in the **Project Approvals**, as and when they are issued (but not in any limitation of any right to develop as set forth in the **Project Approvals**), and any **Subsequent Approvals** (defined below).

**Section 2.03 Applicable Law.** “**Applicable Law**” shall mean the existing rules, regulations, official policies, standards and specifications governing permitted uses of the **Project Site**, governing density, and governing the design, improvements, and all other **City** regulations, and construction standards and specifications applicable to the **Project Site** as set forth in this **Agreement** and the **Project Approvals**, and in force and effect on the **Effective Date**. During the **Term**, to the extent there are any conflicts between the **Project Approvals** (including but not

limited to conditions to any of the **Project Approvals**) and this **Agreement**, the terms and conditions of this **Agreement** shall govern.

**Section 2.04 Moratorium, Initiatives and Conflicting Enactments.** To the extent consistent with state law (and excepting a declaration of a local emergency or state emergency as defined in Government Code section 8558), if any ordinance, resolution or other measure is enacted subsequent to the **Effective Date**, whether by action of **City**, by initiative, referendum, or otherwise, that imposes a building moratorium, a limit on the rate of development, or a voter-approval requirement which would otherwise affect the timely development of the **Project** or **Project Approvals** or **Subsequent Approvals** on all or any part of the **Project Site** (“City Law”), **City** agrees that such ordinance, resolution or other measure shall not apply to the **Project Site**, this **Agreement**, the **Project Approvals**, or the **Subsequent Approvals**, if any, during the **Term**.

**Section 2.05 Life of Project Approvals or Subsequent Approvals.** The term of any **Project Approval** or **Subsequent Approval** shall automatically be extended for the longer of **Term** of this **Agreement** or the term otherwise applicable to such **Project Approval** or **Subsequent Approval** if this **Agreement** is no longer in effect. The **Term** of this **Agreement**, any other **Project Approval** or **Subsequent Approval** shall be extended by any period of time during which any applicable development or utility moratorium, lawsuit or the actions of other public agencies that regulate land use, delays construction of the **Project**.

**Section 2.06 Development Timing.** Subject to **Applicable Law**, **Developer** shall have the right to develop the **Project** on the **Project Site** in such order and at such rate and at such times as **Developer** deems appropriate within the exercise of its subjective business judgment.

**Section 2.07 Compliance with State and Federal Law.** This **Agreement** is subject to **Developer’s** compliance with all applicable federal and state laws and regulations (which are in effect at the time **Developer** submits its application for building permits for the **Project**, as allowed under law) and compliance with the California Environmental Quality Act, Public Resources Code sections 21000 *et seq.* (“CEQA”).

### **Article III. Developer Obligations.**

**Section 3.01 Obligations of Developer Generally.** The parties acknowledge and agree that the **City’s** agreement to perform and abide by the covenants and obligations of **City** set forth in this **Agreement** is a material consideration for **Developer’s** agreement to perform and abide by its long term covenants and obligations, as set forth herein. The parties acknowledge that many of **Developer’s** long term obligations set forth in this **Agreement** are in addition to **Developer’s** agreement to perform all the mitigation measures identified in the **Project Mitigation Monitoring and Reporting Program**.

**Section 3.02** Development Impact Fees. Except as otherwise specifically set forth in this Article 3 or otherwise herein, **Developer** shall only pay to **City** those legally enforceable development impact fees and exactions which are in effect as of the **Effective Date**. **Developer** shall pay those periodic cost of living or similar indexed increases, decreases or adjustments to such fees and exactions as are applicable and in effect at the time such fees or exactions would otherwise be payable to **City**, however, there shall be no such adjustment to development fees and exactions imposed by the **City** for the period from the **Effective Date** through December 31, 2015. A complete list of these anticipated development impact fees and exactions is attached as **Exhibit B**, consisting of two sheets entitled Workday Campus Fee Schedule Estimate and both dated April 18, 2014. **Exhibit B** reflects the best estimates of **City** of such fees and exactions based upon information provided by **Developer** and the application of credits customarily considered in making such development related calculations. In the event of new or more detailed information concerning the **Project** or a change in the **Project**, the parties to this **Agreement** recognize these fees and exactions in **Exhibit B** may change however the total amount of the credits due **Developer** specified in Section 3.03 below shall remain as outlined. **Developer** acknowledges that this **Agreement** does not control development related fees charged by entities other than the City of Pleasanton as more particularly described in the succeeding sections, and that otherwise provided herein, **Developer** shall be responsible for payment of such fees charged by entities other than the **City** in effect at the time of payment of said fees notwithstanding the fact that the **City** may collect such fees on behalf of those other entities. In the event of a dispute over payment of fees between **Developer** and an entity other than the **City**, upon **Developer's** request **City** shall use its best efforts to encourage a resolution of the issue between **Developer** and that entity.

**Section 3.03** Dublin San Ramon Services District Fee. The current sewer capacity of the five existing parcels at 6120-6160 Stoneridge Mall Road totals 35,629 gallons per day. The two-year average water flow (November 22, 2011, November 20, 2013) for those buildings has been 7,166 gallons per day, thus resulting in an available credit of 28,463 gallons per day that shall be applied to the three new buildings contemplated as part of the **Project**. **Developer** and the **City** agree that should said credit not be applied in full by the Dublin San Ramon Services District, **Developer** and the **City** shall share equally in any costs incurred in purchasing such sewer capacity.

**Section 3.04** Tri-Valley Transportation Council Fee. The **Developer** shall pay the Tri-Valley Transportation Council fee prior to building permit issuance.

**Section 3.05** Traffic Mitigation Measures; Traffic Impact Fees. **Developer**, in lieu of payment of any Traffic Impact Fees, shall be obligated to mitigate the traffic related impacts of the **Project**, including roadway improvements, and right of way acquisition costs, as more particularly set forth in the Mitigated Negative Declaration and the conditions of approval imposed through the **Project Design Review**. These mitigations shall include:

- (a) Subject to the **City** acquiring and right of ways required at a cost not to exceed \$\_\_\_\_\_, the **Developer** shall construct a third southbound left turn lane at the intersection of Foothill Road and Canyon Way. The third southbound left turn lane will require the widening of Canyon Way to allow for three receiving lanes.
- (b) Subject to the **City** acquiring any right of ways required at no cost to **Developer**, **Developer** shall modify the intersection of Stoneridge Mall Road at Stoneridge Drive to provide additional vehicle storage lane by realigning the roadway along the west side of Stoneridge Mall Road for a total length of approximately 625 feet. In the event that the **City** is unable to acquire the necessary right of way, the **Developer** shall construct additional vehicle storage by lengthening the innermost southbound left turn lane by modifying the roadway median by a length of approximately 150 feet.
- (c) The **Developer** shall install a traffic signal where the main driveway of the **Project** intersects Stoneridge Mall Road.

These three mitigations are identified in the Workday Office Development Transportation Impact Analysis Report completed by Hexagon Transportation Consultants dated March 14, 2014 (collectively the “**Offsite Improvements**”). In regard to any necessary acquisition of land or right of way(s) required for the aforementioned **Offsite Improvements**, if **Developer** and/or the **City** are unable to obtain said land or right of way(s) despite using good faith efforts, the **City** agrees it shall use its powers of eminent domain (or other means) to acquire any and all rights of way required for the **Offsite Improvements** (provided the cost of said acquisition shall be included in the **Offsite Improvements** cost).

**Section 3.06 School Fees.** **Developer** shall pay school fees in accordance with a written agreement entered into, or to be entered into, between **Developer** and the Pleasanton Unified School District (“**PUSD**”), and **Developer** shall provide to **City**, prior to building permit issuance, **PUSD**'s written confirmation of such agreement.

**Section 3.07 Joint City of Pleasanton and BART Police Departments Substation.** **Developer** shall, concurrent with construction of the **Project**, construct a joint police substation in the ground level of the BART West Dublin-Pleasanton station parking garage at 6002 Stoneridge Mall Road for use by the BART and Pleasanton police departments, as more particularly shown in the plans attached and incorporated herein as **Exhibit C**. The joint police substation in the ground level of the BART West Dublin-Pleasanton station garage shall be included in and made a part of the **Project Design Review**.

**Section 3.08 Other BART Station Improvements.** **Developer** shall make landscape improvements to the BART West Dublin-Pleasanton station in order to integrate the station with the landscaping on **Developer**'s adjacent site. Such improvements are for the benefit of both the public and **Developer**'s employees, as the latter will have direct access to the BART West

Dublin-Pleasanton station without the need to walk to Stoneridge Mall Road. These improvements shall be included in and made a part of the **Project Design Review**.

**Section 3.09 Offsite Traffic Mitigation.** **Developer**, in lieu of payment of any Traffic Impact Fees, shall be responsible for installation at its expense of offsite traffic mitigations as required by the mitigation monitoring program set forth in the Mitigated Negative Declaration and the conditions of approval imposed through the **Project Design Review**. These mitigations shall, subject to Section 3.05, include:

- (a) Subject to the **City** acquiring any right of ways required, the **Developer** shall construct a third southbound left turn lane at the intersection of Foothill Road and Canyon Way. The third southbound left turn lane will require the widening of Canyon Way to allow for three receiving lanes.
- (b) Subject to the **City** acquiring any right of ways required, **Developer** shall modify the intersection of Stoneridge Mall Road at Stoneridge Drive to provide additional vehicle storage lane by realigning the roadway along the west side of Stoneridge Mall Road for a total length of approximately 625 feet. In the event that the **City** is unable to acquire the necessary right of way, the **Developer** shall construct additional vehicle storage by lengthening the innermost southbound left turn lane by modifying the roadway median by a length of approximately 150 feet.
- (c) The **Developer** shall install a traffic signal where the main driveway of the **Project** intersects Stoneridge Mall Road.

These three mitigations are identified in the Workday Office Development Transportation Impact Analysis Report completed by Hexagon Transportation Consultants dated March 14, 2014.

#### **Article IV. Landscaping Agreement Between Developer and CalTrans.**

**Section 4.01 Landscaping Agreements.** **Developer** intends to plant and maintain said plantings/landscaping in and upon an areas owned by CalTrans along the perimeter of the **Project** as outlined in the **Project Approvals**. CalTrans has indicated that any agreement to allow said plantings/landscaping will be between the **City** and CalTrans as opposed to between the **Developer** and CalTrans. The **City** and **Developer** therefore agree that the **City**, upon request of **Developer**, shall enter into said agreement with CalTrans (which agreement has been approved by **Developer**) and simultaneously enter into an agreement with **Developer** by which **Developer** will assume the rights and obligations of the **City** under the agreement between CalTrans and the **City**. The latter agreement shall be binding upon **Developer**'s successors and assigns.

#### **Article V. City Obligations.**

**Section 5.01 Protection of Vested Rights.** To the maximum extent permitted by law, **City** shall take any and all actions as may be necessary or appropriate to ensure that the vested rights provided by this **Agreement** can be enjoyed by **Developer** and to prevent any **City Law** from invalidating or prevailing over all or any part of this **Agreement**. **City** shall cooperate with **Developer** and shall undertake such actions as may be necessary to ensure this **Agreement** remains in full force and effect. **City** shall not support, adopt, or enact any **City Law**, or take any other action which would violate the express provisions or intent of the **Project Approvals** or the **Subsequent Approvals** (defined below).

**Section 5.02 Availability of Public Services.** To the maximum extent permitted by law and consistent with its authority, **City** shall assist **Developer** in reserving capacity for sewer, water and any other services as may be necessary to serve the **Project**.

**Section 5.03 Developer's Right to Rebuild.** **City** agrees that **Developer**, at **Developer's** sole and absolute discretion, may renovate or rebuild the **Project** within the **Term** of this **Agreement** (before or after completion) should it become necessary including, but not limited to a natural disaster, changes in seismic requirements, commercially not feasible, functionally outdated, or technologically obsolete reasons. Any such renovation or rebuilding shall be subject to the square footage and height limitations vested by this **Agreement**, and shall comply with the **Project Approvals**, the building codes existing at the time of such rebuilding or reconstruction, and the requirements of **CEQA**.

#### **Article VI. Miscellaneous.**

**Section 6.01 Recitals.** The Recitals set forth above, specifically Recitals A-K, are hereby fully incorporated into and made a part of this **Agreement** by reference.

**Section 6.02 Amendment to Project Approvals.**

- (a) **Administrative Project Amendments.** Upon the written request of **Developer** for an amendment or modification to a **Project Approval** or **Subsequent Approval**, the Director of Community Development or his/her designee shall determine (i) whether the requested amendment or modification is minor when considered in light of the **Project** as a whole; and (ii) whether the requested amendment or modification is substantially consistent with this **Agreement** and **Applicable Law**. If the Director of Community Development or his/her designee finds that the proposed amendment or modification is minor, substantially consistent with this **Agreement** and **Applicable Law**, and will result in no new significant impacts not addressed and mitigated in the mitigated negative declaration, the amendment shall be determined to be an "**Administrative Project Amendment**" and the Director of Community Development or his designee may, except to the extent otherwise required by law, approve the **Administrative Project Amendment** without notice and public hearing. Without limiting the generality of the foregoing, lot line adjustments, minor increases or decreases in the intensity, scale or

scope of the **Project**, minor alterations in vehicle circulation patterns or vehicle access points, substitutions of comparable landscaping for any landscaping shown on any final development plan or landscape plan, minor variations in the location of structures that do not substantially alter the design concepts of the **Project**, variations in the location or installation of utilities and other infrastructure connections or facilities that do not substantially alter the design concepts of the **Project**, and minor adjustments to the **Project Site** diagram or **Project Site** legal description shall be treated as **Administrative Project Amendments**.

- (b) Other Project Amendments. Any request of **Developer** for an amendment or modification to a **Project Approval** or **Subsequent Approval** which does not satisfy the requirements for an **Administrative Project Amendment** shall be subject to the review, consideration and action by **City** pursuant to the **Applicable Law** and this **Agreement**.

**Section 6.03 Processing Subsequent Approvals**. “Subsequent Approvals” shall mean those certain other land use approvals, entitlements, and permits other than the Project Approvals, which are necessary or desirable for the development of the Project on the Project Site as, determined by Developer. The Subsequent Approvals may include, without limitation, the following: amendments of the Project Approvals, lot line adjustments and/or subdivision maps, improvement agreements, grading permits, building permits, sewer and water connection permits, and certificates of occupancy. The Subsequent Approvals shall be deemed tools to implement those final policy decisions reflected by the Project Approvals and shall be issued by City so long as they comply with this Agreement and Applicable Law and are not inconsistent with the Project Approvals. Without limiting the preceding provisions of this Section 5.04, City shall not (a) impose any conditions of approval or other requirements upon any Subsequent Approvals that conflict with any Project Approvals or that could prevent or materially increase the cost of development of the Project pursuant to the Project Approvals; or (b) require any further legislative level entitlements to enable Developer to build out the Project on the Project Site.

**Section 6.04 Acquisition of Development Right’s on Adjacent Property**. The City and Developer acknowledge that Developer contemplates constructing portions of the Project on adjacent property not owned by Developer and the City makes no representation or warranties as to whether Developer can acquire ownership, a leasehold interest, or other rights sufficient to allow it to develop such portions of the Project. Developer expressly acknowledges that Condition of Approval # 8 states “*Prior to issuance of a building permit, a lot line adjustment shall be approved by the City of Pleasanton and recorded by the applicant which adjusts the property lines so that the new office building and southern parking garage do not cross a property line.*”

**Section 6.05 Amendment of Agreement.** This **Agreement** may be amended from time to time, in whole or in part, by mutual written consent of the parties hereto or their successors in interest, as follows:

- (a) Administrative Agreement Amendments. Any amendment to this **Agreement** which does not substantially affect (i) the **Term** of this **Agreement**, (ii) permitted uses of the **Project Site**, (iii) provisions for the reservation or dedication of land, (iv) conditions, terms, restrictions or requirements for subsequent discretionary actions, (v) the density or intensity of use of the **Project Site** or the maximum height or size of proposed buildings, or (vi) monetary contributions by **Developer**, shall not, except to the extent otherwise required by law, require notice or public hearing before the parties may execute an amendment hereto. Such amendment may be approved by the Community Development Director who shall make the determination in the context of the overall **Project**.
- (b) Amendment Exemptions. No amendment of a **Project Approval** or **Subsequent Approval** shall require an amendment to this **Agreement**. Instead, any such amendment automatically shall be deemed to be incorporated into the **Project** and vested under this **Agreement**.
- (c) Scope of Amendment. An amendment to this **Agreement** may properly address new impacts, if any, resulting from the proposed amendment and shall not serve as an opportunity for **City** to revisit vested rights unrelated to such amendment.

**Section 6.06 Cooperation in Event of Legal Challenge.** In the event of an administrative, legal or equitable action or other proceeding instituted by any person not a party to this Agreement challenging the validity of this **Agreement** or any **Project Approval** or **Subsequent Approval**, the parties shall cooperate in defending such action or proceeding. The parties shall use best efforts to select mutually agreeable legal counsel to defend such action, and **Developer** shall pay compensation for such legal counsel; provided, however, that such compensation shall include only compensation paid to counsel not otherwise employed as **City** staff and shall exclude, without limitation, City Attorney time and overhead costs and other **City** staff overhead costs and normal day-to-day business expenses incurred by **City**. **Developer's** obligation to pay for legal counsel shall not extend to fees incurred on appeal unless otherwise authorized by **Developer**. In the event **City** and **Developer** are unable to select mutually agreeable legal counsel to defend such action or proceeding, each party may select its own legal counsel at its own expense.

**Section 6.07 Defaults.** In the event **City** or **Developer** defaults under the terms of this **Agreement**, **City** or **Developer** shall have all rights and remedies provided under law. No default hereunder shall render invalid the lien of any deed of trust, mortgage or security interest in or upon the **Project Site** or any improvements or fixtures at any time located thereon.

**Section 6.08** Periodic Review. Throughout the **Term** of this **Agreement**, at least once every twelve (12) months following the execution of this **Agreement**, **City** shall review the extent of good-faith compliance by **Developer** with the terms of this **Agreement**.

**Section 6.09** California Law. This **Agreement** shall be construed and enforced in accordance with California Law.

**Section 6.10** Attorneys Fees. In any legal action or other proceeding brought by either party to enforce or interpret a provision of this **Agreement**, the prevailing party is entitled to reasonable attorney's fees and any related costs incurred in that proceeding in addition to any other relief to which it is entitled.

**Section 6.11** Severability. If any term or provision of this **Agreement**, or the application of any term or provision of this **Agreement** to a particular situation, is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining terms and provisions of this **Agreement**, or the application of this **Agreement** to other situations, shall continue in full force and effect unless amended or modified by mutual consent of the parties.

**Section 6.12** Covenants Running with the Land. All of the provisions contained in this **Agreement** shall be binding upon the parties and their respective heirs, successors and assigns, representatives, lessees, and all other persons acquiring all or a portion of the **Project**, or any interest therein, whether by operation of law or in any manner whatsoever. All of the provisions contained in this **Agreement** shall be enforceable as equitable servitudes and shall constitute covenants running with the land pursuant to California law including, without limitation, California Civil Code section 1468.

**Section 6.13** Assignment of Interests, Rights and Obligations. **Developer** may transfer or assign all or any portion of its interests, rights or obligations under this **Agreement**, the **Project Approvals** or **Subsequent Approvals** to third parties acquiring an interest or estate in the **Project Site** or any portion thereof including, without limitation, purchasers or ground lessees of lots, parcels or facilities.

**Section 6.14** Notices. Any notice or communication required hereunder between **City** and **Developer** must be in writing, and may be given either personally, by telefacsimile (with original forwarded by regular U.S. Mail) by registered or certified mail (return receipt requested), or by Federal Express or other similar courier promising overnight delivery to the respective addresses specified by each party. Any party hereto may at any time, by giving ten (10) days written notice to the other party hereto, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the parties at their addresses set forth below:

If to City, to: City of Pleasanton  
City Hall  
123 Main Street  
P.O. Box 520  
Pleasanton, CA 94566  
Attn: Nelson Fialho, City Manager  
Telephone: (925) 931-5002  
Facsimile: (925) 931-5482

With Copies to: City of Pleasanton  
City Hall  
123 Main Street  
P.O. Box 520 Pleasanton, CA 94566  
Attn: Jonathan Lowell, City Attorney  
Telephone: (925) 931-5015  
Facsimile: (925) 931-5482

If to Developer, to: Workday, Inc.  
6230 Stoneridge Mall Road  
Pleasanton, CA 94588  
Attn: Michele Spangler Hodge  
Sr. Director, Real Estate & Workplace  
Telephone: (925) 951-9598  
Facsimile: (925) 951-9001

With Copies to: Cooper Law Offices  
495 Miller Avenue, Suite 305  
Mill Valley, CA 94941  
Attn: Thomas E. Cooper

With Copies to: Workday, Inc.  
6230 Stoneridge Mall Road  
Pleasanton, CA 94588  
Attn: James P. Shaughnessy  
Vice President, General Counsel and Secretary  
Telephone: (925) 951-9329  
Facsimile: (925) 951-9001

**Section 6.15 Exhibits.** The following exhibits are attached to this Agreement and incorporated herein for all purposes:

- EXHIBIT A-1 .....Legal Description of 6110 Stoneridge Mall Road
- EXHIBIT A-2 .....Site Plan
- EXHIBIT B .....Workday Campus Fee Estimate

EXHIBIT C.....Plans For Joint Police Substation and BART Station  
Walkway and Plaza Improvements

**Section 6.16** Entire Agreement, Counterparts and Exhibits. This **Agreement** is executed in two (2) duplicate counterparts, each of which is deemed to be an original. This **Agreement** consists of \_\_\_ pages and three exhibits which constitute in full, the final and exclusive understanding and agreement of the parties and supersedes all negotiations or previous agreements of the parties with respect to all or any part of the subject matter hereof. All waivers of the provisions of this **Agreement** shall be in writing and signed by the appropriate authorities of **City** and the **Developer**.

**Section 6.17** Estoppel Certificate. **Developer** may, at any time, and from time to time, deliver a written notice to **City** requesting **City** to certify in writing that: (a) this **Agreement** is in full force and effect and a binding obligation of the parties, (b) this **Agreement** has not been amended or modified either orally or in writing, and if so amended, identifying the amendments entered into by the parties, and (c) to the knowledge of **City**, neither party is or has been in default under this **Agreement**, or if any such default has to **City**'s knowledge occurred, describing the nature of any such event of default and any cure thereof. **City** shall execute and return such certificate to **Developer** within ten (10) days following **City**'s receipt thereof, and if **City** fails so to do within such 10-day period, the information in **Developer**'s notice shall conclusively be deemed true and correct in all respects. The Director of Community Development, on behalf of **City**, shall execute certificates requested by **Developer** hereunder. **City** acknowledges that any certificate hereunder may be relied upon by any transferee or mortgagee of any interest of **Developer** hereunder.

**Section 6.18** Further Assurances. Each of the parties covenants, on behalf of itself and its successors and assigns, to take all actions and to execute, with acknowledgment or affidavit if required, any and all documents and writings, that may be reasonably necessary, proper or convenient to achieve the purposes and objectives of this **Agreement**.

**Section 6.19** Interpretation. Captions and headings in this **Agreement** are for convenience of reference only and shall not affect the meaning or interpretation of any provision of this **Agreement**. As used herein: (a) the singular shall include the plural (and vice versa) and the masculine or neuter gender shall include the feminine gender (and vice versa) where the context so requires; (b) locative adverbs such as "herein," "hereto," and "hereunder" shall refer to this **Agreement** in its entirety and not to any specific section or paragraph; (c) the terms "include," "including," and similar terms shall be construed as though followed immediately by the phrase "but not limited to;" (d) "shall," "will," "must," "agrees," and "covenants," are mandatory and "may" is permissive; and (e) "or" is not exclusive. The parties have jointly participated in the negotiation and drafting of this **Agreement**, and this **Agreement** shall be construed fairly and equally as to the parties, without regard to any rules of construction relating to the party who drafted a particular provision of this **Agreement**.

**Section 6.20** Recordation of Development Agreement. Pursuant to California Government Code section 65868.5, no later than ten (10) days after **City** enters into this **Agreement**, the **City** Clerk shall record an executed copy of this **Agreement** in the Official Records of the County of Alameda.

[Signatures on next page]

**IN WITNESS WHEREOF**, this **Agreement** has been entered into by and between **Developer** and **City** as of the day and year first above written.

**“CITY”**

Dated:

CITY OF PLEASANTON,  
a municipal corporation

By:

Nelson Fialho  
City Manager

Dated:

Approved as to form:

By:

Jonathan Lowell  
City Attorney

**“DEVELOPER”**

Dated:

Workday, Inc., a Delaware Corporation

By:

James P. Shaughnessy  
Vice President, General Counsel and Secretary

STATE OF CALIFORNIA

ss.

COUNTY OF \_\_\_\_\_

On \_\_\_\_\_, before me, \_\_\_\_\_, 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 is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

[Seal]

STATE OF CALIFORNIA

ss.

COUNTY OF \_\_\_\_\_

On \_\_\_\_\_, before me, \_\_\_\_\_, 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 is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

[Seal]

EXHIBIT A-1

LEGAL DESCRIPTION OF PROPERTY

Real property in the City of Pleasanton, County of Alameda, State of California, described as follows:

EXHIBIT A-2

USE CURRENT SITE PLAN IN BLACK AND WHITE FOR RECORDING

**EXHIBIT B**

**LIST OF CITY DEVELOPMENT IMPACT FEES**

EXHIBIT C

Insert Plans for joint police station and BART station walkway and plaza improvements.

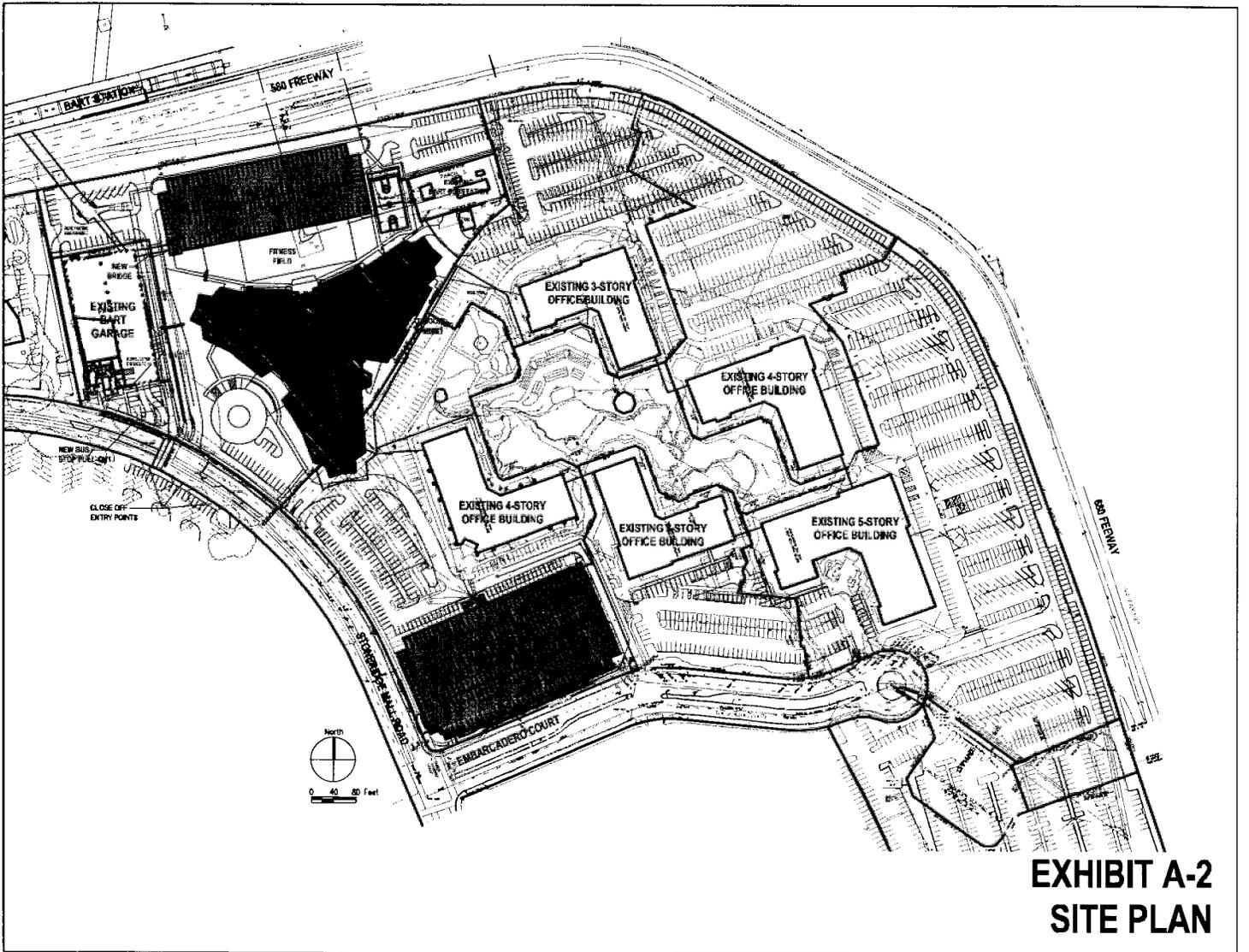
**LEGAL DESCRIPTION**

Real property in the City of Pleasanton, County of Alameda, State of California, described as follows:

BEING A PORTION OF THE LANDS DESCRIBED IN THE PARTNERSHIP GRANT DEED TO THE SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT, RECORDED APRIL 14, 1987 AS SERIES NO. 87-101735 OF OFFICIAL RECORDS OF ALAMEDA COUNTY, SAID PORTION BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF SAID LANDS ON THE NORTHEASTERLY RIGHT OF WAY LINE OF STONERIDGE MALL ROAD (63 FOOT WIDE RIGHT OF WAY) AS SHOWN ON THAT CERTAIN MAP ENTITLED "PARCEL MAP 4184", FILED MARCH 27, 1985, IN BOOK 152 OF PARCEL MAPS AT PAGE 69, ALAMEDA COUNTY RECORDS, AT A POINT ON A CURVE, CONCAVE, SOUTHWESTERLY, HAVING A RADIUS OF 810.00 FEET, FROM WHICH THE CENTER BEARS SOUTH 41° 33' 46" WEST; THENCE NORTHWESTERLY ALONG SAID NORTHEASTERLY RIGHT OF WAY LINE AND ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15° 44' 52", AN ARC DISTANCE OF 222.63 FEET; THENCE LEAVING SAID NORTHEASTERLY RIGHT OF WAY LINE NORTH 25° 48' 54" EAST 35.80 FEET; THENCE NORTH 11° 18' 10" WEST 331.13 FEET; THENCE SOUTH 78° 41' 50" WEST 174.11 FEET TO THE WESTERLY LINE OF SAID LANDS (87-101735 O.R.); THENCE NORTHERLY ALONG SAID WESTERLY LINE NORTH 11° 18' 10" WEST 125.08 FEET TO THE NORTHERLY LINE OF SAID LANDS (87-101735 O.R.); THENCE EASTERLY ALONG SAID NORTHERLY LINE THE FOLLOWING TWO (2) COURSES: 1) NORTH 78° 28' 44" EAST 482.91 FEET; 2) NORTH 77° 37' 00" EAST 320.00 FEET TO THE EASTERLY LINE OF SAID LANDS (87-101735 O.R.); THENCE SOUTHERLY ALONG SAID EASTERLY LINE SOUTH 16° 20' 00" EAST 101.02 FEET; THENCE LEAVING SAID EASTERLY LINE SOUTH 73° 40' 00" WEST 161.95 FEET; THENCE SOUTH 16° 20' 00" EAST 79.50 FEET; THENCE NORTH 73° 40' 00" EAST 161.95 FEET TO SAID EASTERLY LINE; THENCE SOUTHERLY ALONG SAID EASTERLY LINE SOUTH 16° 18' 57" EAST 14.48 FEET TO THE SOUTHEASTERLY LINE OF SAID LANDS (87-101735 O.R.) AND A POINT ON A CURVE, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 360.00 FEET, FROM WHICH THE CENTER BEARS SOUTH 36° 30' 19" EAST; THENCE SOUTHWESTERLY ALONG SAID SOUTHEASTERLY LINE THE FOLLOWING EIGHT (8) COURSES: 1) ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 23° 19' 41", AN ARC DISTANCE OF 146.57 FEET; 2) SOUTH 30° 10' 00" WEST 123.31 FEET; 3) NORTH 59° 50' 00" WEST 2.00 FEET, 4) SOUTH 30° 10' 00" WEST 12.00 FEET; 5) SOUTH 59° 50' 00" EAST 2.00 FEET; 6) SOUTH 30° 10' 00" WEST 87.00 FEET; 7) ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 800.00 FEET THROUGH A CENTRAL ANGLE OF 13° 01' 24", AN ARC DISTANCE OF 181.84 FEET; 8) THENCE SOUTH 43° 11' 24" WEST 137.60 FEET TO THE POINT OF BEGINNING.

APN: 941-1201-071-07



**EXHIBIT A-2  
SITE PLAN**

## Workday Project Permit Development Fees

### Estimated Fees with Applicable Fee Credits

April 18, 2014

New 427,181 sf Office Shell & TI, 230,318 sf 4-story North Open-Parking Structure & 351,284 sf 5-story South Open-Parking Structure	Building Permit & Development Fees	Project Credits	Adjusted Fee Totals	Total Project Valuation: \$101,720,000 Credit Building Permit Fee for both Garage Structures.
Permit Fee, Building	\$379,113	\$137,946	\$241,167	
Permit Fee, Fire Sprinkler	\$29,413		\$29,413	
Permit Surcharge, Energy <sup>1</sup>	\$60,292		\$60,292	
Permit Surcharge, Access	\$56,867	\$20,692	\$36,175	Credit Accessibility Surcharge for both Garage Structures.
Permit Surcharge, Sub-Trades	\$94,778	\$34,487	\$60,291	Credit Sub-Trades Surcharge for both Garage Structures.
<b>Total Permit Fees &amp; Surcharges:</b>	<b>\$620,463</b>	<b>\$193,125</b>	<b>\$427,338</b>	
Plan Review Fee	\$384,183	\$62,766	\$321,418	Credit 50% of both Parking Structure Plan Review Fees.
Plan Review Fee, Life Safety/Egress	\$94,778	\$17,244	\$77,535	Credit 50% of both Parking Structure Life Safety/Egress Plan Review Fees.
Plan Review Fee, Green Building	\$1,560		\$1,560	
Plan Review Fee, Fire Sprinkler	\$19,118	\$3,795	\$15,323	Credit 50% of both Parking Structure Fire Sprinkler Plan Review Fees.
<b>Total Plan Review Fees:</b>	<b>\$499,639</b>	<b>\$83,804</b>	<b>\$415,835</b>	
Public Facilities Fee <sup>1</sup>	\$380,191	\$371,130	\$9,061	Gross Area of Office Building @ \$0.89/sf. Credit for new PD Substation.
Lower Income Housing Fee <sup>1</sup>	\$1,226,009		\$1,226,009	Gross Area of Office Building @ \$2.87/sf.
Traffic Impact Fee <sup>1</sup>	\$2,674,153		\$2,674,153	Gross Area of Office Building @ \$6.26/sf.
TVTC Fee <sup>1</sup>	\$1,772,801		\$1,772,801	Gross Area of Office Building @ \$4.15/sf.
GIS Mapping Fee, Site	\$737		\$737	Parcel area @ \$0.002/sf.
Impervious Drainage Fee, Zone 7	\$246,985		\$246,985	New Office & N Garage buildings, plus 118,191 sf for onsite.
Sewer Fee, City	\$49,685	\$49,685	\$0	\$0 20,043 gpd applied to the 28,463 gpd of current available credit on campus.
Sewer Fee, DSRSD	\$1,626,848	\$1,626,848	\$0	\$0 20,043 gpd applied to the 28,463 gpd of current available credit on campus.
*Archiving Fee, Plans	\$850		\$850	Estimate @ \$2/ sheet.
*Archiving Fee, Documents	\$25		\$25	Estimate @ \$0.25/ page.
SMIP Non-Residential	\$21,361		\$21,361	Mandatory State Fee.
CBSC Surcharge	\$4,070		\$4,070	Mandatory State Fee.
PUSD School Impact Fees <sup>1</sup>	\$200,775		\$200,775	Assessed by, and paid directly to, the Pleasanton Unified School District.
<b>Grand Totals</b>	<b>\$9,324,592</b>	<b>\$2,324,592</b>	<b>\$7,000,000</b>	

\* Estimate only, actual quantities and fees to be based on Building Permit submittals.

<sup>1</sup> Assessed on Office Building Only.