ATTACHMENT 2
FOR REFERENCE ONLY

DEVELOPMENT AGREEMENT BETWEEN

THE CITY OF COSTA MESA

and

THE INTERINSURANCE EXCHANGE OF

THE AUTOMOBILE CLUB OF SOUTHERN CALIFORNIA

DEVELOPMENT AGREEMENT

This Development Agreement (hereinafter "Agreement") is entered into effective on the date it is recorded with the Orange County Recorder (hereinafter the "Effective Date") by and between the CITY OF COSTA MESA (hereinafter "CITY"), and the INTERINSURANCE EXCHANGE OF THE AUTOMOBILE CLUB OF SOUTHERN CALIFORNIA (hereinafter "OWNER").

RECITALS

WHEREAS, CITY is authorized to enter into binding development agreements with persons having legal or equitable interests in real property for the development of such property, pursuant to Section 65864, et seq. of the Government Code; and,

WHEREAS, CITY has adopted rules and regulations for consideration of development agreements, pursuant to Section 65865 of the Government Code; and,

WHEREAS, OWNER has requested CITY to enter into a development agreement and proceedings have been taken in accordance with the rules and regulations of CITY; and,

WHEREAS, by electing to enter into this Agreement, CITY shall bind future City Councils of CITY by the obligations specified herein and limit the future exercise of certain governmental and proprietary powers of CITY; and,

WHEREAS, it is the policy of the CITY to support the retention and expansion of businesses located in the CITY in order to increase employment, maintain a stable tax base, attract new businesses, and promote a diversified, stable, and healthy local economy; and,

WHEREAS, the assurances provided by this Agreement are necessary in order to provide the certainty which will allow OWNER to make the long-term commitments involved in consolidating its facilities and operations in the CITY; and,

WHEREAS, the retention and expansion of OWNER's business pursuant to this Agreement will substantially promote a diversified, stable, and healthy local economy, serving to retain approximately twelve hundred jobs in the CITY and ultimately producing an additional thirteen hundred fifty local jobs; and,

WHEREAS, the terms and conditions of this Agreement have undergone extensive review by CITY, its Planning Commission and City Council and have been found to be fair, just and reasonable; and,

WHEREAS, the best interests of the citizens of Costa Mesa and the public health, safety and welfare will be served by entering into this Agreement; and,

WHEREAS, all of the procedures of the California Environmental Quality Act (Public Resources Code Section 21000 et seq.) have been met with respect to the Project and this Agreement; and,

WHEREAS, this Agreement and the Project (as hereinafter defined) are consistent with the CITY General Plan; and,

WHEREAS, all actions taken and approvals given by CITY have been duly taken or approved in accordance with all applicable legal requirements for notice, public hearings, findings, votes, and other procedural matters; and,

WHEREAS, development of the Property in accordance with this Agreement will provide substantial benefits to CITY and will further important policies and goals of CITY; and,

WHEREAS, this Agreement will eliminate uncertainty in planning and provide for the orderly development of the Property, ensure progressive installation of necessary improvements, provide for public services appropriate to the development of the Project, and generally serve the purposes for which development agreements under Sections 65864, et seq. of the Government Code are intended; and,

WHEREAS, OWNER has incurred and will in the future incur substantial costs in order to assure development of the Property in accordance with this Agreement.

COVENANTS

NOW, THEREFORE, in consideration of the above recitals and of the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS AND EXHIBITS.

1.1 Definitions. The following terms when used in this Agreement shall be defined as follows:

1.1.1 "Agreement" means this Development Agreement.

1.1.2 "CITY" means the City of Costa Mesa, a municipal corporation organized and existing under the laws of the State of California.

1.1.3 "Development", "development", and "develop" mean the improvement of the Property for the purposes of completing the structures, improvements and facilities comprising the Project including, but not limited to: grading; the construction of infrastructure and public facilities related to the Project whether located within or outside the Property; the construction, demolition, reconstruction and redevelopment of buildings and structures; and the installation of landscaping.

1.1.4 "Development Approvals" means all permits and other entitlements for use subject to approval or issuance by CITY in connection with development of the Property including, but not limited to:

(a) Tentative and final subdivision and parcel maps;

(b) Conditional use permits, final development permits and variances;

(c) Zoning;

(d) Grading and building permits.

(e) Occupancy permits.

1.1.5 "Development Exaction" means any requirement of CITY in connection with or pursuant to any Land Use Regulation or Development Approval for the dedication of land, the construction of public improvements or public facilities, or the payment of fees in order to lessen, offset, mitigate or compensate for the impacts of development on the environment or other public interests.

1.1.6 "Development Plan" means the Existing Development Approvals and the Existing Land Use Regulations applicable to development of the Property.

1.1.7 "Effective Date" means the date this Agreement is recorded with the Orange County Recorder.

1.1.8 "Existing Development Approvals" means all Development Approvals approved or issued prior to the Effective Date. Existing Development Approvals includes the Development Approvals incorporated herein as Exhibit "C" and all other Development Approvals which are a matter of public record on the Effective Date.

1.1.9 "Existing Land Use Regulations" means all Land Use Regulations in effect on the Effective Date. The Existing Land Use Regulations are listed on Exhibit "D" and incorporated herein by reference.

1.1.10 "Index" means the Engineering News-Record Construction Cost Index for Los Angeles published monthly in the Engineering News-Record by McGraw-Hill, Inc. The Index for January 1994 was 6474.60. In the event the publication of the Index is discontinued or the basis of calculating the Index is modified, then CITY and OWNER shall jointly select an alternative index of construction costs which is most nearly the same as the Index.

1.1.11 "Land Use Regulations" means all ordinances, resolutions, codes, rules, regulations and official policies of CITY governing the development and use of land, including, without limitation: the permitted use of land; the density or intensity of use; subdivision requirements; the maximum height and size of proposed buildings; Development Exactions; regulations regarding the rate, time or sequence of development; and the design, improvement and construction standards and specifications applicable to the development of the Property. "Land Use Regulations" includes any CITY ordinance or regulation adopted by initiative or referendum.

1.1.12 "OWNER" means the Interinsurance Exchange of the Automobile Club of Southern California, a reciprocal insurer organized under the California Insurance Code to serve the members of the Automobile Club of Southern California, a California non-profit mutual benefit corporation, and its successors in interest to all or any part of the Property.

1.1.13 "Mortgagee" means a mortgagee of a mortgage, a beneficiary under a deed of trust or any other secured lender, and their successors and assigns.

1.1.14 "Project" means the development of the Property as provided by the Development Plan as such Development Plan may be further defined, 'enhanced or modified pursuant to the provisions of this Agreement.

1.1.15 "Property" means the real property described on Exhibit "A" and shown on Exhibit "B" to this Agreement.

1.1.16 "Resolution No. 88-53" means the CITY resolution adopted on July 19, 1988 titled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, ESTABLISHING PROCEDURES AND REQUIREMENTS FOR CONSIDERATION OF DEVELOPMENT AGREEMENTS.*

1.1.17 "Subsequent Development Approvals" means all Development Approvals required subsequent to the Effective Date in connection with development of the Property.

1.1.18 "Subsequent Land Use Regulations" means any Land Use Regulations adopted and effective after the Effective Date of this Agreement.

1.2 Exhibits. The following documents are attached to, and by this reference made a part of, this Agreement:

Exhibit "A" —
Legal Description of the Property.

Exhibit "B" —
Map showing Property and its location.

Exhibit "C" —
Existing Development Approvals.

Exhibit "D" —
Existing Land Use Regulations.

2. GENERAL PROVISIONS.

2.1 Binding Effect of Agreement. The Property is hereby made subject to this Agreement. Development of the Property is hereby authorized and shall be carried out in accordance with the terms of this Agreement.

2.2 Ownership of Property. OWNER represents and covenants that it is the owner of a legal or equitable interest in the Property.

2.3 Term. The term of this Agreement shall commence on the Effective Date and shall continue for a period of thirty (30) years thereafter unless this term is modified or extended

pursuant to the provisions of this Agreement. The term of the Development Agreement shall be extended for an additional twenty (20) years ("Extension Term"), commencing on November 1, 2024, which is the first day after the last day of the 30-year term set forth in Section 2.3 of the Development Agreement. For purposes of the Agreement, the "term" or "Term" of the Agreement shall include the entire period for which the Development Agreement is operative, including the initial 30-year term and Extension Term.

2.4 Assignment. OWNER shall have the right to sell, assign or transfer the Property in whole or in part (provided that no such partial transfer shall violate the Subdivision Map Act, Government Code Section 66410 et seq.) to any person, partnership, joint venture, firm or corporation at any time during the term of this Agreement. Any such sale, assignment or transfer may include the assignment of those rights, duties and obligations arising under or from this Agreement which are applicable to the Property or part thereof being assigned, transferred or sold; provided, however, that no such assignment of this Agreement shall be effective without the prior written approval of the CITY, which approval shall not be unreasonably withheld. OWNER shall give written notice to CITY of its intent to assign this Agreement, in whole or in part, at least thirty (30) days prior to making such assignment, and CITY shall give written notice to OWNER approving or disapproving such proposed assignment, within thirty (30) days of receipt of such notice of intent to assign. If CITY fails to give notice to OWNER approving or disapproving any proposed assignment within thirty (30) days of receipt of the notice of intent to assign, such failure shall be deemed approval of the proposed assignment. No sale, transfer, or assignment of any right or interest under this Agreement shall be made unless made together with the sale, transfer, or assignment of all or a part of the Property. The express written assumption of any or all of the obligations of OWNER under this Agreement by such assignee, transferee or purchaser shall relieve OWNER of its legal duty to perform such obligations under this Agreement. Any purchaser, assignee or transferee of OWNER shall have all of the rights, duties and obligations of OWNER under this Agreement insofar as such rights, duties and obligations are applicable to the Property or part thereof purchased, assigned or transferred.

2.5 ~~2.4~~ Amendment or Cancellation of Agreement. This Agreement may be amended or cancelled in whole or in part only by written consent of all parties in the manner provided for in Government Code Section 65868. This provision shall not limit any remedy of CITY or OWNER as provided by this Agreement.

2.6 ~~2.5~~ Termination. This Agreement shall be deemed terminated and of no further effect upon the occurrence of any of the following events:

(a) Expiration of the stated term of this Agreement *as* set forth in Section 2.3.

(b) Entry of a final judgment setting aside, voiding or annulling the adoption of the ordinance approving this Agreement or otherwise invalidating this Agreement.

(c) The adoption of a referendum measure overriding or repealing the ordinance approving this Agreement.

(d) Completion of the Project in accordance with the terms of this Agreement including issuance of all required occupancy permits. Termination pursuant to this paragraph shall not be deemed to occur until OWNER provides written notice to CITY of completion of the Project.

Termination of this Agreement shall not constitute termination of any other Development Approvals approved for the Property.

2.7 ~~2.6~~ Notices.

(a) As used in this Agreement, "notice" includes, but is not limited to, the communication of notice, request, demand, approval, statement, report, acceptance, consent, waiver, appointment or other communication required or permitted hereunder.

(b) All notices shall be in writing and shall be considered given either: (i) when delivered in person to the recipient named below; or (ii) on the date of delivery shown on the return receipt, after deposit in the United States mail in a sealed envelope as either registered or certified mail with return receipt requested, and postage and postal charges prepaid, and addressed to the recipient named below; or (iii) on the date of delivery shown in the records of the telegraph company after transmission by telegraph to the recipient named below. All notices shall be addressed as follows:

If to CITY:

City of Costa Mesa
77 Fair Drive
Costa Mesa, California 92626
Attn: City Manager

with a copy to:

City of Costa Mesa
77 Fair Drive
Costa Mesa, California 92626
Attn: City Attorney

If to OWNER:

Interinsurance Exchange of the
Automobile Club ~~of Southern California~~
~~2601 South Figueroa Street~~
~~Los Angeles~~3333 Fairview Road, A410
Costa Mesa, California ~~90007-3294~~ 92626
Attn: ~~Director of~~Vice President, Administrative Services

with copies to:

Interinsurance Exchange of the

Automobile Club ~~of Southern~~
3333 Fairview Road, A491
Costa Mesa, California 92626
~~2601 South Figueroa Street~~
~~Los Angeles, California 90007-3294~~
Attn: ~~-~~General Counsel

~~and~~

~~Pillsbury Madison & Sutro~~
~~600 Anton Boulevard, Suite 1100~~
~~Costa Mesa, CA 92626~~
~~Attention: Robert L. Klotz~~

(c) Either party may, by notice given at any time, require subsequent notices to be given to another person or entity, whether a party or an officer or representative of a party, or to a different address, or both. Notices given before actual receipt of notice of change shall not be invalidated by the change.

3. DEVELOPMENT OF THE PROPERTY.

3.1 Rights to Develop. Subject to the terms of this Agreement, OWNER shall &aye a vested right to develop the Property in accordance with, and to the extent of, the Development Plan. The Project shall remain subject to all Subsequent Development Approvals required to complete the Project as contemplated by the Development Plan. Except as otherwise provided in this Agreement, the permitted uses of the Property, the density and intensity of use, the maximum height and size of proposed buildings, and provisions for reservation and dedication of land for public purposes shall be those set forth in the Development Plan.

3.2 Effect of Agreement on Land Use Regulations. Except as otherwise provided under the terms of this Agreement, the Land Use Regulations applicable to development of the Property shall be the Existing Land Use Regulations, and no Subsequent Land Use Regulation shall be applicable to the Project. If there is any conflict between any Existing Land Use Regulation and any other provision of this Agreement, such other provision of this Agreement shall be controlling.

3.3 Timing of Development. The parties acknowledge that OWNER cannot at this time predict when or the rate at which phases of the Project will be developed. Such decisions depend upon numerous factors which are not within the control of OWNER, such as business demand, interest rates, competition and other similar factors. Since the California Supreme Court held in Pardee Construction Co. v. City of Camarillo (1984) 37 Cal.3d 465, that the failure of the parties therein to provide for the timing of development resulted in a later adopted initiative restricting the timing of development to prevail over such parties' agreement, it is the parties' intent to cure that deficiency by acknowledging and providing that OWNER shall have the right to develop the Property in such increments and in such order and at such rate and at such times as OWNER deems appropriate within the exercise of its subjective business judgment, subject only to any timing or phasing requirements set forth in the Development Plan. In the event any Subsequent Land Use Regulation is enacted which relates to the rate, timing or sequencing of development of property

within the CITY, CITY agrees that such Subsequent Land Use Regulation shall not apply to the Project. In addition to and not in limitation of the foregoing, CITY agrees that no moratorium or other limitation affecting subdivision maps, building permits or other entitlements for use within the CITY or any part of the CITY shall apply to the Project.

3.4 Environmental Review. CITY certifies that Environmental Impact Report No. 1045 ("EIR"), prepared in conjunction with the Project, is a complete and accurate document which satisfies all the requirements of the California Environmental Quality Act ("CEQA", Public Resources Code, Section 21000 et seq.) and the State CEQA Guidelines (14 California Code of Regulations 15000 et seq.) with respect to the Project and this Agreement. CITY agrees that no mitigation measures arising out of environmental concerns that are not incorporated in the Existing Development Approvals shall be imposed on the Project except as otherwise provided in this Section. CITY has reviewed the Development Plan and determined that all Subsequent Development Approvals required to implement the Existing Development Approvals are "ministerial" as defined in CEQA and the State CEQA Guidelines and therefore exempt from review under Section 21080 of the Public Resources Code. Accordingly, CITY shall not require any further review pursuant to CEQA for any Subsequent Development Approval unless OWNER applies for a Subsequent Development Approval amending the Development Plan which requires discretionary action by the CITY and unless one or more of the events set forth in Section 21166 of the Public Resources Code occurs.

3.5 Duration of Development Approvals. Notwithstanding any provision of the Existing Land Use Regulations (including without limitation the provisions of Sections 13-254 and 13-349 of the CITY Planning, Zoning and Development Code), all Existing Development Approvals and all Subsequent Development Approvals shall remain valid and effective for all purposes during the term of this Agreement unless OWNER consents in writing to earlier termination.

3.6 Subsequent Development Approvals Implementing the Development Plan. In addition to the existing Development Approvals, completion of development. in accordance with the Development Plan will require the approval and issuance by the CITY of Subsequent Development Approvals including without limitation grading permits, building permits, and occupancy permits. CITY acknowledges and agrees that all such Subsequent Development Approvals required to implement and complete development in accordance with the Development Plan are ministerial in nature. In acting on such Subsequent Development Approvals, CITY shall act promptly, reasonably and in accordance with the Development Plan. CITY shall approve and issue any such Subsequent Development Approval within one hundred twenty (120) days after CITY accepts an application therefor as complete, provided such application complies with the Development Plan. No later than thirty (30) days after receipt of an application for any such Subsequent Development Approval, City shall notify OWNER in writing whether the application is complete, specifying any information required to make the application complete.

3.7 Changes and Amendments to Existing Development Approvals. The parties acknowledge that refinement and further development of the Project may require Subsequent Development Approvals which change the Existing Development Approvals. In the event OWNER finds that a change in the Existing Development Approvals is necessary or appropriate, OWNER shall apply for a Subsequent Development Approval to effectuate such change and CITY

shall promptly process and act on such application in accordance with the Existing Land Use Regulations, except as otherwise provided by this Agreement. If approved, any such change in the Existing Development Approvals shall be incorporated herein as an addendum to Exhibit "C", and may be further changed from time to time as provided in this Section. Unless otherwise required by law, a change to the Existing Development Approvals shall be deemed "minor" and not require an amendment to this Agreement provided such change does not:

(a) Alter the permitted uses of the Property as a whole; or,

(b) Increase the density or intensity of use of the Property as a whole; or,

(c) Increase the maximum height and size of permitted buildings; or,

(d) Delete a requirement for the reservation or dedication of land for public purposes within the Property as a whole; or,

~~(d)~~(e) Decrease the setback distance requirements for the proposed Phase II parking structure from the northern property boundary, as set forth in Item #5 (Shade and Shadows) of the Inventory of Mitigation Measures, attached as part of Exhibit "B" to City Council Resolution No. 94-54. (Relocation of the Phase II parking structure shall be proposed further away from the existing residential uses north of the smaller parcel to improve compatibility and to minimize potential adverse impacts of the parking structure proximate to residential units); or,

~~(e)~~(f) Constitute a project requiring a subsequent or supplemental environmental impact report pursuant to Section 21166 of the Public Resources Code.

3.8 Reservations of Authority. Notwithstanding any other provision of this Agreement, the following Subsequent Land Use Regulations shall apply to the development of the Property.

(a) Generally applicable processing fees and charges imposed by CITY to cover the actual costs to CITY of processing applications for Development Approvals or for monitoring compliance with any Development Approvals granted or issued. Such processing fees and charges shall not exceed the reasonable estimated costs of providing such services.

(b) Regulations which are not in conflict with the Development Plan. Any Development Exaction, any Land Use Regulation which increases the costs of development and any Land Use Regulation, whether adopted by initiative or otherwise, limiting the rate or timing or sequencing of development of the Property shall be deemed to conflict with the Development Plan and shall therefore not be applicable to the development of the Property.

(c) Regulations which are in conflict with the Development Plan provided OWNER has given written consent to the application of such regulations to development of the Property.

3.9 Development Exactions.

(a) All Development Exactions applicable to the Project are included in the Existing Development Approvals incorporated herein as Exhibit "C". CITY shall not impose any Development Exaction on development in accordance with the Development Plan except as set forth in Exhibit "C." In approving any Subsequent Development Approval amending the Development Plan as provided in Section 3.7 of this Agreement, CITY shall not impose any Development Exaction which would exceed the Development Exactions included in the Existing Development Approvals provided such Subsequent Development Approval does not alter the permitted uses of the Property as a whole or increase the density or intensity of use of the Property as a whole. CITY acknowledges and agrees that OWNER would not proceed with the Project but for the foregoing limitation on Development Exactions and the other assurances provided by this Agreement. CITY has determined that the maintenance and expansion of a diverse employment base within the CITY, the direct and indirect contributions to overall economic activity within the CITY, and the positive fiscal impact associated with the Project substantially contribute to the public welfare notwithstanding the limitation on Development Exactions contained in this Agreement.

(b) OWNER shall pay a traffic impact fee for each new average daily vehicle trip end ("ADT") generated by all new development on the Property. This traffic impact fee shall be paid prior to issuance of a building permit for each phase of the Project and shall be determined as follows:

(i) The ADT generated by new development shall be calculated by multiplying .00718 times the number of square feet of building area to be constructed under the building permit; provided, however, that during the Extension Term, the ADT generated by the second phase of development shall be calculated by multiplying .00989 times the number of square feet of building area to be constructed under the building permit. The number of square feet of building area shall not include any building area within any parking structure. If any phase of the Project involves both the demolition of an existing building and the construction of a new building, the determination of the number of square feet of new building area shall be reduced by the building area to be demolished. CITY acknowledges and agrees that construction of the first phase of the Project will produce a decrease of sixty-three (63) ADT as a result of the elimination of that number of trips between the Property and other offices of OWNER, and CITY therefore agrees that the number of ADT calculated for the first building permit for the first phase of the Project shall be reduced by sixty-three (63). This reduction shall be subject to confirmation and adjustment as described in paragraph (c) of this Section.

(ii) For any building permit issued within three (3) years of the Effective Date, the traffic impact fee shall be the lesser of either two hundred twenty-eight dollars ($228.00) per ADT or the amount per ADT then in effect under Section 13-326 of the CITY Planning, Zoning and Development Code or any successor CITY ordinance.

(iii) For any building permit issued more than three (3) years after the Effective Date, the traffic impact fee of two hundred twenty-eight dollars

($228.00) per ADT shall be adjusted for inflation in accordance with the Index by multiplying two hundred twenty-eight dollars ($228.00) by a fraction, the numerator of which is the Index on the date of issuance of the building permit and the denominator of which is the Index on the Effective Date. For any building permit issued more than three (3) years after the Effective Date, the traffic impact fee shall be the lesser of either such inflation-adjusted amount per ADT or the amount per ADT then in effect under Section 13-326 of the CITY Planning, Zoning and Development Code or any successor CITY ordinance. Commencing on the Extension Term, the traffic impact fee of two hundred thirty-five dollars ($235.00) per ADT. For any building permit issued during the Extension Term, the traffic impact fee shall be the lesser of either $235 per ADT or the amount per ADT then in effect in accordance with Section 13-274 of the CITY Planning, Zoning and Development Code or successor CITY ordinance.

(c) The ADT generated by new development on the Property and the traffic impact fee payable as a result of such ADT shall be subject to confirmation and adjustment in accordance with the following procedures:

(i) No earlier than thirty (30) months and no later than thirty-six (36) months after the issuance of certificate(s) of occupancy for new development totalling 200,000 square feet of building area or more, OWNER shall submit a traffic study to the CITY. This traffic study shall be prepared under the direction of the CITY Director of Public Services at OWNER's expense by a professional traffic consultant selected by OWNER, and shall provide actual daily vehicle trip counts for the Property for a period consisting of not less than two twenty-four hour days, which days shall not include any holiday or weekend day. The traffic study shall calculate ADT by averaging the actual daily vehicle trip counts over the number of days studied.

(ii) If the ADT counted pursuant to such traffic study exceeds the sum of 3353 and the ADT calculated pursuant to paragraph (b)(i) of this Section, OWNER shall pay to CITY an additional traffic impact fee for each such additional ADT. If the ADT counted pursuant to such traffic study is less than the sum of 3353 and the ADT calculated pursuant to paragraph (b)(i) of this Section, CITY shall pay to OWNER a refund of traffic impact fees for each such reduced ADT. Any such payment by OWNER or refund by CITY shall be made within thirty days of submittal of such traffic study and shall be based on the lesser of either two hundred twenty-eight dollars ($228.00) (or, during the Extension Term, two hundred thirty-five dollars ($235.00)) per ADT (adjusted for inflation as provided in paragraph (b)(iii) of this Section) or the amount per ADT then in effect under Section 13-326 (or, during the Extension Term, Section 13-274) of the CITY Planning Zoning and Development Code or any successor CITY ordinance.

(iii) No earlier than thirty (30) months and no later than thirty-six months after the issuance of certificate(s) of occupancy for new development totalling 450,000 square feet of building area or more, OWNER shall submit a second traffic study to CITY prepared in accordance with the provisions of paragraph (c)(i) of this Section. If the ADT counted pursuant to such second traffic study exceeds the sum of the ADT counted in the first traffic study prepared pursuant to paragraph (c)(i) of this Section and the ADT calculated pursuant to paragraph (b)(i) above for all new development occupied

subsequent to the preparation of such first traffic study, OWNER shall pay to CITY an additional traffic impact fee for each such additional ADT. If the ADT counted pursuant to such second traffic study is less than the sum of the ADT counted pursuant to paragraph (c)(i) of this Section and the ADT calculated pursuant to paragraph (b)(i) of this Section for all new development occupied subsequent to the preparation of such first traffic study, CITY shall pay to OWNER a refund of traffic impact fees for each such reduced ADT. Any such payment by OWNER or refund by CITY shall be made within thirty (30) days of submittal of such second traffic study and shall be based on the lesser of two-hundred twenty-eight dollars ($228.00) (or, during the Extension Term, two hundred thirty-five dollars ($235.00)) per ADT (adjusted for inflation as provided in paragraph (b)(iii) of this Section) or the amount per ADT then in effect under Section 13-326 (or, during the Extension Term, Section 13-274) of the CITY Planning, Zoning and Development Code or any successor CITY ordinance.

(d) Notwithstanding any provision of the Existing Land Use Regulations (including without limitation the provisions of Section 13-326 of the CITY Planning, Zoning and Development Code), CITY may utilize the traffic impact fees received pursuant to this Agreement for the construction or improvement of any road, street, on-ramp, off-ramp or intersection within the CITY.

(e) Notwithstanding any provision of the Existing Land Use Regulations, the Project shall not be subject to any requirement of the CITY with respect to a conditional use permit for a transportation demand management program.

3.10 Regulation by Other Public Agencies. It is acknowledged by the parties that other public agencies not within the control of CITY *possess* authority to regulate aspects of the development of the Property separately from or jointly with CITY and this Agreement does not limit the authority of such other public agencies. OWNER agrees that the traffic-related development fees imposed by the joint powers authority known as the San Joaquin Hills Corridor Agency shall not be limited by this Agreement. CITY shall not oppose any application by OWNER to any other public agency for any permit or approval which is required for the Project. CITY shall provide to OWNER or to such other public agencies information possessed by CITY and necessary for processing such applications, and OWNER shall reimburse CITY for the actual and reasonable costs of providing such information.

4. CONFLICTS OF LAW.

4.1 Conflict with State or Federal Laws. In the event that State or Federal laws or regulations, enacted after the Effective Date of Agreement, prevent or preclude compliance with one or more of the provisions of this Agreement, such provisions of this Agreement shall be modified or suspended as may be necessary to comply with such State or Federal laws or regulations; provided, however, that this Agreement shall remain in full force and effect to the extent it is not inconsistent' with such laws or regulations and to the extent such laws or regulations do not render such remaining provisions impractical to enforce.

4.2 Notice. Any party which determines that it cannot perform any act authorized or required by the Agreement due to a conflict described in Section 4.1 shall, within fifteen (15) days

of making such determination, provide all other parties with written notice of such State or Federal law or regulation and a statement of the conflict with provisions of this Agreement.

4.3 Modification Conference. The parties shall, within thirty (30) days after notice is provided in Section 4.2, hereof, meet and confer in good faith in an reasonable attempt to modify this Agreement to comply with such law or regulation.

4.4 City Council Hearing. Within thirty (30) days after the modification conference, regardless of whether the parties reach an agreement on the effect of such law or regulation upon this Agreement,, the matter shall be scheduled for hearing before the City Council. Notice of such hearing shall be given pursuant to Section 65090 of the Government Code. The City Council, at such hearing, shall determine the exact modification or suspension which shall be necessitated by such law or regulation. OWNER shall have the right to offer oral and written testimony at. the hearing. No modification or suspension of this Agreement shall be effective unless approved by the affirmative vote of not less than a majority of the authorized voting members of the City Council and by OWNER.

4.5 Cooperation in Securing Permits or Approvals. CITY shall use its best efforts to assist OWNER in the timely securing of any permits or approvals which may be required as a result of such modifications to, or suspensions of, all or any part of this Agreement.

4.6 Challenge Regarding New Law or Regulation. OWNER or CITY shall have the right to challenge by appropriate judicial proceedings any such new law or regulation preventing compliance with the terms of this Agreement or the modification or suspension of this Agreement. In the event that such challenge is successful, this Agreement shall remain unmodified and in full force and effect.

5. RESTRICTION ON SPECIAL DISTRICTS.

During the term of this Agreement, CITY and OWNER agree that no assessment district or special tax district including all or any part of the Property, will be created by the CITY or any agency or instrumentality of the CITY, unless OWNER expressly then grants such authority and concurs in the creation of such district and the terms and conditions of any assessments or special taxes to be levied thereunder. The provisions of this Section 5 shall apply only to assessment districts and special tax districts including developed property. The Property shall be considered developed property provided building permit(s) for a first phase of development comprising at least 200,000 square feet of building area are issued within three (3) years of the Effective Date. The provisions of this Section 5 shall not be applicable to the levy or collection by CITY of any tax which is paid to the general fund of the CITY, including, but not limited to, any CITY general tax on utility service.

6. PERIODIC REVIEW.

6.1 Procedure. CITY shall, at least every twelve (12) months during the term of this Agreement, review the extent of good faith substantial compliance by OWNER with the terms of this Agreement in accordance with Government Code Section 65865.1 and Resolution No. 88-53 and as further provided in this Section. OWNER shall have the duty to demonstrate its good faith substantial compliance with the terms of this Agreement at such periodic review. OWNER shall

furnish such evidence of good faith substantial compliance as the CITY in the exercise of its reasonable discretion may require. Either party may address any requirements of this Agreement during the review. However, ten (10) days' written notice of any requirement to be addressed shall be made by the requesting party. If at the time of review an issue not previously identified in writing is required to be addressed, the review at the request of either party shall be continued to afford sufficient time for analysis and preparation. CITY shall not terminate or modify this Agreement except upon failure of OWNER to perform a material duty or obligation under this Agreement which has not been cured by OWNER as provided under Section 8.3 of this Agreement.

6.2 Information to Be Provided OWNER. CITY shall deposit in the mail to OWNER a copy of all staff reports, exhibits and other evidence concerning Agreement performance a minimum of ten (10) calendar days prior to any such review or action upon this Agreement by the Planning Commission or the City Council.

6.3 Failure to Perform Periodic Review. The failure of the CITY to review at least annually OWNER's compliance with the terms and conditions of this Agreement shall not constitute or be asserted by either party as a breach by the other party of this Agreement.

7. ESTOPPEL CERTIFICATES.

Either party may at any time, and from time to time, deliver written notice to the other party requesting that the other party certify in writing that to the knowledge of the certifying party:

(a) This Agreement is in full force and effect and is a binding obligation of the parties.

(b) This Agreement has not been amended or modified and, if so amended, identifying the amendments.

(c) No default in the performance of the requesting party's obligations under this Agreement exists or, if in default, the nature and extent of any default.

A party receiving a request hereunder shall execute and return the certificate within thirty (30) days following receipt thereof. The City Manager shall have the right to execute any certificate requested by OWNER on behalf of CITY.

8. DEFAULT AND REMEDIES.

8.1 Cumulative Remedies. Subject to the provisions of Section 8.6 of this Agreement, each of the parties hereto may pursue any remedy at law, excluding damages, or equity available for the breach of any provision of this Agreement. Any party may initiate arbitration to cure, correct or remedy any default, to enforce any covenant or agreement herein, or to enjoin any threatened or attempted violation of this Agreement, including without limitation arbitration requesting declaratory relief, specific performance and relief in the nature of mandamus. All remedies shall be cumulative and not exclusive of one another, and the exercise of any one or more of the remedies shall not constitute a waiver or election with respect to any other available remedy.

The parties acknowledge and agree that specific performance and other non-monetary relief are appropriate remedies for the enforcement of this Agreement and shall be available to all parties.

8.2 Cooperation in the Event of Legal Challenge. In the event of any legal action instituted by a third party, including without limitation any. other governmental entity or official, challenging the validity of this Agreement or any Development Approval granted pursuant to this Agreement, the parties agree to cooperate fully with each other in defending such action; provided, however, that each party shall bear its own costs and legal expenses in defending such action.

8.3 Termination of Agreement for Default of OWNER. CITY may terminate this Agreement for any failure of OWNER to perform any material duty or obligation of OWNER under this Agreement (hereinafter referred to as "default"); provided, however, CITY may terminate this Agreement only after providing written notice to OWNER of default setting forth the nature of the default and the actions, if any, required by OWNER to cure such default and, where default can be cured, OWNER has failed to take such actions and cure such default within sixty (60) days after the effective date of such notice or, in the event that such default cannot be cured within such sixty (60) day period but can be cured within a longer time, has failed to commence the actions necessary to cure such default within such sixty (60) day period and to diligently proceed to complete such actions and cure such default.

8.4 Termination of Agreement for Default of CITY. OWNER may terminate this Agreement in the event of a default by CITY in the performance of a material duty or obligation of CITY under this Agreement and only after providing written notice to CITY of default setting forth the nature of the default and the actions, if any, required by CITY to cure such default and, where the default can be cured, CITY has failed to take such actions and cure such default within sixty (60) days after the effective date of such notice or, in the event that such default cannot be cured within such sixty (60) day period but can be cured within a longer time, has failed to commence the actions necessary to cure such default within such sixty (60) day period and to diligently proceed to complete such actions and cure such default.

8.5 Attorneys' Fees and Costs. In any action or proceeding (including arbitration) brought by any party to interpret or enforce any provision of this Agreement, or otherwise arising under this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and all costs, expenses and disbursements in connection with such action or proceeding, including the cost of reasonable investigation, preparation and professional expert consultation and arbitration fees and costs, which sums may be included in any judgment or decree entered in such action in favor of the prevailing party.

8.6 Arbitration. Any dispute or controversy arising from . any provision of this Agreement, including without limitation any action or proceeding brought by any party to interpret or enforce any provision of this Agreement, shall be submitted to arbitration under the provisions of this Section 8.6.

(a) The arbitration shall be held in Orange County, California before a single arbitrator acceptable to both parties. If the parties are unable to agree on an arbitrator within seven (7) days after either party gives a written notice to the other party requesting arbitration, the Orange County office of the Judicial Arbitration and Mediation Service

("JAMS") shall be requested by either party to submit a list of arbitrators.(all of whom must have had at least 5 years experience as a California superior court judge) from which the arbitrator shall be selected by agreement between the parties within seven (7) days after the parties receive that list. If the parties still fail to agree on an arbitrator within that time, they shall within seventy-two (72) hours after the expiration of that time each strike off the names of potential arbitrators who are unacceptable and shall indicate the order of preference of those remaining; each party must leave at least one name on its list. They, or either of them, shall thereupon immediately request JAMS to appoint an arbitrator from the names remaining, after considering preference, qualification, and availability. The parties shall thereafter use their best efforts and diligence to see that the appointment of the arbitrator by JAMS is made as rapidly as possible, and in no event more than fourteen (14) days after the date the list is submitted to JAMS. If at the time arbitration is requested JAMS is no longer in operation, then its successor by sale, acquisition or merger (if applicable) shall take the place of JAMS under this provision. If there is no such successor, then the presiding judge of the Orange County Superior Court shall be requested to submit a list of qualified arbitrators (who shall be retired superior court judges) from which the parties will choose a single arbitrator in the manner provided above.

(b) Upon the appointment of an arbitrator, the parties shall immediately use their best efforts and due diligence to begin the arbitration hearing at the earliest possible date, and in no event more than thirty (30) days after the appointment of the arbitrator, and to thereafter diligently pursue it to completion. The parties agree to promptly sign a *JAMS* Submission Agreement upon institution of the arbitration process to the extent the provisions of that Submission Agreement are not inconsistent with the provisions of this Section 8.6. Upon a showing of a lack of good faith and due diligence by a party in expediting the arbitration proceedings within the time limits described above, the aggrieved party shall be entitled to all damages suffered by that party as a result of any delay in the arbitration proceedings. This item of damages shall be a separate matter to be decided by the arbitrator at the arbitration hearing.

(c) Subject to the above thirty (30) day limitation, the arbitration shall be governed by the discovery procedures in California Code of Civil Procedure Section 1283.05 as presently existing (or, if not materially changed, as existing at the time the arbitration notice is given). The arbitrator shall apply California substantive law and the California Evidence Code to the arbitration proceeding. The arbitrator shall have the power to grant all legal and equitable remedies provided by California law but shall not have the power to award compensatory or punitive damages except as provided in paragraph (b) of this Section 8.6. The arbitrator shall prepare in writing and provide to the parties a decision including factual findings and the reasons on which the decision is based. The arbitrator shall not have the power to commit errors of law or legal reasoning, and the decision may be vacated or corrected for those or other grounds pursuant to California Code of Civil Procedure Sections 1286.2, 1286.4, 1286.6, or 1282.8 as presently existing for any such error. The arbitrator shall be bound by all legal principles under California statutory and case law. The arbitrator shall decide the case in the same manner as the case would be decided in a California court of law.

(d) The decision may be judicially enforced (confirmed, corrected, or vacated) pursuant to Section 1285, et seq. of the California Code of Civil Procedure. It is final and binding and there is no direct appeal from the decision other than as expressly provided to the contrary in this Section 8.6. The arbitrator shall award reasonable attorneys' fees and costs to the prevailing party in its arbitration.

9. MORTGAGEE PROTECTION.

The parties hereto agree that this Agreement shall not prevent or limit OWNER, in any manner, at OWNER's sole discretion, from encumbering the Property or any portion thereof or any improvement thereon by any mortgage, deed of trust or other security device securing financing with respect to the Property. CITY acknowledges that the lenders providing such financing may require certain Agreement interpretations and modifications and agrees upon request, from time to time, to meet with OWNER and representatives of such lenders to negotiate in good faith any such request for interpretation or modification. CITY will not unreasonably withhold its consent to any such requested interpretation or modification provided such interpretation or modification is consistent with the intent and purposes of this Agreement. Any Mortgagee of the Property shall be entitled to the following rights and privileges:

(a) Neither entering into this Agreement nor a breach of this Agreement shall defeat, render invalid, diminish or impair the lien of any mortgage on the Property made in good faith and for value, unless otherwise required by law.

(b) The Mortgagee of any mortgage or deed of trust encumbering the Property, or any part thereof, which Mortgagee, has submitted a request in writing to the CITY in the manner specified herein for giving notices, shall be entitled to receive written notification from CITY of any default by OWNER in the performance of OWNER's obligations under this Agreement.

(c) If CITY timely receives a request from a Mortgagee requesting a copy of any notice of default given to OWNER under the terms of this Agreement, CITY shall provide a copy of that notice to the Mortgagee within ten (10) days of sending the notice of default to OWNER. The Mortgagee shall have the right, but not the obligation, to cure the default during the remaining cure period allowed such party under this Agreement.

(d) Any Mortgagee who comes into possession of the Property, or any part thereof, pursuant to foreclosure of the mortgage or deed of trust, or deed in lieu of such foreclosure, shall take the Property, or part thereof, subject to the terms of this Agreement. Notwithstanding any other provision of this Agreement to the contrary, no Mortgagee shall have an obligation or duty under this Agreement to perform any of OWNER's obligations or other affirmative covenants of OWNER hereunder, or to guarantee such performance; provided, however, that to the extent that any covenant to be performed by OWNER is a condition precedent to the performance of a covenant by CITY, the performance thereof shall continue to be a condition precedent to CITY's performance hereunder.

10. MISCELLANEOUS PROVISIONS.

10.1 Recordation of Agreement. This Agreement and any amendment or cancellation thereof shall be recorded with the Orange County Recorder by the City Clerk within the period required by Section 65868.5 of the Government Code.

10.2 Entire Agreement. This Agreement sets forth and contains the entire understanding and agreement of the parties, and there are no oral or written representations, understandings or ancillary covenants, undertakings or agreements which are not contained or expressly referred to herein. No testimony or • evidence of any such representations, understandings or covenants shall be admissible in any proceeding of any kind or nature to interpret or determine the terms or conditions of this Agreement.

10.3 Severability. If any term, provision, covenant or condition of this Agreement shall be determined invalid, void or unenforceable, the remainder of this Agreement shall not be affected thereby and shall remain in full force and effect unless amended by mutual written consent of the parties.

10.4 Interpretation and Governing Law. This Agreement and any dispute arising hereunder shall be governed and interpreted in accordance with the laws of the State of California. This Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the parties hereto, and the rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this Agreement, all parties having been represented by counsel in the negotiation and preparation hereof.

10.5 Section Headings. All section headings and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

10.6 Rules of Construction. As used herein, the singular of any word includes the plural and the masculine gender includes the feminine.

10.7 Consent. Where a consent or approval of a party is required or necessary under this Agreement, such consent or approval shall not be unreasonably withheld.

10.8 Time of Essence. Time is of the essence in the performance of the provisions of this Agreement as to which time is an element.

10.9 Waiver. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a representative of the party against whom enforcement of a waiver is sought. No waiver of any right or remedy in respect of any occurrence or event shall be deemed a waiver of any right or remedy in respect of any other occurrence or event.

10.10 No Third-Party Beneficiaries. This Agreement is made and entered into for the sole protection and benefit of the parties and their successors and assigns. No other person shall have any right of action based upon any provision of this Agreement.

10.11 Force Majeure. Neither party shall be deemed to be in default where failure or delay in performance of any of its obligations under this Agreement is caused by floods, earthquakes, other Acts of God, fires, wars, riots or similar hostilities, strikes and other labor

difficulties beyond the party's control, (including the party's employment force), government regulations, court actions (such as restraining orders or injunctions), or other causes beyond the party's control. If any such events shall occur, the time for performance by either party of any of its obligations hereunder shall be extended by the parties for the period of time that such events prevented such performance.

10.12 Mutual Covenants. The covenants contained herein are mutual covenants and also constitute conditions to the concurrent or subsequent performance by the party benefitted thereby of the covenants to be performed hereunder by such benefitted party.

10.13 Successors in Interest. The burdens of this Agreement shall be binding upon, and the benefits of this Agreement shall inure to, all successors in interest and assigns of the parties to this Agreement.

10.14 Counterparts. This Agreement may be executed by the parties in counterparts, which counterparts shall be construed together and have the same effect as if all of the parties had executed the same instrument.

10.15 Project as a Private Undertaking. It is understood and agreed by and between the parties hereto that the development of the Project is a private development, that neither party is acting as the agent of the other in any respect hereunder, and that each party is an independent contracting entity with respect to the terms, covenants and conditions contained in this Agreement. No partnership, joint venture or other association of any kind is formed by this Agreement. The only relationship between CITY and OWNER is that of a government entity regulating the development of private property and the owner of such property.

10.16 Further Actions and Instruments. Each of the parties shall cooperate with and provide reasonable assistance to the other to the extent contemplated hereunder in the performance of all obligations under this Agreement and the satisfaction of the conditions of this Agreement. Upon the request of either party at any time, the other party shall promptly execute, with acknowledgment or affidavit if reasonably required, and file or record such required instruments and writings and take any actions as may be reasonably necessary under the terms of this Agreement to carry out the intent and to fulfill the provisions of this Agreement or to evidence or consummate the transactions contemplated by this Agreement.

10.17 Covenant of Good Faith and Fair Dealing Domain. Neither party shall do anything which shall have the effect of harming or injuring the right of the other party to receive the benefits of this Agreement. Each party shall refrain from doing anything which would render its performance under this Agreement impossible or impracticable. Each party shall do everything which this Agreement contemplates that such party shall do to accomplish the objectives and purposes of this Agreement.

10.18 Releases. CITY hereby covenants and agrees that upon completion of the Project as provided under this Agreement, or any portion thereof, CITY shall execute and deliver to the Orange County Recorder an appropriate release of OWNER of further obligations under this Agreement.

10.19 Integrated Project. CITY acknowledges, by executing this Agreement for the Project as a whole, that the Project is and shall be considered a single, integrated development project and that each component of the Project is dependent upon the completion and occupancy of each other component, and that the viability of each component of the Project is and shall be dependent of the completion and occupancy of each other component and the full performance of this Agreement.

10.20 Authority to Execute.

10.20.1 CITY. By the execution hereof, CITY confirms and acknowledges that CITY, acting through its City Council and the City Planning Commission, have complied in full with the requirements of Section 65864 et seq. of the Government Code and Resolution No. 88-53 for public hearing and the giving of notice of intention to consider adoption of this Agreement, and that this Agreement has been approved by ordinance as required by Section 65867.5 of the Government Code. CITY warrants and represents that the CITY has given all notices, held all hearings and complied with all other legal requirements and procedures required to make this a valid Agreement.

10.20.2 OWNER. Persons executing this Agreement on behalf of OWNER warrant and represent that they have the authority to execute this Agreement and represent that they have the authority to bind OWNER to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year set forth below.

CITY OF COSTA MESA

Dated:_____ By:_____
Mayor

ATTEST:

CITY CLERK

By:_____
Deputy

(SEAL)

APPROVED AS TO FORM:

_____
City Attorney

OWNER:

Date:_____

INTERINSURANCE EXCHANGE OF THE AUTOMOBILE CLUB OF SOUTHERN CALIFORNIA

By: ACSC Management Services, Inc.,
Attorney-in-Fact

By:_____
Name:_____
Its:_____

DESCRIPTION OF PROPERTY

Parcel 1:

That portion of the land allotted to James McFadden in decree of partition of the Rancho Santiago De Santa Ana, recorded in Book "B" of Judgments of the 17th Judicial District Court of California, in the City of Costa Mesa, County of Orange, State of California, described as follows:

Beginning at the northeast corner of the land conveyed to Horace Kent by deed recorded January 28, 1878 in Book 58, Page 417 of Deeds of Los Angeles County, California; thence north 89° 36' 27" west, 1100.00 feet to the northwest corner of said land of Kent; thence south 0° 23' 33" west, 4.41 feet along the west line of laid land to the southerly line of the north one-half of the land conveyed to the J. J. Maxwell by deed recorded February 15, 1876 in Book 43 Page 2 of Deeds of said Los Angeles County; thence south 89° 48' 26" west, 1102.02 feet to the southwest corner of said north one-half; thence north 0° 27' 51" west 0.11 feet along the westerly line of said north one-half to the southerly line of the land described in a deed to the Orange County Flood Control District recorded October 31, 1959 in Book 4468, Page 441 of official records of said Orange County; thence easterly, northeasterly and northerly along the southerly, southeasterly and easterly line of said described land the following courses; north 89° 25' 40" east, 156.80 feet to the beginning of the tangent curve concave northwesterly having a radius 1384.00 feet; thence northeasterly 2168.55 feet along said curve through a central angle of 89° 46' 30"; thence tangent from said curve north 0° 20' 50" west, 197.36 feet to the northerly line of said land of J. J. Maxwell, thence north 89° 25' 45" east, 687.25 feet to the northeast corner of said land of J. J. Maxwell; thence south 0° 23' 33" west 1597.66 feet to the point of beginning.

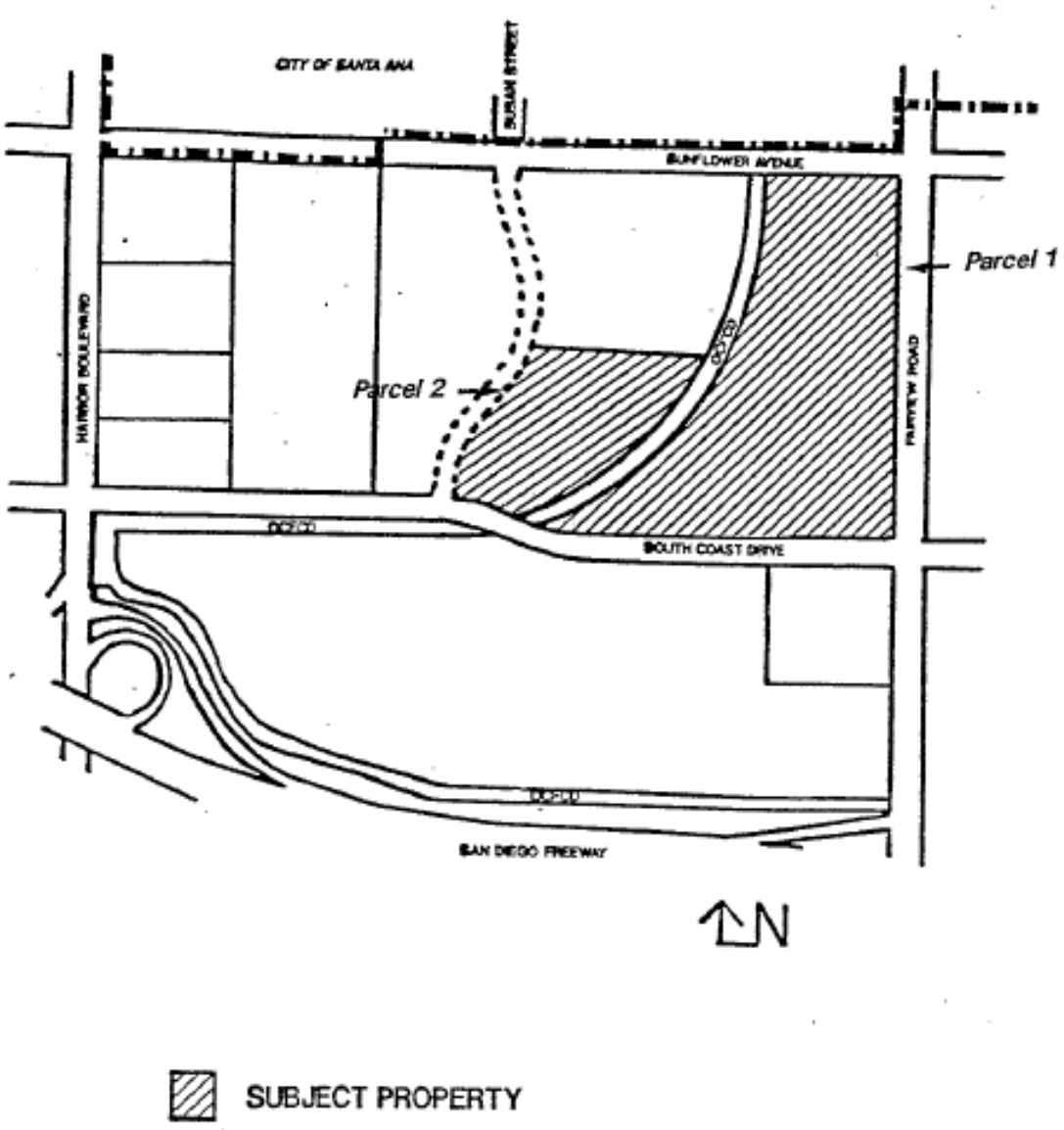
Parcel 2:

That portion of the land allotted to James McFadden in Decree of Partition of the Rancho Santiago De Santa Ana, recorded in Book "B" of Judgments of the 17th Judicial District Court, in the City of Costa Mesa, all in the County of Orange, State of California, described as follows:

Beginning at the northeast corner of the 160 acres parcel conveyed to J. J. Maxwell by deed recorded February 15, 1876 in Book 43, Page 2 of Deeds, in the Office of the County Recorder of Los Angeles County, California; thence south 1584.00 feet along the east line of said Maxwell land to the northeast corner of the land conveyed to Horace Kent by deed recorded January 28, 1878 in Book 58, Page 417 of said deeds; thence west 1099.96 feet to the northwest corner of said Kent land being also the southeast corner of the land conveyed to Charles H. Stanley of deed recorded July 27, 1897 Book 32, Page 145 of deeds, in the office of the County Recorder of said County, thence north 1584.00 feet along the east line of said Stanley land to the north line of said Maxwell land; thence east 1089.00 feet to the point of the beginning.

Except that portion thereof lying southeasterly of the northwesterly line of the land described in the deed to the Orange County Flood Control District, recorded October 31, 1959 in Book 4469, Page 441 of Orange County Official Records.

MAP SHOWING THE PROPERTY AND ITS LOCATION



EXISTING DEVELOPMENT APPROVALS

COPIES OF THE EXISTING DEVELOPMENT APPROVALS LISTED BELOW ARE ON FILE IN THE CITY OF COSTA MESA PLANNING DIVISION AND ARE INCORPORATED HEREIN BY REFERENCE:

1. General Plan Amendment GP-94-01A, approved June 20, 1994, by Resolution No. 94-54;

2. Rezone Petition R-94-01, adopted July 5, 1994, by Ordinance No. 94-10;

3. Planning Action PA-94-15, approved June 20, 1994, by Resolution No. 94-55; and

4. Parcel Map S-94-120, approved June 20, 1994, by Resolution No. 94-56.

THE ABOVE DEVELOPMENT APPROVALS ARE SUBJECT TO ALL MITIGATION MEASURES INCLUDED IN FINAL ENVIRONMENTAL IMPACT REPORT NUMBER 1045, CERTIFIED JUNE 20, 1994, BY RESOLUTION NO. 94-53.

EXISTING LAND USE REGULATIONS

1. City of Costa Mesa General Plan as amended through Resolution No. 94-54;

2. Title 13 of the Costa Mesa Municipal Code (Planning, Zoning, and Development Codes) as amended through Ordinance No. 94-10; and

3. Resolution No. 88-53, A Resolution of the City Council of the City of Costa Mesa, California Establishing Procedures and Requirements for Consideration of Development Agreements.

COPIES OF THE EXISTING LAND USE REGULATIONS LISTED ABOVE ARE ON FILE IN THE CITY PLANNING DEPARTMENT AND ARE INCORPORATED HEREIN BY REFERENCE.