

RESOLUTION NUMBER R- 310710

DATE OF FINAL PASSAGE OCT 17 2016

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO GRANTING COASTAL DEVELOPMENT PERMIT NO. 1580366 AND SITE DEVELOPMENT PERMIT NO. 1580368 (AMENDING COASTAL DEVELOPMENT PERMIT NO. 1447486, SITE DEVELOPMENT PERMIT NO. 1447488, AND COASTAL DEVELOPMENT PERMIT/HILLSIDE REVIEW PERMIT NO. 96-7939) FOR THE SPECTRUM III AND IV PROJECT – PROJECT NO. 422478.

WHEREAS, ARE-SD REGION 23, LLC, a Delaware limited liability company, Owner/Permittee, filed an application with the City of San Diego for a Coastal Development Permit and Site Development Permit, to demolish two existing research and development buildings and construct two new research and development buildings, and effect a Multiple Habitat Planning Area Boundary Line correction, and make associated site improvements, on a 13.77-acre parcel of land known as the Spectrum III and IV project (Project); and

WHEREAS, the project site is located at 3115-3215 Merryfield Row in the IP-1-1 Zone within the University Community Plan, Prime Industrial Lands, Community Plan Implementation Overlay Zone (CPIOZ-B), Coastal Height Limitation Overlay Zone, First Public Roadway Overlay Zone, and Coastal Overlay Zone (Non-Appealable Area 1 and Appealable Area). In addition, the property is located within the Parking Impact Overlay Zone (Coastal and Campus Impact Areas), Airport Land Use Compatibility Overlay Zone, the Airport Influence Area (Review Area 1), the Accident Potential Zone for Marine Corps Air Station (MCAS) Miramar, and Council District 1; and

WHEREAS, the property is legally described as Lots 9 through 12 of La Jolla Spectrum, in the City of San Diego, County of San Diego, State of California, according to Map thereof

12990 filed in the Office of the County Recorder of San Diego County on December 4, 1992;  
and

WHEREAS, on September 8, 2016, the Planning Commission of the City of San Diego considered Coastal Development Permit No. 1580366 and Site Development Permit No. 1580368, and pursuant to Resolution No. 4808-PC, voted to recommend approval of the Project; and

WHEREAS, under Charter section 280(a)(2), this resolution is not subject to veto by the Mayor because this matter requires the City Council to act as a quasi-judicial body and where a public hearing was required by law implicating due process rights of individuals affected by the decision and where the Council was required by law to consider evidence at the hearing and to make legal findings based on the evidence presented; and

WHEREAS, the matter was set for public hearing on OCT 17 2016, testimony having been heard, evidence having been submitted, and the City Council having fully considered the matter and being fully advised concerning the same; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, that it adopts the following findings with respect to Coastal Development Permit No. 1580366 and Site Development Permit No. 1580368 (amendment to Coastal Development Permit No. 1447486, Site Development Permit No. 1447488, and Coastal Development Permit/Hillside Review Permit No. 96-7939):

**I. COASTAL DEVELOPMENT PERMIT – SAN DIEGO MUNICIPAL CODE (SDMC) SECTION 126.0708(A)**

**1. The proposed coastal development will not encroach upon any existing physical accessway that is legally used by the public or any proposed public accessway identified in a Local Coastal Program land use plan; and the proposed coastal development**

**will enhance and protect public views to and along the ocean and other scenic coastal areas as specified in the Local Coastal Program land use plan.** The project site is located at 3115-3215 Merryfield Row, east of North Torrey Pines Road, in the IP-1-1 Zone within the University Community Plan (UCP), Prime Industrial Lands, Community Plan Implementation Overlay Zone (CPIOZ-B), Coastal Height Limitation Overlay Zone, First Public Roadway Overlay Zone, and Coastal Overlay Zone (Non-Appealable Area 1 and Appealable Area). The project proposes to demolish two existing research and development buildings and the construction of a 57,372 square foot research and development building with 148 subterranean parking spaces located at 3115 Merryfield Row (Spectrum III) and a 145,828 square foot research and development building with 290 subterranean parking spaces located at 3215 Merryfield Row (Spectrum IV). A proposed mechanical yard and chiller room equipment enclosure (both areas are open to the light and air) will be located within the parking lot area between the two buildings. Including the accessory uses/non trip generation square footage, at build out, the project's overall gross floor area will be 203,200 square feet. As a component of the proposed project, the proposed new research and development building would achieve a Leadership in Energy and Environmental Design (LEED) Silver Certification.

The project site is a trapezoid shaped lot that follows the curvature of the adjacent canyon edge. Merryfield Row is a private driveway that takes access from Science Park Road. The project site contains Environmental Sensitive Lands (ESL) in the form of steep hillsides and sensitive biological resources. The project site lies within the boundaries of the City's Multiple Species Conservation Plan (MSCP) Subarea, and the Multi-Habitat Planning Area (MHPA) is mapped onsite and adjacent to the project.

The parcel has been previously graded and developed with two research and development buildings that were constructed in 1996-1997. Therefore, the project is also requesting an MHPA Boundary Line Correction to correct the MHPA boundary where legal grading and construction of surface parking occurred prior to the implementation of the City's MSCP.

The property is located approximately 0.9 miles from the Pacific Ocean. The property is located in an area just east of Torrey Pines Road between the sea and the first public roadway paralleling the sea. Merryfield Row is not designated as a view corridor and does not contain an intermittent or partial vista, viewshed or scenic overlooks with views toward the Pacific Ocean. The proposed development would not encroach upon any existing physical accessway that is legally used by the public or any proposed public accessway as identified in the UCP and the Local Coastal Program Land Use Plan.

The buildable footprint area ranges from approximately 358 feet above Mean Sea Level (MSL) at the east end of the Spectrum III building to 343 feet above MSL at the lowest elevation of the Spectrum IV building, and is located above the 100 year floodplain. The topography of the site creates various building heights for both the proposed buildings. Sheet A4.1 through A4.3 provides 18 elevation exhibits demonstrating that the structures and any projections will not exceed the maximum height limit allowed by the Coastal Height Limitation Overlay Zone.

The proposed development will be located on private property and is not requesting nor does it require any deviations or variances from the applicable regulations and policy documents,

and is consistent with the recommended land use designation, design guidelines, and development standards in effect for this site. Therefore, the development has been designed to meet the development regulations of the underlying zone and would enhance and protect any public views to and along the ocean and other scenic coastal areas as specified in the Local Coastal Program Land Use Plan.

**2. The proposed coastal development will not adversely affect environmentally sensitive lands.** The project proposes to demolish two existing research and development buildings and the construction of a 57,372 square foot research and development building with 148 subterranean parking spaces located at 3115 Merryfield Row (Spectrum III) and a 145,828 square foot research and development building with 290 subterranean parking spaces located at 3215 Merryfield Row (Spectrum IV). A proposed mechanical yard and chiller room equipment enclosure (both areas are open to the light and air) will be located within the parking lot area between the two buildings.

The project site is a trapezoid shaped lot that follows the curvature of the adjacent canyon edge. Merryfield Row is a private driveway that takes access from Science Park Road. The project site contains environmentally sensitive lands in the form of steep hillsides and sensitive biological resources. The project site lies within the boundaries of the City's MSCP Subarea, and the MHPA is mapped onsite and adjacent to the project.

The parcel has been previously graded and developed with two research and development buildings that were constructed in 1996-1997. Therefore, the project is also requesting an MHPA -Boundary Line Correction to correct the MHPA boundary where legal grading and construction of surface parking occurred prior to the implementation of the City's MSCP.

All of the proposed development will occur within the previously disturbed and developed portion of the site and there would be no encroachment into, or impacts on, any steep slopes or other environmentally sensitive lands located on the site. In addition, a Brush Management Plan would be implemented with the project and all landscaping proposed would utilize native and non-native, non-invasive, and/or drought-tolerant plants throughout the site.

A Mitigated Negative Declaration (MND) No. 422478/SCH No. 2016061047 has been prepared for the project in accordance with State of California Environmental Quality Act (CEQA) Guidelines, which addresses potential impacts to Biological Resources, Paleontological Resources, and Transportation/Circulation. A Mitigation, Monitoring and Reporting Program (MMRP) will be implemented with this project, which will reduce the potential impacts to below a level of significance. Therefore, the proposed coastal development would not adversely affect environmentally sensitive lands.

**3. The proposed coastal development is in conformity with the certified Local Coastal Program land use plan and complies with all regulations of the certified Implementation Program.** The project site is located at 3115-3215 Merryfield Row, east of North Torrey Pines Road, in the IP-1-1 Zone within the UCP, Prime Industrial Lands, CPIOZ-B, Coastal Height Limitation Overlay Zone, First Public Roadway Overlay Zone, and Coastal Overlay Zone (Non-Appealable Area 1 and Appealable Area). The project proposes to demolish

two existing research and development buildings and the construction of a 57,372 square foot research and development building with 148 subterranean parking spaces located at 3115 Merryfield Row (Spectrum III) and a 145,828 square foot research and development building with 290 subterranean parking spaces located at 3215 Merryfield Row (Spectrum IV). A proposed mechanical yard and chiller room equipment enclosure (both areas are open to the light and air) will be located within the parking lot area between the two buildings.

The property is located approximately 0.9 miles from the Pacific Ocean. The property is located in an area just east of Torrey Pines Road between the sea and the first public roadway paralleling the sea. Merryfield Row is not designated as a view corridor and does not contain an intermittent or partial vista, viewshed or scenic overlooks with views toward the Pacific Ocean. The proposed development would not encroach upon any existing physical accessway that is legally used by the public or any proposed public accessway as identified in the UCP and the Local Coastal Program Land Use Plan.

The buildable footprint area ranges from approximately 358 feet above Mean Sea Level (MSL) at the east end of the Spectrum III building to 343 feet above MSL at the lowest elevation of the Spectrum IV building, and is located above the 100 year floodplain. The topography of the site creates various building heights for both the proposed buildings. Sheet A4.1 through A4.3 provides 18 elevation exhibits demonstrating that the structures and any projections will not exceed the maximum height limit allowed by the Coastal Height Limitation Overlay Zone.

The project is not requesting nor does it require any deviations or variances from the applicable regulations and policy documents, and is consistent with the recommended land use designation, design guidelines, and development standards in effect for this site. Therefore, for all of these reasons, the development is in conformity with the certified Local Coastal Program Land Use Plan and complies with all regulations of the certified Implementation Program.

**4. For every Coastal Development Permit issued for any coastal development between the nearest public road and the sea or the shoreline of any body of water located within the Coastal Overlay Zone the coastal development is in conformity with the public access and public recreation policies of Chapter 3 of the California Coastal Act.** The project site is located at 3115-3215 Merryfield Row, east of North Torrey Pines Road, in the IP-1-1 Zone within the UCP, Prime Industrial Lands, CPIOZ-B, Coastal Height Limitation Overlay Zone, First Public Roadway Overlay Zone, and Coastal Overlay Zone (Non-Appealable Area 1 and Appealable Area). The property is located in an area just west of Sorrento Valley Road between the sea and the first public roadway paralleling the sea. The property is located approximately 0.9 miles from the Pacific Ocean. The proposed development would be located on private property and would occur within the previously disturbed and developed portion of the site. The proposed development would not encroach upon any existing physical accessway that is legally used by the public or any proposed public accessway as identified in the UCP and the Local Coastal Program Land Use Plan.

The project is not requesting nor does it require any deviations or variances from the applicable regulations and policy documents, and is consistent with the recommended land use designation, design guidelines, and development standards in effect for this site and public

access to the water, public recreation facilities, or public parking facilities would not be adversely affected by the approval of this development. Therefore, the proposed development is in conformity with the public access and recreation policies of Chapter 3 of the California Coastal Act.

**II. SITE DEVELOPMENT PERMIT – SAN DIEGO MUNICIPAL CODE (SDMC)  
SECTION 126.0504**

**A. Findings for all Site Development Permits**

**1. The proposed development will not adversely affect the applicable land use plan.** The project site is located at 3115-3215 Merryfield Row, east of North Torrey Pines Road, in the IP-1-1 Zone within the UCP, Prime Industrial Lands, CPIOZ-B, Coastal Height Limitation Overlay Zone, First Public Roadway Overlay Zone, and Coastal Overlay Zone (Non-Appealable Area 1 and Appealable Area). The project proposes to demolish two existing research and development buildings and the construction of a 57,372 square foot research and development building with 148 subterranean parking spaces located at 3115 Merryfield Row (Spectrum III) and a 145,828 square foot research and development building with 290 subterranean parking spaces located at 3215 Merryfield Row (Spectrum IV). A proposed mechanical yard and chiller room equipment enclosure (both areas are open to the light and air) will be located within the parking lot area between the two buildings. The proposed development would be located on private property and is not requesting nor does it require any deviations or variances from the applicable regulations and policy documents.

The IP-1-1 zoning allows for research and development uses with some limited manufacturing. The project site is located within the Torrey Pines Subarea of the UCP. The UCP designates the site as Industrial, and the Industrial Element of the plan more specifically identifies the site for scientific research. The sites are also subject to CPIOZ-B. The purpose of the CPIOZ is to provide supplemental development regulations that are tailored to specific sites within community plan areas of the City to ensure that new development is consistent with the goals, objectives and proposals of the community plan or compatible with surrounding development. The CPIOZ was incorporated into the UCP on January 12, 1988 (Resolution No. R-270138) and addresses land use and intensity, bulk and scale, and architectural design of buildings, structures and signs.

The project has been determined to be in conformance with Table 3 of the Land Use and Development Intensity Element of the UCP, which calls for Scientific Research use at existing or approved development at the time of adoption of the UCP. The UCP was adopted in 1987 and the project site was previously approved for development totaling 242,000 square feet, but was adjusted to 204,000 square feet due to the lot line adjustment approved under Coastal Development Permit (CDP) No. 1447486/ Site Development Permit (SDP) No. 1447488. The project would not exceed this development intensity and to ensure consistency with the goals, objectives, and proposals of the UCP, the development plans have been designed to address height, bulk and scale, materials, colors and signs as required through application of CPIOZ-B. Therefore, the proposed development would not adversely affect the applicable land use plan.

**2. The proposed development will not be detrimental to the public health, safety, and welfare.** The project proposes to demolish two existing research and development buildings and the construction of a 57,372 square foot research and development building with 148 subterranean parking spaces located at 3115 Merryfield Row (Spectrum III) and a 145,828 square foot research and development building with 290 subterranean parking spaces located at 3215 Merryfield Row (Spectrum IV). A proposed mechanical yard and chiller room equipment enclosure (both areas are open to the light and air) will be located within the parking lot area between the two buildings.

An MND No. 422478/SCH No. 2016061047 has been prepared for the project in accordance with CEQA Guidelines, which addresses potential impacts to Biological Resources, Paleontological Resources, and Transportation/ Circulation. An MMRP will be implemented with this project, which will reduce the potential impacts to below a level of significance.

The project is not requesting nor does it require any deviations or variances from the applicable regulations and policy documents, and is consistent with the recommended land use designation, design guidelines, and development standards in effect for this site. The permit for the project includes various conditions and referenced exhibits of approval relevant to achieving project compliance with the applicable regulations of the San Diego Municipal Code (SDMC) in effect for this project. Such conditions within the permit have been determined as necessary to avoid adverse impacts upon the health, safety and general welfare of persons residing or working in the surrounding area. The project will comply with the development conditions in effect for the subject property as described in CDP No. 1580366 and SDP No. 1580368, and other regulations and guidelines pertaining to the subject property per the SDMC. Prior to issuance of any building permits for the proposed development, the plans will be reviewed for compliance with all Building, Electrical, Mechanical, Plumbing and Fire Code requirements, and the Owner/Permittee will be required to obtain a grading and public improvement permit. Therefore, the proposed development would not be detrimental to the public health, safety and welfare.

**3. The proposed development will comply with the applicable regulations of the Land Development Code, including any allowable deviations pursuant to the Land Development Code.** The project proposes to demolish two existing research and development buildings and the construction of a 57,372 square foot research and development building with 148 subterranean parking spaces located at 3115 Merryfield Row (Spectrum III) and a 145,828 square foot research and development building with 290 subterranean parking spaces located at 3215 Merryfield Row (Spectrum IV). A proposed mechanical yard and chiller room equipment enclosure (both areas are open to the light and air) will be located within the parking lot area between the two buildings. As a component of the proposed project, the proposed new research and development building would achieve a LEED Silver Certification.

The proposed development would be located on private property and has been designed to address height, bulk and scale, materials, colors and signs as required through application of CPIOZ-B. The project is not requesting nor does it require any deviations or variances from the applicable regulations and policy documents, and is consistent with the recommended land use designation, design guidelines, and development standards in effect for this site. Therefore, the

proposed development is in conformance with the applicable regulations of the Land Development Code (LDC).

**B. Supplemental Findings--Environmentally Sensitive Lands**

**1. The site is physically suitable for the design and siting of the proposed development and the development will result in minimum disturbance to environmentally sensitive lands.** The project proposes to demolish two existing research and development buildings and the construction of a 57,372 square foot research and development building with 148 subterranean parking spaces located at 3115 Merryfield Row (Spectrum III) and a 145,828 square foot research and development building with 290 subterranean parking spaces located at 3215 Merryfield Row (Spectrum IV). A proposed mechanical yard and chiller room equipment enclosure (both areas are open to the light and air) will be located within the parking lot area between the two buildings.

The project site is a trapezoid shaped lot that follows the curvature of the adjacent canyon edge. Merryfield Row is a private driveway that takes access from Science Park Road. The project sites contain ESL in the form of steep hillsides and sensitive biological resources. The project site lies within the boundaries of the City's MSCP Subarea, and the MHPA is mapped onsite and adjacent to the project.

The parcel has been previously graded and developed with two research and development buildings that were constructed in 1996-1997. Therefore, the project is also requesting a MHPA - Boundary Line Correction to correct the MHPA boundary where legal grading and construction of surface parking occurred prior to the implementation of the City's MSCP.

All of the proposed development will occur within the previously disturbed and developed portion of the site and there will be no encroachment into, or impacts on, any steep slopes or other ESL located on the site. In addition, a Brush Management Plan would be implemented with the project and all landscaping proposed would utilize native and non-native, non-invasive, and/or drought-tolerant plants throughout the site.

An MND No. 422478/SCH No. 2016061047 has been prepared for the project in accordance with CEQA Guidelines, which addresses potential impacts to Biological Resources, Paleontological Resources, and Transportation/ Circulation. An MMRP will be implemented with this project, which will reduce the potential impacts to below a level of significance. Therefore, the site is physically suitable for the design and siting of the proposed development and the development would result in minimum disturbance to environmentally sensitive lands.

**2. The proposed development will minimize the alteration of natural land forms and will not result in undue risk from geologic and erosional forces, flood hazards, or fire hazards.** The project proposes to demolish two existing research and development buildings and the construction of a 57,372 square foot research and development building with 148 subterranean parking spaces located at 3115 Merryfield Row (Spectrum III) and a 145,828 square foot research and development building with 290 subterranean parking spaces located at 3215 Merryfield Row (Spectrum IV). A proposed mechanical yard and chiller room equipment



enclosure (both areas are open to the light and air) will be located within the parking lot area between the two buildings.

All of the proposed development will occur within the previously disturbed and developed portion of the site and there will be no encroachment into, or impacts on, any steep slopes or other environmentally sensitive lands located on the site. In addition, a Brush Management Plan would be implemented with the project and all landscaping proposed would utilize native and non-native, non-invasive, and/or drought-tolerant plants throughout the site.

The proposed development would be located on private property and has been designed to address height, bulk and scale, materials, colors and signs as required through application of CPIOZ-B. The project is not requesting nor does it require any deviations or variances from the applicable regulations and policy documents, and is consistent with the recommended land use designation, design guidelines, and development standards in effect for this site. An MND No. 422478/SCH No. 2016061047 has been prepared for the project in accordance with CEQA Guidelines, which addresses potential impacts to Biological Resources, Paleontological Resources, and Transportation/ Circulation. An MMRP will be implemented with this project, which will reduce the potential impacts to below a level of significance. Therefore, the proposed development has been designed to minimize the alteration of natural land forms and would not result in undue risk from geologic and erosional forces, flood hazards, or fire hazards.

**3. The proposed development will be sited and designed to prevent adverse impacts on any adjacent environmentally sensitive lands.** The project proposes to demolish two existing research and development buildings and the construction of a 57,372 square foot research and development building with 148 subterranean parking spaces located at 3115 Merryfield Row (Spectrum III) and a 145,828 square foot research and development building with 290 subterranean parking spaces located at 3215 Merryfield Row (Spectrum IV). A proposed mechanical yard and chiller room equipment enclosure (both areas are open to the light and air) will be located within the parking lot area between the two buildings. As a component of the proposed project, the proposed new research and development building would achieve a LEED Silver Certification.

The project site is a trapezoid shaped lot that follows the curvature of the adjacent canyon edge. Merryfield Row is a private driveway that takes access from Science Park Road. The project sites contain ESL in the form of steep hillsides and sensitive biological resources. The project site lies within the boundaries of the City's MSCP Subarea, and the MHPA is mapped onsite and adjacent to the project.

The parcel has been previously graded and developed with two research and development buildings that were constructed in 1996-1997. Therefore, the project is also requesting a MHPA - Boundary Line Correction to correct the MHPA boundary where legal grading and construction of surface parking occurred prior to the implementation of the City's MSCP.

All of the proposed development will occur within the previously disturbed and developed portion of the site and there will be no encroachment into, or impacts on, any steep slopes or other environmentally sensitive lands located on the site. In addition, a Brush

Management Plan will be implemented with the project and all landscaping proposed will utilize native and non-native, non-invasive, and/or drought-tolerant plants throughout the site.

An MND No. 422478/SCH No. 2016061047 has been prepared for the project in accordance with CEQA Guidelines, which addresses potential impacts to Biological Resources, Paleontological Resources, and Transportation/ Circulation. An MMRP will be implemented with this project, which will reduce the potential impacts to below a level of significance. Therefore, the proposed development has been sited and designed to prevent adverse impacts on any adjacent environmentally sensitive lands.

**4. The proposed development will be consistent with the City of San Diego's Multiple Species Conservation Program (MSCP) Subarea Plan.** The project site is a trapezoid shaped lot that follows the curvature of the adjacent canyon edge. Merryfield Row is a private driveway that takes access from Science Park Road. The project sites contain ESL in the form of steep hillsides and sensitive biological resources. The project site lies within the boundaries of the City's MSCP Subarea, and the MHPA is mapped onsite and adjacent to the project.

The parcel has been previously graded and developed with two research and development buildings that were constructed in 1996-1997. Therefore, the project is also requesting a MHPA - Boundary Line Correction to correct the MHPA boundary where legal grading and construction of surface parking occurred prior to the implementation of the City's MSCP.

All of the proposed development will occur within the previously disturbed and developed portion of the site and there will be no encroachment into, or impacts on, any steep slopes or other environmentally sensitive lands located on the site. In addition, a Brush Management Plan will be implemented with the project and all landscaping proposed will utilize native and non-native, non-invasive, and/or drought-tolerant plants throughout the site.

An MND No. 422478/SCH No. 2016061047 has been prepared for the project in accordance with CEQA Guidelines, which addresses potential impacts to Biological Resources, Paleontological Resources, and Transportation/ Circulation. An MMRP will be implemented with this project, which will reduce the potential impacts to below a level of significance. Therefore, the proposed development is consistent with the City of San Diego's MSCP Subarea Plan.

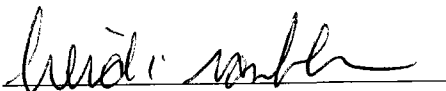
**5. The proposed development will not contribute to the erosion of public beaches or adversely impact local shoreline sand supply.** The project site is located at 3115-3215 Merryfield Row, east of North Torrey Pines Road, and is approximately 0.9 miles from the Pacific Ocean. The property is located in an area just east of Torrey Pines Road and the entire area is located between the sea and the first public roadway paralleling the sea. The proposed development will be located on private property and will occur within the previously disturbed and developed portion of the site. Therefore, the proposed development will not contribute to the erosion of public beaches or adversely impact local shoreline sand supply.

**6. The nature and extent of mitigation required as a condition of the permit is reasonably related to, and calculated to alleviate, negative impacts created by the proposed development.** An MND No. 422478/SCH No. 2016061047 has been prepared for the project in accordance with CEQA Guidelines, which addresses potential impacts to Biological Resources, Paleontological Resources, and Transportation/ Circulation. An MMRP will be implemented with this project, which will reduce the potential impacts to below a level of significance. Other permit conditions have been added to the permit to address any adverse impacts created by the proposed development. The mitigation required as a condition of the permit is reasonably related to, and calculated to alleviate, any negative impacts created by the proposed development.

The above findings are supported by the minutes, maps and exhibits, all of which are incorporated herein by this reference.

BE IT FURTHER RESOLVED, that Coastal Development Permit No. 1580366 and Site Development Permit No. 1580368 are hereby granted to ARE-SD REGION 23, LLC, a Delaware limited liability company, Owner/Permittee, under the terms and conditions set forth in the attached permit which is made a part of this resolution.

APPROVED: JAN I. GOLDSMITH, City Attorney

By   
Heidi K. Vonblum  
Deputy City Attorney

HKV:nja  
09/26/16  
10/18/16 Rev. Copy  
10/25/16 Rev. Copy 1  
Or.Dept: DSD  
Doc. No.: 1354192\_3

Passed by the Council of The City of San Diego on OCT 17 2016, by the following vote:

| Councilmembers  | Yeas                                | Nays                     | Not Present              | Recused                  |
|-----------------|-------------------------------------|--------------------------|--------------------------|--------------------------|
| Sherri Lightner | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Lorie Zapf      | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Todd Gloria     | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Myrtle Cole     | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Mark Kersey     | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Chris Cate      | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Scott Sherman   | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| David Alvarez   | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Marti Emerald   | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Date of final passage OCT 17 2016.

**(Please note: When a resolution is approved by the Mayor, the date of final passage is the date the approved resolution was returned to the Office of the City Clerk.)**

AUTHENTICATED BY:

KEVIN L. FAULCONER  
Mayor of The City of San Diego, California.

ELIZABETH S. MALAND  
City Clerk of The City of San Diego, California.

(Seal)

By *Stacy Brady*, Deputy

Office of the City Clerk, San Diego, California

Resolution Number R- 310710

**RECORDING REQUESTED  
BY  
CITY OF SAN DIEGO  
DEVELOPMENT SERVICES  
PERMIT INTAKE, MAIL  
STATION 501**

**WHEN RECORDED MAIL TO  
CITY CLERK  
MAIL STATION 2A**

INTERNAL ORDER NUMBER: 24005849      SPACE ABOVE THIS LINE FOR RECORDER'S USE

COASTAL DEVELOPMENT PERMIT NO. 1580366  
SITE DEVELOPMENT PERMIT NO. 1580368  
**SPECTRUM III AND IV - PROJECT NO. 422478 (MMRP)**  
AMENDMENT TO COASTAL DEVELOPMENT PERMIT NO. 1447486,  
SITE DEVELOPMENT PERMIT NO. 1447488, AND  
COASTAL DEVELOPMENT PERMIT/  
HILLSIDE REVIEW PERMIT NO. 96-7939  
CITY COUNCIL

This Coastal Development Permit No. 1580366 and Site Development Permit No. 1580368, an amendment to Coastal Development Permit No. 1447486, Site Development Permit No. 1447488, and Coastal Development Permit / Hillside Review Permit No. 96-7939 is granted by the City Council of the City of San Diego to ARE-SD REGION 23, LLC, a Delaware limited liability company, Owner/Permittee, pursuant to San Diego Municipal Code (SDMC) Sections 126.0504 and 126.0708. The 13.77 acre site is located at 3115-3215 Merryfield Row in the IP-1-1 Zone within the University Community Plan, Prime Industrial Lands, Community Plan Implementation Overlay Zone (CPIOZ-B), Coastal Height Limitation Overlay Zone, First Public Roadway Overlay Zone, and Coastal Overlay Zone (Non-Appealable Area 1 and Appealable Area). In addition, the property is located within the Parking Impact Overlay Zone (Coastal and Campus Impact Areas), Airport Land Use Compatibility Overlay Zone, the Airport Influence Area (Review Area 1), the Accident Potential Zone for Marine Corps Air Station (MCAS) Miramar, and Council District 1. The project site is legally described as: Lots 9 through 12 of La Jolla Spectrum, in the City of San Diego, County of San Diego, State of California, according to Map thereof 12990 filed in the Office of the County Recorder of San Diego County on December 4, 1992.

Subject to the terms and conditions set forth in this Permit, permission is granted to Owner/Permittee for the demolition of two existing research and development buildings and construction of two research and development buildings, and a Multiple Habitat Planning Area Boundary Line correction, described and identified by size, dimension, quantity, type, and location on the approved exhibits (Exhibit "A") dated OCT 17 2016, on file in the Development Services Department.

The project shall include:

- a. Demolition of two existing research and development buildings totaling 156,653 square feet and construction of a 57,372 square foot research and development building located at 3115 Merryfield Row and a 145,828 square foot research and development building located at 3215 Merryfield Row;
- b. Multiple Habitat Planning Area Boundary Line Correction;
- c. Landscaping (planting, irrigation and landscape related improvements);
- d. Off-street parking;
- e. A 10,576 square foot accessory mechanical enclosure;
- f. Leadership in Energy and Environmental Design (LEED) Silver Level Certification; and
- g. Public and private accessory improvements determined by the Development Services Department to be consistent with the land use and development standards for this site in accordance with the adopted community plan, the California Environmental Quality Act (CEQA) and the CEQA Guidelines, the City Engineer's requirements, zoning regulations, conditions of this Permit, and any other applicable regulations of the SDMC.

**STANDARD REQUIREMENTS:**

1. This permit must be utilized within thirty-six (36) months after the date on which all rights of appeal have expired. If this permit is not utilized in accordance with Chapter 12, Article 6, Division 1 of the SDMC within the 36 month period, this permit shall be void unless an Extension of Time has been granted. Any such Extension of Time must meet all SDMC requirements and applicable guidelines in effect at the time the extension is considered by the appropriate decision maker. This permit must be utilized by October 17, 2019.
2. This Coastal Development Permit shall become effective on the eleventh working day following receipt by the California Coastal Commission of the Notice of Final Action, or following all appeals.
3. No permit for the construction, occupancy, or operation of any facility or improvement described herein shall be granted, nor shall any activity authorized by this Permit be conducted on the premises until:
  - a. The Owner/Permittee signs and returns the Permit to the Development Services Department; and
  - b. The Permit is recorded in the Office of the San Diego County Recorder.

4. While this Permit is in effect, the subject property shall be used only for the purposes and under the terms and conditions set forth in this Permit unless otherwise authorized by the appropriate City decision maker.
5. This Permit is a covenant running with the subject property and all of the requirements and conditions of this Permit and related documents shall be binding upon the Owner/Permittee and any successor(s) in interest.
6. The continued use of this Permit shall be subject to the regulations of this and any other applicable governmental agency.
7. Issuance of this Permit by the City of San Diego does not authorize the Owner/Permittee for this Permit to violate any Federal, State or City laws, ordinances, regulations or policies including, but not limited to, the Endangered Species Act of 1973 (ESA) and any amendments thereto (16 U.S.C. § 1531 et seq.).
8. The Owner/Permittee shall secure all necessary building permits. The Owner/Permittee is informed that to secure these permits, substantial building modifications and site improvements may be required to comply with applicable building, fire, mechanical, and plumbing codes, and State and Federal disability access laws.
9. Construction plans shall be in substantial conformity to Exhibit "A." Changes, modifications, or alterations to the construction plans are prohibited unless appropriate application(s) or amendment(s) to this Permit have been granted.
10. All of the conditions contained in this Permit have been considered and were determined-necessary to make the findings required for approval of this Permit. The Permit holder is required to comply with each and every condition in order to maintain the entitlements that are granted by this Permit.

If any condition of this Permit, on a legal challenge by the Owner/Permittee of this Permit, is found or held by a court of competent jurisdiction to be invalid, unenforceable, or unreasonable, this Permit shall be void. However, in such an event, the Owner/Permittee shall have the right, by paying applicable processing fees, to bring a request for a new permit without the "invalid" condition(s) back to the discretionary body which approved the Permit for a determination by that body as to whether all of the findings necessary for the issuance of the proposed permit can still be made in the absence of the "invalid" condition(s). Such hearing shall be a hearing de novo, and the discretionary body shall have the absolute right to approve, disapprove, or modify the proposed permit and the condition(s) contained therein.

11. The Owner/Permittee shall defend, indemnify, and hold harmless the City, its agents, officers, and employees from any and all claims, actions, proceedings, damages, judgments, or costs, including attorney's fees, against the City or its agents, officers, or employees, relating to the issuance of this permit including, but not limited to, any action to attack, set aside, void, challenge, or annul this development approval and any environmental document or decision. The City will promptly notify Owner/Permittee of any claim, action, or proceeding and, if the City should fail to cooperate fully in the defense, the Owner/Permittee shall not thereafter be

responsible to defend, indemnify, and hold harmless the City or its agents, officers, and employees. The City may elect to conduct its own defense, participate in its own defense, or obtain independent legal counsel in defense of any claim related to this indemnification. In the event of such election, Owner/Permittee shall pay all of the costs related thereto, including without limitation reasonable attorney's fees and costs. In the event of a disagreement between the City and Owner/Permittee regarding litigation issues, the City shall have the authority to control the litigation and make litigation related decisions, including, but not limited to, settlement or other disposition of the matter. However, the Owner/Permittee shall not be required to pay or perform any settlement unless such settlement is approved by Owner/Permittee.

12. This Permit supersedes Coastal Development Permit No. 1447486, Site Development Permit No. 1447488, and Coastal Development Permit/Hillside Review Permit No. 96-7939.

**ENVIRONMENTAL/MITIGATION REQUIREMENTS:**

13. Mitigation requirements in the Mitigation, Monitoring, and Reporting Program (MMRP) shall apply to this Permit. These MMRP conditions are hereby incorporated into this Permit by reference.

14. The mitigation measures specified in the MMRP and outlined in MITIGATED NEGATIVE DECLARATION NO. 422478/SCH NO. 2016061047, shall be noted on the construction plans and specifications under the heading ENVIRONMENTAL MITIGATION REQUIREMENTS.

15. The Owner/Permittee shall comply with the MMRP as specified in MITIGATED NEGATIVE DECLARATION, NO. 422478/SCH NO. 2016061047, to the satisfaction of the Development Services Department and the City Engineer. Prior to issuance of any construction permit, all conditions of the MMRP shall be adhered to, to the satisfaction of the City Engineer. All mitigation measures described in the MMRP shall be implemented for the following issue areas:

Biological Resources  
Paleontological Resources  
Transportation/Circulation

**CLIMATE ACTION PLAN (CAP) REQUIREMENTS:**

16. The Owner/Permittee shall comply with The Climate Action Plan (CP) Consistency Checklist stamped as Exhibit "A." Prior to issuance of any construction permit, all CAP strategies shall be noted within the first 3 sheets of the construction plans under the heading "Climate Action Plan Requirements."

17. The Climate Action Plan strategies as identified on Exhibit "A" shall be enforced and implemented to the satisfaction of the Development Services Department.



**GEOLOGY REQUIREMENTS:**

18. The Owner/Permittee shall submit a geotechnical investigation report or update letter that specifically addresses the proposed construction plans. The Owner/Permittee shall obtain a determination of adequacy from the Geology Section of the Development Services Department regarding the report or letter prior to issuance of any construction permits.

19. The Owner/Permittee shall submit an as-graded geotechnical report prepared in accordance with the City's "Guidelines for Geotechnical Reports" following completion of the grading. The Owner/Permittee shall obtain a determination of adequacy from the Geology Section of the Development Services Department regarding the as-graded geotechnical report prior to exoneration of the bond and grading permit close-out.

**ENGINEERING REQUIREMENTS:**

20. The Owner/Permittee shall demonstrate that this Coastal Development Permit/Site Development Permit complies with all Conditions of the Final Map for the Tentative Map No.1580380.

21. The project proposes to export 14,086 cubic yards of material from the project site. All excavated material listed to be exported shall be exported to a legal disposal site in accordance with the Standard Specifications for Public Works Construction (the "Green Book"), 2009 edition and Regional Supplement Amendments adopted by Regional Standards Committee.

22. The drainage system proposed for this development, as shown on the site plan, is private and subject to approval by the City Engineer.

23. Prior to the issuance of any building permits, the Owner/Permittee shall obtain a bonded grading permit for the grading proposed for this project. All grading shall conform to the requirements of the City of San Diego Municipal Code in a manner satisfactory to the City Engineer.

24. Prior to the issuance of any construction permit, the Owner/Permittee shall enter into a Maintenance Agreement for the ongoing permanent Best Management Practice (BMP) maintenance, satisfactory to the City Engineer.

25. Prior to the issuance of any construction permit, the Owner/Permittee shall incorporate any construction Best Management Practices (BMPs) necessary to comply with Chapter 14, Article 2, Division 1 (Grading Regulations) of the SDMC, into the construction plans or specifications.

26. Prior to the issuance of any construction permit, the applicant shall submit a Technical Report that will be subject to final review and approval by the City Engineer, based on the Storm Water Standards in effect at the time of the construction permit issuance.

27. Development of this project shall comply with all storm water construction requirements of the State Construction General Permit, Order No. 2009-0009DWQ, or subsequent order, and

the Municipal Storm Water Permit, Order No. R9-2007-0001, or subsequent order. In accordance with Order No. 2009-0009DWQ, or subsequent order, a Risk Level Determination shall be calculated for the site and a Storm Water Pollution Prevention Plan (SWPPP) shall be implemented concurrently with the commencement of grading activities.

28. Prior to issuance of a grading or a construction permit, a copy of the Notice of Intent (NOI) with a valid Waste Discharge ID number (WDID#) shall be submitted to the City of San Diego as a proof of enrollment under the Construction General Permit. When ownership of the entire site or portions of the site changes prior to filing of the Notice of Termination (NOT), a revised NOI shall be submitted electronically to the State Water Resources Board in accordance with the provisions as set forth in Section II.C of Order No. 2009-0009-DWQ and a copy shall be submitted to the City.

### **LANDSCAPE REQUIREMENTS:**

29. Prior to issuance of any engineering permits for grading, the Owner/Permittee shall submit complete construction documents for the revegetation and hydroseeding of all disturbed land in accordance with the Landscape Standards and to the satisfaction of the Development Services Department. All plans shall be in substantial conformance to this permit (including Environmental conditions) and Exhibit 'A,' on file in the Office of the Development Services Department.

30. Prior to issuance of any construction permits for grading, the Owner/Permittee shall submit complete Landscape Construction Documents showing the brush management zones on the property in substantial conformance with Exhibit 'A' in accordance with the Landscape Standards and to the satisfaction of the Development Services Department.

31. Prior to issuance of any engineering permits for right-of-way improvements, the Owner/Permittee shall submit complete landscape construction documents for right-of-way improvements to the Development Services Department for approval. Improvement plans shall show, label, and dimension a 40 square-foot area around each tree which is unencumbered by utilities. Driveways, utilities, drains, water and sewer laterals shall be designed so as not to prohibit the placement of street trees.

32. In the event that a foundation only permit is requested, the Owner/Permittee shall submit a site plan or staking layout plan identifying all landscape areas consistent with Exhibit 'A,' Landscape Development Plan, on file in the Office of the Development Services Department. These landscape areas shall be clearly identified with a distinct symbol, noted with dimensions and labeled as 'landscaping area.'

33. Prior to issuance of any construction permits for structures, the Owner/Permittee shall submit complete landscape and irrigation construction documents consistent with the Landscape Standards to the Development Services Department for approval. The construction documents shall be in substantial conformance with Exhibit 'A,' Landscape Development Plan, on file in the Development Services Department. Construction plans shall show, label, and dimension a 40 square-foot area around each tree which is unencumbered by hardscape and utilities as set forth under San Diego Municipal Code section 142.0403(b)(5).

34. Prior to issuance of any construction permits for structures, the Owner/Permittee shall submit documentation that substantiates the material for the wood decking will meet the Wildland Urban Interface Class 'A' requirements for flame spread.
35. Prior to issuance of any construction permits for structures, the Owner/Permittee shall submit a water budget in accordance with the Water Conservation Requirements per San Diego Municipal Code section 142.0413, Table 142-04I, to be included with the construction documents. An irrigation audit shall be submitted consistent with Section 2.7 of the Landscape Standards of the Land Development Manual at final inspection. The irrigation audit shall certify that all irrigation systems have been installed and operate as approved by the Development Services Department.
36. The Owner/Permittee shall be responsible for the maintenance of all landscape improvements shown on the approved plans, including in the right-of-way, consistent with the Landscape Standards unless long-term maintenance of said landscaping will be the responsibility of a Landscape Maintenance District or other approved entity. All required landscape shall be maintained in a disease, weed, and litter free condition at all times. Severe pruning or "topping" of trees is not permitted unless specifically noted in this Permit.
37. If any required landscape (including existing or new plantings, hardscape, landscape features, etc.) indicated on the approved construction document plans is damaged or removed during demolition or construction, the Owner/Permittee shall repair and/or replace it in kind and equivalent size per the approved documents to the satisfaction of the Development Services Department within 30 days of damage.

**MULTIPLE SPECIES CONSERVATION PROGRAM:**

38. Prior to issuance of any construction permits, the on-site Multiple Habitat Planning Area (MHPA) not currently encumbered by existing Open Space Easement shall be conveyed to the City's Multiple Species Conservation Program (MSCP) preserve through either a dedication in fee title to the City, or covenant of easement granted in favor of the City and wildlife agencies. Conveyance of any land in fee to the City shall require approval from the Park and Recreation Department Open Space Division Deputy Director and shall exclude detention basins or other stormwater control facilities, brush management areas, landscape/revegetation areas, and graded slopes. To facilitate MHPA conveyance, any non-fee areas shall have covenant of easements for MHPA lands placed over them if located in the MHPA, and be maintained in perpetuity by the Owner/Permittee unless otherwise agreed to by the City for acceptance of dedicated land in fee title.
39. The issuance of this permit by the City of San Diego does not authorize the Permittee for this permit to violate any Federal, State or City laws, ordinances, regulations or policies including, but not limited to, the Endangered Species Act of 1973 (EAS) and any amendments thereto (16 U.S.C. Section 1531 et seq.).
40. In accordance with authorization granted to the City of San Diego from the USFWS pursuant to Sec. 10(a) of the ESA and by the CDFG pursuant to Fish & Game Code sec. 2835 as part of the Multiple Species Conservation Program (MSCP), the City of San Diego through the

issuance of this Permit hereby confers upon Permittee the status of Third Party Beneficiary as provided for in Section 17 of the City of San Diego Implementing Agreement (IA), executed on July 17, 1997 and on File in the Office of the City Clerk as Document No. 00-18394.

Third Party Beneficiary status is conferred upon Permittee by the City: (1) to grant Permittee the legal standing and legal right to utilize the take authorizations granted to the City pursuant to the MSCP within the context of those limitations imposed under this permit and the IA, and (2) to assure Permittee that no existing mitigation obligation imposed by the City of San Diego pursuant to this Permit shall be altered in the future by the City of San Diego, USFWS or CDFG, except in the limited circumstances described in Section 9.6 and 9.7 of the IA.

For lands identified as mitigation but not yet dedicated, maintenance and continued recognition of Third Party Beneficiary status by the City is contingent upon Permittee maintaining the biological values of any and all lands committed for mitigation pursuant to this Permit and of full satisfaction by Permittee of mitigation obligations required by this Permit, as described in accordance with Section 17.1D of the IA.

#### **PLANNING/DESIGN REQUIREMENTS:**

41. Processing, manufacturing, or storage of bulk quantities of hazardous materials (greater than 10,000 gallons) shall not be permitted on the premises.
42. Prior to issuance of building permits, the Owner/Permittee shall provide documentation that the project has been submitted to the U.S. Green Building Council for review and will achieve at least a Leadership in Energy and Environmental Design (LEED) Silver Certification. Construction documents shall note all criteria included in the design and construction of the project as identified in the LEED certification application.
43. A topographical survey conforming to the provisions of the San Diego Municipal Code may be required if it is determined, during construction, that there may be a conflict between the building(s) under construction and a condition of this Permit or a regulation of the underlying zone. The cost of any such survey shall be borne by the Owner/Permittee.
44. All signs associated with this development shall be consistent with sign criteria established by City-wide sign regulations.
45. All private outdoor lighting shall be shaded and adjusted to fall on the same premises where such lights are located and in accordance with the applicable regulations in the San Diego Municipal Code.

#### **TRANSPORTATION REQUIREMENTS:**

46. The Owner/Permittee shall provide parking at all times in accordance with the San Diego Municipal Code for research and development use at a minimum ratio of 2.5 vehicle parking spaces per 1,000 square feet of use and maximum ratio of 4.0 vehicular parking spaces per 1,000 square feet of use (625 spaces proposed) in the approximate locations shown on Exhibit 'A.' All on-site parking stalls and aisle widths shall be in compliance with requirements of the City's

Land Development Code and shall not be converted and/or utilized for any other purpose, unless otherwise authorized in writing by the appropriate decision maker.

47. The Owner/Permittee shall not convert the space shown on Exhibit 'A' as mechanical, electrical, ventilation, utility, or amenity space from its designated use to any trip generating use unless an equal or greater amount of trip generating square footage is removed or designated as non-trip generating square footage through appropriate review of the Development Services Department.

48. Prior to the issuance of any certificate of occupancy, the Owner/Permittee shall implement the Transportation Demand Management (TDM) Plan as outlined in the access analysis dated April 28, 2016 and submit annual monitoring reports for a period of five (5) years for review and approval by the City Engineer.

49. Prior to Final Inspection for Building A, the I-5/Genesee Avenue Interchange Project must be fully constructed and open to traffic.

#### **PUBLIC UTILITIES DEPARTMENT REQUIREMENTS:**

50. Prior to the issuance of any building permits, the Owner/Permittee shall vacate the existing water easements as shown on the approved Exhibit 'A,' in a manner satisfactory to the Public Utilities Director and the City Engineer.

51. Prior to the recordation of the easement vacation, all public water facilities shall be abandoned or privatized, in a manner satisfactory to the Director of Public Utilities and the City Engineer.

52. Prior to the issuance of any building permits, the Owner/Permittee shall assure, by permit and bond, the design and construction of new public water and sewer service(s) outside of any driveway or drive aisle and the abandonment of any existing unused water and sewer services within the right-of-way adjacent to the project site, in a manner satisfactory to the Public Utilities Director and the City Engineer.

53. Prior to the issuance of any building permits, the Owner/Permittee shall obtain a plumbing permit for the installation of appropriate private back flow prevention device(s), on each water service (domestic, fire and irrigation), in a manner satisfactory to the Public Utilities Director and the City Engineer. BFPDs shall be located above ground on private property, in line with the service, and immediately adjacent to the right-of-way.

54. No trees or shrubs exceeding three feet in height at maturity shall be installed within ten feet of any sewer facilities and five feet of any water facilities.

55. The Owner/Permittee shall design and construct all proposed public water and sewer facilities, in accordance with established criteria in the current edition of the City of San Diego Water and Sewer Facility Design Guidelines and City regulations, standards and practices

**INFORMATION ONLY:**

- The issuance of this discretionary use permit alone does not allow the immediate commencement or continued operation of the proposed use on site. The operation allowed by this discretionary use permit may only begin or recommence after all conditions listed on this permit are fully completed and all required ministerial permits have been issued and received final inspection.
- Any party on whom fees, dedications, reservations, or other exactions have been imposed as conditions of approval of this Permit, may protest the imposition within ninety days of the approval of this development permit by filing a written protest with the City Clerk pursuant to California Government Code-section 66020.
- This development may be subject to impact fees at the time of construction permit issuance.

APPROVED by the City Council of the City of San Diego on OCT 17 2016, by  
Resolution No. RA- 310710.

Permit Type/PTS Approval No.: CDP No. 1580366 &  
SDP No. 1580368  
Date of Approval: OCT 17 2016

AUTHENTICATED BY THE CITY OF SAN DIEGO DEVELOPMENT SERVICES  
DEPARTMENT

\_\_\_\_\_  
Jeffrey A. Peterson  
Development Project Manager

**NOTE: Notary acknowledgment  
must be attached per Civil Code  
section 1189 et seq.**

\_\_\_\_\_  
**The undersigned Owner/Permittee**, by execution hereof, agrees to each and every condition of  
this Permit and promises to perform each and every obligation of Owner/Permittee hereunder.

**ARE-SD Region No. 23, LLC,  
a Delaware limited liability company  
Owner/Permittee**

**By: Alexandria Real Estate Equities, L.P.,  
a Delaware limited partnership,  
Managing Member**

**By: ARE-QRS CORP., a Maryland corporation,  
General Partner**

By: \_\_\_\_\_  
Name:  
Title:

**NOTE: Notary acknowledgments  
must be attached per Civil Code  
section 1189 et seq.**