

	DA Terms
I. Initial Term	20 years. Commencement of construction within 20 years from the Effective Date constitutes vesting for purposes of the Development Agreement. "Commencement" shall include the Owner having been issued a building permit and commenced construction activity on the residential building.
II. Extension of Initial Term	Two 5-year extensions are possible, as follows: <ul style="list-style-type: none"> • <u>First Extension</u> - Automatically granted upon Commencement of construction of no less than three hundred (300) total dwelling units provided that Owner is not in default of the Development Agreement and that the units have been constructed within 10 years of the adoption of the DA. • <u>Second Extension</u> - Automatically granted upon Commencement of construction no less than six hundred (600) total dwelling units (inclusive of 300 units from First Extension) provided that Owner is not in default of the Development Agreement and that the units have been constructed within 15 years of the adoption of the DA.
III. Right to Assign	Owner shall have the right to assign the Development Agreement, in whole or in part, to any transferee provided that said transferee assumes in writing its proportional share of Owner's duties and obligations under the Development Agreement. The City Attorney shall reasonably approve the form of the assumption and assignment agreement. In connection with such assignment and assumption, Owner shall be released from its obligations under the Development Agreement with respect to those obligations that are expressly assumed by the transferee.
IV. Changes and Modifications	If substantially conforming changes to the Development Agreement or the Development Plan (e.g., the project's Master Plan) are necessary, desirable, or appropriate, the parties may effectuate such changes or adjustments through an administrative operating memorandum executed by the City Manager or their designee. A substantially conforming change is a minor change,

	modification, or adjustment that is in substantial conformance with the Development Plan.
V. Amendment	Major changes and modifications that are not in substantial conformance with the Development Agreement or the Development Plan (e.g., the project's Master Plan) require an amendment to the Development Agreement. The Development Agreement may be amended with written consent of the parties and approval by City Council.
VI. Termination	The DA shall terminate after (a) expiration of the Term (including applicable extensions); (b) entry of final judgment by a court of competent jurisdiction setting aside or annulling adoption of the Development Agreement ordinance and/or the Development Plan; (c) a timely adoption of a referendum measure overriding or repealing the Development Agreement ordinance and/or the Development Plan; (d) issuance of the project's final certificate of occupancy; or (e) receipt of Owner's written notice voluntarily terminating the DA provided that said notice is received prior to the issuance of the first demolition permit implementing the Development Plan and that the entitlements have been abandoned.
VII. Vested Rights	Owner shall have a vested right for the term of the Development Agreement (as it may be extended) to develop the property in accordance with the land use regulations, rules, ordinances, in effect at the time of the Development Agreement approval as well as the Development Plan and project approvals, including Owner's proposed North Costa Mesa Specific Plan Amendment. Vesting shall apply to the uses, density and intensity of development, minimum lot sizes, building setbacks, the maximum height and size of buildings, open space requirements and all other matters affecting land use and development to be set forth in the Development Plan and project approvals.

VIII.ommunity Benefits	<p><u>Affordable Housing:</u> The project to exceed City's Affordable Housing Ordinance including:</p> <ul style="list-style-type: none"> • 105 low income units (11.8% of base density, which is 884 units at 62 du/ac) <p>Maintain that level of affordability for no less than 55 years.</p>
	<p><u>Open Space/Rail Trail:</u> The project will incorporate public art and an open plaza at the southeast corner of the site, as shown on the project approvals. The project will also include paseos that will provide access to the "Rail Trail" on the western edge of the site. These paseos are envisioned to be publicly accessible from dawn to dusk like the Rail Trail itself. An access easement shall be recorded on the properties to allow for public access to the paseos. The applicant will hire private security to monitor the Rail Trail, increasing public safety.</p>
	<p><u>EV Parking:</u> A minimum of 20% of all parking stalls located within the parking structures shall include Level 2 EV charging capability adjacent to the individual stall. A minimum of 40% of all additional parking stalls located within the parking structures shall be Level 2 EV ready with sufficient electrical infrastructure to enable the future installation of EV chargers. The project will be required to provide additional EV parking should the building code in place at the time of building permit submittal require more than the DA.</p>
	<p><u>Electrical Appliances:</u> All residential units shall utilize electric appliances in the kitchens for stoves, ovens, and dryers.</p>
	<p><u>Photovoltaic Panels:</u> Photovoltaic panels shall be incorporated into the project.</p>
	<p><u>Development Reimbursement Account:</u> Prior to issuance of any permits, OWNER shall submit a payment of \$50,000 to cover the cost of the DA administration, staff review for administrative plan modifications that do not require discretionary review, outside consultant fees, and City Attorney reviews. At</p>

	<p>the completion of all phases of the project, any remaining balance may be released back to OWNER.</p>
	<p><u>Funding for Community Infrastructure Improvements:</u> Prior to issuance of the first building permit OWNER shall pay to CITY the sum of one million dollars (\$1,000,000.00) to be used, in the City's sole and absolute discretion, towards Citywide bicycle and pedestrian infrastructure improvements (e.g. protected bicycle lanes, bike paths, pedestrian crosswalks, pedestrian hybrid beacons, etc.) The fee shall increase annually at 3% however: (a) the fees for Phases/buildings permitted/constructed during the first 10 years would have any 3% accrual waived; and (b) phases/buildings that are permitted/constructed after year 10 would pay their pro rata share of the fee along with their accrued increases for years 1 through 10 and subsequent years.</p>
	<p><u>Funding for Community Drainage Improvement:</u> Prior to issuance of the first building permit OWNER shall pay to CITY the sum of five hundred thousand dollars (\$500,000.00) to be used, in the City's sole and absolute discretion, towards Citywide drainage facility improvements and new construction (e.g. storm drain lines, catch basins, inlets, detention basins, etc.) The fee shall increase annually at 3% however: (a) the fees for Phases/buildings permitted/constructed during the first 10 years would have any 3% accrual waived; and (b) phases/buildings that are permitted/constructed after year 10 would pay their pro rata share of the fee along with their accrued increases for years 1 through 10 and subsequent years.</p>
	<p><u>Funding for Police and Animal Services:</u> Prior to issuance of first building permit OWNER shall pay the CITY the sum of 1.5 million dollars (\$1,500,000.00) to be used, in the City's sole and absolute discretion, to enhance the operations of the CITY's Police and Animal Services, including but not limited to establishing a Real Time Crime and Intelligence Center, Drone as a First Responder program, other crime prevention technologies and expansion of animal care services. The fee shall increase annually at 3% however: (a) the fees for Phases/buildings permitted/constructed during the first 10 years would have any 3% accrual waived; and (b) phases/buildings that are permitted/constructed</p>

	<p>after year 10 would pay their pro rata share of the fee along with their accrued increases for years 1 through 10 and subsequent years.</p>
	<p><u>Funding for Fire & Rescue Services:</u> Prior to issuance of first building permit OWNER shall pay the CITY the sum of one million, five hundred thousand dollars (\$1,5000,000) to be used, in the City's sole and absolute discretion, to enhance the operations of the CITY's Fire & Rescue Department, including but not limited to supporting the development of a new fire station or expansion of existing stations to accommodate additional staff and apparatus, purchase of additional apparatus or other tools and infrastructure, and expansion of other Fire & Rescue Department resources as needed. The fee shall increase annually at 3% however: (a) the fees for Phases/buildings permitted/constructed during the first 10 years would have any 3% accrual waived; and (b) phases/buildings that are permitted/constructed after year 10 would pay their pro rata share of the fee along with their accrued increases for years 1 through 10 and subsequent years.</p>
IX. Review of Compliance	<p>The City will review the Development Agreement annually. Owner must submit an annual monitoring report within 30 days of a written request for same from the City. The City Manager, or their designee, shall be authorized to approve the annual report or forward same for consideration by the Planning Commission. The City Council may, in addition, order a special review of compliance no more than once a year. Owner shall be responsible for reimbursing the costs associated with the annual review including staff time and any other resources required.</p>
X. Indemnity	<p>Owner must indemnify the City from any third-party challenge to the Development Agreement or the project approvals.</p>
XI. Permit expediting and Staff Assistance	<p><u>City Council Review:</u> Future entitlements requiring City Council review (such as modifications) will be processed within three regularly scheduled City Council meetings past the final Planning Commission project recommendation. This is based on any/all required applicant information provided in a timely manner</p>

	<p><u>At Risk Expedited Processing:</u> The Owner may submit an "at-risk" building plan check prior to obtaining entitlement approval, to provide simultaneous review. The Owner shall pay for applicable review.</p>
	<p><u>Expedited Plan Check:</u> All project phases, the City shall provide expedited plan checks and expedited rechecks, with the Owner paying applicable fees for expedited review. The Owner shall notify staff 30 days prior to submittal to confirm necessary submittal content.</p> <ul style="list-style-type: none"> • Expedited processing of improvement plans/final maps/building permits consistent with the following (Assuming construction of 5-story multi-family buildings wrapped around a parking structure (Type III/I)): <ul style="list-style-type: none"> - Staff can perform the first review in 30 working days. - The 2nd review will be at 50% (15 working days). - Pre-3rd review meeting to go over remaining comments. - 3rd review (if needed) will be in 6 working days.
	<p><u>Plan Check Coordination Meetings:</u> The Owner may request that the City participate in plan check coordination meetings to ensure that all comments are understood prior to submitting or resubmitting. These meetings will include the applicant team and applicable staff from individual departments as needed.</p>
	<p><u>Same Day Inspections:</u> Once construction commences, the owner may request and the City will provide same-day inspections when needed to ensure construction progress. The owner shall request same-day inspections prior to 8:00 a.m.</p>

	<p><u>Construction Coordination Meetings:</u> The Owner may request construction coordination meetings with staff from applicable departments to ensure the project is progressing as needed during construction.</p>
	<p><u>Utility Agency Assistance:</u> City staff will provide assistance to Owner with applicable development processing with utility agencies/districts, including letters of support or attending meetings.</p>