

July 7, 2014

Modification to:

*DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY AND COUNTY OF SAN FRANCISCO AND VISITACION DEVELOPMENT, LLC, A SUBSIDIARY OF THE UNIVERSAL PARAGON CORPORATION RELATIVE TO THE DEVELOPMENT KNOWN AS THE SCHLAGE LOCK DEVELOPMENT PROJECT*

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6.16. Fire Suppression Obligation. The Developer shall satisfy its fire suppression obligation to the City ~~through the payment of funds to the City by providing low pressure water system elements meeting Uniform Fire Code requirements, as described in the Infrastructure Plan, Exhibit L to the Development Agreement, plus the seismically reliable or high pressure fire suppression system and through the payment of funds to the City as described in this Section.~~ SFPUC and the SFFD shall make the selection of the appropriate option for the Project of improvements to the seismically reliable high pressure Auxiliary Water Supply System (AWSS) and/or the selection of a portable water supply system (PWSS) to meet post-earthquake fire suppression standards that have been developed by the SFPUC and SFFD. However, Developer's funding obligation under this Section shall be limited to the actual cost of a PWSS that is appropriately designed for the Project-specific requirements, as negotiated by the City using best efforts with a reputable vendor, or \$1,500,000 whichever is less. Developer shall consult with SFPUC and the SFFD for design specifications and, upon the selection of a vendor for the PWSS, ~~and~~ Funds shall be delivered to the City within sixty (60) days after ~~[-] the certificates of occupancy have been issued by the Department of Building Inspection for all the dwelling units in Phase 1 of the Project.~~ The Parties agree that Developer's provision of funds for the designs and the PWSS system shall be its sole obligation for seismically reliable fire suppression systems and shall have no obligation for payment to construct or fund improvements to the City's Auxiliary Water Supply System or any other high pressure or seismically reliable water system infrastructure or program related to fire suppression. Should the SFPUC and SFFD select an alternative form of AWSS for the Project then Developer's obligation shall be the maximum of \$1,500,000 and funds shall be delivered to the City within sixty (60) days after the certificates of occupancy have been issued by the Department of Building Inspection for all the dwelling units in Phase 1 of the Project. The obligation of developer shall be a maximum of \$1,500,000 in 2014 dollars with no escalation.