



**CITY OF LAGUNA HILLS
CITY COUNCIL/PLANNING AGENCY
REGULAR MEETING AGENDA
FEBRUARY 24, 2015
Closed Session at 6:00 PM (*when scheduled*)
General Business Session at 7:00 PM**

Dore J. Gilbert, M.D., Mayor

**Barbara Kogerman, Mayor Pro Tempore
Andrew Blount, Council Member**

**Melody Carruth, Council Member
Don Sedgwick, Council Member**

Location: City Council Chamber, 24035 El Toro Road, Laguna Hills, California 92653

Any person wishing to address the City Council/Planning Agency on any matter, whether or not it appears on this Agenda, is asked to complete a pink "Request to Speak" form available on the table at the back of the Chamber. The completed form is to be submitted to the City Clerk prior to an individual being heard by the City Council/Planning Agency. Completion of the form is voluntary. All persons may attend the meeting regardless of whether this form is completed.

Members of the public wishing to address the City Council can do so during the Public Comments portion of the Agenda with a time limitation of three minutes per person, an overall time limit of ten minutes for any one subject, and a total time limit of thirty minutes for Public Comments. If you are commenting on an Agenda item, your comments will be heard at the time that item is scheduled on the Agenda. If you are addressing the City Council on an item not listed on the Agenda, the City Council is prohibited by law from discussing or taking any action on that item.

GENERAL BUSINESS - CONVENING AT 7:00 PM

CALL TO ORDER

Resolution No. 96-04-09-1 established rules of decorum for public meetings held by the City of Laguna Hills. Resolution No. 96-04-09-1 is available on the table at the back of the City Council Chamber.

PLEDGE OF ALLEGIANCE: COUNCIL MEMBER SEDGWICK

ROLL CALL OF CITY COUNCIL MEMBERS

CLOSED SESSION REPORT

1. PRESENTATIONS AND PROCLAMATIONS

1.1 LAGUNA HILLS HIGH SCHOOL STUDENT LIAISON

RECOMMENDATION: THAT THE CITY COUNCIL RECEIVE AN ORAL REPORT FROM LAGUNA HILLS HIGH SCHOOL STUDENT LIAISON MATTHEW SHULMAN.

1.2 LAGUNA HILLS 3/5 MARINE SUPPORT COMMITTEE

RECOMMENDATION: THAT THE CITY COUNCIL RECEIVE AN UPDATE FROM CHAIR KAREN ROBBINS ON THE 3/5 DARK HORSE COMMITTEE.

1.3 RECOGNITION OF TRAFFIC COMMISSIONERS, DONALD FROELICH, STEPHEN (ED) ROWE, AND PARKS AND RECREATION COMMISSIONER, JACK NOENICKX

RECOMMENDATION: THAT MAYOR GILBERT PRESENT A CITY PLAQUE TO DONALD FROELICH, STEPHEN (ED) ROWE, AND JACK NOENICKX RECOGNIZING THEIR SERVICE TO THE CITY.

2. PUBLIC COMMENTS

This is the time to address the City Council on any matter not listed on this Agenda that is within the subject matter jurisdiction of the City Council. Public Comments are limited to three minutes per person, an overall time limit of ten minutes for any one subject, and a total time limit of thirty minutes.

3. CONSENT CALENDAR

All matters listed under "CONSENT CALENDAR" are considered to be routine and will be enacted by one motion approving the recommendation listed on the Agenda. There will be no separate discussion unless Members of the City Council or Staff request specific items be removed from the Consent Calendar.

3.1 WAIVE READING IN FULL OF ALL ORDINANCES AND RESOLUTIONS ON THE AGENDA

RECOMMENDATION: THAT THE CITY COUNCIL WAIVE READING IN FULL OF ALL ORDINANCES AND RESOLUTIONS ON THE AGENDA AND DECLARE THAT SAID TITLES WHICH APPEAR ON THE PUBLIC AGENDA SHALL BE DETERMINED TO HAVE BEEN READ BY TITLE AND FURTHER READING WAIVED.

3.2 APPROVAL OF MINUTES FOR FEBRUARY 10, 2015

RECOMMENDATION: THAT THE CITY COUNCIL APPROVE THE MINUTES OF THE FEBRUARY 10, 2015, REGULAR MEETING.

3.3 APPROVAL OF WARRANT REGISTER FOR PERIOD ENDED FEBRUARY 24, 2015

RECOMMENDATION: THAT THE CITY COUNCIL APPROVE THE WARRANT REGISTER IN THE AMOUNT OF \$770,869.21.

- 3.4 PERIODIC REVIEW OF DEVELOPMENT AGREEMENT NO. 12-11-2137 (ORDINANCE NO. 2012-4) BETWEEN THE CITY OF LAGUNA HILLS AND LAGUNA HILLS INVESTMENT COMPANY: OAKBROOK VILLAGE SHOPPING CENTER MIXED USE PROJECT

RECOMMENDATION: THAT THE CITY COUNCIL: (1) RECEIVE AND FILE A REPORT DEMONSTRATING THE PROPERTY OWNER'S GOOD FAITH COMPLIANCE WITH THE TERMS AND CONDITIONS OF THE DEVELOPMENT AGREEMENT; AND (2) FIND AND DETERMINE THAT THE LAGUNA HILLS INVESTMENT COMPANY HAS COMPLIED IN GOOD FAITH WITH THE TERMS AND CONDITIONS OF THE DEVELOPMENT AGREEMENT FOR THE 12-MONTH PERIOD OF JANUARY 2014 TO JANUARY 2015.

- 3.5 ADOPTION OF AN ORDINANCE APPROVING AND ADOPTING AN AMENDMENT (AMENDMENT NO. 1) TO DEVELOPMENT AGREEMENT BETWEEN THE CITY OF LAGUNA HILLS AND LAGUNA HILLS INVESTMENT COMPANY AND OAKBROOK URBAN VILLAGE I, LLC

RECOMMENDATION: THAT THE CITY COUNCIL ADOPT AN ORDINANCE ENTITLED: "AN ORDINANCE OF THE CITY OF LAGUNA HILLS, CALIFORNIA, APPROVING AND ADOPTING AN AMENDMENT NO. 1 TO DEVELOPMENT AGREEMENT BETWEEN THE CITY OF LAGUNA HILLS AND LAGUNA HILLS INVESTMENT COMPANY AND OAKBROOK URBAN VILLAGE I, LLC, FOR THE OAKBROOK VILLAGE SHOPPING CENTER REDEVELOPMENT PROJECT."

ITEMS REMOVED FROM THE CONSENT CALENDAR

4. PLANNING AGENCY

- 4.1 ROLL CALL OF PLANNING AGENCY MEMBERS
- 4.2 PUBLIC COMMENTS

This is the time to address the Planning Agency on any matter not listed on this Agenda that is within the subject matter jurisdiction of the Planning Agency. Public Comments are limited to three minutes per person, an overall time limit of ten minutes for any one subject, and a total time limit of thirty minutes.

- 4.3 APPROVAL OF MINUTES FOR FEBRUARY 10, 2015

RECOMMENDATION: THAT THE PLANNING AGENCY APPROVE THE MINUTES OF THE FEBRUARY 10, 2015, REGULAR MEETING.

4.4 ADMINISTRATIVE REPORTS

4.5 PLANNING AGENCY PUBLIC HEARINGS

PLANNING AGENCY ADJOURNMENT

5. CITY COUNCIL PUBLIC HEARINGS

6. ADMINISTRATIVE REPORTS

6.1 City Manager

6.2 Deputy City Manager/Community Services

6.2.1 CITY OF LAGUNA HILLS PARTICIPATION AS A "HOST TOWN" CITY IN SUPPORT OF THE 2015 SPECIAL OLYMPICS WORLD GAMES IN LOS ANGELES

RECOMMENDATION: THAT THE CITY COUNCIL APPROVE THE CITY OF LAGUNA HILLS' PARTICIPATION AS A "HOST TOWN" CITY FOR THE 2015 SPECIAL OLYMPICS WORLD GAMES.

6.2.2 2015 LAGUNA HILLS MEMORIAL DAY HALF MARATHON, 10K, AND 5K EVENT AND 3/5 MARINE BATTALION TRIBUTE BANNERS.

RECOMMENDATION: THAT THE CITY COUNCIL: (1) RECEIVE A PRESENTATION ON THE PRE-EVENT PLANNING EFFORTS OF THE 2015 MEMORIAL DAY RACE; (2) APPROVE THE INCLUSION OF THE 3/5 MARINE TRIBUTE BANNERS INTO THE 2015 PATRIOTIC BANNER DISPLAY FOR THE STREET COVERAGE AND TIMEFRAME AS OUTLINED IN THE STAFF REPORT; AND (3) DETERMINE IF THE CITY SHOULD PAY FOR THE LABOR TO INSTALL AND REMOVE THE 3/5 MARINE TRIBUTE BANNERS.

7. MATTERS AGENDIZED AND PRESENTED BY CITY COUNCIL MEMBERS AND MAYOR

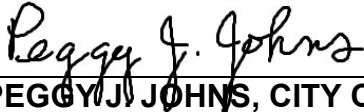
8. CITY COUNCIL MEMBER COMMENTS

ADJOURNMENT

The next Regular Meeting of the City Council will be March 10, 2015, in the City Council Chamber, located at 24035 El Toro Road, Laguna Hills, California.

CERTIFICATION

I, PEGGY J. JOHNS, City Clerk of the City of Laguna Hills, do hereby certify that a copy of the foregoing Agenda was posted at Laguna Hills City Hall, Laguna Hills Community Center, and the Courtyard at La Paz Center by February 20, 2015, at 5:00 PM.



PEGGY J. JOHNS, CITY CLERK

February 20, 2015**DATE**

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, you should contact the office of the City Clerk at (949) 707-2635. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to assure accessibility to this meeting.

Materials related to an item on this Agenda submitted to the City Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office at 24035 El Toro Road, Laguna Hills, California, during normal business hours.

City Council Members receive no additional compensation or stipend as a result of simultaneously convening meetings of the Laguna Hills Planning Agency.



City of Laguna Hills

City Council Meeting Agenda

Staff Report

DATE: FEBRUARY 24, 2015

TO: MAYOR AND COUNCIL MEMBERS

**FROM: PEGGY J. JOHNS
CITY CLERK**

**ISSUE: RECOGNITION OF TRAFFIC COMMISSIONERS, DONALD FROELICH,
STEPHEN (ED) ROWE, AND PARKS AND RECREATION COMMISSIONER,
JACK NOENICKX**

**RECOMMENDATION: THAT MAYOR GILBERT PRESENT A CITY PLAQUE TO
DONALD FROELICH, STEPHEN (ED) ROWE, AND JACK NOENICKX RECOGNIZING
THEIR SERVICE TO THE CITY.**

SUMMARY:

Traffic Commissioner Donald Froelich has completed his term of office and ten years of service to the City of Laguna Hills. Mr. Froelich was appointed to the Traffic Commission on January 18, 2005, and served three terms. His current term expired on January 31, 2015.

Traffic Commissioner Stephen (Ed) Rowe has completed his term of office and four years of service to the City of Laguna Hills. Mr. Rowe was appointed to the Traffic Commission on January 12, 2011. His current term expired January 31, 2015.

Jack Noenickx has completed his term of office and twelve years of service to the City of Laguna Hills. Mr. Noenickx was appointed to the Traffic Commission on January 21, 2003, and served until January 31, 2005, and then was appointed to the Parks and Recreation Commission on January 18, 2005, and served three terms. His current term expired on January 31, 2015.

Donald, Stephen, and Jack will be present at the February 24, 2015, meeting, and it is in order to recognize them for their service to the City of Laguna Hills.

**CITY OF LAGUNA HILLS, CALIFORNIA
CITY COUNCIL REGULAR MEETING
MINUTES
FEBRUARY 10, 2015**

CLOSED SESSION - CONVENING AT 6:00 PM

CALL TO ORDER

ROLL CALL

Present: Mayor Gilbert, Mayor Pro Tempore Kogerman, Council Member Blount, Council Member Carruth, and Council Member Sedgwick

ANNOUNCEMENT OF CLOSED SESSION ITEMS

A. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Paragraph (1) of subdivision (d) of Government Code Section 54956.9
Name of Claimant: Avery M. Price
Claim No.: C1311
Date of Claim: October 30, 2013

PUBLIC COMMENT ON CLOSED SESSION ITEMS

There were no Public Comments.

ADJOURN TO CITY COUNCIL CONFERENCE ROOM

CONVENE INTO CLOSED SESSION

RECONVENE TO CITY COUNCIL CHAMBER

RECESS

GENERAL BUSINESS - RECONVENING AT 7:00 PM

CALL TO ORDER

Mayor Gilbert called the Regular Meeting of the City Council of the City of Laguna Hills, California, to order at 7:02 PM in the Laguna Hills City Council Chamber, 24035 El Toro Road, Laguna Hills, California.

PLEDGE OF ALLEGIANCE: Mayor Pro Tempore Kogerman

ROLL CALL OF CITY COUNCIL MEMBERS

Present: Mayor Gilbert, Mayor Pro Tempore Kogerman, Council Member Blount, Council Member Carruth, and Council Member Sedgwick.

CLOSED SESSION REPORT

A. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

City Attorney Simonian stated the City Council convened in Closed Session earlier this evening to discuss one item of anticipated litigation. The Closed Session tonight was authorized pursuant to Paragraph 2 of Subdivision (d) and Paragraph 3 of Subdivision (e) of Government Code Section 54956.9 regarding the claim that was filed on behalf of Claimant Avery M. Price. On a vote of 5-0, approval has been given to pursue a possible settlement of the claim that was filed on behalf of Claimant Avery M. Price, the terms and conditions of which shall be made publicly available upon request through the City Clerk's Office after the Settlement Agreement has become final.

1. PRESENTATIONS AND PROCLAMATIONS

1.1 INTRODUCTION OF NEW LAGUNA HILLS' SHERIFF DEPUTIES

MAYOR GILBERT INTRODUCED DEPUTY ERIK TILOVE, DEPUTY PETER KIM AND DEPUTY TIMOTHY OTT AS THE CITY'S NEW ORANGE COUNTY SHERIFF DEPUTIES.

1.2 APPOINTMENT OF LAGUNA HILLS HIGH SCHOOL STUDENT LIAISON MATTHEW SHULMAN FOR THE 2015 SPRING SEMESTER

MAYOR GILBERT PRESENTED A CERTIFICATE OF APPOINTMENT TO STUDENT LIAISON MATTHEW SHULMAN.

1.3 LAGUNA HILLS HIGH SCHOOL STUDENT LIAISON

THE CITY COUNCIL RECEIVED AN ORAL REPORT FROM LAGUNA HILLS HIGH SCHOOL STUDENT LIAISON MATTHEW SHULMAN.

1.4 OATHS OF OFFICE FOR PARKS AND RECREATION COMMISSIONERS AND TRAFFIC COMMISSIONERS

THE CITY CLERK ADMINISTERED THE OATHS OF OFFICE AND MAYOR GILBERT PRESENTED CERTIFICATES OF APPOINTMENT TO PARKS AND RECREATION COMMISSIONERS DANIEL COOPER, MAYA DOUGLAS, AND CHRIS MACKEY AND TRAFFIC COMMISSIONERS MARK JONES AND GREG STAAR.

1.5 ORANGE COUNTY HUMAN RELATIONS COUNCIL ANNUAL REPORT

THE CITY COUNCIL RECEIVED AN ORAL PRESENTATION FROM KEN INOUE, COMMISSIONER, WITH THE ORANGE COUNTY HUMAN RELATIONS COUNCIL.

2. PUBLIC COMMENTS**LAGUNA HILLS LITTLE LEAGUE**

Dave Schweitzer and Rob Engle, Laguna Hills Little League Board Members, gave an update with regards to Laguna Hills Little League. Mr. Schweitzer and Mr. Engle thanked the City Council for supporting the League and distributed hats for those City Council Members who might be attending Opening Day on February 21, 2015.

ALICIA GATEWAY PROJECT

Fred Buckhalter, James Cooper, and Conie Collins, Laguna Hills Residents, spoke in opposition to the Alicia Gateway project, rezoning of the property and possible traffic congestion.

The City Clerk distributed a sign-in sheet in order to collect names and contact information for future notification to interested parties regarding this project.

3. CONSENT CALENDAR

**MOTION TO APPROVE THE CONSENT CALENDAR BY M/COUNCIL MEMBER CARRUTH, S/COUNCIL MEMBER SEDGWICK.
APPROVED BY A VOTE OF 5-0.**

3.1 WAIVE READING IN FULL OF ALL ORDINANCES AND RESOLUTIONS ON THE AGENDA

THE CITY COUNCIL WAIVED READING IN FULL OF ALL ORDINANCES AND RESOLUTIONS ON THE AGENDA AND DECLARED THAT SAID TITLES WHICH APPEAR ON THE PUBLIC AGENDA SHALL BE DETERMINED TO HAVE BEEN READ BY TITLE AND FURTHER READING WAIVED.

3.2 APPROVAL OF MINUTES FOR JANUARY 27, 2015, REGULAR MEETING

THE CITY COUNCIL APPROVED THE MINUTES OF THE JANUARY 27, 2015, REGULAR MEETING.

3.3 APPROVAL OF MINUTES FOR JANUARY 27, 2015, SPECIAL MEETING

THE CITY COUNCIL APPROVED THE MINUTES OF THE JANUARY 27, 2015, SPECIAL MEETING.

- 3.4 APPROVAL OF WARRANT REGISTER FOR PERIOD ENDING FEBRUARY 10, 2015

THE CITY COUNCIL APPROVED THE WARRANT REGISTER IN THE AMOUNT OF \$678,049.13.

- 3.5 PROPOSED LEASE WITH THE SENATE RULES COMMITTEE (SENATOR PAT BATES) FOR 24031 EL TORO ROAD, SUITE 201A, LAGUNA HILLS, CALIFORNIA

THE CITY COUNCIL APPROVED THE LEASE WITH THE SENATE RULES COMMITTEE FOR 24031 EL TORO ROAD, SUITE 201A, LAGUNA HILLS, CALIFORNIA, AND AUTHORIZED THE CITY MANAGER TO EXECUTE THE LEASE.

- 3.6 PROGRESS PAYMENT NO. 5 FOR CITYWIDE PAVEMENT REHABILITATION PROJECT, CIP NO. 101-I

THE CITY COUNCIL APPROVED PROGRESS PAYMENT NO. 5, IN THE NET AMOUNT OF \$77,750.88, TO ALL AMERICAN ASPHALT, FOR CITYWIDE PAVEMENT REHABILITATION PROJECT, CIP NO. 101-I.

- 3.7 AUTHORIZATION FOR THE DIRECT PURCHASE OF PLAYGROUND EQUIPMENT AND AUTHORIZATION TO ADVERTISE FOR BIDS FOR THE STOCKPORT PARK RENOVATION PROJECT, CIP NO. 239B

THE CITY COUNCIL APPROVED THE PLANS AND SPECIFICATIONS AND AUTHORIZED THE ADVERTISEMENT FOR BIDS FOR THE STOCKPORT PARK RENOVATION PROJECT AND AUTHORIZED THE SOLE SOURCE PURCHASE OF PLAYGROUND EQUIPMENT, CIP NO. 239B.

- 3.8 ADOPTION OF AN ORDINANCE AMENDING CHAPTER 2-28 OF THE LAGUNA HILLS MUNICIPAL CODE RELATING TO THE APPOINTMENT, TERMS, AND REAPPOINTMENT LIMITATION OF BOARD AND COMMISSION MEMBERS

THE CITY COUNCIL ADOPTED ORDINANCE NO. 2015-2, AN ORDINANCE OF THE CITY OF LAGUNA HILLS, CALIFORNIA, AMENDING AND RESTATING SECTIONS 2-28.060 AND 2-28.070 (APPOINTMENT AND TERMS) OF CHAPTER 2-28 (BOARDS AND COMMISSIONS GENERALLY) OF TITLE 2 (ADMINISTRATION AND PERSONNEL) OF THE LAGUNA HILLS MUNICIPAL CODE RELATING TO THE APPOINTMENT, TERMS, AND REAPPOINTMENT LIMITATION OF BOARD AND COMMISSION MEMBERS.

3.9 CITY COUNCIL "OTHER AGENCIES" APPOINTED REPRESENTATIVES

THE CITY COUNCIL APPOINTED COUNCIL MEMBER CARRUTH TO SERVE ON THE OC PUBLIC LIBRARIES - LIBRARY ADVISORY BOARD; AND APPOINTED COUNCIL MEMBER BLOUNT TO SERVE ON THE SOUTH ORANGE COUNTY WATERSHED MANAGEMENT AREA EXECUTIVE COMMITTEE.

3.10 UPGRADE TO THE AUDIO-VISUAL SYSTEM AT THE LAGUNA HILLS COMMUNITY CENTER AND ANNUAL MAINTENANCE OF THE AUDIO-VISUAL SYSTEM AT THE COMMUNITY CENTER AND THE CIVIC CENTER

THE CITY COUNCIL: (1) APPROVED THE PROFESSIONAL SERVICES AGREEMENT BETWEEN VIZUAL SYMPHONY, INC., AND THE CITY OF LAGUNA HILLS FOR THE UPGRADE OF THE AUDIO-VISUAL SYSTEM AT THE COMMUNITY CENTER FOR A NOT TO EXCEED COST OF \$60,000 AND AUTHORIZED THE CITY MANAGER TO EXECUTE THE AGREEMENT; AND (2) AUTHORIZED THE CITY MANAGER TO ENTER INTO A TWO YEAR MAINTENANCE AND SERVICE AGREEMENT IN THE AMOUNT OF \$6,500 FOR THE NEW AV SYSTEM AT THE LAGUNA HILLS COMMUNITY CENTER; AND (3) AUTHORIZED THE CITY MANAGER TO ENTER INTO A TWO YEAR MAINTENANCE AND SERVICE AGREEMENT IN THE AMOUNT OF \$19,500 FOR THE AV SYSTEM AT THE CIVIC CENTER.

4. PLANNING AGENCY

Mayor Gilbert recessed the City Council Meeting and acting in the capacity of Chair, called the regular meeting of the Planning Agency of the City of Laguna Hills, California, to order at 8:07 PM.

4.1 ROLL CALL OF PLANNING AGENCY MEMBERS

Present: Chair Gilbert, Vice Chair Kogerman, Agency Member Blount, Agency Member Carruth, and Agency Member Sedgwick.

4.2 PUBLIC COMMENTS

There were no Public Comments.

4.3 APPROVAL OF MINUTES FOR JANUARY 27, 2015

**THE PLANNING AGENCY APPROVED THE MINUTES OF THE JANUARY 27, 2015, REGULAR MEETING, BY M/AGENCY MEMBER CARRUTH, VICE CHAIR KOGERMAN.
APPROVED BY A VOTE OF 5-0.**

4.4 PLANNING AGENCY PUBLIC HEARINGS

4.4.1 CONDITIONAL USE PERMIT/SITE DEVELOPMENT PERMIT/ VARIANCE/ MASTER SIGN PROGRAM (CUP/SDPM/VA/MSP) NO. 10-14-3013, A REQUEST BY PM DESIGN GROUP ON BEHALF OF RAISING CANE'S TO REDEVELOP THE PROPERTY AT 23971 EL TORO ROAD IN THE VILLAGE COMMERCIAL ZONE INCLUDING DEMOLITION OF THE EXISTING SHELL STATION AND CONSTRUCTION AND OPERATION OF A NEW DRIVE-THRU RESTAURANT

Robert Kahn, Principal with RK Engineering Group, spoke regarding his concerns with the project, and that his primary concern was the impact at El Toro Road and with the high volume of traffic. Mr. Kahn stated that vehicles entering the site could block the conflict area and cause major backup on El Toro Road.

Chair Gilbert opened the Public Hearing.

Robert Montgomery, Applicant, spoke on the history of Raising Cane's Restaurant, and detailed the design elements, traffic flow and landscape plan for this project.

Tyler Holst, Civil Engineer for the Applicant, indicated that the original site plan provided circulation in a counter-clockwise manner and from an engineering standpoint was efficient but did not meet design guidelines.

Brady McShane, Legal Counsel, spoke on traffic queuing, parking requirements and variance findings for this project.

Rick Frazier, Owner/Operator of Don Jose Restaurant, located adjacent to this site, spoke on traffic volumes on El Toro Road and Avenida de la Carlota, ingress and egress of traffic, lack of parking, and visibility of his restaurant.

Ahmad Ghaderi, Ashdon Development and owner of this property for the past seven years, stated that although he loves this community, it has not been a

good location for a gas station and indicated traffic restrictions and volumes have always been a problem.

**THE CITY COUNCIL DIRECTED STAFF TO WORK WITH THE APPLICANT TO BRING BACK THIS ITEM TO A DATE UNCERTAIN TO COME UP WITH A DIFFERENT PLAN THAT ADDRESSES THE CIRCULATION ISSUES AS WELL AS TO DIRECT STAFF TO BEGIN THE PROCESS OF PREPARING FINDINGS IN SUPPORT OF GRANTING THE REQUESTED VARIANCE FOR FUTURE CONSIDERATION BY THE PLANNING AGENCY, BY M/VICE CHAIR KOGERMAN, S/AGENCY MEMBER SEDGWICK.
APPROVED BY A VOTE OF 5-0.**

PLANNING AGENCY ADJOURNMENT

JOINT PLANNING AGENCY/CITY COUNCIL MEETING

Chair Gilbert recessed the Planning Agency Meeting and acting in the capacity of Chair/Mayor, called the Joint Planning Agency/City Council Meeting to order at 10:37 PM.

ROLL CALL OF JOINT PLANNING AGENCY/CITY COUNCIL MEETING

Present: Chair/Mayor Gilbert, Vice Chair/Mayor Pro Tempore Kogerman, Agency/Council Member Blount, Agency/Council Member Carruth, and Agency/Council Member Sedgwick.

PUBLIC COMMENTS

There were no Public Comments.

CONSIDERATION OF A REQUEST BY LAGUNA HILLS INVESTMENT COMPANY AND OAKBROOK URBAN VILLAGE I, LLC, TO AMEND AN EXISTING DEVELOPMENT AGREEMENT AND MODIFY CONDITION OF APPROVAL NO. 47 OF SITE DEVELOPMENT PERMIT/MASTER SIGN PROGRAM/ CONDITIONAL USE PERMIT/ PARKING USE PERMIT/VESTING TENTATIVE TRACT MAP/PRECISE PLAN/ DEVELOPMENT AGREEMENT NO. 12-11-2137 TO EXTEND THE TIME PERIODS FOR COMMENCEMENT OR COMPLETION OF CERTAIN ON-SITE IMPROVEMENTS IN PHASE 1 OF THE OAKBROOK VILLAGE SHOPPING CENTER REDEVELOPMENT PROJECT LOCATED AT 24231-24391 AVENIDA DE LA CARLOTA

Chair/Mayor Gilbert opened the Public Hearing, and upon seeing no one rise, closed the Public Hearing.

THE PLANNING AGENCY/CITY COUNCIL:

(1) CONDUCTED A JOINT PUBLIC HEARING TO CONSIDER THE

PROPOSED DEVELOPMENT AGREEMENT AMENDMENT AND MODIFICATION TO CONDITION OF APPROVAL NO. 47 OF THE EXISTING LAND USE ENTITLEMENTS FOR THE OAKBROOK VILLAGE SHOPPING CENTER REDEVELOPMENT PROJECT LOCATED AT 24231-24391 AVENIDA DE LA CARLOTA; AND

- (2) INTRODUCED FOR FIRST READING, READ BY TITLE ONLY, AND WAIVED FURTHER READING OF AN ORDINANCE ENTITLED: "AN ORDINANCE OF THE CITY OF LAGUNA HILLS, CALIFORNIA, APPROVING AND ADOPTING AMENDMENT NO. 1 TO DEVELOPMENT AGREEMENT BETWEEN THE CITY OF LAGUNA HILLS AND LAGUNA HILLS INVESTMENT COMPANY AND OAKBROOK URBAN VILLAGE I, LLC, FOR THE OAKBROOK VILLAGE SHOPPING CENTER REDEVELOPMENT PROJECT;" AND
- (3) ADOPTED RESOLUTION NO. PA2015-02-10-1, A RESOLUTION OF THE PLANNING AGENCY OF THE CITY OF LAGUNA HILLS, CALIFORNIA, AMENDING RESOLUTION NOS. PA2014-02-11-2 AND PA2012-11-13-1 TO MODIFY CONDITION OF APPROVAL NO. 47 OF SITE DEVELOPMENT PERMIT/MASTER SIGN PROGRAM/ CONDITIONAL USE PERMIT/ PARKING USE PERMIT/VESTING TENTATIVE TRACT MAP/ PRECISE PLAN/ DEVELOPMENT AGREEMENT NO. 12-11-2137 TO EXTEND THE TIME PERIODS FOR COMMENCEMENT OR COMPLETION OF CERTAIN PHASE 1 ON-SITE IMPROVEMENTS, A REQUEST BY LAGUNA HILLS INVESTMENT COMPANY AND OAKBROOK URBAN VILLAGE I, LLC FOR THE OAKBROOK VILLAGE SHOPPING CENTER LOCATED AT 24231-24391 AVENIDA DE LA CARLOTA, BY M/VICE CHAIR/MAYOR PRO TEMPORE KOGERMAN, S/AGENCY/COUNCIL MEMBER CARRUTH.
APPROVED BY A VOTE OF 5-0.

JOINT PLANNING AGENCY/CITY COUNCIL ADJOURNMENT

Chair/Mayor Gilbert recessed the Joint Planning Agency/City Council Meeting and reconvened the City Council Meeting at 10:40 PM. All Council Members were present.

5. CITY COUNCIL PUBLIC HEARINGS

- 5.1 CITY APPLICATION FOR FY 2015/2016 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS FOR PUBLIC FACILITIES AND IMPROVEMENTS FOR THE FLORENCE SYLVESTER MEMORIAL SENIOR CENTER

Mayor Gilbert opened the Public Hearing, and upon seeing no one rise, closed the Public Hearing.

THE CITY COUNCIL CONFIRMED STAFF'S SUBMITTAL OF A COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) APPLICATION FOR PUBLIC

**FACILITIES AND IMPROVEMENTS FOR THE 2015/2016 FISCAL YEAR, BY
M/COUNCIL MEMBER SEDGWICK, S/MAYOR PRO TEMPORE KOGERMAN.
APPROVED BY A VOTE OF 5-0.**

6. ADMINISTRATIVE REPORTS

6.1 City Manager

The City Manager made no reports.

**7. MATTERS AGENDIZED AND PRESENTED BY CITY COUNCIL MEMBERS AND
MAYOR**

There were no matters agendized and presented by City Council Members and Mayor.

8. CITY COUNCIL MEMBER COMMENTS

MAYOR PRO TEMPORE KOGERMAN

Mayor Pro Tempore Kogerman indicated that she represented the City at the Elks Club Annual Recognition of First Responders and Deputies, wherein our City commended Matthew Padilla, Community Resource Officer, for his efforts in saving two lives last year. Mayor Pro Tempore Kogerman thanked Lt. Roland Chacon for presenting the recognition to Matthew Padilla. Mayor Pro Tempore Kogerman represented the City at the renaming of Alicia Park in Mission Viejo in honor of Bill Craycraft. Mayor Pro Tempore Kogerman also attended SCAG and OCCOG meetings, was currently deciding what committee to serve on, and was hopeful on being elected as the new District Representative to ACC-OC.

MAYOR GILBERT

Mayor Gilbert indicated he had the honor of representing the City Council at the Best and Bravest Dinner on Thursday, February 5, 2015, honoring OCFA Firefighters.

ADJOURNMENT

There being no further business before the City Council at this session, Mayor Gilbert adjourned the City Council Meeting at 10:52 PM.

PEGGY J. JOHNS, CITY CLERK

ATTEST:

DORE J. GILBERT, M.D., MAYOR

APPROVED AT MEETING OF _____



City of Laguna Hills City Council Meeting Agenda Staff Report

DATE: FEBRUARY 24, 2015
TO: MAYOR AND COUNCIL MEMBERS
FROM: DONALD J. WHITE, ASSISTANT CITY MANAGER
ISSUE: APPROVAL OF WARRANT REGISTER FOR PERIOD ENDED
FEBRUARY 24, 2015.

RECOMMENDATION: THAT THE CITY COUNCIL APPROVE THE WARRANT REGISTER IN THE AMOUNT OF \$770,869.21.

SUMMARY:

In accordance with Government Code Section 37202, the attached Warrant Register reflects the disbursements of the City of Laguna Hills for the period reported thereon. The Assistant City Manager certifies and attests to its accuracy and the availability of funds for the payment thereof. These warrants are hereby submitted to the City Council for approval of payment.

Prepared by:

JANICE MATEO REYES
Finance Manager

Certified:


DONALD J. WHITE
Assistant City Manager

2-18-15
DATE

FISCAL IMPACT:

The warrant register total is \$770,869.21.

ATTACHMENTS:

1. Warrant Register

Check Register Report

Warrant Register 02/24/15

Date: 02/17/2015

Time: 11:33 am

Page: 1

CITY OF LAGUNA HILLS

BANK: UNION BANK- GENERAL

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
UNION BANK- GENERAL Checks							
8808645	02/05/2015	Printed		C-1168	CAPITAL ONE COMMERCIAL	Program Supplies, CS, Jan '15	85.76
8808646	02/05/2015	Printed		C-0023	COX COMMUNICATION	WiFi Svcs, CC & CH, Feb '15	260.00
8808647	02/05/2015	Printed		C-1007	LAW ENFORCEMENT	Law Enforcement Svcs, Feb '15	593,992.68
8808648	02/05/2015	Printed		M-1302	MOULTON NIGUEL WATER DISTRICT	Water Usage, Parks, Jan	4,820.05
8808649	02/05/2015	Printed		R-1889	REFUND,FACILITY RENTAL DEPOSIT	J. Li, V# 2003371.002	140.00
8808650	02/05/2015	Printed		R-1889	REFUND,FACILITY RENTAL DEPOSIT	G. Moreno, V# 2003370.002	29.00
8808651	02/05/2015	Printed		T-2693	TELEPACIFIC COMMUNICATIONS	Communications Expense, Feb '15	978.25
8808652	02/12/2015	Printed		A-0254	A. C. LANDSCAPE, INC.	Irrigation Repairs, Feb '15	2,348.79
8808653	02/12/2015	Printed		A-0130	AAA AWARDS & MONOGRAMMING	Operating Supplies, Pol Svcs,	135.00
8808654	02/12/2015	Printed		A-0306	AT&T CINGULAR WIRELESS	Refund,,CPMA,,CR#43315,459,78	1,812.50
8808655	02/12/2015	Printed		A-0304	AU-YEUNG, MELISSA	Mileage Reimb., Jan - Feb	85.82
8808656	02/12/2015	Printed		B-0276	BANK OF AMERICA	Departmental Expenditure Jan	8,048.59
8808657	02/12/2015	Printed		B-0425	BENNETT'S PLUMBING, INC.	Park Repairs, Aug '14	380.00
8808658	02/12/2015	Printed		C-0412	C&D ELECTRIC, INC.	Lighting Repairs, Parks, Jan	65.00
8808659	02/12/2015	Printed		C-1022	CDW GOVERNMENT, INC.	Hardware, Community Services	362.92
8808660	02/12/2015	Printed		C-1139	COMPLETE OFFICE OF CALIFORNIA	Comp, Office & Operating, Supp	541.69
8808661	02/12/2015	Printed		D-0561	DOCU-TRUST	Offsite Data Storage, Jan '15	60.00
8808662	02/12/2015	Printed		D-0552	DUNBAR ARMORED, INC.	Courier Fee, Armored Trans,Feb	129.19
8808663	02/12/2015	Printed		E-0595	ECLIPSE MESSENGER SERVICE, INC	Delivery Service, Jan '15	23.92
8808664	02/12/2015	Printed		E-0554	ECONOMICS, INC.	Prof Svcs, Recycling Prog,Jan	1,443.67
8808665	02/12/2015	Printed		E-0587	EMC DESIGN	Prof Fees, Comb. Issue, Spring	3,570.00
8808666	02/12/2015	Printed		G-0774	GOVERNMENTJOBS.COM, INC.	Recruitment Advertising, Jan	175.00
8808667	02/12/2015	Printed		H-0829	HARTZOG & CRABILL, INC.	Traf Sig Mgmt Svs, Dec	2,925.56
8808668	02/12/2015	Printed		I-0980	INTELLIBRIDGE PARTNERS	Temp Service, Admin, Jan '15	2,080.00
8808669	02/12/2015	Printed		I-0960	IRV SEAVER MOTORCYCLES	Motorcycle Maint, PS, Jan '15	87.59
8808671	02/12/2015	Printed		J-1057	JAMEY CLARK, INC.	Graffiti Rem, Patrol, Park Rep	2,464.69
8808672	02/12/2015	Printed		J-1052	JAVED, HUMZA	Mileage Reimb., Pub Wks, Jan	29.38
8808673	02/12/2015	Printed		M-1304	MARTIN LOCK & SAFE CO.	Fac Maint, Lock Svcs, Parks	897.19
8808674	02/12/2015	Printed		M-1528	MEDLOCK, GEORGE	Contract Instr Svcs, Drumming	102.90
8808675	02/12/2015	Printed		N-1474	NIEVES LANDSCAPE, INC.	Monthly and Misc Landscape,Feb	78,312.05
8808677	02/12/2015	Printed		O-1546	OFFICE SOLUTIONS	Office/Operating Supplies, Feb	746.84
8808678	02/12/2015	Printed		C-0311	ORANGE COUNTY TREASURER	Register of Voters Expense	217.60
8808679	02/12/2015	Printed		P-1804	PATROL ONE	Security for Quinteo CC Reserv	294.00
8808680	02/12/2015	Printed		R-1943	RAMIREZ, CHRISTINA	Mileage Reimb., Admin,Jan-Feb	12.15
8808681	02/12/2015	Printed		R-1893	REYNOLDS, DAVID	Travel Reimb., Feb '15	195.15
8808682	02/12/2015	Printed		R-1946	RK ENGINEERING GROUP, INC.	Reimb Fees,RaisingCane/Phillip	1,745.00
8808683	02/12/2015	Printed		R-1813	RPW SERVICES, INC.	Rodent Control, Parks, Jan '15	1,560.00
8808684	02/12/2015	Printed		S-1902	SAN DIEGO GAS & ELECTRIC	ST Lites, Jan '15	13,908.77
8808685	02/12/2015	Printed		S-2194	SECURE LIVE SCAN	Pre-employment Fingerprinting	20.00
8808686	02/12/2015	Printed		S-2276	SEDGWICK, DON	Travel Reimb., Council Jan '15	58.00
8808687	02/12/2015	Printed		S-2216	SOUTH COAST WATERS	Fac Maint, Water Feature, Feb	475.00
8808688	02/12/2015	Printed		S-1904	SOUTHERN CALIFORNIA EDISON	ST Lites, TC, Jan '15	10,561.49
8808689	02/12/2015	Printed		S-1980	STATE DEPARTMENT OF JUSTICE	Pre-employment Fingerprinting	32.00
8808690	02/12/2015	Printed		S-2209	STUDIO TWO BLACK DIAMOND	Printing Services, Admin, Feb	37.80
8808691	02/12/2015	Printed		S-2201	SUNSET PROPERTY SERVICES	Street Sweeping, Jan '15	11,219.10
8808692	02/12/2015	Printed		S-2105	SYMQUEST SERVICES	Printer Repair, CC, Jan	231.60
8808693	02/12/2015	Printed		U-2165	UNDERGROUND SERVICE ALERT	Street Maintenance, Feb '15	84.00
8808694	02/12/2015	Printed		V-2249	US BANK VOYAGER FLEET SYS	Vehicle Fuel, Jan '15	1,130.57
8808695	02/12/2015	Printed		W-2337	WEST COAST ARBORISTS, INC.	Tree Trimming, Jan '15	18,165.00
8808696	02/12/2015	Printed		Z-2606	ZUMAR INDUSTRIES, INC.	Maintenance, Monument	3,787.95
Total Checks: 50							770,869.21
Checks Total (excluding void checks):							770,869.21

Check Register Report

Warrant Register 02/24/15

Date: 02/17/2015

Time: 11:33 am

Page: 2

CITY OF LAGUNA HILLS

BANK: UNION BANK- GENERAL

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
				Total Payments: 50		Bank Total (excluding void checks):	770,869.21
				Total Payments: 50		Grand Total (excluding void checks):	770,869.21



City of Laguna Hills

City Council Meeting Agenda

Staff Report

DATE: FEBRUARY 24, 2015

TO: MAYOR AND COUNCIL MEMBERS

**FROM: DAVID CHANTARANGSU, AICP
DIRECTOR OF COMMUNITY DEVELOPMENT**

**ISSUE: PERIODIC REVIEW OF DEVELOPMENT AGREEMENT NO. 12-11-2137
(ORDINANCE NO. 2012-4) BETWEEN THE CITY OF LAGUNA HILLS AND
LAGUNA HILLS INVESTMENT COMPANY: OAKBROOK VILLAGE
SHOPPING CENTER MIXED USE PROJECT**

**RECOMMENDATION: THAT THE CITY COUNCIL: (1) RECEIVE AND FILE A
REPORT DEMONSTRATING THE PROPERTY OWNER'S GOOD FAITH COMPLIANCE
WITH THE TERMS AND CONDITIONS OF THE DEVELOPMENT AGREEMENT; AND
(2) FIND AND DETERMINE THAT THE LAGUNA HILLS INVESTMENT COMPANY HAS
COMPLIED IN GOOD FAITH WITH THE TERMS AND CONDITIONS OF THE
DEVELOPMENT AGREEMENT FOR THE 12-MONTH PERIOD OF JANUARY 2014 TO
JANUARY 2015.**

SUMMARY:

In 2012 the City entered into a Development Agreement with the property owner (the Laguna Hills Investment Company – “Applicant”¹) for the redevelopment of the Oakbrook Village Shopping Center. At its February 10, 2015 meeting, the City Council conducted the first reading of an ordinance approving Amendment No. 1 to the Development Agreement. The Development Agreement, together with Amendment No. 1, provides for a general renovation program for the shopping center, including the establishment of a mixed-use residential development within the property, along with significant property improvements. The project is more specifically described below.

¹ On April 24, 2014 Laguna Hills Investment Company subsequently assigned an interest in the Development Agreement to Oakbrook Urban Village I, LLC, as described and as set forth in that certain Assignment of Development Agreement dated April 24, 2014, as recorded in the Official Records, Orange County, Clerk Recorder, on April 24, 2014, bearing document number 2014000157001.

The Development Agreement requires that the City Council annually review the Applicant's good faith compliance with the terms of the Development Agreement. To support the City's determination, the Applicant has provided a description of the activities it has undertaken to comply with the Agreement. These activities are described in **Attachment 1**.

Staff has reviewed the list of activities identified in the progress letter and agrees that the Applicant is in good faith compliance with the Development Agreement. Additionally, staff has met several times with the Applicant and has been in regular contact with them during the past year to ensure that the Applicant continues to make progress in implementing the project.

AUTHORITY:

Section 9-84.060 (Periodic Review) of the Laguna Hills Municipal Code states the following:

"Each development agreement shall be reviewed annually by the City Council to determine compliance with provisions contained therein. A report of the findings of that review shall be made a part of the project record. Each developer or owner of land subject to a development agreement shall provide written data and report to the Community Development Director demonstrating compliance with the terms and conditions of the agreement."

BACKGROUND:

On November 13, 2012, the City Council and Planning Agency approved Site Development Permit/ Master Sign Program/ Conditional Use Permit/ Parking Use Permit/ Vesting Tentative Tract Map/ Precise Plan/ Development Agreement No. 12-11-2137, a request by the applicant (Oakbrook Village Property owner) to redevelop Oakbrook Village Shopping Center located at 24231-24391 Avenida de la Carlota. The project consists of a two-phased, mixed-use redevelopment project of a portion of the Oakbrook Village Shopping Center. The redevelopment plan includes the development of up to 489 residential units (289 units in Phase One and up to 200 units in Phase Two). To accommodate the new construction, a total of 148,530 square feet of the existing commercial building area will be demolished under both phases. The existing retail buildings to remain at the center will be remodeled to provide a cohesive look between the new and old portions. The project also directly implements the City's Urban Village Specific Plan (UVSP) in that it includes improvements such as a village green, several

pedestrian paseos, parking lot paseos, a pedestrian trail, connectivity to the Laguna Hills Mall property, entry features, and landscaping that are all consistent with the UVSP.

On February 10, 2015, the City Council approved an amendment to the Development Agreement (Amendment No. 1) to extend the time periods pursuant to which the Applicant has to: (1) commence façade renovations of the existing retail structures on the Property; and, (2) complete the construction of certain pedestrian paseos/trails on the western and northern areas of the Property. Extending the time for the Applicant to commence the façade renovations of the existing retail structures allows the Applicant to explore early lease termination agreements with certain tenants in order to facilitate the potential expedited development of Phase 2 of the Project. Extending the time to complete construction of the pedestrian paseos and trail on the western and northern areas of the property allows the Applicant to better coordinate their design and development with the future Laguna Hills Mall redevelopment efforts.

Section 18 of the Development Agreement calls for the City to periodically review (at least every 12 months) the Applicant's good faith compliance with the terms of the Agreement. At the time of each review, the property owner is to submit evidence to the City's Community Development Director demonstrating its good faith compliance with the terms and conditions of the Development Agreement. The City Council then determines whether or not the property owner has, for the period under review, complied in good faith with the terms and conditions of the Development Agreement.

Attachment 1 identifies a list of activities the Applicant believes demonstrates its good faith compliance with the terms of the Development Agreement. The information submitted by the Applicant in Attachment 1 provides the City Council with sufficient information to determine that the Applicant has complied with the terms and conditions of the Development Agreement for this review period.

ATTACHMENTS:

- Attachment No. 1 - February 18, 2015 Letter from the Fritz Duda Company

Attachment 1

February 18, 2015, Letter from the Fritz Duda Company



Real Estate Investment Builders • Developers

February 18, 2015

David Chantarangsu
Community Development Director
City of Laguna Hills
24035 El Toro Road
Laguna Hills, California 92653

Re: Development Agreement for the Oakbrook Village Shopping Center Mixed-Use Project
dated December 28, 2012 ("Development Agreement")

Dear David:

Pursuant to Section 18.2 of the Development Agreement, Laguna Hills Investment Company hereby submits the following summary (attached hereto) of our development activities during the calendar year, 2014, constituting good faith compliance with the terms of the Development Agreement and the First Amendment to the Development Agreement recently approved by the City Council on February 10, 2015.

Please let me know if you have any questions or need any further information.

Sincerely,

A handwritten signature in blue ink that reads "Donald J. Howard".

Donald J. Howard
Executive Vice President

Cc: Fritz L. Duda, President, Laguna Hills Investment Company
Bruce Channing, City Manager
Donald J. White, Assistant City Manager
David Chantarangsu, Community Development Director
Gregory E Simonian, City Attorney
Rob Winkel
Julie Molloy

5950 Berkshire Lane • Suite 800 • Dallas, TX 75225 • 972.616.8777 • Fax 972.991.5184
3425 Via Lido • Suite 250 • Newport Beach, CA 92663-3929 • 949.723.7100 • Fax 949.723.1141
212 West Kinzie Street • 5th Floor • Chicago, IL 60654 • 312.222.0085 • Fax 312.222.0552
4785 Caughlin Parkway • Reno, NV 89519 • 775.332.8251 • Fax 775.827.2185
www.fritzduda.com

2/24/2015 ITEM NO. 3.4

**Summary of Owner Compliance with the Terms and Conditions of the Development Agreement, Dated December 28, 2012, By and Between the
City of Laguna Hills ("City") and Laguna Hills Investment Company ("Owner")**

December, 2014 (for full calendar year, 2014)

Phase 1 and Phase 1 Public Improvements

Description of Scope per Paragraphs 1.23

and 1.25 of Development Agreement

Paragraph 1.23 (Phase 1)

Description of Compliance Activity

- | | |
|--|---|
| (i) Demolition of 82,730sf of existing retail space | Completed in July, 2014. |
| (ii) Construction of Deferred Retail Pads plus 9,000sf | Planning deferred subject to market conditions and completion of Phase I multifamily. |
| (iii) Renovation of all retail building facades except D&E | Building B exterior façade remodel completed July, 2014. Building H (Trader Joe's) exterior façade plan renderings submitted with modifications for administrative review in Dec. 2014, City evaluating modifications. CD's expected to be submitted for plan check by March 1, 2015, with building permit expected to be issued by April 15, 2015. Buildings A, C, P and Q façade remodel plans on hold per terms of the First Amendment to the Development Agreement approved by the City on February 10, 2015. |

- (iv) Construction of 289 multi-family residential units

Building permits secured in October, 2014. Grading completed. Construction of subterranean auto garage started in Nov. 2014, with completion in February, 2015. Framing on apartment units expected to commence in April, 2015. Completion of first phase apartment units scheduled for move in's expected in fall 2015.

- (v) Construction of Phase 1 Public Improvements

(See below).

Paragraph 1.25 (Phase 1 Public Improvements)

Description of Compliance Activity

- | | |
|---|---|
| (i) Construction of 17,000sf Village Green | Permit issued, construction completion expected in fall 2015. |
| (ii) Construction of east-west pedestrian paseo | Plans expected to be submitted to City for plan check in Jan., 2015, with construction completion expected in 2015. |

(iii) Construction of north-south pedestrian paseo	Plans deferred per terms of the First Amendment to the Development Agreement approved by the City on February 10, 2015. Permit required by September 30, 2015, if tenant lease term in Building A is not mutually reduced by Owner and tenant.
(iv) Construction of hillside pedestrian paseo	Plans deferred per terms of the First Amendment to the Development Agreement approved by the City on February 10, 2015.
(v) Construction of a north P/L pedestrian trail	Plans deferred per terms of the First Amendment to the Development Agreement approved by the City on February 10, 2015 and pending coordination with Laguna Hills Mall.
(vi) Construction of two parking lot paseos	Plans submitted to City for plan check in Jan., 2015, with construction completion expected in fall 2015.
(vii) Construction of bldg. pedestrian connections	Contained in Phase 1 multi-family (already permitted, construction commenced) and retail redevelopment (plans submitted to City for plan check in Jan., 2015, with construction completion expected in fall 2015).
(viii) Installation of traffic signal on Carlota	Permit issued, construction completion expected in fall 2015.
(ix) Dedication of public ROW for Carlota	Expected to be completed concurrently with construction completion in fall 2015.
(x) Construction of various storm drain items	Permit issued, construction completion expected in fall 2015.
(xi) Installation of debris grates at catch basins	Permit issued, construction completion expected in fall 2015.
(xii) Realignment of OBV driveway by Lone Star	Permit issued, construction completion expected in fall 2015.
(xiii) Construction of ADA curb ramps along Carlota	Permit issued, construction completion expected in fall 2015.
(xiv) Construction of misc. public improvements required per Existing Land Use Regulations and conditions of approval to the Existing Development Approvals	To be completed with Phase 1 multifamily and retail redevelopment improvements.

Site Work – 24 weeks

- Remodel street frontage on Avenida De La Carlota; includes hardscape and landscape work
- Stop light installed at main entrance – no time frame to date

Phase 1-3 – 24 weeks

- Includes full façade remodel of building H

Phase 1 – 8 weeks

- Front of H to Marshalls – includes creating 20' paseo
- New planting and trees

Phase 2 – 8 weeks

- Face touch up of P-Q; includes remove rafter tails replace with fascia board; clean and paint façade

Phase 3 – 8 weeks

- Calico – includes remove rafter tails replace with fascia board; clean and paint façade



City of Laguna Hills

City Council Meeting Agenda

Staff Report

DATE: FEBRUARY 24, 2015

TO: MAYOR AND CITY COUNCIL

**FROM: DAVID CHANTARANGSU, AICP
DIRECTOR OF COMMUNITY DEVELOPMENT**

ISSUE: ADOPTION OF AN ORDINANCE APPROVING AND ADOPTING AN AMENDMENT (AMENDMENT NO. 1) TO DEVELOPMENT AGREEMENT BETWEEN THE CITY OF LAGUNA HILLS AND LAGUNA HILLS INVESTMENT COMPANY AND OAKBROOK URBAN VILLAGE I, LLC

RECOMMENDATION: THAT THE CITY COUNCIL ADOPT AN ORDINANCE ENTITLED: "AN ORDINANCE OF THE CITY OF LAGUNA HILLS, CALIFORNIA, APPROVING AND ADOPTING AN AMENDMENT NO. 1 TO DEVELOPMENT AGREEMENT BETWEEN THE CITY OF LAGUNA HILLS AND LAGUNA HILLS INVESTMENT COMPANY AND OAKBROOK URBAN VILLAGE I, LLC, FOR THE OAKBROOK VILLAGE SHOPPING CENTER REDEVELOPMENT PROJECT."

SUMMARY:

Adoption of the proposed Ordinance completes the second reading process required under state law for new Ordinances, allowing an Amendment No. 1 to the Development Agreement between the City and the Laguna Hills Investment Company and Oakbrook Urban Village I, LLC, to become effective.

BACKGROUND:

On February 10, 2015, the City Council introduced the referenced Ordinance for first reading after the City Council approved a request by Laguna Hills Investment Company and Oakbrook Urban Village I, LLC, to amend an existing Development Agreement and modify Condition of Approval No. 47 of Site Development Permit/Master Sign Program/ Conditional Use Permit/ Parking Use Permit/ Vesting Tentative Tract Map/ Precise Plan/ Development Agreement No. 12-11-2137. The City Council will recall that the proposed Ordinance results in the approval and adoption of Amendment No. 1 to the Development Agreement between the City and the Laguna Hills Investment Company and Oakbrook Urban Village I, LLC, which is included with Attachment 1.

FISCAL IMPACT:

Not Applicable.

CEQA FINDINGS:

The approval of Amendment No. 1 to the Development Agreement and corresponding modification to the Conditions of Approval of Planning Agency Resolution No. PA2012-11-13-1 (as modified by Planning Agency Resolution No. PA2014-02-11-2), will only result in minor changes to the timing of the construction of certain on-site improvements, and will not result in any physical changes to the project. Approval of Amendment No. 1 to the Development Agreement and modification to Conditions of Approval are within the scope of the Addendum adopted in conjunction with the approval of SDPM/MSP/CUP/PUP/TTM/PREC/DEVA No. 12-11-2137 and the Development Agreement, and none of the circumstances triggering further environmental review have occurred since the adoption of the Addendum: (i) there are no substantial changes in the project requiring major revisions of the PEIR or the Addendum due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; (ii) there are no substantial changes with respect to the circumstances under which the project is being undertaken which will require major revisions of the PEIR or the Addendum due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified effects; and (iii) there is no new information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the PEIR or the Addendum was adopted showing that: (a) the project will have one or more significant effects not discussed in the PEIR or the Addendum; (b) significant effects previously examined will be substantially more severe than shown in the PEIR or the Addendum; (c) mitigation measures or alternatives previously found not feasible would in fact be feasible, and would substantially reduce one or more significant effects of the project, but the mitigation measures or alternatives have not been adopted; or (d) mitigation measures or alternatives considerably different from those analyzed in the PEIR or the Addendum would substantially reduce one or more significant effects on the environment, but the mitigation measures or alternatives have not been adopted. (Public Resources Code Section 21166 and CEQA Guidelines Sections 15162).

ATTACHMENTS:

- Attachment 1 - Ordinance
- Attachment 2 – Joint Planning Agency/City Council Agenda Item from February 10, 2015

Attachment 1

Ordinance No. 2015-3

ORDINANCE NO. 2015-__

AN ORDINANCE OF THE CITY OF LAGUNA HILLS,
CALIFORNIA, APPROVING AND ADOPTING AN
AMENDMENT NO. 1 TO DEVELOPMENT AGREEMENT
BETWEEN THE CITY OF LAGUNA HILLS AND LAGUNA
HILLS INVESTMENT COMPANY AND OAKBROOK
URBAN VILLAGE I, LLC, FOR THE OAKBROOK VILLAGE
SHOPPING CENTER REDEVELOPMENT PROJECT

WHEREAS, the City of Laguna Hills (the "City") and Laguna Hills Investment Company previously entered into that certain Development Agreement, which was approved pursuant to City Council Ordinance No. 2012-4 on November 27, 2012, became effective December 28, 2012, and was recorded in the Official Records, Orange County Clerk-Recorder's Office on January 2, 2013, as Document No. 2013000002329 (the "Development Agreement"), pertaining to the redevelopment of the Oakbrook Village Shopping Center property (the "Property"), located at 24231-24391 Avenida de la Carlota in the Urban Village Specific Plan area with a multi-phase, mixed-use project consisting of multi-family residential units, renovated and expanded retail uses, public open space, pedestrian pathways, and private and public infrastructure improvements within the Village Commercial District of the Urban Village Specific Plan area, generally located south of the Laguna Hills Mall along Avenida de la Carlota to the East, north of Los Alisos Boulevard (the "Project"). A copy of the Development Agreement is on file in the office of the City Clerk of the City of Laguna Hills; and

WHEREAS, on November 27, 2012, pursuant to the California Environmental Quality Act ("CEQA"), the City Council and Planning Agency determined that the Project is within the scope of the "City of Laguna Hills General Plan Program Environmental Impact Report, June 2009, State Clearinghouse No. 20080811100" ("PEIR"), and that the Project would not result in any new significant effects that were not examined in the PEIR, a substantial increase in the severity of significant effects examined in the PEIR, or require any new mitigation measures or alternatives. The City therefore adopted Addendum to the PEIR for the Project pursuant to Public Resources Code Sections 21166, 21083.3, and CEQA Guidelines Sections 15168, 15162, 15164, and 15183. The City filed a Notice of Determination on November 28, 2012; and

WHEREAS, following the approval and execution of the Development Agreement, Laguna Hills Investment Company subsequently assigned an interest in the Development Agreement to Oakbrook Urban Village I, LLC, as described and as set forth in that certain Assignment of Development Agreement dated April 24, 2014, as recorded in the Official Records, Orange County, Clerk Recorder, on April 24, 2014, bearing document number 2014000157001; and

WHEREAS, Laguna Hills Investment Company and Oakbrook Urban Village I, LLC are collectively referred to herein as the "Owner"; and

WHEREAS, the Development Agreement establishes specified time periods by which the Owner is required to commence and complete the various components of Phase 1 of the Project, including, without limitation, the renovation of the façades of all remaining retail structures located on the Property and various pedestrian paseos and trails; and

WHEREAS, in accordance with Section 13 of the Development Agreement, the Owner has proposed that the Development Agreement be amended to extend the time periods by which the Owner is required (i) to obtain all applicable permits for the renovation of the façades of all remaining retail structures located on the Property (other than restaurant Buildings D and E (Lone Star and El Torito), for which façade renovation is not required), and (ii) to complete construction of the improved north-south pedestrian paseo, the hillside pedestrian paseo connecting the north-south pedestrian paseo with the adjacent property occupied by the Laguna Hills Mall, and the pedestrian trail along the north Property line; and

WHEREAS, the City Council serves as, and is, the Planning Agency of the City pursuant to Government Code Section 65100; and

WHEREAS, on January 30, 2015 as required by Government Code Section 65867, the City caused public notice to be given of the City Council's intention to consider adoption of the Amendment No. 1 to Development Agreement for the Project (the "Amendment No. 1"), and on February 10, 2015, as required by Government Code Section 65867, the City Council held a public hearing on adoption of the Amendment No. 1, and introduction and first reading of this ordinance; and

WHEREAS, on February 24, 2015, the City Council considered the adoption of this ordinance approving and authorizing the execution of the Amendment No. 1; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, HEREBY ORDAINS AS FOLLOWS:

SECTION 1. The City hereby determines that no further environmental review is required. The Amendment No. 1 will merely extend the time periods by which Owner is required to obtain all applicable permits for the renovation of the façades of all remaining retail structures located on the Property and to complete construction of three pedestrian paseos for Phase 1 of the Project, but will not impact the scope of the Project. Accordingly, the City hereby determines that the Amendment No. 1 is within the scope of the Addendum adopted on November 27, 2012, and that none of the circumstances triggering further environmental review have occurred since the adoption of the Addendum: (i) there are no substantial changes in the Project requiring major revisions of the PEIR or Addendum due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified

significant effects; (ii) there are no substantial changes with respect to the circumstances under which the Project is being undertaken which will require major revisions of the PEIR or Addendum due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified effects; and (iii) there is no new information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the PEIR or Addendum was adopted showing that: (a) the Project will have one or more significant effects not discussed in the PEIR or Addendum; (b) significant effects previously examined will be substantially more severe than shown in the PEIR or Addendum; (c) mitigation measures or alternatives previously found not feasible would in fact be feasible, and would substantially reduce one or more significant effects of the Project, but the mitigation measures or alternatives have not been adopted; or (d) mitigation measures or alternatives considerably different from those analyzed in the PEIR or Addendum would substantially reduce one or more significant effects on the environment, but the mitigation measures or alternatives have not been adopted. (Public Resources Code Section 21166 and CEQA Guidelines Sections 15162.)

SECTION 2. The Amendment No. 1 to Development Agreement with the Owner for the Project attached hereto as Exhibit "A" is hereby APPROVED based on the following statement of findings:

- A. The findings set forth in City Council Ordinance No. 2012-4, adopted on November 27, 2012, supporting the adoption and approval of the Development Agreement, are hereby incorporated by reference as if set forth in full herein.
- B. The Amendment No. 1 has been properly requested pursuant to Section 13 of the Development Agreement.
- C. The Development Agreement, as amended by the Amendment No. 1, and the Project remain consistent with the objectives, policies, general land uses, and programs of the Laguna Hills General Plan and the Urban Village Specific Plan encouraging an urban village identity to include a variety of high quality public, regional commercial, recreational, and high density residential uses working in concert to create an "urban village" with enhanced pedestrian areas conveniently linking commercial, residential, and civic areas. The Amendment No. 1 merely modifies the time periods set forth in the Development Agreement by which Owner is required to obtain all applicable permits for the renovation of the façades of all remaining retail structures located on the Property and to complete construction of three pedestrian paseos for Phase 1 of the Project, but does not modify the scope of the Project.
- D. The Development Agreement, as amended by the Amendment No. 1, and the Project remain consistent with the densities and uses authorized for the Project site specified in the Laguna Hills General Plan, the Urban Village Specific Plan, and the Zoning and Development Code of the City.

- E. The Development Agreement, as amended by the Amendment No. 1, continues to provide for the orderly development of the Project property. The Development Agreement, as amended by the Amendment No. 1, continues to identify the different phases and timing for construction of the Project and public improvements.
- F. The Development Agreement, as amended by this Amendment No. 1, and the Project remain consistent with the Zoning and Development Code of the City, compatible with the present and future logical growth of the proposed project area (as envisioned in the Laguna Hills General Plan and Urban Village Specific Plan), and designed to protect and promote the public health, safety and welfare.

SECTION 3. The City Council finds that the above recitations are true and correct and constitute the findings of the City Council and Planning Agency in this case.

SECTION 4. The City Manager is hereby directed and authorized to take all necessary actions to implement this ordinance, including but not limited to, the execution of the Amendment No. 1 to Development Agreement attached hereto as Exhibit "A" and other related documents.

SECTION 5. A fully executed copy of the Amendment No. 1 to Development Agreement attached hereto as Exhibit "A" between the City and the Owner shall be filed and maintained in the office of the City Clerk.

SECTION 6. The City Clerk shall record a copy of the Amendment No. 1 to Development Agreement within 10 days of the effective date of this Ordinance, on or before April 6, 2015.

SECTION 7. This Ordinance shall become effective 30 days after its adoption, on March 27, 2015.

SECTION 8. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have adopted this ordinance and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more section, subsection, subdivision, sentence, clause, phrase, or portion thereof be declared invalid or unconstitutional.

SECTION 9. The City Clerk shall certify to the adoption of this ordinance and cause the same to be posted at the duly designated posting places within the City and published once within fifteen days after passage and adoption as may be required by law; or, in the alternative, the City Clerk may cause to be published a summary of this ordinance and a certified copy of the text of this ordinance shall be posted in the office of the City Clerk five days prior to the date of adoption of this ordinance; and, within fifteen days after adoption, the City Clerk shall cause to be published the

aforementioned summary and shall post a certified copy of this ordinance, together with the vote for and against the same, in the office of the City Clerk.

PASSED, APPROVED, AND ADOPTED this 24th day of February, 2015.

DORE J. GILBERT, M.D., MAYOR

ATTEST:

PEGGY J. JOHNS, CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF LAGUNA HILLS)

I, Peggy J. Johns, City Clerk of the City of Laguna Hills, California, DO HEREBY CERTIFY that the foregoing Ordinance No. 2015- _ was duly introduced and placed upon its first reading at a Regular Meeting of the City Council on the 10th day of February, 2015, and that thereafter, said Ordinance was duly adopted and passed at a Regular Meeting of the City Council held on the 24th day of February, 2015, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

PEGGY J. JOHNS, CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF LAGUNA HILLS)

AFFIDAVIT OF POSTING
AND PUBLICATION

PEGGY J. JOHNS, being first duly sworn, deposes and says:

That she is the duly appointed and qualified City Clerk of the City of Laguna Hills;

That in compliance with State Laws of the State of California, ORDINANCE NO. 2015-x, being:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, APPROVING AND ADOPTING AN AMENDMENT NO. 1 TO DEVELOPMENT AGREEMENT BETWEEN THE CITY OF LAGUNA HILLS AND LAGUNA HILLS INVESTMENT COMPANY AND OAKBROOK URBAN VILLAGE I, LLC FOR THE OAKBROOK VILLAGE SHOPPING CENTER REDEVELOPMENT PROJECT

on the 6th day of March 2015, was published in the Saddleback Valley News; and was, in compliance with City Resolution No. 2004-05-25-2, on the 25th day of February 2015, caused to be posted in three places in the City of Laguna Hills, to wit:

Laguna Hills City Hall
Laguna Hills Community Center
The Courtyard at La Paz Center

PEGGY J. JOHNS, CITY CLERK
Laguna Hills, California

Attachment 2

Joint Planning Agency/City Council
Agenda Item from
February 10, 2015



City of Laguna Hills City Council Meeting Agenda Staff Report

DATE: FEBRUARY 10, 2015

TO: MAYOR AND COUNCIL MEMBERS

**FROM: DAVID CHANTARANGSU
DIRECTOR OF COMMUNITY DEVELOPMENT**

ISSUE: CONSIDERATION OF A REQUEST BY LAGUNA HILLS INVESTMENT COMPANY AND OAKBROOK URBAN VILLAGE I, LLC, TO AMEND AN EXISTING DEVELOPMENT AGREEMENT AND MODIFY CONDITION OF APPROVAL NO. 47 OF SITE DEVELOPMENT PERMIT/MASTER SIGN PROGRAM/ CONDITIONAL USE PERMIT/ PARKING USE PERMIT/VESTING TENTATIVE TRACT MAP/PRECISE PLAN/ DEVELOPMENT AGREEMENT NO. 12-11-2137 TO EXTEND THE TIME PERIODS FOR COMMENCEMENT OR COMPLETION OF CERTAIN ON-SITE IMPROVEMENTS IN PHASE 1 OF THE OAKBROOK VILLAGE SHOPPING CENTER REDEVELOPMENT PROJECT LOCATED AT 24231-24391 AVENIDA DE LA CARLOTA

RECOMMENDATION: (1) THAT THE PLANNING AGENCY AND CITY COUNCIL CONDUCT A JOINT PUBLIC HEARING TO CONSIDER THE PROPOSED DEVELOPMENT AGREEMENT AMENDMENT AND MODIFICATION TO CONDITION OF APPROVAL NO. 47 OF THE EXISTING LAND USE ENTITLEMENTS FOR THE OAKBROOK VILLAGE SHOPPING CENTER REDEVELOPMENT PROJECT LOCATED AT 24231-24391 AVENIDA DE LA CARLOTA;

(2) THAT THE CITY COUNCIL INTRODUCE FOR FIRST READING, READ BY TITLE ONLY, AND WAIVE FURTHER READING OF AN ORDINANCE ENTITLED, "AN ORDINANCE OF THE CITY OF LAGUNA HILLS, CALIFORNIA, APPROVING AND ADOPTING AN AMENDMENT NO. 1 TO DEVELOPMENT AGREEMENT BETWEEN THE CITY OF LAGUNA HILLS AND LAGUNA HILLS INVESTMENT COMPANY AND OAKBROOK URBAN VILLAGE I, LLC, FOR THE OAKBROOK VILLAGE SHOPPING CENTER REDEVELOPMENT PROJECT; AND

(3) THAT THE PLANNING AGENCY ADOPT A RESOLUTION ENTITLED: "A RESOLUTION OF THE PLANNING AGENCY OF THE CITY OF LAGUNA HILLS, CALIFORNIA, AMENDING RESOLUTION NOS. PA2014-02-11-2 AND PA2012-11-13-1 TO MODIFY CONDITION OF APPROVAL NO. 47 OF SITE DEVELOPMENT PERMIT/MASTER SIGN PROGRAM/ CONDITIONAL USE PERMIT/ PARKING USE PERMIT/VESTING TENTATIVE TRACT MAP/ PRECISE PLAN/ DEVELOPMENT

AGREEMENT NO. 12-11-2137 TO EXTEND THE TIME PERIODS FOR COMMENCEMENT OR COMPLETION OF CERTAIN PHASE 1 ON-SITE IMPROVEMENTS, A REQUEST BY LAGUNA HILLS INVESTMENT COMPANY AND OAKBROOK URBAN VILLAGE I, LLC FOR THE OAKBROOK VILLAGE SHOPPING CENTER LOCATED AT 24231-24391 AVENIDA DE LA CARLOTA."

SUMMARY:

Laguna Hills Investment Company and Oakbrook Urban Village 1, LLC (collectively, the "Owner") have requested that the City approve an amendment to the existing Development Agreement for the Oakbrook Village Shopping Center Redevelopment Project (the "Project") to extend the time periods pursuant to which Owner has (1) to commence façade renovations of the existing retail structures on the Property (with the exception of Lone Star and El Torito, for which no façade renovations are required) and (2) to complete the construction of certain pedestrian paseos/trails on the western and northern areas of the Property. The proposed Amendment No. 1 to the existing Development Agreement would result in the following extensions of time for these Phase 1 improvements:

Phase 1 Improvement Obligation	Existing Time	Proposed Extended Time
Obtain building permits for façade renovations for Building H (Trader Joe's)	On or before December 28, 2014	On or before April 15, 2015
Obtain building permits for façade renovations for Buildings A, B, C, P and Q	On or before December 28, 2014	On or before September 30, 2015
Complete construction of the north-south pedestrian paseo	Prior to issuance of <i>first</i> residential certificate of occupancy for Phase 1	Prior to issuance of <i>final</i> residential certificate of occupancy for Phase 1
Complete construction of the hillside paseo connecting the north-south pedestrian paseo with the Laguna Hills Mall property	Prior to issuance of <i>first</i> residential certificate of occupancy for Phase 1	On or before December 28, 2017
Complete construction of the pedestrian trail along the north Property line	Prior to issuance of <i>first</i> residential certificate of occupancy for Phase 1	On or before December 28, 2017

Extending the time for Owner to commence the façade renovations of the existing retail structures will allow the Owner to explore early lease termination agreements with certain tenants in order to facilitate the potential expedited development of Phase 2 of the Project. Extending the time to complete construction of the pedestrian paseos and trail on the

western and northern areas of the property will allow Owner to better coordinate their design and development with the future Laguna Hills Mall redevelopment efforts, which staff expects to commence within the next two years. Staff is supportive of the requested time extensions and proposed Development Agreement amendment.

If the City Council approves the proposed Amendment No. 1 to Development Agreement, it will also be necessary for the Planning Agency to modify Condition of Approval No. 47 to the Phase 1 land use entitlements for the Project so that it remains consistent with the amended Development Agreement.

BACKGROUND:

The City's Urban Village Specific Plan (UVSP) area is envisioned as a community gathering place where a variety of public, commercial, recreational and residential uses work together to create an "urban village." Oakbrook Village is one of the key properties of the UVSP where important features of the plan are envisioned to be located. In addition to the housing and commercial uses the property can support, these features include public plazas, internal roads, and pedestrian walkways important to the walkability and vehicular circulation of the planning area.

On November 13, 2012, the Planning Agency approved Site Development Permit/ Master Sign Program/ Conditional Use Permit/ Parking Use Permit/ Vesting Tentative Tract Map/ Precise Plan/ Development Agreement No. 12-11-2137 for the Phase 1 of the Project (the "Phase 1 Land Use Entitlements"), subject to several Conditions of Approval. To facilitate the redevelopment of Oakbrook Village and carry out the City's adopted land use and economic development goals for the UVSP, the City also entered into a Development Agreement with the Laguna Hills Investment Company for the Project, which took effect on December 28, 2012. On February 11, 2014, the Planning Agency adopted Resolution No. PA2014-02-11-2 approving various modifications to the Conditions of Approval for the Phase 1 Land Use Entitlements to allow for early issuance of building permits and to address Project sequencing issues. In April 2014, Laguna Hills Investment Company assigned an interest in the Development Agreement to Oakbrook Urban Village I, LLC, a Shea Homes related entity.

The Development Agreement contemplates a Project consisting of two Phases. Phase 1 of the Project is reflected in the Phase 1 Land Use Entitlements and includes: (i) the demolition of approximately 82,730 square feet of the approximately 190,956 square feet of existing retail space on the Property; (ii) the construction of two "Deferred Retail Pads" and approximately 9,000 square feet of additional new retail space; (iii) the renovation of the façades of all remaining retail structures located on the Property other than restaurant Buildings D and E (Lone Star and El Torito); (iv) the construction of a maximum of 289 multi-family residential units; and (v) the construction of a 17,000-square foot Village Green, several pedestrian and parking lot paseos and a pedestrian trail on the Property,

and various off-site public improvements. The Development Agreement provides for the Owner to commence and complete the various Phase 1 improvements within specified timeframes, with an outside completion date of five (5) years, or December 28, 2017. To date, the Phase I improvements that have been started include items (i), (iv), and one of the building facades included in item (iii) (Building B).

Phase 2 of the Project contemplates the potential future construction of up to an additional 200 multi-family residential units, replacement retail structures, and another approximately 7,000 square foot Village Green. For Phase 2 improvements Owner has until eleven (11) years from the effective date, or December 28, 2023, to obtain all Phase 2 project approvals from the City. In the event Owner meets this requirement, the Development Agreement is automatically extended another four (4) years, or until December 28, 2027. A copy of the existing Development Agreement is included as **Attachment 1**.

DISCUSSION:

Subsequent to the effective date of the Development Agreement, two significant and unforeseen factors occurred that have an impact on Owner's development of the property. The first was when Merlone-Geier Partners (MGP) purchased the Laguna Hills Mall, and the second, was when MGP acquired the Sears' lease resulting in the store's closure. The Laguna Hills Mall and the former Sears' leasehold interest are immediately north of and adjacent to Owner's property. MGP's intention to redevelop the Mall, particularly the area adjacent to Owner's property, has a potential impact on certain public improvements and, according to Owner, their timing with respect to Phase 2. Accordingly, Owner is requesting an extension of certain time frames set forth in the Development Agreement in order to: (1) explore early lease termination agreements with certain tenants to expedite the development of Phase 2; and (2) coordinate the design and development of pedestrian trails and paseos on Owner's north property line with MGP. Staff has worked with Owner on this request and negotiated the following extensions:

1. Owner's obligation to commence façade improvements (obtain building permits) on Building H shall be extended from December 28, 2014 to April 15, 2015.
2. Owner's obligation to commence façade improvements (obtain building permits) on Buildings A, B, C, P and Q shall be extended from December 28, 2014 to September 30, 2015.
3. Owner's obligation to complete the north-south pedestrian paseo prior to the first residential certificate of occupancy for Phase 1 shall be extended to the final residential certificate of occupancy for Phase 1.

4. Owner's obligation to complete the hillside pedestrian paseo and the pedestrian trail along the north property line prior to the first residential certificate of occupancy for Phase 1 shall be extended to within five (5) years of the Development Agreement Date (12-28-17). The purpose of this extension is to allow Owner the opportunity to coordinate planning and construction of improvements along Owner's north property line with the owner of the Laguna Hills Mall. In exchange, Owner is agreeing that it shall coordinate with the owner of the Laguna Hills Mall to plan and construct improvements along Owner's north property line, including streets, vehicular access, pedestrian paseos, pedestrian connections and other landscaping and improvements.

Extensions 1, 2, and 3 above afford Owner an opportunity to effectuate an early start for Phase 2. Without these extensions (with the exception of Building H, Trader Joe's), Owner could theoretically make the building façade improvements only to have to demolish them to make way for the Phase 2 improvements. It should be noted that if Owner is successful over the next several months in negotiating early lease terminations, a second amendment to the Development Agreement will be necessary in order to facilitate the earlier commencement of Phase 2. If Owner is not successful, then Phase 1 will proceed as originally contemplated. Extension 4 above allows Owner the opportunity to coordinate improvements with MGP and their redevelopment of the Mall.

The City Attorney has prepared Amendment No. 1 to the Development Agreement and a proposed Ordinance for its adoption, which are included as **Attachment 2** to this report. For reference, the existing Phase 1 retail structures and pedestrian paseos / trails are attached as Exhibits "B" and "C", respectively, to the Amendment No. 1 to Development Agreement.

Condition of Approval No. 47 to the Existing Land Use Approvals currently contains time frames related to the construction of the pedestrian and parking lot paseos that are consistent with those set forth in the existing Development Agreement. Therefore, in conjunction with amendment of the Development Agreement modifying these timeframes, it is necessary for the Planning Agency to likewise modify Condition of Approval No. 47 to maintain consistency between the Project Conditions and the Development Agreement. A proposed Resolution approving the necessary modification to Condition of Approval No. 47 is included as **Attachment 3** to this report.

FISCAL IMPACT:

None.

CEQA FINDINGS:

It is recommended that the City Council and Planning Agency find that no further environmental review is required. The approval of Amendment No. 1 to the Development Agreement and corresponding modification to the Conditions of Approval of Planning Agency Resolution No. PA2012-11-13-1 (as modified by Planning Agency Resolution No. PA2014-02-11-2), as set forth in the attached Resolution, will only result in minor changes to the timing of the construction of certain on-site improvements, and will not result in any physical changes to the project. It is recommended that the Planning Agency find that the approval of Amendment No. 1 to the Development Agreement and modification to Conditions of Approval, as set forth in the attached Resolution, are within the scope of the Addendum adopted in conjunction with the approval of SDPM/MSP/CUP/PUP/TTM/PREC/DEVA No. 12-11-2137 and the Development Agreement, and that none of the circumstances triggering further environmental review have occurred since the adoption of the Addendum: (i) there are no substantial changes in the project requiring major revisions of the PEIR or the Addendum due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; (ii) there are no substantial changes with respect to the circumstances under which the project is being undertaken which will require major revisions of the PEIR or the Addendum due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified effects; and (iii) there is no new information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the PEIR or the Addendum was adopted showing that: (a) the project will have one or more significant effects not discussed in the PEIR or the Addendum; (b) significant effects previously examined will be substantially more severe than shown in the PEIR or the Addendum; (c) mitigation measures or alternatives previously found not feasible would in fact be feasible, and would substantially reduce one or more significant effects of the project, but the mitigation measures or alternatives have not been adopted; or (d) mitigation measures or alternatives considerably different from those analyzed in the PEIR or the Addendum would substantially reduce one or more significant effects on the environment, but the mitigation measures or alternatives have not been adopted. (Public Resources Code Section 21166 and CEQA Guidelines Sections 15162).

ATTACHMENTS:

1. Existing Development Agreement
2. Proposed Ordinance / Amendment No. 1 to Development Agreement
3. Proposed Planning Agency Resolution of Approval

ATTACHMENT 1- EXISTING DEVELOPMENT AGREEMENT

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:
City of Laguna Hills
c/o City Clerk
24035 El Toro Road
Laguna Hills, California 92653

Recorded In Official Records, Orange County
Renee Ramirez, Assistant Clerk-Recorder



2013000002329 2:13 pm 01/02/13

62 417 A12 59

0.00 0.00 0.00 0.00 174.00 0.00 0.00 0.00

(Space Above Line for Recorder's Use)
Exempt from Recorder's Fees Pursuant to
Government Code §§ 6103 and 27383

DEVELOPMENT AGREEMENT
(Oakbrook Village Shopping Center Mixed Use Project)

BY AND BETWEEN

**THE CITY OF LAGUNA HILLS, a municipal corporation, duly organized and existing
under the Constitution and laws of the State of California**

AND

LAGUNA HILLS INVESTMENT COMPANY, a Delaware limited partnership

THIS DEVELOPMENT AGREEMENT SHALL BE RECORDED WITHIN TEN DAYS OF ITS EFFECTIVE DATE
PURSUANT TO THE REQUIREMENTS OF GOVERNMENT CODE §65868.5

889416.1

2/10/2015 ITEM NO.
2/24/2015 ITEM NO. 3.5

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**DEVELOPMENT AGREEMENT
BETWEEN
THE CITY OF LAGUNA HILLS
AND
LAGUNA HILLS INVESTMENT COMPANY**

This Development Agreement ("Development Agreement") is made and entered into this 28th day of December, 2012 ("Development Agreement Date"), by and between the City of Laguna Hills, a municipal corporation, duly organized and existing under the Constitution and laws of the State of California ("City") and Laguna Hills Investment Company, a Delaware limited partnership (collectively "Owner"), pursuant to the authority set forth in Article 2.5 of Chapter 4 of Division I of Title 7, Sections 65864 through 65869.5 of the California Government Code (the "Development Agreement Statute").

RECITALS

This Development Agreement is predicated upon the following facts:

A. City is authorized, pursuant to California Government Code §§65864 through 65869.5 (the "Development Agreement Statute") and Chapter 9-84 of the Laguna Hills Municipal Code (the "Development Agreement Ordinance") to enter into binding development agreements with persons having legal or equitable interests in real property for the development of such property in order to, among other things: encourage and provide for the development of public facilities in order to support development projects; provide certainty in the approval of development projects in order to avoid the waste of resources and the escalation in project costs and to encourage investment in and commitment to comprehensive land use planning, which will make maximum efficient utilization of resources at the least economic cost to the public; provide assurance to the applicants of development projects: (i) that they may proceed with their projects in accordance with existing policies, rules and regulations, subject to the conditions of approval of such projects and provisions of such development agreements, and (ii) encourage private participation in comprehensive planning and reduce the private and public economic costs of development.

B. These Recitals refer to and utilize certain terms which are defined in this Development Agreement. The Parties intend to refer to those definitions in conjunction with the use thereof in these Recitals.

C. City desires that the approximately 240 acre area bounded by Paseo de Valencia on the north and west, Los Alisos Boulevard on the south, and I-5 on the east be developed in a manner consistent with the Village Commercial land use designation of the City's General Plan, which generally envisions the development of this area as a community core in which a variety of public, regional commercial, recreational, and high density residential uses work in concert to create an "urban village" with enhanced pedestrian areas conveniently linking commercial, residential, and civic areas.

D. In order to carry out the goals and policies of the General Plan for the Village Commercial area, on November 26, 2002, the Laguna Hills City Council adopted the Urban Village Specific Plan (the "Specific Plan"), establishing a land use concept, plans for additional public open space and pedestrian pathways, design guidelines, and development standards for new developments in the Specific Plan area aimed at creating an urban village identity. The allowed development intensity in the Specific Plan area is determined based upon vehicle trip generation limits, rather than land use type or size, and the Specific Plan provides for flexibility in development options and the mixture of land uses, provided established anticipated aggregate vehicle trip limits generated by new development are not exceeded. The City implements this aspect of the Specific Plan through a vehicle trip budget debiting process pursuant to which additional peak hour vehicle trips generated by each new development or redevelopment project are subtracted from the current aggregate total additional peak hour vehicle trips available to accommodate future new development in the Specific Plan area (the "Specific Plan Area Trip Budget Allocation"). Pursuant to the Specific Plan, applicants for new development projects are authorized to develop to the maximum intensity of their plans upon verification that the vehicle trip generation impacts created by the new development will not exceed the remaining Specific Plan Area Trip Budget Allocation. In July 2009, the Laguna Hills City Council adopted a comprehensive update to the City's General Plan, which authorized increased development intensity, and a corresponding increased number of authorized aggregate additional vehicle trips to accommodate future development projects, within the Specific Plan area. In April 2011, the Laguna Hills City Council approved amendments to the Specific Plan in order to implement the General Plan update.

E. In 2009, in connection with approving the updated General Plan, the City prepared a Program Environmental Impact Report entitled City of Laguna Hills General Plan Program Environmental Impact Report, June 2009, State Clearinghouse No. 20080811100 ("PEIR"). On July 14, 2009, the City Council certified the PEIR, adopted a Statement of Findings of Fact, a Statement of Overriding Considerations and Mitigation Monitoring Program. City filed a Notice of Determination on July 15, 2009. On April 12, 2011, the City Council adopted an Addendum to the PEIR in connection with the adoption of the Specific Plan Amendment (the "First Addendum").

F. In order to implement the Project, Owner has submitted, and City has approved, Site Development Permit / Master Sign Program / Conditional Use Permit / Parking Use Permit / Vesting Tentative Map / Precise Plan / Development Agreement No. 12-11-2137 for Phase 1 of the Project (the "Phase 1 Project Approvals").

G. Owner represents that it owns in fee the approximately 19.2-acre existing Oakbrook Village shopping center property (the "Property") located at 24231-24391 Avenida de la Carlota, Laguna Hills, California, within the Specific Plan area, which is more particularly described in Exhibit A to this Development Agreement.

H. Owner desires to re-develop the existing shopping center Property in accordance with the provisions of this Development Agreement by developing a multi-phase, mixed-use project consisting of multi-family residential units, renovated and expanded retail uses, public open space, pedestrian pathways, and private and public infrastructure improvements, all as more particularly defined herein (hereinafter collectively referred to as the "Project").

I. City desires to accomplish the goals and objectives set forth in City's General Plan and the Specific Plan, and finds that the Project will accomplish said goals and objectives. The City has determined that the Project is consistent with the General Plan, the Specific Plan and the Existing Land Use Regulations, as defined below.

J. In accordance with the Specific Plan, Owner has prepared a comprehensive traffic study dated October, 2012, (the "Traffic Study"), which analyzes the anticipated traffic impacts of the Project, calculates the additional peak hour vehicle trips that will be generated as a result of the Project, and demonstrates that there are sufficient remaining additional peak hour vehicle trips available in the current Specific Plan Area Trip Budget Allocation to accommodate the Project.

K. As consideration for the benefits gained by Owner from the vested rights acquired pursuant to the Development Agreement Statute and to conform with the requirements of the Specific Plan, City is requiring that Owner construct and install as part of Development of the Project certain public improvements and provide other public benefits.

L. In order to avoid any misunderstandings or disputes which may arise from time to time between Owner and City concerning the proposed Development of the Project and to assure each party of the intention of the other as to the processing of any land use entitlements which now or hereafter may be required for such development, the Parties believe it is desirable to set forth their intentions and understandings in this Development Agreement. In order for both City and Owner to achieve their respective objectives, it is imperative that each be as certain as possible that Owner will develop and that City will permit Owner to proceed with Development of the Project and public improvements and other public benefits as approved by City within the time periods provided in this Development Agreement, except as otherwise indicated herein.

M. On November 2, 2012, as required by Section 65867 of the Development Agreement Statute, the City caused public notice to be given of the City Council's intention to consider adoption of a development agreement for the Project.

N. On November 13, 2012, as required by Section 65867 of the Development Agreement Statute, the City Council held a public hearing on the Development Agreement.

O. The City has prepared an initial study checklist and has determined that the Project is within the scope of the PEIR. Based on the initial study completed, the Project will not result in any new significant effects that were not examined in the PEIR, or require any new mitigation measures pursuant to Public Resources Code Section 21166 and/or CEQA Guidelines Section 15162. The applicable mitigation measures identified in the PEIR are incorporated into the design of the Project and will be imposed as conditions of approval, as appropriate. The City, therefore, has prepared an Addendum to the PEIR for the Project (the "Second Addendum"). The City Council, after considering the requirements of the California Environmental Quality Act, Public Resources Code Section 21000 *et seq.*, and California Code of Regulations, Title 14, Sections 15000 *et seq.* ("CEQA), including Sections 21083.3 and 21166, of the California Public Resources Code and Sections 15168, 15162, 15164, and 15183 of the CEQA Guidelines, independently considered the Second Addendum, along with the PEIR, prior to approving this Development Agreement.

P. The City Council hereby finds and determines that this Development Agreement: (i) is consistent with the objectives, policies, general land uses, and programs contained City's General Plan and Urban Village Specific Plan; (ii) is compatible with the uses authorized in the Village Commercial land use district; (iii) provides for the orderly development of the Property; and (iv) is entered into pursuant to and in compliance with the requirements of Section 65867 of the Development Agreement Statute.

Q. In preparing and adopting the General Plan and in granting the Existing Development Approvals, City considered the health, safety and general welfare of the residents of City and prepared in this regard an extensive environmental impact report and other studies. Without limiting the generality of the foregoing, in preparing and adopting the General Plan and in granting the Existing Development Approvals, the City Council carefully considered and determined the projected needs (taking into consideration the planned development of the Project and all other areas within the City) for water service, sewer service, storm drains, electrical facilities, traffic/circulation infrastructure, police and fire services, paramedic and similar improvements, facilities and services within the Specific Plan, and the appropriateness of the density and intensity of the development comprising the Project and the needs of City and surrounding areas for other infrastructure.

R. On November 27, 2012, the City Council adopted the Authorizing Ordinance approving and authorizing the execution of this Development Agreement.

NOW, THEREFORE, pursuant to the authority contained in the Development Agreement Statute, and pursuant to the Development Agreement Ordinance, and pursuant to the mutual promises and covenants herein contained, the Parties hereto agree as follows:

SECTION 1 DEFINITIONS

The following words and phrases are used as defined terms throughout this Development Agreement, and each defined term shall have the meaning set forth below.

1.1 Authorizing Ordinance. The "Authorizing Ordinance" means Ordinance No. 2012-4 approving and authorizing this Development Agreement.

1.2 CEQA. "CEQA" means the California Environmental Quality Act, Public Resources Code Section 21000 *et seq.*, and the regulations adopted pursuant thereto (Title 14 of the California Code of Regulations, Section 15000 *et seq.*), as they may be amended from time to time.

1.3 City. "City" means the City of Laguna Hills, a municipal corporation, duly organized and existing under the Constitution and laws of the State of California.

1.4 Deferred Retail Pads. "Deferred Retail Pads" means the two pads identified as "Deferred Retail Pad" on the Phase 1 Site Plan and Phase 2 Building Envelope attached at Exhibit C to this Development Agreement, and on the site plan approved pursuant to the Phase 1 Project Approvals, and consisting of approximately 14,000 square feet of new retail space.

1.5 Development. "Development" or "Redevelopment" means the improvement or renovation of the Property for the purposes of completing the structures, improvements and facilities comprising the Project including, without limitation: grading; the construction of infrastructure and public facilities related to the Project, whether located within or outside the Property; the construction of buildings, structures, and other facilities; the installation of landscaping; and the construction of other facilities and improvements necessary or appropriate for the Project. "Development" or "Redevelopment" does not mean the maintenance, repair or reconstruction of any building, structure, improvement, landscaping or facility after the initial construction and completion thereof.

1.6 Development Agreement. "Development Agreement" means this Development Agreement and any subsequent amendments to this Development Agreement which have been made in compliance with the provisions of this Development Agreement, the Development Agreement Statute, and the Development Agreement Ordinance.

1.7 Development Agreement Date. The "Development Agreement Date" means the effective date of the Authorizing Ordinance, which date is shown on page 1, paragraph 1 of this Development Agreement.

1.8 Development Agreement Ordinance. The "Development Agreement Ordinance" means Chapter 9-84 of the Laguna Hills Municipal Code.

1.9 Development Agreement Statute. The "Development Agreement Statute" means Sections 65864 through 65869.5 of the California Government Code as it exists on the Development Agreement Date.

1.10 Development Approvals. "Development Approvals" means the Specific Plan, maps, permits and other entitlements to use of every kind and nature which are approved or granted by City in connection with Development of the Property, including, but not limited to: site plans, precise plans, tentative and vesting tentative maps, final subdivision maps, variances, conditional use permits, parking use permits, master sign programs, site development permits, lot line adjustments, and grading, building and other similar permits. To the extent any of such site specific plans, maps, permits and other entitlements to use are amended from time to time, "Development Approvals" shall include such matters as so amended. If this Development Agreement is required by law to be amended in order for "Development Approvals" to include any such amendments, "Development Approvals" shall not include such amendments unless and until this Development Agreement is so amended.

1.11 Development Fees. "Development Fees" shall have the meaning ascribed in Section 10.1 of this Development Agreement, as specified in Exhibit B to this Development Agreement.

1.12 Development Plan. "Development Plan" means Development of the Property pursuant to this Development Agreement, the Existing Development Approvals, and the Existing Land Use Regulations, as well as all Subsequent Development Approvals, and all Subsequent Land Use Regulations to which Owner has consented to in writing.

1.13 Discretionary Action(s), Discretionary Approval(s), or Discretionary Permit(s). "Discretionary Action(s)", "Discretionary Approval(s)", or "Discretionary Permit(s)" means an action which requires the exercise of judgment, deliberation or discretion on the part of the City, including any board, agency, commission or department and any officer or employee thereof, in the process of approving or disapproving a particular activity, as distinguished from an activity which is defined herein as a Ministerial Action, Ministerial Approval, or Ministerial Permit.

1.14 Existing Development Approvals. "Existing Development Approvals" means all Development Approvals, including, without limitation, the Specific Plan, this Development Agreement, and the Phase 1 Project Approvals, approved or issued for the Project on or before the Development Agreement Date.

1.15 Existing Land Use Regulations. "Existing Land Use Regulations" means all ordinances, laws, resolutions, codes, rules, regulations, moratoria, initiatives, policies, requirements, or guidelines of the City in effect on the Development Agreement Date, which govern the permitted uses of land, the density and intensity of use, and the design, improvement, construction standards and specifications applicable to the development of the Property, including, but not limited to, the General Plan, the Zoning Code, the Specific Plan, Mitigation Monitoring Program, and all other ordinances of City establishing subdivision standards, park regulations, impact or Development Fees and building and improvement standards. Existing Land Use Regulations do not include non-land use regulations, which include, without limitation, all City ordinances, resolutions, rules, regulations or official policies governing: business licenses issued by the City for the conduct of businesses, professions, and occupations; taxes and assessments; the control and abatement of nuisances; the granting of encroachment permits and the conveyance of rights and interests which provide for the use of the entry upon public property; and/or the exercise of the power of eminent domain.

1.16 General Plan. "General Plan" means the City General Plan, as updated on July 14, 2009.

1.17 Ministerial Action(s), Ministerial Approval(s), or Ministerial Permit(s). "Ministerial Action(s)", "Ministerial Approval(s)", and "Ministerial Permit(s)" means a permit approval or clearance in conformance with the Existing Land Use Regulations, including, without limitation, conformance maps for tentative maps, determinations of compliance with the Project conditions of approval of the Development Approvals, grading plans, improvement plans, buildings plans and specifications, and ministerial issuance of one or more final maps, zoning clearances, grading permits, improvement permits, wall permits, building permits, demolition permits, lot line adjustments, encroachment permits, temporary use permits, and certificates of use and occupancy as necessary for completion of the Development of the Property, as distinguished from an activity which is defined herein as a Discretionary Action, Discretionary Approval, or Discretionary Permit.

1.18 Mitigation Monitoring Program. "Mitigation Monitoring Program" means the Mitigation Monitoring and Reporting Program adopted by the City Council on July 14, 2009 in conjunction with certification of the Program Environmental Impact Report prepared in connection with the 2009 Comprehensive Update of the City's General Plan.

1.19 Mortgage. "Mortgage" means a mortgage, deed of trust or sale and leaseback arrangement or other transaction in which the Property, or a portion thereof or an interest therein, is pledged as security.

1.20 Mortgagee. "Mortgagee" means the holder of the beneficial interest under a Mortgage, or the owner of the Property, or interest therein, under a Mortgage.

1.21 Owner. "Owner" is Laguna Hills Investment Company, and any person or entity with which or into which Laguna Hills Investment Company may merge, and any person or entity who may acquire substantially all of the assets of Laguna Hills Investment Company, and any person or entity who receives any of the rights or obligations under this Development Agreement in accordance with the provisions of Section 21 (Assignment) of this Development Agreement.

1.22 Parties. "Parties" means the Owner and the City.

1.23 Phase 1. "Phase 1" of the Project means those certain improvements described in the Phase 1 Project Approvals and the public improvements required to be constructed pursuant to the Existing Land Use Regulations and the conditions of approval to the Existing Development Approvals. Phase 1 of the Project generally includes, without limitation: (i) the demolition of approximately 82,730 square feet of the approximately 190,956 square feet of existing retail space on the Property; (ii) the construction of the Deferred Retail Pads and approximately 9,000 square feet of additional new retail space, resulting in approximately 132,200 square feet, and no less than a minimum of 124,000 square feet of retail space on the Property; (iii) the renovation of the façades of all remaining retail structures located on the Property other than restaurant Buildings D and E (Lone Star and El Torito); (iv) the construction of a maximum of 289 multi-family residential units; and (v) the construction of the Phase 1 Public Improvements, as defined in Section 1.25, below.

1.24 Phase 1 Project Approvals. "Phase 1 Project Approvals" means Site Development Permit / Master Sign Program / Conditional Use Permit / Parking Use Permit / Vesting Tentative Map / Precise Plan / Development Agreement No. 12-11-2137 and all conditions of approval with respect thereto.

1.25 Phase 1 Public Improvements. "Phase 1 Public Improvements" means the following improvements, as more specifically described in the Phase 1 Project Approvals and this Development Agreement: (i) the construction of an approximately 17,000 square foot Village Green; (ii) the construction of an east-west pedestrian paseo; (iii) the construction of an improved north-south pedestrian paseo; (iv) the construction of a hillside pedestrian paseo connecting the north-south pedestrian paseo with the adjacent property occupied by the Laguna Hills Mall; (v) the construction of a pedestrian trail along the north property line; (vi) the construction of two parking lot paseos; (vii) the construction of various pedestrian connections between all buildings; (viii) the installation of a traffic signal at the intersection of Avenida de la Carlota and the main entrance to the Property, including interconnection to the existing traffic signal at the intersection of Avenida de la Carlota and Los Alisos Boulevard, and construction on the easterly side of Avenida de la Carlota of a public sidewalk connection to the Oakbrook Plaza office development; (ix) dedication of the public right-of-way necessary for, and construction of,

a new curb line along the entire Property frontage of Avenida de la Carlota, including a six (6) foot wide landscaped parkway space and a minimum six (6) foot wide sidewalk; (x) construction of storm drain connections, inlets, and/or other improvements necessary to eliminate all cross-gutter drainage across both the main and the northerly entrance driveway intersections with Avenida de la Carlota; (xi) the installation of debris gates at all catch basin inlets along the Property frontage to Avenida de la Carlota; (xii) the realignment of the intersection of the northerly entrance to the Property with Avenida de la Carlota; (xiii) the construction or reconstruction of all curb ramps on Avenida de la Carlota at each entrance to the Property to current Americans with Disability Act ("ADA") standards; and (xiv) construction of any and all other public improvements required to be constructed pursuant to the Existing Land Use Regulations and the conditions of approval to the Existing Development Approvals.

1.26 Phase 2. "Phase 2" of the Project means the Development or Redevelopment of the Property in accordance with the Subsequent Development Approvals and in a manner that shall result in: (i) the construction of a maximum of 200 additional multi-family residential units; (ii) the required construction of a minimum of 27,000 square feet of new retail space within the residential/retail mixed-use structures or on other areas on the Property; (iii) the required construction of such additional new retail space necessary to result in a minimum of 125,000 total aggregate square feet of retail space on the Property; and (iv) the required construction of an approximately 7,000 square foot secondary Village Green area directly adjacent to the Phase 1 Village Green area. Phase 2 may be developed in sub-phases, if, and to the extent, authorized pursuant to the Subsequent Development Approvals. The approximate locations and/or building envelope of the residential and retail structures and Village Green area on the Property following completion of Phase 2 are generally depicted on Exhibit C to this Development Agreement.

1.27 Phase 2 Project Approvals. "Phase 2 Project Approvals" means all Development Approvals necessary for Development of all portions and/or sub-phases Phase 2 of the Project, and which require Discretionary Action or Discretionary Approval by the City's Planning Agency or City Council.

1.28 Project. The "Project" means Phase 1 and Phase 2. In general, the Project consists of the Development of a multi-phase, mixed-use project on the Property generally consisting of multi-family residential units, renovated and expanded retail uses, public open space, pedestrian pathways, and private and public infrastructure improvements.

1.29 Project Trip Budget Allocation. "Project Trip Budget Allocation" means the total aggregate net additional AM and PM peak hour vehicle trips anticipated to be generated as a result of full development of the Project, as determined by the Traffic Study (see pages 14-15 and Table 5) and in accordance with Section 5.6. As set forth in the Traffic Study, as of the Development Agreement Date, the Project is allocated 194 total additional AM and 44 total additional PM peak hour vehicle trips.

1.30 Property. The "Property" means the real property described in Exhibit A to this Development Agreement.

1.31 Specific Plan. "Specific Plan" means the Urban Village Specific Plan approved by the City Council on November 26, 2002, and amended by the City Council in 2011.

1.32 Specific Plan Area Trip Budget Allocation. "Specific Plan Area Trip Budget Allocation" means the then current number of remaining AM and PM peak hour vehicle trips available to accommodate future new development in the Specific Plan area as calculated by the City in accordance with the vehicle trip budget debiting process contemplated by the General Plan and the Specific Plan.

1.33 Subsequent Development Approvals. "Subsequent Development Approvals" means all Development Approvals approved, granted, or issued for the Project after the Development Agreement Date, including the Phase 2 Project Approvals, which are required or permitted by the Existing Land Use Regulations, or by the Subsequent Land Use Regulations to which Owner has consented in writing, and this Development Agreement.

1.34 Subsequent Land Use Regulations. "Subsequent Land Use Regulations" means any change in or addition to the Existing Land Use Regulations adopted or becoming effective after the Development Agreement Date, including, without limitation, any change in any applicable general or specific plan, zoning, subdivision, or building regulation, including, without limitation, any such change by means of an ordinance, initiative, resolution, policy, order or moratorium, initiated or instituted for any reason whatsoever by the City Council or any other board, agency, commission or department of City, or any officer or employee thereof, or by the electorate, as the case may be, or changes in state law, which would, absent this Development Agreement, otherwise be applicable to the Project.

1.35 Term. "Term" is defined in Section 2 of this Development Agreement.

1.36 Traffic Study. "Traffic Study" means the comprehensive traffic study dated October, 2012, submitted by Owner pursuant to the Specific Plan and in conjunction with the Second Addendum, which analyzes the anticipated traffic impacts of the Project and calculates the additional AM and PM peak hour vehicle trips that will be generated by the Project. Pursuant to the Traffic Study, the estimated total additional AM and PM peak hour vehicle trips that will be generated by the Project are calculated utilizing the trip generation rates set forth in the Institute of Traffic Engineer's (ITE) Trip Generation Manual, 8th Edition.

1.37 Uniform Codes. "Uniform Codes" means codes adopted by the International Conference of Building Officials, or other similar body, as part of the then most current versions of the Uniform Building Code, Uniform Fire Code, Uniform Plumbing Code, Uniform Mechanical Code, or National Electrical Code, and also adopted by the City, if applicable City-wide.

1.38 Zoning Code. "Zoning Code" refers to Title 9 of the Laguna Hills Municipal Code.

SECTION 2 TERM

2.1 Duration of Term. The term ("Term") of this Development Agreement shall be that period of time during which this Development Agreement shall be in effect and bind the Parties hereto. The Term shall commence on the Development Agreement Date and shall extend for an initial period of eleven (11) years thereafter, terminating at the end of the day on the eleventh (11th) anniversary of the Development Agreement Date, subject to the mandatory

extension provisions of Section 2.2 , the termination provisions of Sections 2.3, 2.4, 2.5, and 5.4.1, the mutual cancellation provisions of Section 17, the periodic review provisions of Section 18, the default provisions of Section 19, the modification or termination provisions of Section 20, and the force majeure tolling provisions of Section 22.1, respectively, of this Development Agreement.

2.2 Extension of Term. The Term of this Development Agreement shall be automatically extended an additional four (4) years if, prior to expiration of the initial Term, as defined in Section 2.1, Owner has completed Development of all portions of Phase 1 of the Project and has obtained all Phase 2 Project Approvals. For purposes of the foregoing sentence, "completed" shall have the same meaning as defined in Section 5.4.1 of this Development Agreement. Notwithstanding the foregoing, the Parties may mutually agree to extend the Term of the Development Agreement, regardless of whether the mandatory extension provisions of this Section 2.2 are applicable.

2.3 Termination Due to Owner's Failure to Timely Commence or Complete Phase 1. This Development Agreement and all Development Approvals for the Project shall automatically terminate and be void and of no further force and effect upon the effective date of an ordinance adopted by the City Council in accordance with Section 5.4.1 of this Development Agreement terminating the Development Agreement pursuant to a finding by the City Council that Owner has failed to timely commence or complete Phase 1 of the Project.

2.4 Termination Due to Judicial Order. This Development Agreement shall terminate and be of no further force and effect upon the occurrence of the entry of a final judgment or issuance of a final order, after all appeals have been exhausted, directed to City as a result of any lawsuit filed against City to set aside, withdraw or abrogate the approval of the City Council of this Development Agreement.

2.5 Automatic Termination upon Completion of Project. If not already terminated by reason of any other provision in this Development Agreement, or for any other reason, this Development Agreement shall automatically terminate and be of no further force and effect upon completion of the Project pursuant to the terms of this Development Agreement and any further amendments thereto and the issuance of all occupancy permits and acceptance by City of all dedications and improvements as required by the Development of the Project.

2.6 Effect of Expiration of Term Prior to Completion of Project. If not already terminated by reason of any other provision in this Development Agreement, or for any other reason, this Development Agreement and all Development Approvals shall automatically terminate and be of no further force and effect upon expiration of the Term, regardless of whether the Project has been completed. Upon expiration of the Term, Owner's rights to proceed with Development of the Project pursuant to this Development Agreement shall also automatically terminate and be of no further force and effect.

SECTION 3 BINDING COVENANTS

The provisions of this Development Agreement to the extent permitted by law shall constitute covenants which shall run with the Property for the benefit thereof, and the benefits and burdens of this Development Agreement shall bind and inure to the benefit of the Parties and all successors in interest to the Parties hereto.

SECTION 4 EFFECT OF AGREEMENT

As a material part of the consideration of this Development Agreement, unless otherwise provided herein, the Parties agree that the Existing Land Use Regulations shall be applicable to development of the Project. In connection with all subsequent Discretionary Actions which City takes or has the right to take under this Development Agreement relating to the Project, including any review, approval, renewal, conditional approval or denial, City shall exercise its discretion or take action in a manner which complies and is consistent with the Existing Land Use Regulations (as same may be modified in accordance with this Development Agreement) and such other standards, terms and conditions expressly contained in this Development Agreement. City shall accept and timely process, in the normal manner for processing such matters as may then be applicable, all applications for further approvals with respect to the Project called for or required under this Development Agreement, including, without limitation, any necessary site plan, precise plan, site development permit, conditional use permit, parking use permit, lot line adjustment, tentative map, vesting tentative map, final map and any grading, construction or other permits filed by Owner in accordance with the Development Approvals.

SECTION 5 DEVELOPMENT OF PROJECT

5.1 Rights to Develop. Subject to and during the Term of this Development Agreement, including Section 16 (Reserved Authority), Owner shall have a vested right to develop the Project in accordance with, and to the extent of, the Development Plan, the Development Approvals, and this Development Agreement. No Subsequent Land Use Regulation shall delay, hinder, or impede the purpose or the effect of this vested right unless specifically permitted by this Development Agreement or agreed to in writing by Owner. The Project shall remain subject to all Subsequent Development Approvals required to complete the Project as contemplated by the Development Plan. The permitted uses of the Property, the density and intensity of use, the maximum height and size of proposed buildings, and provisions for reservation or dedication of land for public purposes shall be those set forth in the Development Plan.

5.2 Vesting of Rights of Developer. The City agrees that the right to Develop the Project consistent with the Development Plan is vested in Owner by this Development Agreement. Owner's right to develop the Project shall be vested in accordance with this Development Agreement and the Development Agreement Statute.

5.3 Effect of Development Agreement on Land Use Regulations. Except as otherwise provided under the terms of this Development Agreement, the only rules, regulations and official policies governing permitted uses of the Property, the density and intensity of use of the Property, the maximum height and size of proposed buildings, and the design, improvement and construction standards and specifications applicable to Development of the Property, shall be

those set forth in the Existing Land Use Regulations and the Subsequent Land Use Regulations to which Owner has consented in writing, subject to the terms of this Development Agreement.

5.4 Timing of Development.

5.4.1 Phase 1. Owner expressly understands and agrees that its commitment to timely commence and complete Phase 1 of the Project is a material inducement to City's approval of this Development Agreement. Accordingly, except as otherwise expressly provided herein, Developer shall (i) have obtained all applicable grading, encroachment, building, demolition, and similar permits for Development of all portions of Phase 1 of the Project within two (2) years of the Development Agreement Date, and (ii) have completed Development of all portions of Phase 1 of the Project within five (5) years of the Development Agreement Date. For purposes of this Section 5.4.1, "completed" means that Owner (i) has obtained all required written City approvals for the façade renovations required by the Existing Development Approvals, (ii) has obtained residential and commercial certificates of occupancy for all Development contemplated under the Existing Development Approvals, and (iii) has obtained written approval from the appropriate City officials for all Phase 1 Public Improvements. Notwithstanding Sections 17, 18, 19, 20, or any other provision of this Development Agreement, and without complying with the provisions of Sections 17, 18, 19, and 20, it is expressly understood and agreed by the Parties that the City Council may unilaterally terminate this Development Agreement if, following notice and a public hearing in accordance with applicable law, the City Council finds that Owner has failed to commence or complete the required portions of Phase 1 of the Project in accordance with this Section. Notwithstanding Section 5.5, below, this Development Agreement and Development Approvals for the Project shall automatically expire, terminate and be of no further force and effect upon the effective date of an ordinance adopted by the City Council terminating this Development Agreement based on such a finding pursuant to this Section.

5.4.2 Deferred Retail Pads. Owner's Development of the Deferred Retail Pads shall not be subject to the requirements of Section 5.4.1 and may be completed at any time prior to, or concurrently with, Owner's Development of Phase 2. In addition, subject to all applicable Subsequent Development Approvals, in lieu of Development of either or both of the Deferred Retail Pads at the locations specified in the Phase 1 Project Approvals, Owner may proceed with Development or Redevelopment of an equivalent or greater amount of new retail space on the Property. If Owner elects to proceed with Development or Redevelopment of an equivalent or greater amount of new retail space on the Property, rather than proceed with the Development of either or both of the Deferred Retail Pads at the locations specified in the Phase 1 Site Plan and Phase 2 Building Envelope attached at Exhibit C and in the Phase 1 Project Approvals, such new retail space shall be in addition to, and not be included in the calculation of, the minimum 27,000 square feet of new retail space required to be constructed within the residential/retail mixed-use structures as part of Phase 2.

5.4.3 Phase 1 Public Improvements. Notwithstanding Section 5.4.1, Owner shall not be obligated to commence the Phase 1 Public Improvements within two (2) years of the Development Agreement Date. However, with the exception of the Village Green, Owner shall complete the Phase 1 Public Improvements prior to issuance of the first residential certificate of occupancy for Phase 1. Accordingly, Owner shall not be entitled to the issuance of, and City

shall not be obligated to issue, certificates of occupancy for any residential units constructed in Phase 1 of the Project until all Phase 1 Public Improvements, other than the Village Green, have been completed and accepted by City. Owner shall complete construction of the Phase 1 Village Green prior to issuance of the final residential certificate of occupancy for Phase 1. Accordingly, Owner shall not be entitled to the issuance of, and City shall not be obligated to issue, a certificate of occupancy for the last residential unit (or the building in which the last residential unit is located, if applicable) constructed in Phase 1 of the Project until the Village Green for Phase 1 has been completed and approved in writing by the City.

5.4.4 Phase 2. In the event Owner elects to proceed with the Development of Phase 2, Owner shall apply for all Phase 2 Project Approvals simultaneously, and Owner's Development of Phase 2 of the Project shall be in accordance with the Development Plan, including, but not limited to, the Subsequent Development Approvals. Except as otherwise modified pursuant to the Subsequent Development Approvals, the approximate locations and/or building envelope of the Phase 2 residential and retail structures and Village Green area shall be as generally depicted on Exhibit C to this Development Agreement. Owner expressly understands and agrees that Owner's right pursuant to this Development Agreement to proceed with the Development of any residential units as part of Phase 2 is expressly contingent upon: (i) Owner's Development of a minimum of 27,000 square feet of new retail space within the residential/retail mixed-use structure or structures housing the residential units or on other areas on the Property; (ii) Owner's Development of such additional retail space necessary to result in a minimum of 125,000 total aggregate square feet of retail space on the Property (inclusive of the Deferred Retail Pads) and/or payment of a Phase 2 retail loss impact fee pursuant to Section 10.4; and (iii) Owner's construction of a minimum 7,000 square foot secondary Village Green area on the Property. Accordingly, the timing and sequencing of Development of the component portions of Phase 2 shall be subject to City's discretionary approval pursuant to the Subsequent Development Approvals, provided, however, that Development of all of Phase 2 shall be completed within the Term of this Development Agreement. For purposes of this Section 5.4.4, "completed" means that Owner (i) has obtained residential and commercial certificates of occupancy for all Development contemplated under the Subsequent Development Approvals, and (ii) has obtained written approval from the appropriate City officials for the Phase 2 secondary Village Green area.

5.4.5 Owner's Discretion in Timing of Development. The Parties acknowledge that Owner cannot at this time predict when or the precise rate at which the Property will be developed. Such decisions depend upon numerous factors which are not within the control of Owner, such as market orientation and demand and other similar factors. The California Supreme Court held in *Pardee Construction 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 latter-enacted initiative restricting the timing of development to prevail over such parties' agreement. It is the Parties' intent to cure that deficiency by expressly addressing the timing of Development. Except as expressly set forth in the Development Plan, including, without limitation, Section 5.4 of this Development Agreement, regardless of any future enactment, whether by initiative or otherwise, Owner shall have the vested right to Develop the various components of the Project in such order, at such rate, and at such times as Owner deems appropriate within the exercise of its subjective business judgment.

5.5 Tentative Subdivision Map and Other Entitlement Extensions. Unless otherwise terminated pursuant to Section 5.4.1, above, in accordance with California Government Code Sections 65863.9 and 66452.6, all tentative subdivision maps or tentative parcel maps, whether vesting or not, or any other Development Approvals, except for grading and building permits and certificates of occupancy, which may be approved by the City in connection with Development of the Property, shall be granted an extension of time for the Term of this Development Agreement. The Parties also agree that phased final subdivision maps may be processed and recorded.

5.6 Project Trip Budget Allocation. During the Term of this Development Agreement, the City shall allocate to the Project the number of A.M. and P.M. peak hour vehicle trips equal to the Project Trip Budget Allocation and debit an equal amount from the Specific Plan Area Trip Budget Allocation available for other future new development in the Specific Plan area. As of the Development Agreement Date, the Project Trip Budget Allocation is equal to 194 total additional AM and 44 total additional PM peak hour vehicle trips, which has been calculated in accordance with the trip generation rates published in the Institute of Traffic Engineer's (ITE) Trip Generation Manual, 8th Edition (see Traffic Study, pages 14-15 and Table 5). During the Term of this Development Agreement, the Project Trip Budget Allocation shall be automatically adjusted without the need to amend this Development Agreement, to account for future changes in the trip generation rates published in future editions of the ITE Trip Generation Manual. Prior to issuance or approval of any permits or land use entitlements for the expansion or intensification of existing uses or the construction of new development in the Specific Plan area that would necessitate adjustment to the Specific Plan Area Trip Budget Allocation, City's City Manager, or his or her designee, shall review the trip generation rates published in the then latest edition of the ITE Trip Generation Manual and determine whether the Project Trip Budget Allocation should be automatically adjusted in accordance therewith. If the City Manager, or his or her designee, determines, in his or her reasonable discretion, that the Project Trip Budget Allocation should be automatically adjusted due to changes in the published trip generation rates, City shall debit the number of A.M. and P.M. peak hour vehicle trips equal to the adjusted Project Trip Budget Allocation from the Specific Plan Area Trip Budget Allocation available for other future new development in the Specific Plan area.

SECTION 6 ENFORCEMENT

Unless this Development Agreement is terminated or cancelled pursuant to the provisions of this Development Agreement, this Development Agreement or any amendment hereto, shall be enforceable by any party hereto notwithstanding any change hereafter in any applicable general plan, specific plan, zoning ordinance, subdivision ordinance or building ordinance adopted by City which alters or amends the rules, regulations or policies of Development of the Project as provided in this Development Agreement pursuant to Section 65865.4 of the Development Agreement Statute; provided, however, that the limitations of this Section shall not apply to changes mandated by State or Federal laws or other permissible changes or new regulations as more particularly set forth in Section 16 of this Development Agreement.

SECTION 7 PUBLIC BENEFITS

7.1 Installation of Traffic Signal. In accordance with the Phase 1 Project Approvals, before issuance of the first residential certificate of occupancy for Phase 1 of the Project, Owner shall install, to the reasonable satisfaction of the City Engineer, a traffic signal at the intersection of Avenida de la Carlota and the main entrance to the Project, including interconnection to the existing traffic signal at the intersection of Avenida de la Carlota and Los Alisos Boulevard via conduit and hardwire, and construction on the easterly side of Avenida de la Carlota of a public sidewalk connection to the Oakbrook Plaza office development. Said traffic signal shall be constructed to applicable State and City standards and specifications and shall be equipped with video detection and controller equipment as approved by City. The sidewalks and ramps at all corners of the newly signalized intersection and the sidewalk connection to the Oakbrook Plaza office development on the easterly side of Avenida de la Carlota shall be constructed and/or modified to conform to City and Americans With Disabilities Act ("ADA") standards.

7.2 Installation of New Curb Line, Landscaped Parkway, and Sidewalk. In accordance with the Phase 1 Project Approvals, before issuance of the first residential certificate of occupancy for Phase 1 of the Project, Owner shall dedicate and transfer to City the public right-of-way necessary for, and shall construct and create, a new curb line along the entire Property frontage of Avenida de la Carlota, including a six (6) foot wide landscaped parkway space and a minimum six (6) foot wide sidewalk to City standards and specifications. Such improvements shall not interfere with existing vehicular lane configurations or result in modifications that have the effect of reducing any on-site parking for the Project. Required parkway improvements shall be as shown on the landscape plans approved as part of the Phase 1 Project Approvals, shall be consistent with the Specific Plan, and shall include all irrigation and drainage facilities and improvements deemed necessary by City's City Engineer.

7.3 Provision of the Village Green Park Facilities. In accordance with the Development Approvals, Owner shall complete the construction and improvement of an approximately 17,000 square foot Village Green park facility in Phase 1 of the Project and an approximately 7,000 square foot Village Green park facility in Phase 2 of the Project. The Village Green park facilities are generally described and depicted in Exhibit D to this Development Agreement. Although the Village Greens will be available for public access and will be publically accessible, subject to Owner and City reaching an agreement upon park area operating hours and authorized uses, the Village Greens shall be privately owned, operated, and maintained by Owner.

7.4 Construction of Pedestrian Paseos. In accordance with the Development Approvals, Owner shall complete construction of various pedestrian paseos and pathways during Phase 1 of the Project, including, but not limited to, the following: (i) a pedestrian paseo, extending from the western driveway of the Project to the Laguna Hills Mall, connecting to the Village Green and then east to Avenida de la Carlota; (ii) a improved north-south pedestrian paseo; (iii) a hillside paseo connecting the north-south paseo with the Laguna Hills Mall; (iv) a pedestrian trail along the north Property line; (v) and two parking lot paseos. The pedestrian paseos are described and depicted in Exhibit E to this Development Agreement.

7.5 Provision of Public Art. Owner shall furnish public art in connection with the Project, and/or pay an in-lieu fee, pursuant to the Specific Plan and other Existing Development Approvals. The Parties understand and agree that the City shall have the right to approve, in advance, the proposed type, size, art medium, location, and content of all Public Art. The Parties agree that, to the extent that the value of the public art provided and/or in-lieu fee paid by Owner for Phase 1 exceeds one-half percent (0.5%) of the total construction costs of Phase 1, as determined by the City, if Owner Develops Phase 2, Owner shall be entitled to a credit in such amount towards Owner's obligation to provide public art and/or pay an in-lieu fee pursuant to the Development of Phase 2.

SECTION 8 PUBLIC IMPROVEMENTS AND SERVICES

8.1 Public Improvements Required to Support the Project. As material consideration for City's entering into this Development Agreement, Owner shall undertake the construction and installation of public improvements required by the Development Approvals, the Existing Land Use Regulations, this Development Agreement, and the Specific Plan to support the Project as specified in Exhibit F to this Development Agreement. Exhibit F constitutes a complete list of all required public improvements for the Project, unless the Project is modified, requiring the modification of Exhibit F.

8.2 Cooperation by City and Owner for Public Improvements. The required public improvements will be designed and constructed in phases as required to service the Project or as otherwise required by the Project conditions of approval and/or this Development Agreement. Owner shall design and construct these public improvements in accordance with all applicable federal, state and City laws, ordinances, regulations, codes, standards, and other applicable requirements. These improvements shall be subject to City's approval and acceptance. City shall cooperate with Owner for the purpose of coordinating all public improvements constructed under the Development Approvals or this Development Agreement to existing or newly constructed public improvements, whether located within or outside of the Property. Owner shall be responsible for and use good faith efforts to acquire any right(s)-of-way necessary to construct the public improvements required by, or otherwise necessary to comply with the conditions of, this Development Agreement or any Development Approvals. Should it become necessary due to Owner's failure or inability to acquire said right(s)-of-way within four (4) months after Owner begins its efforts to so acquire said right(s)-of-way, City shall negotiate the purchase of the necessary right(s)-of-way to construct the public improvements as required by, or otherwise necessary to comply with the conditions of, this Development Agreement and, if necessary in accordance with the procedures established by State law, and the limitations hereinafter set forth in this Section, City may use its powers of eminent domain to condemn said required right(s)-of-way. Owner agrees to pay for all costs associated with said acquisition and condemnation proceedings. If City cannot make the proper findings or if for some other reason under the condemnation laws City is prevented from acquiring the necessary right(s)-of-way to enable Owner to construct the public improvements required by, or otherwise necessary to comply with the conditions of, this Development Agreement, then the Parties agree to amend this Development Agreement to modify Owner's obligations accordingly. Any such required modification shall involve the substitution of other considerations or obligations by Owner (of similar value) as are negotiated in good faith between the parties hereto. Nothing contained in

this Section shall be deemed to constitute a determination or resolution of necessity by City to initiate condemnation proceedings.

8.3 Timing, Phasing and Sequence of Public Improvements and Facilities. The timing, phasing and sequence of the construction of public improvements, facilities or the payment of fees therefore shall be constructed or paid in accordance with the timing, phasing and sequence set forth in the Development Plan.

8.4 Maintenance of Public Improvements. City shall not be responsible or liable for the maintenance or care of public improvements, intended to be dedicated to the City, until City approves and accepts them. City shall exercise no control over the public improvements until accepted. Any use by any person of the public improvements, or any portion thereof, shall be at the sole and exclusive risk of the Owner at all times prior to City's acceptance of the public improvements. Owner shall maintain all the public improvements in a state of good repair until they are completed by Owner and approved and accepted by City. If Owner fails to properly prosecute its maintenance obligation under this Section, City may do all work necessary for such maintenance and the cost thereof shall be the responsibility of Owner under this Development Agreement. City shall not be responsible or liable for any damages or injury of any nature in any way related to or caused by the public improvements or their condition prior to acceptance. Approval and acceptance of public improvements shall not be unreasonably withheld by the City.

8.5 Acceptance of Improvements; As-Built or Record Drawings. If the public improvements are properly completed by Owner and approved by the City Engineer, and if they comply with all applicable federal, state and local laws, ordinances, regulations, codes, standards, and other requirements, the City shall accept the public improvements. Prior to the total or partial acceptance of the public improvements by City, Owner shall file with the Recorder's Office of the County of Orange a notice of completion for the accepted public improvements in accordance with California Civil Code section 3093, at which time the accepted public improvements shall become the sole and exclusive property of City without payment therefore. Issuance by City of occupancy permits for any buildings or structures located on the Property shall not be construed in any manner to constitute City's acceptance or approval of any public improvements. Notwithstanding the foregoing, City may not accept any public improvements unless and until Owner provides the required sets of "as built" or record drawings or plans to the City for review and approval for all such public improvements. The drawings shall be certified and shall reflect the condition of the public improvements as constructed, with all changes incorporated therein.

8.6 Facilitation of the Building of Future Pedestrian Connection Improvements. The City agrees that it shall use reasonable efforts to coordinate with the owner of the Laguna Hills Mall to facilitate the potential future building of a pedestrian connection between the northwest corner of the Property to the existing transit station and a pedestrian connection from the Property's west vehicular entry point to the Laguna Hills Mall.

SECTION 9 DEDICATIONS AND EXACTIONS

9.1 Dedications In Conjunction With Public Improvements. Right-of-way or property for required public improvements shall be irrevocably offered for dedication as required by the Phase I Project Approvals. These dedications shall be in fee or as an easement at the discretion of City. The City may accept the Owner's offer of dedication upon Owner's completion and acceptance by City of the associated improvements in compliance with the specifications as approved by City. Nothing contained in this Development Agreement, however, shall be deemed to preclude City from exercising the power of eminent domain with respect to the Property or the Project, or any part thereof.

9.2 Dedication for Public Roadway and Signalized Intersection at Laguna Hills Mall. In order to accommodate the potential need for a future public roadway along the southerly property line of the Laguna Hills Mall ("Mall") and a signalized intersection at the west vehicular entry point to the Mall, Owner shall irrevocably offer to dedicate real property needed for such public roadway and traffic signal improvements, as more particularly described and depicted on the vesting tentative map approved pursuant to the Phase I Project Approvals. If City accepts the irrevocable offer to dedicate while the Development Agreement is still in effect, Owner agrees to contribute Owner's fair share, as determined by the City in its reasonable discretion, of the cost of signal improvements for one signal for the future public roadway described above, not to exceed fifty percent (50%) of such estimated cost. Owner shall deposit said fair share of the estimated cost with City within one hundred twenty (120) days of written demand from City. If Owner's fair share of the actual cost to construct the signal improvements exceeds the amount of Owner's deposit, Owner shall deposit the difference with City within thirty (30) days of receipt of written notice and an accounting from City. If Owner's fair share of the actual cost to construct the signal improvements is less than the amount of Owner's deposit, City shall refund the difference to Owner.

9.3 Dedication for New Curb Line, Landscaped Parkway, and Sidewalk Along Avenida de la Carlota. Owner shall dedicate to City the real property necessary for the new curb line, six (6) foot wide landscaped parkway space, and a minimum six (6) foot wide sidewalk along the entire Property frontage of Avenida de la Carlota, as further described in Section 7.2. Such dedication shall be made pursuant to the vesting tentative map approved pursuant to the Phase I Project Approvals.

9.4 Dedication Associated with New Southerly Entrance to Property. Owner shall dedicate to City the real property necessary for street and highway and incidental purposes associated with Owner's construction of the southerly entrance to the Project. Such dedication shall be made pursuant to the vesting tentative map approved pursuant to the Phase I Project Approvals.

9.5 Vacation of Portion of Public Driveway Accessing Avenida de la Carlota. The Parties acknowledge that the existing driveway providing ingress and egress to the Property from Avenida de la Carlota includes property dedicated as public right of way, and that, as part of the Project, Owner intends to relocate said driveway. Subject to limitation by applicable legal and regulatory authority, upon Owner's completion of relocation of the driveway to the reasonable satisfaction of the City Engineer, in his sole discretion, City agrees to institute proceedings to

vacate that portion of the public right of way over the existing driveway determined by the City to no longer be necessary for public use and to promptly pursue such proceedings to a final decision. Upon completion of said vacation proceedings and vacation of the applicable portion of public right of way, City shall convey such portion of the former public right of way at no cost to Owner, which conveyance may be executed by City's City Manager.

SECTION 10 FEES

10.1 Development Fees Applicable to the Project. Owner shall pay all existing impact and development fees applicable to the Project on the Development Agreement Date charged by City for the purpose of defraying all or a portion of the cost of public facilities related to development of the Project ("Development Fees"). All Development Fees applicable to the Project are listed in Exhibit B to this Development Agreement.

The Parties acknowledge that the following fees, taxes, and charges do not constitute Development Fees and that nothing in this Development Agreement is intended or shall be construed to release Owner from the obligation to pay these fees, taxes, and charges, including increases, if and when they become due:

(a) City's normal fees for processing, environmental assessment and review, tentative tract and parcel map review, plan checking, site review and approval, administrative review, building permit, grading permit, inspection, and similar fees imposed to recover City's costs associated with processing, reviewing, and inspecting project applications, plans, and specifications; and

(b) Fees and charges levied by any other public agency, utility, district, or joint powers authority, regardless of whether City collects those fees and charges; and

(c) Community facility district special taxes or special district assessments or similar assessments, business license fees, bonds or other security required for public improvements, sales taxes, property taxes, sewer lateral connection fees, water service connection fees, new water meter fees, and the property development tax payable under the Laguna Hills Municipal Code.

10.2 Fees Applicable for Modified Development Approvals. Notwithstanding Section 10.1 of this Development Agreement, if and to the extent that the Development Approvals applicable to the Property are amended after the Development Agreement Date and Owner is authorized under the modified Development Approvals to develop any additional density or intensity of use beyond what is allowed as of the Development Agreement Date, City shall retain the right to require Owner to pay all City fees for such additional density or intensity of use to the extent such fees would be applicable in the absence of this Development Agreement.

10.3 Public Park In-lieu Fees. Owner hereby agrees that Chapter 8-06 of the Laguna Hills Municipal Code pertaining to park dedication and in-lieu fee requirements shall apply to both Phase 1 and Phase 2 of the Project, regardless of whether Owner proposes a subdivision map for each Phase. Accordingly, as part of the Development Fees applicable to the Project pursuant to this Development Agreement, Owner hereby agrees to, and shall, pay City a public park in-lieu fee of Seven Thousand Three Hundred Ninety Two Dollars (\$7,392.00) for each

residential unit constructed as part of the Project, which amount the Parties agree is the applicable per dwelling unit fee calculated pursuant to Chapter 8-06 of the Laguna Hills Municipal Code. Said fee shall be paid on a per unit basis at the time of filing of the final map or, if no final map is filed, prior to issuance of a building permit for each residential unit.

10.4 Phase 2 Retail Loss Impact Fee. Owner understands and agrees that Owner's commitment to timely construct such additional new retail space necessary to result in a minimum of 125,000 total aggregate square feet of retail space on the Property is a material inducement to City's agreement to permit Owner to demolish existing retail space and construct additional residential units on the Property in Phase 2, and that Owner's failure to complete construction of all such additional new retail space prior to completion of the additional Phase 2 residential units will result in the loss of future revenue to City necessary to offset the costs of certain City services required by the Project that are not otherwise being reimbursed to City. Accordingly, as security for Owner's commitment to construct such additional new retail space in Phase 2, prior to issuance of the first residential Certificate of Occupancy for Phase 2 for any portion of Phase 2, Owner shall provide security to the City in the amounts and forms described below.

10.4.1 Amount of Security. Owner shall provide security to the City in an amount equal to the present value of the aggregate "Projected Annual City Sales Tax Revenue" anticipated to be generated by the "Retail Square Footage Deficit" over a twenty (20) year period commencing on January 1st of the calendar year in which the "Phase 2 Retail Commencement Date" occurs, where:

(a) the assumed present value interest factor / discount rate is four percent (4.0%);

(b) "Projected Annual City Sales Tax Revenue" is assumed to equal three dollars (\$3.32) per square foot of retail space as of 2012 and to increase at a rate of two and one-half percent (2.5%) per year thereafter; and

(c) the "Retail Square Footage Deficit" is an amount of retail space equal to (1) 125,000 square feet, minus (2) the total square feet of additional new retail space anticipated to be constructed within one or more residential/retail mixed use structures in Phase 2 pursuant to the Subsequent Development Approvals, minus (3) the difference between (i) the actual total square feet of usable retail space existing on the Property as of the date the City issues the first building or demolition permit for any portion of Phase 2 and (ii) the total square feet of retail space anticipated to be demolished in Phase 2 pursuant to the Subsequent Development Approvals; and

(d) the "Phase 2 Commencement Date" is the date that is the earlier of (i) the date the City issues the first residential Certificate of Occupancy for Phase 2, or (ii) the date that is thirty (30) months after the date the City issues the first building or demolition permit for any portion of Phase 2.

10.4.2 Minimum Cash Deposit. Prior to issuance of the first residential Certificate of Occupancy for Phase 2, Owner shall provide a deposit to City, in immediately payable funds, of

a portion of the required security in an amount at least equal to the present value of the aggregate "Projected Annual City Sales Tax Revenue" anticipated to be generated by the "Retail Square Footage Deficit" over a five (5) year period commencing on January 1st of the calendar year in which the Phase 2 Commencement Date occurs. City shall place said deposit in a separate dedicated account and not commingle the funds with other funds of the City.

10.4.3 Alternative Security Instrument for Remaining Security Amount. Prior to issuance of the first residential Certificate of Occupancy for Phase 2, Owner shall provide City with a security instrument acceptable to City in its sole discretion, naming City as beneficiary, which guarantees payment to City upon demand of that additional amount of the required security due from Owner to City pursuant to Section 10.4.1 not included in the cash deposit described in Section 10.4.2. Such security instrument may be in the form of a letter of credit from a surety or financial institution acceptable to City, or such other type of security instrument deemed acceptable by City in its sole discretion. The terms and conditions of any letter of credit or other security instrument provided by Owner shall be subject to approval of City in its sole and absolute discretion.

10.4.4 Forfeiture of Security Due to Owner's Failure to Timely Construct Additional New Retail Space. If, prior to the earlier to occur of (i) expiration of the Term of this Development Agreement or (ii) the five (5) year anniversary of the date the Phase 2 Project Approvals are approved by the City, Owner has not obtained final certificates of occupancy for all new retail structures necessary to cause the total aggregate retail space actually existing on the Property (excluding any retail structures anticipated to be, but not yet, demolished) to equal at least 125,000 square feet, Owner shall forfeit the full amount of the security required to be provided pursuant to Section 10.4.1, City shall be entitled to retain the entire cash deposit provided by Owner pursuant to Section 10.4.2, and City shall be entitled to demand and retain payment from the surety or financial institution pursuant to the letter of credit or other security instrument provided by Owner pursuant to Section 10.4.3.

10.4.5 Partial Refund of Security to Owner. If, prior to the earlier to occur of (i) expiration of the Term of this Development Agreement or (ii) the five (5) year anniversary of the date the Phase 2 Project Approvals are approved by the City, Owner has obtained final certificates of occupancy for all new retail structures necessary to cause the total aggregate retail space actually existing on the Property (excluding any retail structures anticipated to be, but not yet, demolished) to equal at least 125,000 square feet, City shall take the following actions:

(a) City shall release the letter of credit or other security instrument provided by Owner pursuant to Section 10.4.3;

(b) City shall retain a portion of the cash deposit provided by Owner pursuant to Section 10.4.2 in an amount equal to the present value of the aggregate "Projected Annual City Sales Tax Revenue" anticipated to be generated by the "Retail Square Footage Deficit" over the period of time commencing on January 1st of the calendar year in which the Phase 2 Commencement Date occurs and running for a length of time equal to the number of days that elapse between the Phase 2 Commencement Date and the date Owner obtains a final certificate of occupancy for the retail structure or structures, which cause(s) the total aggregate retail space existing on the Property (excluding any retail

structures anticipated to be, but not yet, demolished) to equal at least 125,000 square feet; and

(c) City shall refund to Owner the portion of the cash deposit not retained by City pursuant to Section 10.4.5(b).

10.4.6 Phase 2 Retail Loss Impact Fee. Owner and City hereby agree that the amounts authorized to be retained by City pursuant to Sections 10.4.4 and 10.4.5, above, are intended to offset the costs of certain City services required by the Project that are not otherwise being reimbursed to City and shall be referred to collectively in this Development Agreement as the "Phase 2 Retail Loss Impact Fee."

10.4.7 Examples. For purposes of illustration and reference, depictions of the calculations of the amount of security that would be required and the amount of the Phase 2 Retail Loss Impact Fee pursuant to this Section 10.4 under various hypothetical circumstances are set forth in Exhibit G to this Development Agreement. The Projected Annual City Sales Tax Revenue per year and the Net Present Value multipliers to be used in calculating the amount of the required security and the Phase 2 Retail Loss Impact Fee pursuant to this Section 10.4 shall be those set forth in Exhibit G.

10.4.8 Survival of Termination of Development Agreement. Notwithstanding any other provision of this Development Agreement, to the extent, and for the period, necessary to implement the provisions hereof, this Section 10.4 shall survive termination of this Development Agreement and remain enforceable and executory by the Parties notwithstanding termination of the remainder of this Development Agreement.

SECTION 11 EXISTING USES

City and Owner agree that those existing legally established uses on the Property may be retained until the Project is implemented.

SECTION 12 FUTURE APPROVALS

12.1 Basis for Denying or Conditionally Granting Future Approvals. Before Owner can begin grading on the Property or other development of the Property, Owner must secure additional permits and/or approvals from City. The Parties agree that for Development of Phase 1 of the Project, only Ministerial Approvals are required. The Parties agree that to the extent said Development Approvals are Ministerial in nature, City shall not, through the enactment or enforcement of any subsequent ordinances, rules, regulations, initiatives, policies, requirements, guidelines, or other constraints, withhold such approvals as a means of blocking construction or of imposing conditions on the Project which were not imposed during an earlier approval period unless City has been ordered to do so by a court of competent jurisdiction. Notwithstanding the previous sentence, City and Owner will use reasonable efforts to ensure each other that all applications for and approvals of all required permits, or other Development Approvals, necessary for Owner to develop the Project in accordance with this Development Agreement are sought and processed in a timely manner.

12.2 Standard of Review. Except as otherwise provided under the terms of this Development Agreement, the rules, regulations and policies that apply to any Subsequent Development Approvals which Owner must secure prior to the Development of the Property shall be the Existing Land Use Regulations, as defined in this Development Agreement.

SECTION 13 AMENDMENT

13.1 Initiation of Amendment. Either party may propose an amendment to this Development Agreement.

13.2 Procedure. The procedure for proposing and adopting an amendment to this Development Agreement shall be the same as the procedure required for entering into this Development Agreement in the first instance.

13.3 Consent. Except as provided elsewhere within this Development Agreement, any amendment to this Development Agreement shall require the consent of both Parties. No amendment of this Development Agreement or any provision hereof shall be effective unless set forth in writing and signed by duly authorized representatives of each party hereto.

13.4 Effect of Amendment to Development Agreement. The Parties agree that except as expressly set forth in any such amendment, an amendment to this Development Agreement will not alter, affect, impair, modify, waive or otherwise impact any other rights, duties or obligations of either party under this Development Agreement.

13.5 Operating Memoranda. The provisions of this Development Agreement require a close degree of cooperation and flexibility between the City and Owner. The Development of the Property may demonstrate that clarifications or modifications to this Development Agreement and the Existing Land Use Regulations are appropriate with respect to the details of performance of the City and Owner. To the extent allowable by law, Owner shall retain a certain degree of flexibility as provided herein with respect to all matters, items and provisions covered in general under this Development Agreement. When and if the Owner finds it necessary or appropriate to make changes, adjustments or clarifications to matters, items or provisions, the Parties shall effectuate such changes, adjustments or clarifications through operating memoranda ("Operating Memoranda") approved by the Parties in writing which reference this Section 13.5. Operating Memoranda are not intended to constitute either a substantive change or an amendment to this Development Agreement, but are ministerial clarification; therefore public notices and hearings shall not be required. Operating Memoranda may be used and thus deemed non-substantive and/or procedural if they do not result in, for example: i) a material changes in fees or costs; ii) an increase in density or intensity of use; iii) a change in permitted uses; iv) an increase in the maximum height and size of buildings; v) a decrease in the amount of land to be dedicated for public purposes; or vi) the reduction of improvement and construction standards and specifications for the Project. The City Attorney shall be authorized, upon consultation with, and approval of, the Owner, to determine whether a requested clarification may be effectuated pursuant to this Section or whether the requested clarification is of such character to constitute either a substantive change or an amendment to this Agreement which requires compliance with the provisions of Section 13.2 of this Development Agreement.

SECTION 14 NON-CANCELLATION OF RIGHTS

Subject to defeasance pursuant to Sections 2, 5.4.1, 20, 21 or 22 of this Development Agreement, the Development Approvals as provided for in this Development Agreement shall be final and the rights once granted thereby shall be vested in the Property upon recordation of this Development Agreement.

SECTION 15 UNDERTAKINGS AND ASSURANCES CONTEMPLATED AND PROMOTED BY DEVELOPMENT AGREEMENT STATUTE

The mutual undertakings and assurances described above and provided for in this Development Agreement are for the benefit of City and Owner and promote the comprehensive planning, private and public cooperation and participation in the provision of public facilities, and the effective and efficient development of infrastructure and facilities supporting development which was contemplated and promoted by the Development Agreement Statute. City agrees that it will not take any actions which are intended to circumvent this Development Agreement; provided, however, that any action of the electorate shall not be deemed an action for purposes of this Section.

SECTION 16 RESERVED AUTHORITY

16.1 Reservation of Authority With Respect to Subsequent Development Approvals. Owner expressly understands and agrees that all Subsequent Development Approvals (including all Development Approvals required for Phase 2) shall be subject to review by the City pursuant to CEQA. Notwithstanding any other provision set forth in this Development Agreement to the contrary, City reserves the right after the Development Agreement Date to exercise the same degree of discretion and control in its consideration of Subsequent Development Approvals that it would have in the absence of this Agreement to impose conditions under CEQA, and other applicable laws and regulations that apply to all similar development throughout the City in order to mitigate the Project's impact on the environment.

16.2 State and Federal Laws and Regulations. In the event that the State or Federal laws or regulations enacted after this Development Agreement has been entered into prevent or preclude compliance with one or more provisions of the Development Agreement, such provisions of the Development Agreement shall be modified or suspended as may be necessary to comply with such State or Federal laws or regulations, provided, however, that this Development 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.

16.3 Uniform Codes. This Development Agreement shall not prevent City from applying new rules, regulations and policies contained in Uniform Codes as long as adoption of the Uniform Codes applies to all development in the City.

16.4 Public Health and Safety. This Development Agreement shall not prevent City from adopting new rules, regulations and policies, including amendments or modifications to Uniform Codes described in Section 16.3 of this Development Agreement which directly result

from findings by City that failure to adopt such rules, regulations or policies would result in a condition injurious or detrimental to the public health and safety.

SECTION 17 CANCELLATION

17.1 Initiation of Cancellation. Either Party may propose cancellation of this Development Agreement.

17.2 Procedure. The procedure for proposing a cancellation of and cancelling this Development Agreement shall be the same as the procedure required for entering into this Development Agreement in the first instance. Such procedures are set forth in Section 65868 of the California Government Code.

17.3 Consent of Owner and City. Any cancellation of this Development Agreement shall require the mutual consent of Owner and City.

SECTION 18 PERIODIC REVIEW

18.1 Time for Review. In accordance with the procedures set forth in the Development Agreement Ordinance, City shall, at least every twelve (12) months after the Development Agreement Date, review the extent of good faith compliance by Owner with the terms of this Development Agreement. Such periodic review shall determine compliance with the terms of this Development Agreement pursuant to California Government Code Section 65865.1 and other successor laws and regulations. If City fails to review the Project and the Owner's compliance with the material terms of this Development Agreement, Owner will be deemed to be in compliance with the provisions of this Development Agreement, and the Development Agreement will be deemed in full force and effect. The City's failure to review the Project or Owner's compliance with the terms of the Development Agreement, or Owner's failure to submit evidence concerning its good faith compliance with the material terms of the Development Agreement as specified in Section 18.2 of this Development Agreement, shall not constitute or be asserted by either Party as a breach of the Development Agreement by the other Party.

18.2 Owner's Submission. Each year, not less than forty-five (45) days nor more than ninety (90) days prior to the anniversary of the Development Agreement Date, Owner shall submit evidence to the City's Community Development Director demonstrating its good faith compliance with the terms and conditions of this Development Agreement. Owner shall pay to City a reasonable processing fee in an amount as City may reasonably establish from time to time on each occasion that Owner submits its evidence for a periodic review.

18.3 Findings. Within sixty (60) days after the submission of Owner's evidence, the City Council shall determine, on the basis of substantial evidence, whether or not Owner has, for the period under review, complied in good faith with the terms and conditions of this Development Agreement. The burden of proof on this issue shall be on the Owner. If the City Council finds that Owner has so complied, the review for that period shall be deemed concluded. If the City Council finds and determines, on the basis of substantial evidence, that Owner has not complied in good faith with the terms and conditions of this Development Agreement for the period under review, Owner shall be deemed to be in default of the Development Agreement, and City may proceed in accordance with Section 19.1.

18.4 Initiation of Review by City. In addition to the periodic review set forth in this Development Agreement, the City may at any time initiate a review of this Development Agreement upon the giving of written notice thereof to Owner. Within thirty (30) days following receipt of such notice, Owner shall submit evidence to the City's Community Development Director of Owner's good faith compliance with this Development Agreement and such review and determination shall proceed in the manner as otherwise provided in this Development Agreement.

SECTION 19 EVENTS OF DEFAULT

19.1 Defaults by Owner. If the City Council finds and determines, on the basis of substantial evidence, that Owner has not complied in good faith with the terms and conditions of this Development Agreement, City may, by written notice to Owner, specify the manner in which Owner has failed to so comply and state the steps Owner must take to bring itself into compliance. Owner shall be given at least sixty (60) days to cure such non-compliance and if the actions required to cure such non-compliance take more than sixty (60) days, then City shall give Owner additional time provided that Owner is making reasonable progress towards such end. If during the cure period, Owner fails to cure such noncompliance or is not making reasonable good faith progress towards such end, then, the City Council may, at its discretion, proceed to modify or terminate this Development Agreement or establish a time schedule for compliance in accordance with the procedures set forth in Section 20 of this Development Agreement.

19.2 Specific Performance Remedy. After implementation of the Project, Owner may be foreclosed from other choices it may have had to utilize the Property and provide for other benefits. Owner has invested significant time and resources and performed extensive planning and processing of the Project in agreeing to the terms of this Development Agreement and will be investing even more significant time in implementing the Project in reliance upon the terms of this Development Agreement, and it is not possible to determine the sum of money which would adequately compensate Owner for such efforts. For the above reasons, City and Owner agree that damages would not be an adequate remedy if City fails to carry out its obligations under this Development Agreement. Therefore, specific performance of this Development Agreement is the only remedy which would compensate Owner if City fails to carry out its obligations under this Development Agreement, and City hereby agrees that Owner shall be entitled to specific performance in the event of a default by City hereunder. City and Owner acknowledge that, if Owner fails to carry out its obligations under this Development Agreement, City shall have the right to refuse to issue any permits or other approvals which Owner would otherwise have been entitled to pursuant to this Development Agreement. If City issues a permit or other approval pursuant to this Development Agreement in reliance upon a specified condition being satisfied by Owner in the future, and if Owner then fails to satisfy such condition, City shall be entitled to specific performance for the sole purpose of causing Owner to satisfy such condition. City's right to specific performance shall be limited to those circumstances set forth above, and City shall have no right to seek specific performance to cause Owner to otherwise proceed with the Development of the Project in any manner.

SECTION 20 MODIFICATION OR TERMINATION

If pursuant to Section 19.1 of this Development Agreement, City elects to modify or terminate this Development Agreement or establish a revised time schedule for compliance as herein provided, then City shall proceed as set forth in this Section.

20.1 Notice to Owner. City shall give notice to Owner of the City Council's intention to proceed to modify or terminate this Development Agreement or establish a time schedule for compliance within ten (10) days of making City's findings.

20.2 Public Hearing. The City Council shall set and give notice of a public hearing on modification, termination or a time schedule for compliance to be held within forty-five (45) days after the City Council gives notice to Owner.

20.3 Decision. The City Council shall announce its findings and decisions on whether this Development Agreement is to be terminated, how this Development Agreement is to be modified or the provisions of the Development Agreement with which Owner must comply and a time schedule therefore not more than ten (10) days following completion of the public hearing.

20.4 Standard of Review. Any determination by City to terminate this Development Agreement because Owner has not complied in good faith with the terms of this Development Agreement must be based upon a finding by the City Council, on the basis of substantial evidence, that Owner is in default and has not cured that default in the timeframe permitted by Sections 18 and 19 of this Development Agreement, as applicable.

20.5 Implementation. Amending or terminating this Development Agreement shall be accomplished by City enacting an ordinance. The ordinance shall recite the reasons which, in the opinion of City, make the amendment or termination of this Development Agreement necessary. Not later than ten (10) days following the adoption of the ordinance, one copy thereof shall be forwarded to Owner. This Development Agreement shall be terminated or this Development Agreement as modified shall become effective on the effective date of the ordinance terminating or modifying this Development Agreement.

20.6 Schedule for Compliance. Setting a reasonable time schedule for compliance with this Development Agreement may be accomplished by City enacting a resolution. The resolution shall recite the reasons which, in the opinion of City, make it advisable to set a schedule for compliance and why the time schedule is reasonable. Not later than ten (10) days following adoption of the resolution, one copy thereof shall be forwarded to Owner. Compliance with any time schedule so established as an alternative to amendment or termination shall be subject to periodic review as provided in this Development Agreement and lack of good faith compliance by Owner with the time schedule shall be basis for termination or modification of this Development Agreement.

SECTION 21 ASSIGNMENT

21.1 Right to Assign. Owner shall have the right to sell, mortgage, hypothecate, assign or transfer this Development Agreement, and any and all of its rights, duties and obligations hereunder, to any person, partnership, joint venture, firm or corporation at any time during the

Term of this Development Agreement, provided that any such sale, mortgage, hypothecation, assignment or transfer must be pursuant to a sale, assignment or other transfer of the interest of Owner in the Property, or a portion thereof. In the event of any such sale, mortgage, hypothecation, assignment or transfer, (a) Owner shall notify City of such event and the name of the transferee, together with the corresponding entitlements being transferred to such transferee, and (b) the agreement between Owner and such transferee shall provide that either Owner or the transferee or both shall be liable for the performance of all obligations of Owner pursuant to this Development Agreement and the Development Approvals. Such transferee and/or Owner shall notify City in writing which entity shall be liable for the performance of such obligations, and upon the express written assumption of any or all of the obligations of Owner under this Development Agreement by such assignee, transferee or purchaser shall, without any act of or concurrence by City, relieve Owner of its legal duty to perform said obligations under this Development Agreement with respect to the Property or portion thereof, so transferred, except to the extent Owner is in default under the terms of this Development Agreement.

21.2 Release upon Transfer. It is understood and agreed by the Parties that the Property may be subdivided following the Development Agreement Date. One or more of such subdivided parcels may be sold, mortgaged, hypothecated, assigned or transferred to persons for development by them in accordance with the provisions of this Development Agreement. Effective upon such sale, mortgage, hypothecation, assignment or transfer, the obligations of Owner shall become several and not joint. Upon the sale, transfer, or assignment of Owner's rights and interests under this Development Agreement as permitted pursuant to Section 21.1 of this Development Agreement, Owner shall be released from its obligations under this Development Agreement with respect to the Property, or portion thereof so transferred, provided that (a) Owner is not then in default under this Development Agreement, (b) Owner has provided to City the notice of such transfer specified in Section 21.1 of this Development Agreement, and (c) the transferee executes and delivers to City a written agreement in which (i) the name and address of the transferee is set forth and (ii) the transferee expressly and unconditionally assumes all the obligations of Owner under this Development Agreement and the Development Approvals with respect to the property, or portion thereof, so transferred. Non-compliance by any such transferee with the terms and conditions of this Development Agreement shall not be deemed a default hereunder or grounds for termination hereof or constitute cause for City to initiate enforcement action against the other Party or persons then owning or holding interest in the Property or any portion thereof and not themselves in default hereunder. The provisions of this Section shall be self-executing and shall not require the execution or recordation of any further document or instrument. Any and all successors, assigns and transferees of Owner shall have all of the same rights, benefits and obligations of Owner as used in this Development Agreement and the term "Owner" as used in this Development Agreement shall refer to any such successors, assigns and transferees unless expressly provided herein to the contrary.

SECTION 22 GENERAL

22.1 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 of beyond

the party's control. If any such events shall occur, the Term of this Agreement and the time for performance by either party of any of its obligations hereunder shall be extended for the period of time that any such events exist and/or delay or prevent performance of such obligations, provided the notice is timely given pursuant to this Section 22.1. Owner shall give notice to City of any delay which Owner believes to have occurred as a result of the occurrence of any of the events described in Section 22.1. For delays of six months or longer, this notice shall be given within a reasonable time after Owner becomes aware that the delay has lasted six (6) months or more. In no event, however, shall notice of a delay of any length be given later than thirty (30) days after the end of the delay or thirty days before the end of the Term, whichever comes first. In addition to the foregoing, any litigation filed attacking City's approval of the Development Approvals or this Development Agreement shall toll the expiration date of this Development Agreement and all Development Approvals for the length of time such litigation is pending until it is finally resolved.

22.2 Construction of Development Agreement. The language in all parts of this Development Agreement shall in all cases, be construed as a whole and in accordance with its fair meaning. The captions of the paragraphs and subparagraphs of this Development Agreement are for convenience only and shall not be considered or referred to in resolving questions of constructions. This Development Agreement shall be governed by the laws of the State of California. The Parties understand and agree that this Development Agreement is not intended to constitute, nor shall it be construed to constitute, an impermissible attempt to contract away the legislative and governmental functions of City, and in particular, City's police powers. In this regard, the Parties understand and agree that this Development Agreement shall not be deemed to constitute the surrender or abnegation of City's governmental powers over the Property.

22.3 Severability. If any provision of this Development Agreement shall be adjudged to be invalid, void or unenforceable, such provision shall in no way affect, impair or invalidate any other provision hereof, unless such judgment affects a material part of this Development Agreement, the Parties hereby agree that they would have entered into the remaining portions of this Development Agreement not adjudged to be invalid, void or illegal. In the event that all or any portion of this Development Agreement is found to be unenforceable, this Development Agreement or that portion which is found to be unenforceable shall be deemed to be a statement of intention by the Parties; and the Parties further agree that in such event they shall take all steps necessary to comply with such public hearings and/or notice requirements as may be necessary in order to make valid this Development Agreement or that portion which is found to be unenforceable. Notwithstanding any other provisions of this Development Agreement, in the event that any material provision of this Development Agreement is found to be unenforceable, void or voidable, Owner or City may mutually agree to terminate this Development Agreement in accordance with the provisions of the Development Agreement Statute.

22.4 Cumulative Remedies. In addition to any other rights or remedies, either party may institute legal action to cure, correct or remedy any default, to enforce any covenant or agreement herein, or to enjoin any threatened or attempted violation, including suits for declaratory relief, specific performance, relief in the nature of mandamus and actions for damages. All of the remedies described above shall be cumulative and not exclusive of one

another, and the exercise of anyone or more of the remedies shall not constitute a waiver or election with respect to any other available remedy.

22.5 Indemnification. Owner agrees to, and shall, to the fullest extent permitted by law, defend (with legal counsel approved or selected by City and at Owner's sole cost and expense), indemnify and hold City and City's elective and appointive councils, boards, commissions, officers, officials, agents, representatives and employees harmless from any liability for damages or claims for damage for personal injury, including death, and from claims for property damage which may arise from the construction activities of Owner or Owner's contractors, subcontractors, agents, or employees which relate to the Project whether such activities be by Owner, or by any of Owner's contractors, subcontractors, or by anyone or more persons directly or indirectly employed by, or acting as agent for Owner or any of Owner's contractors or subcontractors. Additionally, Owner agrees to, and shall, to the fullest extent permitted by law, defend (with legal counsel approved or selected by City and at Owner's sole cost and expense), indemnify, and hold harmless City and City's elective and appointive councils, boards, commissions, officers, officials, agents, representatives and employees from and against each and every claim, action, proceeding, cost, fee, legal cost, damage, award or liability of any nature whatsoever arising out of City's approval of or its performance under this Development Agreement and/or the Development Approvals. City may in its discretion participate in the defense of any such legal action. The provisions of this Subsection shall not be binding on Owner to the extent the liability arises out of the gross negligence or willful misconduct of City, or its elective and appointive councils, boards, commissions, officers, officials, agents, representatives or employees. Owner's indemnity obligations set forth in this Development Agreement shall survive termination of this Development Agreement.

22.6 Cooperation in the Event of Legal Challenge. In the event of any legal action instituted by a third party or other governmental entity or official challenging the validity of any provision of this Development Agreement and/or the Development Approvals, the Parties hereby agree to cooperate fully with each other in defending said action and the validity of each provision of this Development Agreement; however, it is expressly understood and agreed to by Owner that Owner shall be solely liable for all legal expenses and costs incurred in defending any such action. City shall have the right to approve or select legal counsel to defend against any such legal action. Owner shall pay any attorneys' fees awarded against City or Owner, or both, resulting from any such legal action. Owner shall be entitled to any award of attorneys' fees arising out of any such legal action.

22.7 Public Agency Coordination. City and Owner shall cooperate and use reasonable efforts in coordinating the implementation of the Development Approvals with other public agencies, if any, having jurisdiction over the Property or the Project.

22.8 Initiative Measures. Both City and Owner intend that this Development Agreement is a legally binding contract which will supersede any initiative, measure, moratorium, referendum, statute, ordinance or other limitation (whether relating to the rate, timing or sequencing of the Development or construction of all or any part of the Project and whether enacted by initiative or otherwise) affecting parcel or subdivision maps (whether tentative, vesting tentative or final), building permits, occupancy certificates or other entitlements to use approved, issued or granted within City, or portions of City, and which

Agreement shall apply to the Project to the extent such initiative, measure, moratorium, referendum, statute, ordinance or other limitation is inconsistent or in conflict with this Development Agreement. Should an initiative, measure, moratorium, referendum, statute, ordinance, or other limitation be enacted by the citizens of City which would preclude construction of all or any part of the Project, and to the extent such initiative, measure, moratorium, referendum, statute, ordinance or other limitation be determined by a court of competent jurisdiction to invalidate or prevail over all or any part of this Development Agreement, Owner shall have no recourse against City pursuant to the Development Agreement, but shall retain all other rights, claims and causes of action under this Development Agreement not so invalidated and any and all other rights, claims and causes of action at law or in equity which Owner may have independent of this Development Agreement with respect to the Project. The foregoing shall not be deemed to limit Owner's right to appeal any such determination that such initiative, measure, referendum, statute, ordinance or other limitation invalidates or prevails over all or any part of this Development Agreement. City agrees to cooperate with Owner in all reasonable manners in order to keep this Development Agreement in full force and effect, provided Owner shall reimburse City for its out-of-pocket expenses incurred directly in connection with such cooperation and City shall not be obligated to institute a lawsuit or other court proceedings in this connection.

22.9 Attorneys' Fees. In the event of any dispute between the Parties involving the covenants or conditions contained in this Development Agreement, the prevailing party shall be entitled to recover reasonable expenses, attorneys' fees and costs.

22.10 No Waiver. No delay or omission by either party in exercising any right or power accruing upon non-compliance or failure to perform by the other party under any of the provisions of this Development Agreement shall impair any such right or power or be construed to be a waiver thereof. A waiver by either party of any of the covenants or conditions to be performed by the other party shall not be construed as a waiver of any succeeding breach of nonperformance of the same or other covenants and conditions hereof.

22.11 Authority to Execute. The person executing this Development Agreement on behalf of Owner represents and warrants that he/she has the authority to execute this Development Agreement on behalf of his/her partnership and represents and warrants that he/she has the authority to bind Owner to the performance of Owner's obligations hereunder.

22.12 Notice.

22.12.1 To Owner. Any notice required or permitted to be given by City to Owner under or pursuant to this Development Agreement shall be deemed sufficiently given if in writing and delivered personally to an officer of Owner or mailed with postage thereon fully prepaid, registered or certified mail, return receipt requested, addressed; to Owner as follows:

Laguna Hills Investment Company
3425 Via Lido, Suite 250
Newport Beach, California 92663
Attn: Ryan Jones

With copies to:

Fritz Duda Company
The Berkshire at Preston Center
5950 Berkshire Lane
Suite 800
Dallas, TX 75225
Attn: Chief Financial Officer

and

Allen Matkins Leck Gamble Mallory & Natsis LLP
1900 Main Street, 5th Floor
Irvine, CA 92614
Attn: John Condas

or such changed address as Owner shall designate in writing to City.

22.12.2 To City. Any notice required or permitted to be given to City under or pursuant to this Development Agreement shall be made and given in writing, if by mail addressed to:

City Manager
City of Laguna Hills
24035 El Toro Road
Laguna Hills, California 92653

With copies to:

City Attorney
City of Laguna Hills
24035 El Toro Road
Laguna Hills, California 92653

or such changed address as City shall designate in writing to Owner. Alternatively, notices to City may also be personally delivered to the City Clerk, at the Laguna Hills City Hall, 24035 El Toro Road, Laguna Hills, California 92653, together with copies marked for the City Manager and the City Attorney or, if so addressed and mailed, with postage thereon fully prepaid, registered or certified mail, return receipt requested, to the City Council in care of the City Clerk at the above address with copies likewise so mailed to the City Manager and the City Attorney, respectively and also in care of the City Clerk at the same address. The provisions of this Section shall be deemed permissive only and shall not detract from the validity of any notice given in a manner which would be legally effective in the absence of this Section.

22.13 Captions. The captions of the paragraphs and subparagraphs of this Development Agreement are for convenience and reference only and shall in no way define, explain, modify, construe, limit, amplify or aid in the interpretation, construction or meaning of any of the provisions of this Development Agreement.

22.14 Consent. Any consent required by the Parties in carrying out the terms of this Development Agreement shall not unreasonably be withheld.

22.15 Further Actions and Instruments. Each of the Parties shall cooperate with and reasonably provide to the other to the extent contemplated hereunder in the performance of all obligations under this Development Agreement and the satisfaction of the conditions of this Development 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 Development Agreement to carry out the intent and to fulfill the provisions of this Development Agreement or to evidence or consummate the transactions contemplated by this Development Agreement.

22.16 Subsequent Amendment to Authorizing Statute. This Development Agreement has been entered into in reliance upon the provisions of the Development Agreement Statute in effect as of the Development Agreement Date. Accordingly, to the extent that subsequent amendments to the California Government Code would affect the provisions of this Development Agreement, such amendments shall not be applicable to this Development Agreement unless necessary for this Development Agreement to be enforceable or unless this Development Agreement is modified pursuant to the provisions set forth in this Development Agreement and California Government Code Section 65868 as in effect on the Development Agreement Date.

22.17 Governing Law. This Development Agreement, including, without limitation, its existence, validity, construction and operation, and the rights of each of the Parties shall be determined in accordance with the laws of the State of California.

22.18 Effect on Title. Owner and City agree that this Development Agreement shall not continue as an encumbrance against any portion of the Property as to which this Development Agreement has terminated.

22.19 Mortgagee Protection. Entering into or a breach of this Development Agreement shall not defeat, render invalid, diminish, or impair the lien of Mortgagees having a mortgage on any portion of the Property made in good faith and for value, unless otherwise required by law. No Mortgagee shall have an obligation or duty under this Development Agreement to perform Owner's obligations, or to guarantee such performance prior to any foreclosure or deed in lieu thereof.

22.20 Notice of Default to Mortgagee. Right of Mortgagee to Cure. If the City Clerk timely receives notice from a Mortgagee requesting a copy of any notice of default given to Owner under the terms of this Development 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, for a period up to sixty (60) days after the receipt of such notice from City to cure or remedy, or to commence to cure or remedy the default unless a further extension of time to cure is granted in writing by City. If the default is of a nature which can only be remedied or cured by such Mortgagee upon obtaining possession, such Mortgagee shall seek to obtain possession with diligence and continually through foreclosure, a receiver or otherwise, and shall thereafter remedy or cure the default or noncompliance within thirty (30) days after obtaining possession. If any such default or noncompliance cannot, with diligence, be remedied or cured within such thirty (30) day period, then such Mortgagee shall have such additional time as may be reasonably necessary to remedy or cure such default or noncompliance if such Mortgagee commences cure during such thirty (30) day period, and thereafter diligently pursues and completes such cure.

22.21 Bankruptcy. Notwithstanding the foregoing provisions of Section 22.20 of this Development Agreement, if any Mortgagee is prohibited from commencing or pursuing and prosecuting foreclosure or other appropriate proceedings in the nature thereof by any process or injunction issued by any court or by reason of any action by any court having jurisdiction of any bankruptcy or insolvency proceeding involving City, the times specified in this Section for commencing or prosecuting foreclosure or other proceedings shall be extended for the period of the prohibition.

22.22 Disaffirmance.

22.22.1 New Development Agreement upon Most Senior Mortgagee's Request. City agrees that in the event of termination of this Development Agreement by reason of any default by City, or by reason of the disaffirmance hereof by a receiver, liquidator or trustee for Owner or its property, City, if requested by any Mortgagee, shall enter into a new Development Agreement for the Project with the most senior Mortgagee requesting such new agreement, for the remainder of the Term, effective as of the date of such termination, upon the terms, provisions, covenants and agreements as herein contained to the extent and subject to the law then in effect, and subject to the rights, if any, of any parties then in possession of any part of the Property, provided:

(a) The Mortgagee shall make written request upon City for the new Development Agreement for the Project within thirty (30) days after the date of termination;

(b) The Mortgagee shall pay to City at the time of the execution and delivery of the new Development Agreement for the Project expenses, including reasonable attorneys' fees, to which City shall have been subjected by reason of Owner's default; and

(c) The Mortgagee shall perform and observe all covenants herein contained on Owner's part to be performed, and shall further remedy any other conditions which Owner under the terminated agreement was obligated to perform under its terms, to the extent the same are curable or may be performed by the Mortgagee.

22.22.2 New Development Agreement Not Required. Nothing herein contained shall require any Mortgagee to enter into a new Development Agreement pursuant to

Section 22.22.1 of this Development Agreement, nor to cure any default of Owner referred to above.

22.23 No Third Party Beneficiaries. This Development Agreement and all provisions hereof is made and entered into for the sole protection and benefit of City, Owner and their successors and assigns. No other person shall have right of action based upon any provision in this Development Agreement.

22.24 Jurisdiction and Venue. Any action at law or in equity arising under this Agreement or brought by a party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Development Agreement shall be filed and tried in the Superior Court of the County of Orange, State of California, and the Parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court.

22.25 Project as a Private Undertaking. It is specifically understood and agreed by and between the Parties hereto that 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 Development Agreement. No partnership, joint venture or other association of any kind is formed by this Development 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 private property.

22.26 Restrictions. Owner shall place in any agreements to sell or convey any interest in the Property or any portion thereof, provisions making the terms of this Development Agreement binding on any successors in interest of Owner and express provision for Owner or City, acting separately or jointly, to enforce the provisions of this Development Agreement and to recover attorneys' fees and costs for such enforcement.

22.27 Recitals. The recitals in this Development Agreement constitute part of this Development Agreement and each party shall be entitled to rely on the truth and accuracy of each recital as an inducement to enter into this Development Agreement.

22.28 Recording. The City Clerk shall cause a copy of this Development Agreement to be executed by City and recorded in the Official Records of Orange County no later than ten (10) days after the Development Agreement Date.

22.29 Entire Agreement. This Development Agreement, constitutes the entire agreement between the Parties with respect to the subject matter of this Development Agreement, and this Development Agreement supersedes all previous negotiations, discussions and agreements between the Parties, and no parol evidence of any prior or other agreement shall be permitted to contradict or vary the terms hereof.

22.30 Successors and Assigns. The burdens of the Development Agreement shall be binding upon, and the benefits of the Development Agreement inure to all successors in interest and assigns of the Parties to the Development Agreement.

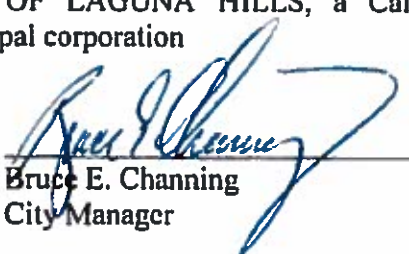
22.31 Exhibits. All exhibits, including attachments thereto, are incorporated in this Development Agreement in their entirety by this reference.

IN WITNESS WHEREOF, City and Owner have executed this Development Agreement as of the date and year first above written.

"CITY"

CITY OF LAGUNA HILLS, a California
municipal corporation

By:


Bruce E. Channing
City Manager

"OWNER"

LAGUNA HILLS INVESTMENT
COMPANY, a Delaware limited partnership

By: FRITZ DUDA COMPANY, a Texas
Corporation

Its General Partner

By:

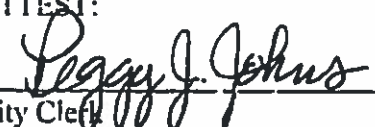

Fritz L. Duda
President

By:

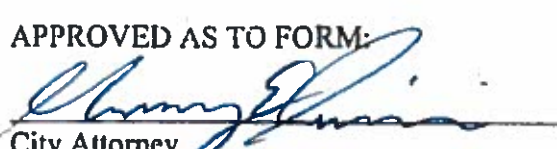
Name: _____

Title: _____

ATTEST:


Peggy J. Johns
City Clerk

APPROVED AS TO FORM:


City Attorney

All signatures to be acknowledged by a Public Notary

STATE OF CALIFORNIA

COUNTY OF ORANGE

SS

On November 6, 2013, before me, Judith Coletta, a Notary Public, personally appeared John & Ruth, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) ~~is~~ are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



STATE OF CALIFORNIA

COUNTY OF ORANGE

SS

On November 27, 2012, before me, Peggy J. Johns, a Notary Public, personally appeared Bruce E. Channing, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) ~~is~~ are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

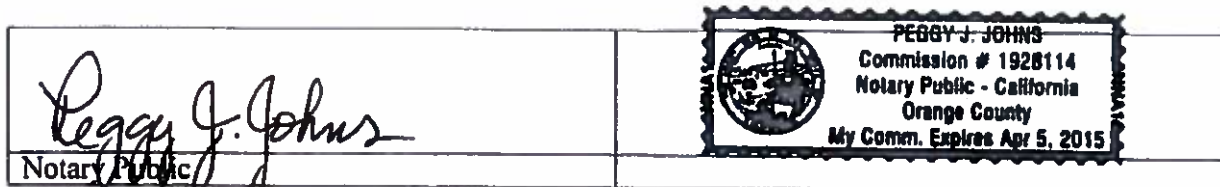


EXHIBIT A

PROPERTY DESCRIPTION

PARCELS 1 THROUGH 16 INCLUSIVE, AS SHOWN ON A MAP FILED IN BOOK 187, PAGES 42, 43 AND 44 OF PARCEL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF ORANGE COUNTY, CALIFORNIA. EXCEPTING ALL RIGHTS TO OIL, GAS AND OTHER HYDROCARBON AND MINERAL SUBSTANCES LYING UNDER OR THAT MAY BE PRODUCED FROM SAID LAND, WITHOUT, HOWEVER, THE RIGHT TO ENTER UPON ANY PORTION OF THE SURFACE AND 500 FEET BELOW THE SURFACE THEREOF, AS RESERVED IN DEEDS FROM GLEN E. MATHIS AND WIFE AND FIRST WESTERN BANK AND TRUST COMPANY, A CALIFORNIA CORPORATION, RECORDED JULY 28, 1972 IN BOOK 10248, PAGES 164, 167 AND 170 OF OFFICIAL RECORDS.

EXHIBIT B

DEVELOPMENT FEES

Public Park In-lieu Fees

Owner hereby agrees that Chapter 8-06 of the Laguna Hills Municipal Code pertaining to park dedication and in-lieu fee requirements shall apply to both Phase 1 and Phase 2 of the Project, regardless of whether Owner proposes a subdivision map for each Phase. Accordingly, as part of the Development Fees applicable to the Project pursuant to this Development Agreement, Owner hereby agrees to, and shall, pay City a public park in-lieu fee of Seven Thousand Three Hundred Ninety Two Dollars (\$7,392.00) for each residential unit constructed as part of the Project, which amount the Parties agree is the applicable per dwelling unit fee calculated pursuant to Chapter 8-06 of the Laguna Hills Municipal Code. Said fee shall be paid on a per unit basis at the time of filing of the final map or, if no final map is filed, prior to issuance of a building permit for each residential unit.

Urban Village Traffic Impact Mitigation Fee

Owner shall pay a traffic impact mitigation fee in accordance with Chapter 9-102 of Laguna Hills Municipal Code in the amount of Three Thousand Nine Hundred Fourteen Dollars (\$3,914.00) per each new PM peak hour trip generated as a result of the Project, as determined by the City Engineer based upon a traffic study.

Public Art / Public Art In-Lieu Fee

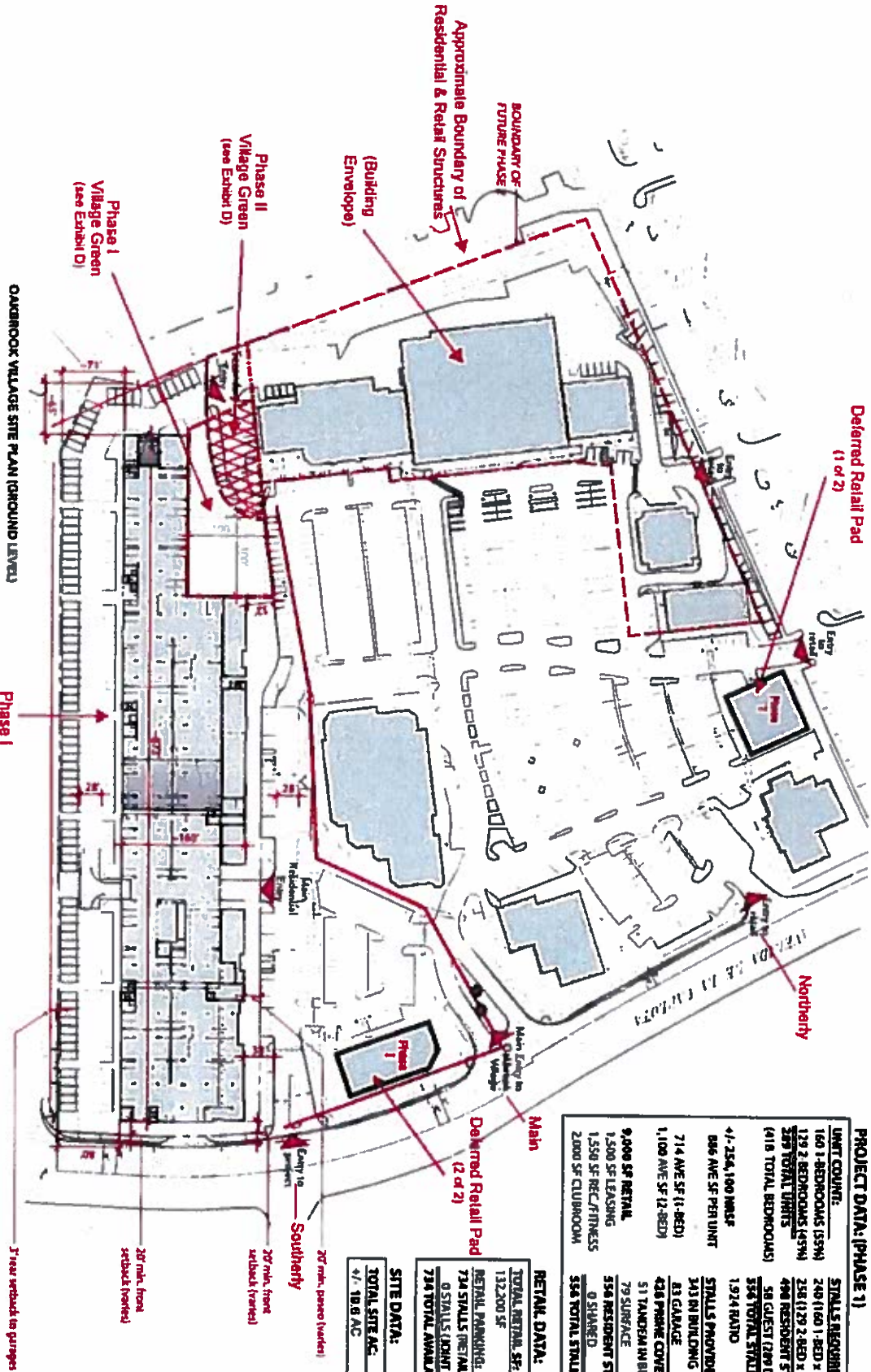
Owner shall furnish public art in connection with the Project, and/or pay an in-lieu fee, pursuant to the Specific Plan and other Existing Development Approvals. The Parties understand and agree that the City shall have the right to approve, in advance, the proposed type, size, art medium, location, and content of all Public Art. The Parties agree that, to the extent that the value of the public art provided and/or in-lieu fee paid by Owner for Phase 1 exceeds one-half percent (0.5%) of the total construction costs of Phase 1, as determined by the City, if Owner Develops Phase 2, Owner shall be entitled to a credit in such amount towards Owner's obligation to provide public art and/or pay an in-lieu fee pursuant to the Development of Phase 2.

Phase 2 Retail Loss Impact Fee

Owner shall pay City a Phase 2 Retail Loss Impact Fee in an amount calculated pursuant to Section 10.4 of the Development Agreement in order to offset the costs of certain City services required by the Project that are not otherwise being reimbursed to City.

EXHIBIT C

PHASE 1 SITE PLAN AND PHASE 2 BUILDING ENVELOPE



PROJECT DATA: (PHASE 1)	
UNIT COUNT:	STALLS REQUIRED:
160 1-BEDROOMS (55%)	2401 (160 1-BED x 1.5)
179 2-BEDROOMS (45%)	258 (179 2-BED x 2.0)
339 TOTAL UNITS	499 RESIDENT STALLS
(418 TOTAL BEDROOMS)	58 (LIFEST (780 CU FT) x 0.2)
41-254, 1000 HOURS	356 TOTAL STALLS
886 AVE SF PER UNIT	1,924 RATIO
714 AVE SF (1-BED)	STALLS PROVIDED:
1,000 AVE SF (2-BED)	343 IN BUILDING
9,000 SF RETAIL	83 GARAGE
1,500 SF LEASING	428 FRAME COVERED STALLS
1,550 SF REC/FITNESS	51 TRAMOLE IN BUILDING
2,000 SF CLUBROOM	79 SURFACE
	554 RESIDENT STALLS (GARAGE)
	9 SHARED
	554 TOTAL STALLS

RETAIL DATA:

TOTAL RETAIL SF:	132,200 SF
RETAIL PARKING:	734 STALLS (RETAIL)
O STALLS (NOT USE)	
734 TOTAL AVAILABLE STALLS	

SITE DATA:
TOTAL SITE AC: _____
+/- 10.0 AC

EXHIBIT D

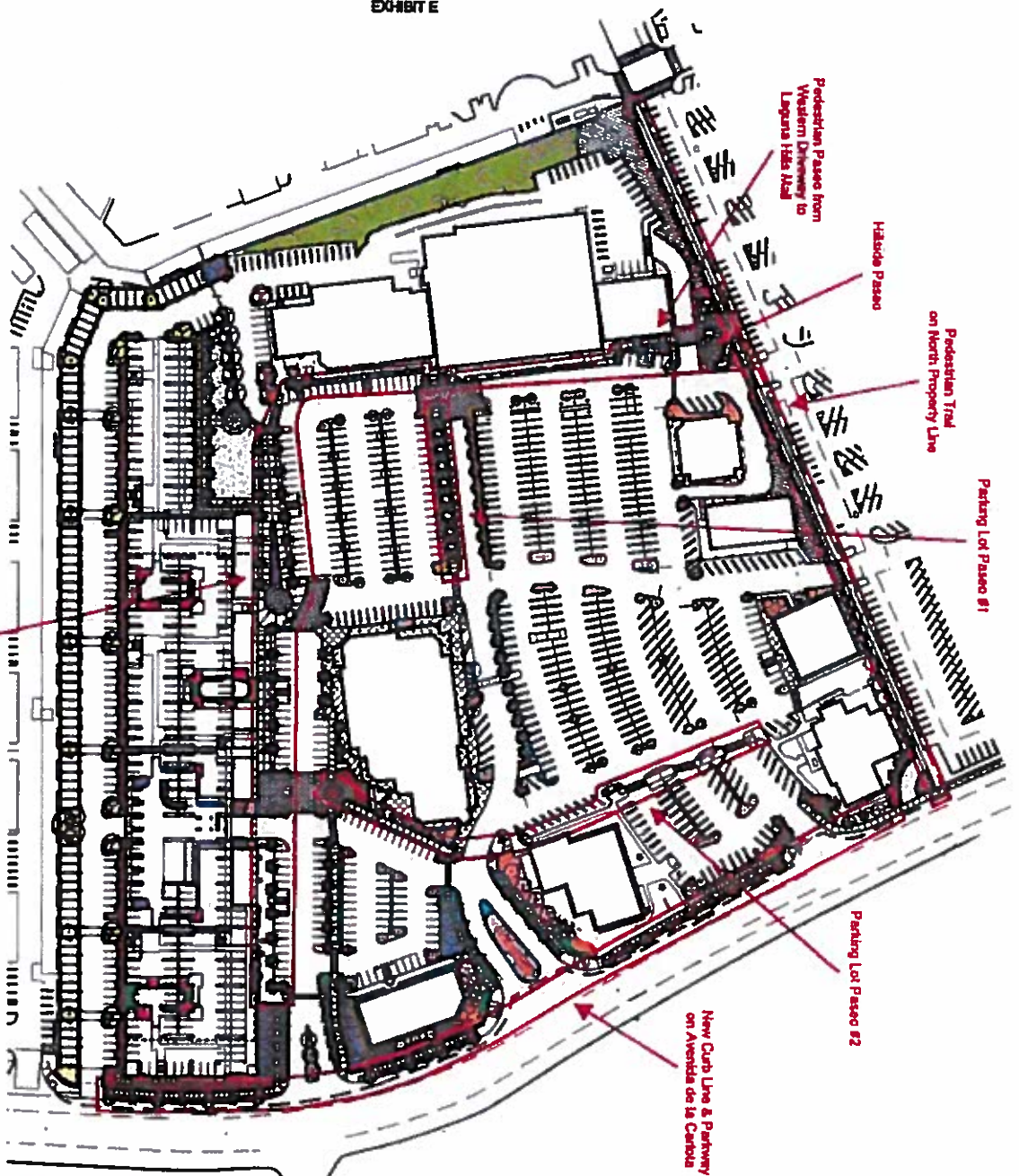
VILLAGE GREEN FACILITIES FOR PHASE 1 AND PHASE 2

EXHIBIT D
VILLAGE GREEN PHASE I

EXHIBIT E

PEDESTRIAN PASEOS DEPICTION

EXHIBIT E

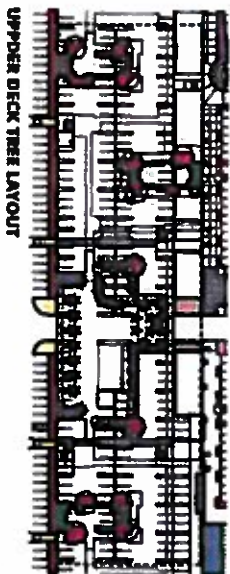


OVERALL SITE TREE LAYOUT

OAKBROOK VILLAGE LAGUNA HILLS, CALIFORNIA

Pedestrian Passes from Western Driveway to Laguna Hills Mall

The Pedestrian Passes will be designed and constructed in accordance with the Urban Village Specific Plan adopted by the City of Laguna Hills on November 28, 2002, City Council Ordinance No. 2002-4, Section 81 - Land Use Plan, Pedestrian Pathways.



UPPER DECK TREE LAYOUT

SYMBOL	DESCRIPTION	SYMBOL	DESCRIPTION
○	1" DBH	○	1" DBH
○	2" DBH	○	2" DBH
○	3" DBH	○	3" DBH
○	4" DBH	○	4" DBH
○	5" DBH	○	5" DBH
○	6" DBH	○	6" DBH
○	7" DBH	○	7" DBH
○	8" DBH	○	8" DBH
○	9" DBH	○	9" DBH
○	10" DBH	○	10" DBH
○	11" DBH	○	11" DBH
○	12" DBH	○	12" DBH
○	13" DBH	○	13" DBH
○	14" DBH	○	14" DBH
○	15" DBH	○	15" DBH
○	16" DBH	○	16" DBH
○	17" DBH	○	17" DBH
○	18" DBH	○	18" DBH
○	19" DBH	○	19" DBH
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○	21" DBH	○	21" DBH
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○	99" DBH	○	99" DBH
○	100" DBH	○	100" DBH

KITZ DUDA COMPANY
3425 Via Lido, Suite 210
Newport Beach, California 92663
(949) 773-1100



EXHIBIT F

ALL REQUIRED PUBLIC IMPROVEMENTS

1. Installation, to the reasonable satisfaction of the City Engineer, of a traffic signal at the intersection of Avenida de la Carlota and the main entrance to the Project, including interconnection to the existing traffic signal at the intersection of Avenida de la Carlota and Los Alisos Boulevard via conduit and hardwire, and construction on the easterly side of Avenida de la Carlota of a public sidewalk connection to the Oakbrook Plaza office development. Said traffic signal shall be constructed to applicable State and City standards and specifications and shall be equipped with video detection and controller equipment as approved by City. The sidewalks and ramps at all corners of the newly signalized intersection and the sidewalk connection to the Oakbrook Plaza office development on the easterly side of Avenida de la Carlota shall be constructed and/or modified to conform to City and Americans With Disabilities Act ("ADA") standards.
2. Dedication of the public right-of-way necessary for, and construction of, a new curb line along the entire Property frontage of Avenida de la Carlota, including a six (6) foot wide landscaped parkway space and a minimum six (6) foot wide sidewalk, to City standards and specifications.
3. Construction of storm drain connections, and inlets, and/or other improvements necessary to eliminate all cross-gutter drainage across both the main and the northerly entrance driveway intersections with Avenida de la Carlota.
4. Installation of debris gates of the type specified by the City Engineer at all catch basin inlets along the Property frontage to Avenida de la Carlota.
5. Realignment of the intersection of the northerly entrance to the Property with Avenida de la Carlota to intersect Avenida de la Carlota at ninety (90) degrees, to the reasonable satisfaction of the City Engineer and as shown on the vesting tentative map approved as part of the Phase I Project Approvals.
6. Construction or reconstruction of all curb ramps on Avenida de la Carlota at each entrance to the Property to current ADA standards.
7. Construction of any and all other public improvements required to be constructed pursuant to the Existing Land Use Regulations and the conditions of approval to the Existing Development Approvals.

EXHIBIT G
PHASE 2 RETAIL LOSS IMPACT FEE EXAMPLES

889416.1

G-1

2/10/2015 ITEM NO.
2/24/2015 ITEM NO. 3.5

Example 1

Calculation of Amount of Security

ASSUMPTIONS

Retail Square Footage Deficit	46,574	Phase 2 Commencement Date	March 1, 2024
Projected Annual City Sales Tax Revenue (including Use Tax) Per Sq. Ft. (2012 Dollars)	\$3.32	Date of Final Certificate of Occupancy for Minimum 125,000 Sq. Ft. Retail	September 1, 2027
Inflation Factor	2.50%	Time Elapsed Between March 1, 2024 and September 1, 2027	3 Years, 184 Days
Present Value Interest Factor	4.00%		

Calendar Year	Projected Annual City Sales Tax Revenue (Per Sq. Ft.)	4% Present Value Interest Factor Table (20 Years)	Discounted Projected Annual City Sales Tax Revenue (Per Sq. Ft.)	5-Year Cash Deposit Amount*	Alternative Security Instrument Amount*
2013	\$3.40				
2014	\$3.48				
2015	\$3.57				
2016	\$3.66				
2017	\$3.75				
2018	\$3.84				
2019	\$3.94				
2020	\$4.04				
2021	\$4.14				
2022	\$4.24				
2023	\$4.35				
2024	\$4.46	0.9615	\$4.29	\$199,646.98	
2025	\$4.57	0.9246	\$4.23	\$196,784.65	
2026	\$4.68	0.889	\$4.16	\$193,938.02	
2027	\$4.80	0.8548	\$4.10	\$191,139.11	
2028	\$4.92	0.8219	\$4.04	\$188,377.01	
2029	\$5.04	0.7903	\$3.99		\$185,662.74
2030	\$5.17	0.7599	\$3.93		\$182,983.99
2031	\$5.30	0.7307	\$3.87		\$180,351.44
2032	\$5.43	0.7026	\$3.82		\$177,751.19
2033	\$5.57	0.6756	\$3.76		\$175,193.46
2034	\$5.71	0.6496	\$3.71		\$172,662.54
2035	\$5.85	0.6246	\$3.65		\$170,168.02
2036	\$6.00	0.6006	\$3.60		\$167,720.12
2037	\$6.15	0.5775	\$3.55		\$165,301.08
2038	\$6.30	0.5553	\$3.50		\$162,920.32
2039	\$6.46	0.5339	\$3.45		\$160,557.78
2040	\$6.62	0.5134	\$3.40		\$158,252.71
2041	\$6.78	0.4936	\$3.35		\$155,953.21
2042	\$6.95	0.4746	\$3.30		\$153,698.90
2043	\$7.13	0.4564	\$3.25		\$151,499.97
			Subtotal	\$969,885.76	\$2,520,677.49

a. Discounted Projected City Sales Tax Revenue X Retail Square Footage Deficit

Example 1 Continued

Calculation of Phase 2 Retail Loss Impact Fee

ASSUMPTIONS

Retail Square Footage Deficit	46,574	Phase 2 Commencement Date	March 1, 2024
Projected Annual City Sales Tax Revenue (including Use Tax) Per Sq. Ft. (2012 Dollars)	\$3.32	Date of Final Certificate of Occupancy for Minimum 125,000 Sq. Ft. Retail	September 1, 2027
Inflation Factor	2.50%	Time Elapsed Between March 1, 2024 and September 1, 2027	3 Years, 184 Days
Present Value Interest Factor	4.00%		

Calendar Year	Discounted Projected Annual City Sales Tax Revenue (Per Sq. Ft.)	5-Year Cash Deposit Amount	Phase 2 Retail Loss Impact Fee	Refund to Owner
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024	\$4.29	\$199,646.98	\$199,646.98	
2025	\$4.23	\$196,784.65	\$196,784.65	
2026	\$4.16	\$193,938.02	\$193,938.02	
2027	\$4.10	\$191,139.11	\$96,355.06 ^a	
2028	\$4.04	\$188,377.01		
	Subtotal	\$969,885.76	\$ 686,724.70	\$283,161.06^b

a. $\$191,139.11 \times (184 \text{ Days} + 365 \text{ Days}) = \$96,355.06$

b. $\$969,885.76 - \$686,724.70 = \$283,161.06$

Example 2

Calculation of Amount of Security

ASSUMPTIONS

Retail Square Footage Deficit	46,574	Phase 2 Commencement Date	January 1, 2018
Projected Annual City Sales Tax Revenue (including Use Tax) Per Sq. Ft. (2012 Dollars)	\$3.32	Date of Final Certificate of Occupancy for Minimum 125,000 Sq. Ft. Retail	November 1, 2020
Inflation Factor	2.50%	Time Elapsed Between March 1, 2024 and September 1, 2027	2 Years, 304 Days
Present Value Interest Factor	4.00%		

Calendar Year	Projected Annual City Sales Tax Revenue (Per Sq. Ft.)	4% Present Value Interest Factor Table (20 Years)	Discounted Projected Annual City Sales Tax Revenue (Per Sq. Ft.)	5-Year Cash Deposit Amount ^a	Alternative Security Instrument Amount ^a
2013	\$3.40				
2014	\$3.48				
2015	\$3.57				
2016	\$3.66				
2017	\$3.75				
2018	\$3.84	0.9615	\$3.70	\$172,154.97	
2019	\$3.94	0.9246	\$3.64	\$169,686.78	
2020	\$4.04	0.889	\$3.59	\$167,232.14	
2021	\$4.14	0.8548	\$3.54	\$164,818.66	
2022	\$4.24	0.8219	\$3.49	\$162,436.90	
2023	\$4.35	0.7903	\$3.44		\$160,096.40
2024	\$4.46	0.7599	\$3.39		\$157,786.52
2025	\$4.57	0.7307	\$3.34		\$155,516.48
2026	\$4.68	0.7026	\$3.29		\$153,274.30
2027	\$4.80	0.6756	\$3.24		\$151,068.77
2028	\$4.92	0.6496	\$3.20		\$148,886.37
2029	\$5.04	0.6246	\$3.15		\$146,735.35
2030	\$5.17	0.6006	\$3.11		\$144,624.54
2031	\$5.30	0.5775	\$3.06		\$142,538.60
2032	\$5.43	0.5553	\$3.02		\$140,485.68
2033	\$5.57	0.5339	\$2.97		\$138,448.47
2034	\$5.71	0.5134	\$2.93		\$136,460.82
2035	\$5.85	0.4936	\$2.89		\$134,477.96
2036	\$6.00	0.4746	\$2.85		\$132,534.08
2037	\$6.15	0.4564	\$2.80		\$130,637.95
2038	\$6.30				
2039	\$6.46				
2040	\$6.62				
2041	\$6.78				
2042	\$6.95				
2043	\$7.13				
			Subtotal	\$836,329.46	\$2,173,572.30

a. Discounted Projected City Sales Tax Revenue X Retail Square Footage Deficit

Example 2 Continued

Calculation of Retail Loss Impact Fee

ASSUMPTIONS

Retail Square Footage Deficit	46,574	Phase 2 Commencement Date	January 1, 2018
Projected Annual City Sales Tax Revenue (including Use Tax) Per Sq. Ft. (2012 Dollars)	\$3.32	Date of Final Certificate of Occupancy for Minimum 125,000 Sq. Ft. Retail	November 1, 2020
Inflation Factor	2.50%	Time Elapsed Between March 1, 2024 and September 1, 2027	2 Years, 304 Days
Present Value Interest Factor	4.00%		

Calendar Year	Discounted Projected Annual City Sales Tax Revenue (Per Sq. Ft.)	5-Year Cash Deposit Amount	Phase 2 Retail Loss Impact Fee	Refund to Owner
2013				
2014				
2015				
2016				
2017				
2018	\$3.70	\$172,154.97	\$172,154.97	
2019	\$3.64	\$169,686.78	\$169,686.78	
2020	\$3.59	\$167,232.14	\$139,283.76 ^a	
2021	\$3.54	\$164,818.66		
2022	\$3.49	\$162,436.90		
2023	\$3.44			
2024	\$3.39			
2025	\$3.34			
2026	\$3.29			
2027	\$3.24			
2028	\$3.20			
	Subtotal	\$836,329.46	\$481,125.51	\$355,203.95 ^b

a. $\$167,232.14 \times (304 \text{ Days} \div 365 \text{ Days}) = \$139,283.76$

b. $\$836,329.46 - \$481,125.51 = \$355,203.95$

**ATTACHMENT 2- PROPOSED ORDINANCE / AMENDMENT NO. 1 TO
DEVELOPMENT AGREEMENT**

ORDINANCE NO. 2015-__

**AN ORDINANCE OF THE CITY OF LAGUNA HILLS,
CALIFORNIA, APPROVING AND ADOPTING AN
AMENDMENT NO. 1 TO DEVELOPMENT AGREEMENT
BETWEEN THE CITY OF LAGUNA HILLS AND LAGUNA
HILLS INVESTMENT COMPANY AND OAKBROOK
URBAN VILLAGE I, LLC, FOR THE OAKBROOK VILLAGE
SHOPPING CENTER REDEVELOPMENT PROJECT**

WHEREAS, the City of Laguna Hills (the "City") and Laguna Hills Investment Company previously entered into to that certain Development Agreement, which was approved pursuant to City Council Ordinance No. 2012-4 on November 27, 2012, became effective December 28, 2012, and was recorded in the Official Records, Orange County Clerk-Recorder's Office on January 2, 2013, as Document No. 2013000002329 (the "Development Agreement"), pertaining to the redevelopment of the Oakbrook Village Shopping Center property (the "Property"), located at 24231-24391 Avenida de la Carlota in the Urban Village Specific Plan area with a multi-phase, mixed-use project consisting of multi-family residential units, renovated and expanded retail uses, public open space, pedestrian pathways, and private and public infrastructure improvements within the Village Commercial District of the Urban Village Specific Plan area, generally located south of the Laguna Hills Mall along Avenida de la Carlota to the East, north of Los Alisos Boulevard (the "Project"). A copy of the Development Agreement is on file in the office of the City Clerk of the City of Laguna Hills; and

WHEREAS, on November 27, 2012, pursuant to the California Environmental Quality Act ("CEQA"), the City Council and Planning Agency determined that the Project is within the scope of the "City of Laguna Hills General Plan Program Environmental Impact Report, June 2009, State Clearinghouse No. 20080811100" ("PEIR"), and that the Project would not result in any new significant effects that were not examined in the PEIR, a substantial increase in the severity of significant effects examined in the PEIR, or require any new mitigation measures or alternatives. The City therefore adopted Addendum to the PEIR for the Project pursuant to Public Resources Code Sections 21166 , 21083.3, and CEQA Guidelines Sections 15168, 15162, 15164, and 15183. The City filed a Notice of Determination on November 28, 2012; and

WHEREAS, following the approval and execution of the Development Agreement, Laguna Hills Investment Company subsequently assigned an interest in the Development Agreement to Oakbrook Urban Village I, LLC, as described and as set forth in that certain Assignment of Development Agreement dated April 24, 2014, as recorded in the Official Records, Orange County, Clerk Recorder, on April 24, 2014, bearing document number 2014000157001; and

WHEREAS, Laguna Hills Investment Company and Oakbrook Urban Village I, LLC are collectively referred to herein as the "Owner"; and

WHEREAS, the Development Agreement establishes specified time periods by which the Owner is required to commence and complete the various components of Phase 1 of the Project, including, without limitation, the renovation of the façades of all remaining retail structures located on the Property and various pedestrian paseos and trails; and

WHEREAS, in accordance with Section 13 of the Development Agreement, the Owner has proposed that the Development Agreement be amended to extend the time periods by which the Owner is required (i) to obtain all applicable permits for the renovation of the façades of all remaining retail structures located on the Property (other than restaurant Buildings D and E (Lone Star and El Torito), for which façade renovation is not required), and (ii) to complete construction of the improved north-south pedestrian paseo, the hillside pedestrian paseo connecting the north-south pedestrian paseo with the adjacent property occupied by the Laguna Hills Mall, and the pedestrian trail along the north Property line; and

WHEREAS, the City Council serves as, and is, the Planning Agency of the City pursuant to Government Code Section 65100; and

WHEREAS, on January 30, 2015 as required by Government Code Section 65867, the City caused public notice to be given of the City Council's intention to consider adoption of the Amendment No. 1 to Development Agreement for the Project (the "Amendment No. 1"), and on February 10, 2015, as required by Government Code Section 65867, the City Council held a public hearing on adoption of the Amendment No. 1, and introduction and first reading of this ordinance; and

WHEREAS, on February 24, 2015, the City Council considered the adoption of this ordinance approving and authorizing the execution of the Amendment No. 1; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, HEREBY ORDAINS AS FOLLOWS:

SECTION 1. The City hereby determines that no further environmental review is required. The Amendment No. 1 will merely extend the time periods by which Owner is required to obtain all applicable permits for the renovation of the façades of all remaining retail structures located on the Property and to complete construction of three pedestrian paseos for Phase 1 of the Project, but will not impact the scope of the Project. Accordingly, the City hereby determines that the Amendment No. 1 is within the scope of the Addendum adopted on November 27, 2012, and that none of the circumstances triggering further environmental review have occurred since the adoption of the Addendum: (i) there are no substantial changes in the Project requiring major revisions of the PEIR or Addendum due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified

significant effects; (ii) there are no substantial changes with respect to the circumstances under which the Project is being undertaken which will require major revisions of the PEIR or Addendum due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified effects; and (iii) there is no new information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the PEIR or Addendum was adopted showing that: (a) the Project will have one or more significant effects not discussed in the PEIR or Addendum; (b) significant effects previously examined will be substantially more severe than shown in the PEIR or Addendum; (c) mitigation measures or alternatives previously found not feasible would in fact be feasible, and would substantially reduce one or more significant effects of the Project, but the mitigation measures or alternatives have not been adopted; or (d) mitigation measures or alternatives considerably different from those analyzed in the PEIR or Addendum would substantially reduce one or more significant effects on the environment, but the mitigation measures or alternatives have not been adopted. (Public Resources Code Section 21166 and CEQA Guidelines Sections 15162.)

SECTION 2. The Amendment No. 1 to Development Agreement with the Owner for the Project attached hereto as Exhibit "A" is hereby APPROVED based on the following statement of findings:

- A. The findings set forth in City Council Ordinance No. 2012-4, adopted on November 27, 2012, supporting the adoption and approval of the Development Agreement, are hereby incorporated by reference as if set forth in full herein.
- B. The Amendment No. 1 has been properly requested pursuant to Section 13 of the Development Agreement.
- C. The Development Agreement, as amended by the Amendment No. 1, and the Project remain consistent with the objectives, policies, general land uses, and programs of the Laguna Hills General Plan and the Urban Village Specific Plan encouraging an urban village identity to include a variety of high quality public, regional commercial, recreational, and high density residential uses working in concert to create an "urban village" with enhanced pedestrian areas conveniently linking commercial, residential, and civic areas. The Amendment No. 1 merely modifies the time periods set forth in the Development Agreement by which Owner is required to obtain all applicable permits for the renovation of the façades of all remaining retail structures located on the Property and to complete construction of three pedestrian paseos for Phase 1 of the Project, but does not modify the scope of the Project.
- D. The Development Agreement, as amended by the Amendment No. 1, and the Project remain consistent with the densities and uses authorized for the Project site specified in the Laguna Hills General Plan, the Urban Village Specific Plan, and the Zoning and Development Code of the City.

- E. The Development Agreement, as amended by the Amendment No. 1, continues to provide for the orderly development of the Project property. The Development Agreement, as amended by the Amendment No. 1, continues to identify the different phases and timing for construction of the Project and public improvements.
- F. The Development Agreement, as amended by this Amendment No. 1, and the Project remain consistent with the Zoning and Development Code of the City, compatible with the present and future logical growth of the proposed project area (as envisioned in the Laguna Hills General Plan and Urban Village Specific Plan), and designed to protect and promote the public health, safety and welfare.

SECTION 3. The City Council finds that the above recitations are true and correct and constitute the findings of the City Council and Planning Agency in this case.

SECTION 4. The City Manager is hereby directed and authorized to take all necessary actions to implement this ordinance, including but not limited to, the execution of the Amendment No. 1 to Development Agreement attached hereto as Exhibit "A" and other related documents.

SECTION 5. A fully executed copy of the Amendment No. 1 to Development Agreement attached hereto as Exhibit "A" between the City and the Owner shall be filed and maintained in the office of the City Clerk.

SECTION 6. The City Clerk shall record a copy of the Amendment No. 1 to Development Agreement within 10 days of the effective date of this Ordinance, on or before April 6, 2015.

SECTION 7. This Ordinance shall become effective 30 days after its adoption, on March 27, 2015.

SECTION 8. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have adopted this ordinance and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more section, subsection, subdivision, sentence, clause, phrase, or portion thereof be declared invalid or unconstitutional.

SECTION 9. The City Clerk shall certify to the adoption of this ordinance and cause the same to be posted at the duly designated posting places within the City and published once within fifteen days after passage and adoption as may be required by law; or, in the alternative, the City Clerk may cause to be published a summary of this ordinance and a certified copy of the text of this ordinance shall be posted in the office of the City Clerk five days prior to the date of adoption of this ordinance; and, within fifteen days after adoption, the City Clerk shall cause to be published the

aforementioned summary and shall post a certified copy of this ordinance, together with the vote for and against the same, in the office of the City Clerk.

PASSED, APPROVED, AND ADOPTED this ____ day of _____, 2015.

DORE J. GILBERT, M.D., MAYOR

ATTEST:

PEGGY J. JOHNS, CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF LAGUNA HILLS)

I, Peggy J. Johns, City Clerk of the City of Laguna Hills, California, DO HEREBY CERTIFY that the foregoing Ordinance No. 2015- _ was duly introduced and placed upon its first reading at a Regular Meeting of the City Council on the 10th day of February, 2015, and that thereafter, said Ordinance was duly adopted and passed at a Regular Meeting of the City Council held on the 24th day of February, 2015, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

PEGGY J. JOHNS, CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF LAGUNA HILLS)

**AFFIDAVIT OF POSTING
AND PUBLICATION**

PEGGY J. JOHNS, being first duly sworn, deposes and says:

**That she is the duly appointed and qualified City Clerk of the City of
Laguna Hills;**

**That in compliance with State Laws of the State of California,
ORDINANCE NO. -1, being:**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY
OF LAGUNA HILLS, CALIFORNIA, APPROVING AND
ADOPTING AN AMENDMENT NO. 1 TO DEVELOPMENT
AGREEMENT BETWEEN THE CITY OF LAGUNA HILLS
AND LAGUNA HILLS INVESTMENT COMPANY AND
OAKBROOK URBAN VILLAGE I, LLC FOR THE
OAKBROOK VILLAGE SHOPPING CENTER
REDEVELOPMENT PROJECT**

**on the 6th day of March 2015, was published in the Saddleback Valley News; and was,
in compliance with City Resolution No. 2004-05-25-2, on the 25th day of February 2015,
caused to be posted in three places in the City of Laguna Hills, to wit:**

**Laguna Hills City Hall
Laguna Hills Community Center
The Courtyard at La Paz Center**

**PEGGY J. JOHNS, CITY CLERK
Laguna Hills, California**

EXHIBIT A

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

City of Laguna Hills
c/o City Clerk
24035 El Toro Road
Laguna Hills, California 92653

(Space Above Line for Recorder's Use)
Exempt from Recorder's Fees Pursuant to
Government Code §§ 6103 and 27383

**AMENDMENT NO. 1 TO DEVELOPMENT AGREEMENT
(Oakbrook Village Shopping Center Mixed Use Project)**

BY AND BETWEEN

**THE CITY OF LAGUNA HILLS, a municipal corporation, duly organized and existing
under the Constitution and laws of the State of California**

AND

LAGUNA HILLS INVESTMENT COMPANY, a Delaware limited partnership

AND

OAKBROOK URBAN VILLAGE I, LLC, a Delaware limited liability company

THIS AMENDMENT NO. 1 TO DEVELOPMENT AGREEMENT SHALL BE RECORDED WITHIN TEN DAYS OF ITS EFFECTIVE
DATE PURSUANT TO THE REQUIREMENTS OF GOVERNMENT CODE §65868.5

1052779.5

**2/10/2015 ITEM NO.
2/24/2015 ITEM NO. 3.5**

**AMENDMENT NO. 1 TO DEVELOPMENT AGREEMENT
BETWEEN
THE CITY OF LAGUNA HILLS
AND
LAGUNA HILLS INVESTMENT COMPANY
AND
OAKBROOK URBAN VILLAGE I, LLC**

This Amendment No. 1 to Development Agreement ("Amendment No. 1") is made and entered into this 27th day of March, 2015 ("Effective Date"), by and between the City of Laguna Hills, a municipal corporation, duly organized and existing under the Constitution and laws of the State of California ("City"), on the one hand, and Laguna Hills Investment Company, a Delaware limited partnership, and Oakbrook Urban Village I, LLC, a Delaware limited liability company (collectively "Owner"), on the other hand, pursuant to the authority set forth in Article 2.5 of Chapter 4 of Division I of Title 7, Sections 65864 through 65869.5 of the California Government Code (the "Development Agreement Statute").

RECITALS

A. City is authorized, pursuant to California Government Code §§65864 through 65869.5 (the "Development Agreement Statute") and Chapter 9-84 of the Laguna Hills Municipal Code (the "Development Agreement Ordinance") to enter into binding development agreements with persons having legal or equitable interests in real property for the development of such property.

B. City and Laguna Hills Investment Company previously entered into to that certain Development Agreement, which was approved pursuant to City Council Ordinance No. 2012-4 on November 27, 2012, became effective December 28, 2012, and was recorded in the Official Records, Orange County Clerk-Recorder's Office on January 2, 2013, as Document No. 2013000002329 (the "Development Agreement"), pertaining to the redevelopment of the Oakbrook Village Shopping Center property (the "Property"), located at 24231-24391 Avenida de la Carlota in the Urban Village Specific Plan area, which is more particularly described in Exhibit A attached hereto, with a multi-phase, mixed-use project consisting of multi-family residential units, renovated and expanded retail uses, public open space, pedestrian pathways, and private and public infrastructure improvements (the "Project").

C. On November 27, 2012, pursuant to the California Environmental Quality Act ("CEQA"), the City Council and Planning Agency determined that the Project is within the scope of the "City of Laguna Hills General Plan Program Environmental Impact Report, June 2009, State Clearinghouse No. 20080811100" ("PEIR"), and that the Project would not result in any new significant effects that were not examined in the PEIR, a substantial increase in the severity of significant effects examined in the PEIR, or require any new mitigation measures or alternatives. The City therefore adopted Addendum to the PEIR for the Project pursuant to Public Resources Code Sections 21166, 21083.3, and CEQA Guidelines Sections 15168, 15162, 15164, and 15183. The City filed a Notice of Determination on November 28, 2012.

D. Following the approval and execution of the Development Agreement, Laguna Hills Investment Company subsequently assigned an interest in the Development Agreement to Oakbrook Urban Village I, LLC, as described and as set forth in that certain Assignment of Development Agreement dated April 24, 2014, as recorded in the Official Records, Orange County, Clerk Recorder, on April 24, 2014, bearing document number 2014000157001.

F. The Project consists of two phases. Phase 1 of the Project ("Phase 1") generally includes, without limitation: (i) the demolition of approximately 82,730 square feet of the approximately 190,956 square feet of existing retail space on the Property; (ii) the construction of the "Deferred Retail Pads" (as defined in Section 1.4 of the Development Agreement) and approximately 9,000 square feet of additional new retail space, resulting in approximately 132,200 square feet, and no less than a minimum of 124,000 square feet of retail space on the Property; (iii) the renovation of the facades of all remaining retail structures located on the Property other than restaurant Buildings D and E (Lone Star and El Torito); (iv) the construction of a maximum of 289 multi-family residential units; and (v) the construction of the "Phase 1 Public Improvements" (as defined in Section 1.25 of the Development Agreement).

F. The Phase 1 Public Improvements consist of several improvements, including, without limitation: (i) the construction of an approximately 17,000 square foot Village Green; (ii) the construction of an east-west pedestrian pasco; (iii) the construction of an improved north-south pedestrian paseo; (iv) the construction of a hillside pedestrian paseo connecting the north-south pedestrian pasco with the adjacent property occupied by the Laguna Hills Mall; (v) the construction of a pedestrian trail along the north Property line; (vi) the construction of two parking lot pascos; (vii) the construction of various pedestrian connections between all buildings; (viii) the installation of a traffic signal at the intersection of Avenida de la Carlota and the main entrance to the Property, including interconnection to the existing traffic signal at the intersection of Avenida de la Carlota and Los Alisos Boulevard, and construction on the easterly side of Avenida de la Carlota of a public sidewalk connection to the Oakbrook Plaza office development; (ix) dedication of the public right-of-way necessary for, and construction of, a new curb line along the entire Property frontage of Avenida de la Carlota, including a six (6) foot wide landscaped parkway space and a minimum six (6) foot wide sidewalk; (x) construction of storm drain connections, inlets, and/or other improvements necessary to eliminate all cross-gutter drainage across both the main and the northerly entrance driveway intersections with Avenida de la Carlota; (xi) the installation of debris gates at all catch basin inlets along the Property frontage to Avenida de la Carlota; (xii) the realignment of the intersection of the northerly entrance to the Property with Avenida de la Carlota; (xiii) the construction or reconstruction of all curb ramps on Avenida de la Carlota at each entrance to the Property to current Americans with Disability Act ("ADA") standards; and (xiv) construction of any and all other public improvements required to be constructed pursuant to the Existing Land Use Regulations and the conditions of approval to the Existing Development Approvals.

G. Section 5.4.1 of the Development Agreement provides, in part, that, except as otherwise expressly provided in the Development Agreement, Owner (i) shall have obtained all applicable grading, encroachment, building, demolition, and similar permits for Development of all portions of Phase 1 of the Project within two (2) years of the Development Agreement Date

(i.e., December 28, 2014), and (ii) shall have completed Development of all portions of Phase 1 of the Project within five (5) years of the Development Agreement Date (i.e., December 28, 2017). Section 5.4.3 of the Development Agreement provides that, notwithstanding Section 5.4.1 of the Development Agreement, Owner shall not be obligated to commence the Phase 1 Public Improvements within two (2) years of the Development Agreement Date; however, with the exception of the Village Green, Owner shall complete the Phase 1 Public Improvements prior to the issuance of the first residential certificate of occupancy for Phase 1. Section 5.4.3 further provides that Owner shall complete construction of the Phase 1 Village Green prior to issuance of the final residential certificate of occupancy for Phase 1.

H. In accordance with Section 13 of the Development Agreement, Owner has proposed that the Development Agreement be amended to extend the time periods by which Owner is required (i) to obtain all applicable permits for the renovation of the façades of all remaining retail structures located on the Property (other than restaurant Buildings D and E (Lone Star and El Torito), for which façade renovation is not required), and (ii) to complete construction of the improved north-south pedestrian paseo, the hillside pedestrian paseo connecting the north-south pedestrian paseo with the adjacent property occupied by the Laguna Hills Mall, and the pedestrian trail along the north Property line.

I. The remaining retail structures located on the Property to which façade renovations are to be made are described and depicted on Exhibit B attached to this Amendment No. 1. The pedestrian paseos and pedestrian trail to be constructed are described and depicted in Exhibit C attached to this Amendment No. 1, which shall hereafter replace Exhibit E to the Development Agreement.

J. On January 30, 2015, as required by Section 65867 of the Development Agreement Statute, the City caused public notice to be given of the City Council's intention to consider adoption of this Amendment No. 1.

K. On February 10, 2015, as required by Section 65867 of the Development Agreement Statute, the City Council held a public hearing on this Amendment No. 1.

L. The City has determined that no further environmental review is required. The Amendment No. 1 will merely extend the time periods by which Owner is required to obtain all applicable permits for the renovation of the façades of all remaining retail structures located on the Property and to complete construction of three pedestrian paseos, but will not impact the scope of Phase 1. Accordingly, the City has determined that the Amendment No. 1 is within the scope of the Addendum adopted on November 27, 2012, and that none of the circumstances triggering further environmental review have occurred since the adoption of the Addendum: (i) there are no substantial changes in the Project requiring major revisions of the PEIR or Addendum due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; (ii) there are no substantial changes with respect to the circumstances under which the Project is being undertaken which will require major revisions of the PEIR or Addendum due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified effects; and (iii) there is no new information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the PEIR or Addendum

was adopted showing that: (a) the Project will have one or more significant effects not discussed in the PEIR or Addendum; (b) significant effects previously examined will be substantially more severe than shown in the PEIR or Addendum; (c) mitigation measures or alternatives previously found not feasible would in fact be feasible, and would substantially reduce one or more significant effects of the Project, but the mitigation measures or alternatives have not been adopted; or (d) mitigation measures or alternatives considerably different from those analyzed in the PEIR or Addendum would substantially reduce one or more significant effects on the environment, but the mitigation measures or alternatives have not been adopted. (Public Resources Code Section 21166 and CEQA Guidelines Sections 15162.)

M. The City Council hereby finds and determines that the Development Agreement, as modified pursuant to this Amendment No. 1: (i) is consistent with the objectives, policies, general land uses, and programs contained City's General Plan and Urban Village Specific Plan; (ii) is compatible with the uses authorized in the Village Commercial land use district; (iii) provides for the orderly development of the Property; and (iv) is entered into pursuant to and in compliance with the requirements of Section 65867 of the Development Agreement Statute.

N. On February 24, 2015, the City Council adopted an Ordinance approving and authorizing the execution of this Amendment No. 1.

NOW, THEREFORE, pursuant to the authority contained in the Development Agreement Statute, and pursuant to the Development Agreement Ordinance, and pursuant to the mutual promises and covenants herein contained, the Parties hereto agree as follows:

1. Incorporation of Recitals. The foregoing recitals are true and correct and are incorporated herein by reference.

2. Capitalized Terms. Unless otherwise specified herein, all capitalized terms in this Amendment No. 1 shall have the meaning(s) set forth for the same in the Development Agreement.

3. Amendment Extending Time to Commence Renovation of Façades of Remaining Retail Structures. Notwithstanding the provision of Section 5.4.1 of the Development Agreement requiring that Owner have obtained all applicable grading, encroachment, building, demolition, and similar permits for Development of Phase I of the Project within two (2) years of the Development Agreement Date, the dates by which Owner is required to obtain all applicable permits for the renovation of the façades of the remaining retail structures located on the Property are hereby extended as provided below:

A. Owner shall have obtained all applicable grading, encroachment, building, demolition, and similar permits for the façade renovations required by the Existing Development Approvals for Building H on or before April 15, 2015.

B. Owner shall have obtained all applicable grading, encroachment, building, demolition, and similar permits for the façade renovations required by the Existing Development Approvals for Buildings A, B, C, P and Q on or before September 30, 2015.

4. Amendment to Section 5.4.3 of the Development Agreement, entitled "Phase 1 Public Improvements". Section 5.4.3 of the Development Agreement is hereby amended as follows (additions shown in bold/underline text; deletions shown in ~~strike through~~ text):

5.4.3 Phase 1 Public Improvements. Notwithstanding Section 5.4.1, Owner shall not be obligated to commence the Phase 1 Public Improvements within two (2) years of the Development Agreement Date. However, with the exception of the ~~(i) Village Green, (ii) the improved north-south pedestrian paseo, (iii) the hillside pedestrian paseo connecting the north-south pedestrian paseo with the adjacent property occupied by the Laguna Hills Mall, and (iv) the pedestrian trail along the north Property line,~~ Owner shall complete the Phase 1 Public Improvements prior to issuance of the first residential certificate of occupancy for Phase 1. Accordingly, Owner shall not be entitled to the issuance of, and City shall not be obligated to issue, certificates of occupancy for any residential units constructed in Phase 1 of the Project until all Phase 1 Public Improvements, other than the ~~(i) Village Green, (ii) the improved north-south pedestrian paseo, (iii) the hillside pedestrian paseo connecting the north-south pedestrian paseo with the adjacent property occupied by the Laguna Hills Mall, and (iv) the pedestrian trail along the north Property line,~~ have been completed and accepted by City. Owner shall complete construction of the Phase 1 Village Green and the north-south pedestrian paseo prior to issuance of the final residential certificate of occupancy for Phase 1. Accordingly, Owner shall not be entitled to the issuance of, and City shall not be obligated to issue, a certificate of occupancy for the last residential unit (or the building in which the last residential unit is located, if applicable) constructed in Phase 1 of the Project until the Village Green and the improved north-south pedestrian paseo for Phase 1 have been completed and approved in writing by the City.

The Parties acknowledge that it is in their mutual interest for the planning and construction of the hillside pedestrian paseo connecting the north-south pedestrian paseo with the adjacent property occupied by the Laguna Hills Mall and the pedestrian trail along the north Property line be coordinated with the owners of the adjacent property occupied by the Laguna Hills Mall. Therefore, completion of these two portions of the Phase 1 Public Improvements shall not be a condition precedent to City's issuance of residential certificates of occupancy for Phase 1. However, in accordance with Section 5.4.1, Owner shall have completed the hillside pedestrian paseo connecting the north-south pedestrian paseo with the adjacent property occupied by the Laguna Hills Mall and the pedestrian trail along the north Property line within five (5) years of the Development Agreement Date (i.e., December 28, 2017). Owner agrees that it shall use best efforts to coordinate with the owner of the property occupied by the Laguna Hills Mall to plan and construct the Phase 1 Public Improvements along Owner's north property line that are adjacent to the Laguna Hills Mall property.

5. Amendment to Exhibit E, entitled "Pedestrian Paseos Exhibit," of Development Agreement. Exhibit E to the Development Agreement is hereby replaced in its entirety by the depiction attached as Exhibit C to this Amendment No. 1, which is hereby incorporated into the Development Agreement by reference.

6. Full Force and Effect. This modifying Amendment No. 1 is supplemental to the Development Agreement and is by reference made a part of said Development Agreement. All of the terms, conditions, and provisions, thereof, unless specifically modified herein, shall continue in full force and effect. In the event of any conflict or inconsistency between the provisions of this Amendment No. 1 and any provisions of the Agreement, the provision of this Amendment No. 1 shall in all respects govern and control.

7. Binding Effect. This Amendment No. 1 shall be binding on the parties hereto and their respective successors and assigns.

8. Authority to Execute. The person(s) executing this Amendment No. 1 on behalf of Owners represent and warrant that he/she/they has/have the authority to execute this Amendment No. 1 on behalf of his/her/their corporate entity/partnership and represent(s) and warrant(s) that he/she/they has/have the authority to bind Owners to the performance of Owners' obligations hereunder.

9. Counterparts. This Amendment No. 1 may be executed in one or more counterparts, all counterparts shall be valid and binding on the party executing them, and all counterparts shall together constitute one and the same document for all purposes.

10. Recording. The City Clerk shall cause a copy of this Amendment No. 1 to be executed by City and recorded in the Official Records of Orange County no later than ten (10) days after the Effective Date.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, City and Owners have executed this Amendment No. 1 as of the date and year first above written.

"CITY"

CITY OF LAGUNA HILLS, a California
municipal corporation

By: _____
Bruce E. Channing
City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

"OWNERS"

LAGUNA HILLS INVESTMENT
COMPANY, a Delaware limited partnership

By: FRITZ DUDA COMPANY, a Texas
Corporation

Its General Partner

By: _____
Fritz L. Duda
President

By: _____
Name: _____
Title: _____

OAKBROOK URBAN VILLAGE I, LLC,
a Delaware limited liability company

By: Shea Properties Management Company,
Inc., a Delaware corporation,
Its Development Manager

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

All signatures to be acknowledged by a Public Notary

STATE OF CALIFORNIA

COUNTY OF ORANGE

)
) ss
)

On _____, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public	

STATE OF CALIFORNIA

COUNTY OF ORANGE

)
) ss
)

On _____, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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WITNESS my hand and official seal.

Notary Public	

STATE OF CALIFORNIA

COUNTY OF ORANGE

)
) ss
)

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WITNESS my hand and official seal.

Notary Public	

STATE OF CALIFORNIA

COUNTY OF ORANGE

)
) ss
)

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WITNESS my hand and official seal.

Notary Public	

STATE OF CALIFORNIA

COUNTY OF ORANGE

)
) ss
)

On _____, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public	

STATE OF CALIFORNIA

COUNTY OF ORANGE

)
) ss
)

On _____, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public	

EXHIBIT A

PROPERTY DESCRIPTION

LOT 1-4 OF I.L.A. 2013-01 RECORDED APRIL 24, 2014 AS INSTRUMENT NO. 2014000156993 TOGETHER WITH PARCELS 5-15 AS SHOWN ON PARCEL MAP 80-120 FILED IN BOOK 187, PAGES 42-44 OF PARCEL MAPS, IN THE CITY OF LAGUNA HILLS, COUNTY OF ORANGE, BOTH OF OFFICIAL RECORDS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, STATE OF CALIFORNIA.

EXHIBIT B

PHASE 1 REMAINING RETAIL STRUCTURES

1052779 5

**2/10/2015 ITEM NO.
2/24/2015 ITEM NO. 3.5**

2/10/2015 ITEM NO.
2/24/2015 ITEM NO. 3.5



EXHIBIT C

PEDESTRIAN PASEOS DEPICTION

1052779 5

**2/10/2015 ITEM NO.
2/24/2015 ITEM NO. 3.5**

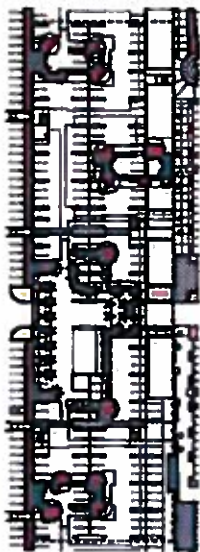
EXHIBIT "C"

PEDESTRIAN PASEOS EXHIBIT OAKBROOK VILLAGE LAGUNA HILLS, CALIFORNIA

Pedestrian Paseo from
Western Driveway to
Laguna Hills Mall
(North-South Paseo)

The Pedestrian Paseo will be designed and constructed in accordance with the Urban Village Specific
Plan adopted by the City of Laguna Hills on November 14, 2012, City Council Ordinance No. 2012-4,
Section 12 - Land Use Plan, Pedestrian Pathways.

UPPER DECK TREE LAYOUT



TYPE	SYMBOL	DESCRIPTION	TYPE	SYMBOL	DESCRIPTION
1	Circle with cross	Tree	1	Circle with cross	Tree
2	Circle with cross	Tree	2	Circle with cross	Tree
3	Circle with cross	Tree	3	Circle with cross	Tree
4	Circle with cross	Tree	4	Circle with cross	Tree
5	Circle with cross	Tree	5	Circle with cross	Tree
6	Circle with cross	Tree	6	Circle with cross	Tree
7	Circle with cross	Tree	7	Circle with cross	Tree
8	Circle with cross	Tree	8	Circle with cross	Tree
9	Circle with cross	Tree	9	Circle with cross	Tree
10	Circle with cross	Tree	10	Circle with cross	Tree
11	Circle with cross	Tree	11	Circle with cross	Tree
12	Circle with cross	Tree	12	Circle with cross	Tree
13	Circle with cross	Tree	13	Circle with cross	Tree
14	Circle with cross	Tree	14	Circle with cross	Tree
15	Circle with cross	Tree	15	Circle with cross	Tree
16	Circle with cross	Tree	16	Circle with cross	Tree
17	Circle with cross	Tree	17	Circle with cross	Tree
18	Circle with cross	Tree	18	Circle with cross	Tree
19	Circle with cross	Tree	19	Circle with cross	Tree
20	Circle with cross	Tree	20	Circle with cross	Tree
21	Circle with cross	Tree	21	Circle with cross	Tree
22	Circle with cross	Tree	22	Circle with cross	Tree
23	Circle with cross	Tree	23	Circle with cross	Tree
24	Circle with cross	Tree	24	Circle with cross	Tree
25	Circle with cross	Tree	25	Circle with cross	Tree
26	Circle with cross	Tree	26	Circle with cross	Tree
27	Circle with cross	Tree	27	Circle with cross	Tree
28	Circle with cross	Tree	28	Circle with cross	Tree
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FRITZ DUBA COMPANY
3455 Via Loma Vista, Suite 200
Irvine, CA 92614
949.721.7110



ATTACHMENT 3- PROPOSED PLANNING AGENCY RESOLUTION OF APPROVAL

RESOLUTION NO. PA

A RESOLUTION OF THE PLANNING AGENCY OF THE CITY OF LAGUNA HILLS, CALIFORNIA, AMENDING RESOLUTION NOS. PA2014-02-11-2 AND PA2012-11-13-1 TO MODIFY CONDITION OF APPROVAL NO. 47 OF SITE DEVELOPMENT PERMIT/MASTER SIGN PROGRAM/ CONDITIONAL USE PERMIT/ PARKING USE PERMIT/VESTING TENTATIVE TRACT MAP/PRECISE PLAN/ DEVELOPMENT AGREEMENT NO. 12-11-2137 TO EXTEND THE TIME PERIODS FOR COMMENCEMENT OR COMPLETION OF CERTAIN PHASE 1 ON-SITE IMPROVEMENTS, A REQUEST BY LAGUNA HILLS INVESTMENT COMPANY AND OAKBROOK URBAN VILLAGE 1, LLC FOR THE OAKBROOK VILLAGE SHOPPING CENTER LOCATED AT 24231-24391 AVENIDA DE LA CARLOTA.

The Planning Agency of the City of Laguna Hills, California, hereby finds, determines, declares, and resolves as follows:

WHEREAS, on November 13, 2012, the Planning Agency adopted Resolution No. PA2012-11-13-1 approving Site Development Permit/ Master Sign Program/ Conditional Use Permit/ Parking Use Permit/ Vesting Tentative Tract Map/ Precise Plan/ Development Agreement (SDPM/MSP/CUP/PUP/TTM/PREC/DEVA) No. 12-11-2137 the redevelopment of Oakbrook Village Shopping Center with a Phase 1 mixed-use project (the "Project"), located at 24231-24391 Avenida de la Carlota, subject to specified conditions of approval (the "Conditions of Approval"); and

WHEREAS, on November 27, 2012, the City Council of the City of Laguna Hills adopted Ordinance No. 2012-4 approving a Development Agreement between the City of Laguna Hills and Laguna Hills Investment Company pertaining to the Project (the "Development Agreement"), which Development Agreement became effective December 28, 2012 and was recorded in the Official Records, Orange County Clerk-Recorder's Office on January 2, 2013, as Document No. 2013000002329; and

WHEREAS, on November 27, 2012, pursuant to the California Environmental Quality Act ("CEQA"), the City Council and Planning Agency determined that the Project is within the scope of the "City of Laguna Hills General Plan Program Environmental Impact Report, June 2009, State Clearinghouse No. 20080811100" ("PEIR"), and that the Project would not result in any new significant effects that were not examined in the PEIR, a substantial increase in the severity of significant effects examined in the PEIR, or require any new mitigation measures or alternatives. The City therefore adopted an addendum to the PEIR for the Project pursuant to Public Resources Code Sections 21166, 21083.3, and CEQA Guidelines Sections 15168, 15162, 15164, and 15183. The City filed a Notice of Determination on November 28, 2012; and

WHEREAS, on February 11, 2014, the Planning Agency adopted Resolution No. PA2014-02-11-2 making modifications to certain Conditions of Approval of SDPM/MSP/CUP/PUP/TTM/PREC/DEVA No. 12-11-2137; and

WHEREAS, Laguna Hills Investment Company and Oakbrook Urban Village I, LLC (collectively, the "Owner") have now requested that the Laguna Hills City Council approve an Amendment No. 1 to Development Agreement extending the time periods by which the Owner is required (i) to obtain all applicable permits for the renovation of the façades of all remaining retail structures located on the Property (other than restaurant Buildings D and E (Lone Star and El Torito), for which façade renovation is not required), and (ii) to complete construction of the improved north-south pedestrian paseo, the hillside pedestrian paseo connecting the north-south pedestrian paseo with the adjacent property occupied by the Laguna Hills Mall, and the pedestrian trail along the north Property line (the "Amendment No. 1 to Development Agreement"); and

WHEREAS, Condition of Approval No. 47 specifies timeframes pertaining to the construction of pedestrian paseos and the pedestrian trail consistent with those set forth in the Development Agreement, some of which would be modified pursuant to Amendment No. 1 to Development Agreement; and

WHEREAS, the Owner has requested that the Planning Agency amend Resolution Nos. PA2012-11-13-1 and PA2014-02-11-2 to modify Condition of Approval No. 47 to be consistent with the Development Agreement, as amended by Amendment No. 1 to Development Agreement; and,

WHEREAS, the Planning Agency has considered evidence presented by the Community Development Department, the Owner, and other interested parties with respect to the subject application at a public hearing, which was noticed for February 10, 2015.

NOW, THEREFORE, THE PLANNING AGENCY OF THE CITY OF LAGUNA HILLS, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE, AND ORDER AS FOLLOWS:

SECTION 1. The above recitals are true and correct, and are incorporated herein by reference.

SECTION 2. The Planning Agency hereby finds and determines that no further environmental review is required. The modifications to the Conditions of Approval, as set forth herein, will merely extend the time periods by which Owner is required to complete construction of three pedestrian paseos for Phase 1 of the Project, but will not impact the scope of the Project or result in any physical changes to the Project. Accordingly, the Planning Agency hereby determines that the modifications to the Conditions of Approval, as set forth herein, are within the scope of the Addendum adopted on November 27, 2012, and that none of the circumstances triggering further environmental review have occurred since the adoption of the Addendum: (i) there are no substantial changes in the Project requiring major revisions of the PEIR or

Addendum due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; (ii) there are no substantial changes with respect to the circumstances under which the Project is being undertaken which will require major revisions of the PEIR or Addendum due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified effects; and (iii) there is no new information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the PEIR or Addendum was adopted showing that: (a) the Project will have one or more significant effects not discussed in the PEIR or Addendum; (b) significant effects previously examined will be substantially more severe than shown in the PEIR or Addendum; (c) mitigation measures or alternatives previously found not feasible would in fact be feasible, and would substantially reduce one or more significant effects of the Project, but the mitigation measures or alternatives have not been adopted; or (d) mitigation measures or alternatives considerably different from those analyzed in the PEIR or Addendum would substantially reduce one or more significant effects on the environment, but the mitigation measures or alternatives have not been adopted. (Public Resources Code Section 21166 and CEQA Guidelines Sections 15162).

SECTION 3. The required findings for approval of SDPM/MSP/CUP/PUP/TTM/PREC/DEVA No. 12-11-2137 set forth in Planning Agency Resolution No. 2012-11-13-1 are hereby reaffirmed and incorporated herein by reference as if set forth in full.

SECTION 4. Planning Agency Resolution Nos. PA2012-11-13-1 and PA2014-02-11-2 approving SDPM/MSP/CUP/PUP/TTM/PREC/DEVA No. 12-11-2137 and the related Conditions of Approval are hereby amended to modify Condition of Approval No. 47 as follows (deleted text is identified by ~~strike-through~~ formatting, and added text is indicated by underlined/bold formatting):

- 47a. Prior to the ~~issuance of the first residential Certificate of Occupancy~~ their installation and construction, plans for the pedestrian and parking lot paseos shall be reviewed and approved by the Community Development Director. The design shall be consistent with Figures 17 and 18 of the Urban Village Specific Plan.
- 47.b. All paseos shall be installed and constructed prior to the issuance of the first residential Certificate of Occupancy, except as otherwise provided in Conditions 47.c. and 47.d.
- 47.c. The north-south pedestrian paseo shall be installed and constructed prior to issuance of the final residential Certificate of Occupancy.

47.d. The hillside pedestrian paseo connecting the north-south pedestrian paseo with the adjacent property occupied by the Laguna Hills Mall and the pedestrian trail along the north Property line shall be installed and constructed on or before December 28, 2017.

SECTION 5. All Conditions of Approval to SDPM/MSP/CUP/PUP/TTM/PREC/DEVA No. 12-11-2137, as modified herein, are set forth for reference purposes only in Exhibit "A" to this Resolution.

SECTION 6. This effectiveness of this Resolution shall be contingent upon the adoption and effectiveness of an Ordinance by the Laguna Hills City Council approving and adopting the proposed Amendment No. 1 to Development Agreement. Should an Ordinance approving and adopting said Amendment No. 1 to Development Agreement not be adopted or take effect, this Resolution shall automatically be deemed null and void.

PASSED, APPROVED, AND ADOPTED this 10th day of February 2015.

DORE J. GILBERT, M.D., CHAIR

ATTEST:

PEGGY J. JOHNS, CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF LAGUNA HILLS)

I, Peggy J. Johns, City Clerk of the City of Laguna Hills, California, DO HEREBY CERTIFY that the foregoing is a true and correct copy of Resolution No. PA2015- adopted by the Planning Agency of the City of Laguna Hills, California, at a Regular Meeting thereof held on the 10th day of February, 2015, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

PEGGY J. JOHNS, CITY CLERK

EXHIBIT "A"

CONDITIONS OF APPROVAL (AS OF FEBRUARY 10, 2015)

General

1. This approval constitutes approval of the proposed Project only to the extent that it complies with the City's Development Code and any other applicable zoning regulations. Approval does not include any action or findings as to compliance or approval of the Project regarding any other applicable ordinance, regulation, or requirement.
2. Failure to abide by and faithfully comply with any and all conditions of approval shall constitute grounds for revocation and/or termination of the Site Development Permit, the Master Sign Program, the Conditional Use Permit, the Parking Use Permit, the Vesting Tentative Tract Map, and/or the Precise Plan approved in conjunction with the Project (collectively, the "Entitlements").
3. All Conditions of Approval set forth herein shall be binding on and enforceable against each of the following, and whenever used herein, the term "Applicant" shall mean and refer to the Project Applicant, the developer of the Project, the subdivider of the property, the owner(s) and tenant(s) of the property, and/or their successors and assigns, as applicable.
4. As a condition of issuance of the Entitlements granted herein, the Applicant hereby agrees, at its sole cost and expense and to the fullest extent permitted by law, to defend (with legal counsel approved or selected by City), indemnify, and hold harmless the City, its officers, employees, agents, and consultants, from any claim, action, or proceeding brought by a third party against the City, its officers, employees, agents, and consultants, which seeks to attack, challenge, set aside, void, or annul an approval of the City Council, Planning Agency, or other decision-making body, or staff action concerning this Project. The City agrees to promptly notify the Applicant of any such claim filed against the City and to fully cooperate in the defense of any such action. The City may, but is not obligated to, at its sole cost and expense, elect to participate in the defense of any such action under this condition.
5. The Applicant shall agree in writing to these conditions of approval within 30 days of the Planning Agency's approval.

6. The Applicant shall reimburse the City for any outstanding staff time spent on processing SDPM/MSP/CUP/PUP/TTM/PREC/DEVA No. 12-11-2137 within 60 days of the Planning Agency's approval.
7. The Entitlements shall become effective only upon the adoption and effective date of an Ordinance approving the Development Agreement for the "Oakbrook Village Shopping Center Mixed Use Project" between the City of Laguna Hills and the Applicant.
8. Within 30 days from the date of approval, the Applicant shall reimburse the City for fees associated with filing the Notice of Determination, including posting fees and Department of Fish and Game fees, if applicable.

Building

9. The Applicant shall obtain applicable building permits, as required by Section 105 of the 2010 California Building Code, prior to commencement of any work for which a permit is required.
10. Any required documents submitted for the purpose of building permit issuance shall be accurately labeled and reflect all work, as required by Section 107 of the 2010 California Building Code.
11. For building permit purposes only, the Applicant shall secure any required approvals from the Orange County Fire Authority, El Toro Water District, and City Planning and Engineering Departments prior to issuance of any required building permit.
12. At time of building permit issuance, the Applicant shall submit Construction and Demolition Waste Recycling Program documentation, if applicable, as required by the City of Laguna Hills Ordinance No. 2003-9 and to comply with mandates of the California Integrated Waste Management Board (CIWMB).
13. The Applicant shall comply with all applicable general construction Water Quality Ordinances, as required by the City of Laguna Hills and Ordinance No. 2003-12.
14. The Applicant shall secure any required approvals from Orange County Health Department as required.
15. The Applicant shall ensure compliance with the California Disabled Accessibility requirements, as required by Chapter 11 of the California Building Code.

16. The Applicant shall comply with all California Energy Code requirements, as required by the California Energy Commission.
17. All construction shall comply with applicable building codes including the 2010 California Building, Plumbing, Mechanical, Electrical, and Green Building Codes in regards to applicable occupancy types.
18. The California Green Building Code shall apply to all newly constructed buildings (from the ground up).
19. The Applicant shall comply with the City of Laguna Hills Water Efficient Landscape Ordinance.

OCFA

20. Prior to issuance of building permits, the Applicant shall submit to Orange County Fire Authority for review and approval a fire master plan (Service Code PR 145). A detailed fire master plan will be required demonstrating access to all rescue windows throughout the project. Fire hydrants and fire lanes shall be indicated on this plan.
21. Prior to issuance of building permits, the Applicant shall submit to Orange County Fire Authority for review and approval architectural plans (Service Code PR 200- PR 285), when required by the OCFA "Plan Submittal Criteria Form."
22. Prior to issuance of building permits, the Applicant shall submit to Orange County Fire Authority for review and approval plans for underground piping for private hydrants and fire sprinkler systems (Service Code PR 470- PR 475).
23. Prior to issuance of building permits, the Applicant shall submit to Orange County Fire Authority for review and approval a fire sprinkler system plan (Service Code PR 400- PR 465).
24. Prior to concealing interior construction, the Applicant shall submit to Orange County Fire Authority for review and approval plans for a sprinkler monitoring system plan (Service Code PR 500).
25. Prior to concealing interior construction, the Applicant shall submit to Orange County Fire Authority for review and approval plans for a fire alarm system plan (Service Code PR 500 – PR 520).

26. Specific submittal requirements to Orange County Fire Authority may vary from conditions numbered 22-27 listed above depending on actual project conditions identified or present during design development, review, construction, inspection, or occupancy. The Applicant shall comply with all submittal requirements of the Orange County Fire Authority.
27. Prior to commencement of construction, the Applicant or its agent shall attend a pre-construction meeting with an Orange County Fire Authority inspector. Call OCFA Inspection Scheduling at 714-573-6150 at least two days in advance to schedule and pay for the pre-construction meeting.
28. After installation of required fire access roadways and hydrants, the Applicant shall receive clearance from the OCFA prior to bringing combustible building materials on-site. Call OCFA Inspection Scheduling at 714-573-6150 with the Service Request number of the approved fire master plan at least two days in advance to schedule the lumber drop inspection.

Planning

29. Outdoor security and other lighting, including illuminated signs, shall be designed and maintained so as not to illuminate beyond the project boundary. All exterior lights shall be focused inward and away from surrounding uses and adjacent residential properties.
30. All noise generated by the Project, including construction noise, delivery noise, and other operational noise shall at all times meet noise requirements pursuant to LHMC section 5-24 (Noise Control).
31. If future activity or expansion at the subject site results in a change of use (switches to a different land use category), the Shared Parking model must be recalculated in its entirety. The resultant parking demand identified from a singular Shared Parking calculation must never be automatically used as a "baseline" value to debit or credit another (or future) project's incremental parking requirements.
32. If at any time in the future the Community Development Director determines, in his or her sole discretion, that a parking and circulation study is necessary to address parking and/or circulation issues relative to any change in any use or any portion of any use (i.e., change in tenant mix) in the shopping center, the Applicant shall, at its sole cost and expense, be responsible for the cost of

parking and circulation study prepared by a licensed consultant selected by the City. The Applicant shall, at its sole cost and expense, be responsible for implementation costs of any reasonable mitigation measures deemed appropriate by the Community Development Director related to such impacts based on the findings of such study.

33. Mechanical equipment, storage, trash areas, and utilities shall be architecturally screened by a solid material from public view to the reasonable satisfaction of the Community Development Director. The method of screening shall be architecturally compatible in terms of materials, color, shape, and size. The screening design shall blend with the building design and include landscaping when on the ground.
34. No building permits for any dwelling unit construction shall be issued until final map approval by the City Council and evidence of final map recordation has been provided to the City, and other applicable conditions have been met. Notwithstanding the foregoing, subject to the authority of the Building Official, building permits may be issued for the construction of dwelling units prior to final map approval upon the following conditions, which the Applicant expressly agrees to in consideration of this accommodation:
 - Issuance of any such building permit(s) does not confer upon Applicant any vested right or entitlement to issuance of Certificates of Occupancy for such dwelling units. In no case, shall any Certificates of Occupancy be issued until and unless all dedications and/or irrevocable offers of dedication shown on the Vesting Tentative Map or otherwise required by these Conditions of Approval have been made, CC&Rs have been approved by the City in accordance with Condition of Approval No. 37, all other applicable Conditions of Approval have been satisfied, the City Council has approved the final map, and evidence of final map recordation has been provided to the City.
35. (Intentionally Omitted)
36. Prior to the commencement of any work, the Applicant shall provide a contact number for the public to call concerning dust or noise complaints. The information shall also be posted on site in a manner approved by the Community Development Director.
37. The Applicant shall prepare Covenants, Conditions, and Restrictions, or another appropriate recordable document(s) or agreement(s) acceptable to the City that runs with the land and

binds future owners (collectively, "CC&Rs") for review and approval by the City Attorney's office and Community Development Department. The approved CC&Rs shall be recorded concurrently with the final subdivision map, and the Applicant shall provide a recorded copy of the CC&Rs prior to the issuance of certificates of occupancy. The CC&Rs shall provide for the establishment of a homeowners association and/or property owners' association, as applicable; shall address, to the satisfaction of the City, responsibilities for all common areas, utilities, drainage devices, ingress and egress, property maintenance, and building architecture; shall require that residents of the residential component of the Project to make their required garage parking available for the parking of automobiles at all times; shall include provisions identifying a property owner's association or other entity responsible for ongoing implementation and funding of the Operations and Maintenance (O&M) Plan associated with the WQMP for the Project and compliance with the City's Stormwater Quality Ordinance and other applicable National Pollutant Discharge Elimination System (NPDES) regulations; shall provide that those provisions of the CC&Rs benefitting the City may not be substantively amended or terminated without City approval; and shall provide that the City may, but shall not be obligated to, enforce the CC&Rs. The CC&Rs shall be submitted to the City Attorney for review and approval and shall be recorded concurrently with the final map. The Applicant shall provide a recorded copy of the CC&Rs prior to the issuance of occupancy. The Applicant shall reimburse the City for all legal costs associated with this condition.

38. A final landscape and irrigation plan for all Project landscaping shall be submitted to the City for review and approval prior to the issuance of a building permit. Trees installed shall be a minimum one-inch caliper. Final landscape and irrigation plans shall include information on minimum spacing between all plant materials except for trees which shall be planted as indicated on the preliminary landscape plan at a minimum. The Community Development Department shall inspect Applicant-installed landscaping to ensure full coverage of all landscaped areas. The Applicant shall provide additional material as required. Approved landscape and irrigation improvements shall be installed prior to the issuance of any occupancy, except for the Village Green area. Village Green landscape and irrigation improvements shall be installed prior to the issuance of the last residential occupancy.
39. Prior to the issuance of any building permit, the Applicant shall provide final details and specifications identifying the amenities of all

outdoor landscaped courtyards and pool courtyard to the Community Development Department for review and approval. The plan shall label the location of jacuzzis, cabanas, barbeques, fire pits, wet bars, and seating areas as depicted on Sheets A1.3a and A1.3b of the project architectural plans submitted to the City in support of the Entitlements.

40. The Applicant shall submit a final project photometric study to the Community Development Department for review and approval prior to the issuance of any building permits. Pedestrian and parking lot lighting poles and fixture types shall be consistent with the types depicted in the Urban Village Specific Plan.
41. Prior to the recordation of the Final Map or the issuance of building permits, whichever occurs first, sewer improvement plans to serve the project shall be designed to the satisfaction of the El Toro Water District.
42. Prior to the issuance of any certificates of occupancy, all sewer improvements shall be constructed to the satisfaction of the El Toro Water District.
43. Prior to the recordation of the Final Map, or the issuance of building permits, whichever occurs first, water improvement plans to serve the Project shall be designed to the satisfaction of the El Toro Water District. At a minimum, water lines shall be sized to accommodate the total domestic requirements and fire-flow requirements of OCFA.
44. Prior to the issuance of any occupancy, all water improvements shall be constructed to the satisfaction of the El Toro Water District.
45. Prior to the recordation of the Final Map, or the issuance of building permits, whichever occurs first, existing water line easements on the site shall be relocated to the satisfaction of the El Toro Water District.
46. No overhead utilities shall be installed.
47. 47a. Prior to their installation and construction, plans for the pedestrian and parking lot paseos shall be reviewed and approved by the Community Development Director. The design shall be consistent with Figures 17 and 18 of the Urban Village Specific Plan.

47b. All paseos shall be installed and constructed prior to the issuance of the first residential Certificate of Occupancy, except as otherwise provided in Conditions 47.c. and 47.d.

47c. The north-south pedestrian paseo shall be installed and constructed prior to issuance of the final residential Certificate of Occupancy.

47d. The hillside pedestrian paseo connecting the north-south pedestrian paseo with the adjacent property occupied by the Laguna Hills Mall and the pedestrian trail along the north property line shall be installed and constructed on or before December 28, 2017.

48. All vehicle and pedestrian gates shall be reviewed and approved by OCFA and OCSD for conformance with the respective agencies' requirements for limited access devices.
49. Prior to the issuance of grading permits for the Project, the southwest gated parking entrance shall be redesigned to avoid interfering with vehicles backing out of garage spaces.
50. The conditions of Project approval set forth herein include certain development impact fees and other exactions. Pursuant to Government Code §66020(d), these conditions constitute written notice of the amount of such fees. The Applicant is hereby notified that the 90-day protest period, commencing from the date of approval of the Project, has begun.
51. Prior to the issuance of any building permits for the project, the Applicant shall submit plans and specifications for the construction/fabrication and installation of public art required by the Urban Village Specific Plan. The proposed art work and its location shall be reviewed and approved by the Planning Agency along with conformance of the requirements and goals of the City's Public Art Program, which review and approval shall be completed prior to the issuance of any building permits for the project in accordance with the Urban Village Specific Plan. The public art shall be created and installed, or the required public art in lieu fee paid, prior to the issuance of the first residential certificate of occupancy for the project. Sequencing and phasing of the installation of public art within the Village Green area may be considered through an operating memoranda pursuant to the Development Agreement.
52. As indicated on the vesting tentative map, portions of the site required for public improvements shall be irrevocably offered for dedication prior to the recordation of the final map. Dedications shall be in fee or as an easement at the discretion of City. At the City's discretion, all such irrevocable offers of dedication shall either be made on the final map or by separate recorded instrument

approved by the City Attorney. The City may accept the Owner's offer of dedication upon Owner's completion and acceptance by City of the associated improvements in compliance with the specifications as approved by City. In no event shall any Certificate of Occupancy be issued until all required public improvements have been constructed and completed and the above-referenced irrevocable offers of dedication and associated improvements have been accepted by the City.

53. Prior to the City Council's approval of the final map, the Applicant shall pay the public park in-lieu fee of Seven Thousand Three Hundred Ninety Two Dollars (\$7,392.00) for each residential unit constructed as part of the Project. Consistent with Development Agreement No. 12-11-2137, if building permits are issued prior to the City Council's approval of the final map, then said fee shall be paid on a per unit basis prior to issuance of a building permit for each residential unit.
54. Prior to the issuance of the last residential certificate of occupancy, the Applicant shall construct the Secondary Entry Signs depicted by Exhibit G of the Project's proposed Master Sign Program.
55. Prior to the issuance of a building permit, the Applicant shall revise the Project's proposed Master Sign Program to the satisfaction of the Community Development Director to include the following:
 - a. General Specification No. 28 for Primary and Secondary Signs shall be revised to refer to the City of Laguna Hills Community Development Director.
 - b. Design Specifications for Primary Signs shall be revised to refer to the appropriate exhibit depicting the wood beam detail.
 - c. The height of stacked signs for In-Line Shop Buildings and Multi-Tenant Pads shall not exceed 12 inches.
 - d. (Intentionally omitted)
 - e. Unreadable text pertaining to sign locations on Exhibit A shall be revised.
 - f. Exhibit D shall be revised to show a readable canopy detail.
 - g. The maximum sign area for individual wall signs for In-Line Shop Buildings and Multi-Tenant Pads shall not exceed 150 square feet.
 - h. The maximum wall sign area for Major Anchor Retailer tenants shall be 150 square feet.
 - i. (Intentionally omitted)
 - j. (Intentionally omitted)
 - k. The description of the "Center Identification" provisions shall be revised to preclude the installation of a Perimeter Entry Sign facing the Laguna Hills Mall until the installation of an adjoining street between Oakbrook Village and the mall.
 - l. Secondary Entry Features shall not exceed a sign area of 15

square feet for the display of the shopping center name.

- m. Directional signage specifications shall be revised to a maximum height of 8 feet and a width of 4 feet and a maximum letter height of 3 inches.

Public Services

- 56. Project improvement plans and related documents shall be reviewed and approved by the City Engineer; said plans shall be prepared by a State of California Registered Civil Engineer and shall conform to City standards.
- 57. No work shall be performed within the public right-of-way, by the Applicant or his or her agents until a public property encroachment permit is issued by the City Engineer and applicable fees have been paid.
- 58. Construction traffic shall not access or depart the site during morning or evening peak periods, which are 7:00 a.m. to 9:00 a.m. and 4:00 p.m. to 6:00 p.m., Monday through Friday. The Applicant shall provide a construction vehicle routing plan for approval by the City Engineer prior to any demolition or construction work. The City Engineer may approve requests for alternative access, routing, and hours of access under special circumstances.
- 59. It shall be the Applicant's responsibility to protect-in-place existing public improvements. Applicant shall repair or replace, to the satisfaction of the City Engineer, any public improvements that are damaged as a result of the proposed construction.
- 60. All public improvements shall be constructed and completed to the satisfaction of the City Engineer prior to the recordation of a Final Map, or the Applicant shall enter into a Subdivision Improvement Agreement to include the posting of securities to guarantee the completion of the public improvements as approved by the City Attorney. In no event shall any Certificate of Occupancy be issued until and unless all required public improvements have been constructed and completed and accepted by the City.
- 61. The Subdivision Map shall be prepared in accordance with City, County, and State requirements and standards. The Applicant shall submit the Final Map for plan check to both the City Engineer and County Surveyor and pay all applicable plan check fees. The Applicant shall submit a current Title Report, supporting documents, and traverse closure calculations.

62. Any existing monumentation disturbed during construction shall be restored by a California Licensed Land Surveyor, and Corner Records shall be filed with the City Engineer and County Surveyor.
63. The Applicant shall submit a final grading plan and erosion control plan on 24"x 36" sheets to the City Engineer. A separate hydrology report shall also be provided. All plans shall be prepared by a registered Civil Engineer. The grading plan shall show street, sewer, water, storm drain facilities, and all proposed grading. The plans shall show the extent of topography of the grading plan and shall be sufficient to determine drainage impacts to the surrounding area. All grading shall be designed and constructed in accordance with the City's Grading and Excavation Code. The final grading plan shall be approved by the City Engineer prior to the issuance of a building permit. No concentrated drainage shall be allowed onto driveways or sidewalks and shall be conveyed to the street via a storm drain pipeline or culvert, as applicable.
64. A separate Grading Plan with related documents shall be required for each phase of development. Prior to the recordation of a final map, the Grading Plan for Phase One shall be submitted for review and approval by the City Engineer.
65. The Applicant shall submit a geotechnical report prepared by a Registered Engineering Geologist for approval by the City Engineer. The report shall include evaluation of onsite soils and provide recommendations on pavement sections, building foundations, and a discussion of the functionality of the water quality features.
66. All parking lots and drives shall be constructed of asphalt concrete over crushed aggregate base over subgrade, or equal, and compacted to a relative compaction of 95% or equivalent. The structural pavement thickness shall be no less than 4" AC over 6" AB, or more, for drive aisles, and 4" AC over 4" AB for all other areas, or more, as required by the project soils engineer and approved by the City Engineer.
67. Prior to issuance of a grading permit, the Applicant shall pay a traffic impact mitigation fee in accordance with Chapter 9-102 of Laguna Hills Municipal Code in the amount of Three Thousand Nine Hundred Fourteen Dollars (\$3,914.00) per each new PM peak hour trip generated as a result of the Project, as determined by the City Engineer based upon a traffic study.
68. Prior to the issuance of grading, building, encroachment, or other permits, as applicable, the Applicant shall pay, or provide City with

evidence of payment of, all fees required by public agencies other than the City, whether or not collected by the City, including, but not limited to, the fees imposed pursuant to the County of Orange's CARITS program, the fees imposed pursuant to the County of Orange's major thoroughfare and bridge fee programs for the Moulton Parkway/Laguna Niguel area, fees imposed by the San Joaquin Hills Transportation Corridor Agency, and school district fees.

69. Prior to issuance of any grading or building permits, the Applicant shall submit for approval by the Community Development Department and Public Services Department a water quality management plan (WQMP) specifically identifying Best Management Practices (BMPs) that will be used on-site to control predictable pollutant run-off. This WQMP shall identify Low Impact Development (LID) BMPs and routine structural and non-structural measures specified in the current Orange County Drainage Area Management Plan (DAMP) and the San Diego Regional Water Quality Control Board requirements. This WQMP must also:
- a. Address site design BMPs (as applicable) such as minimizing impervious areas, maximizing permeability, minimizing directly connected impervious areas, creating reduced or "zero discharge" areas, conserving natural areas, preserving trees, and retaining existing site hydrology to the maximum extent practicable;
 - b. Include a design goal to maintain or replicate the pre-development hydrologic functions through site preservation, infiltration, retention, detention, evapotranspiration, and filtration treatment systems.
 - c. Incorporate applicable routine source control BMPs as defined in the DAMP and provide a detailed description of their implementation;
 - d. Incorporate applicable treatment control BMPs as defined in the DAMP to the approval of the City Engineer;
 - e. Implement Low Impact Development (LID) BMPs to reduce runoff to the maximum extent practicable.
 - f. Include an Operation and Maintenance (O&M) plan that identifies the mechanism(s) by which long-term O&M of all post construction BMPs will be provided and funded.

70. Prior to issuance of grading permits, the Applicant shall submit a copy of the Notice of Intent (NOI) indicating that coverage has been obtained under the National Pollutant Discharge Elimination System (NPDES) State General Permit for Storm Water Discharges Associated with Construction Activity from the State Water Resources Control Board. Evidence that the NOI has been obtained shall be submitted to the Public Services Department. Projects subject to this requirement shall prepare and implement a Stormwater Pollution Prevention Plan (SWPPP). A copy of the current SWPPP shall be kept at the project site and be available for City review on request. In addition, the Applicant shall include notes on the grading plans indicating that the project will be implemented in compliance with the Statewide Permit for General Construction Activities.
71. The Applicant shall comply with and/or implement all hydromodification criteria, hydrologic control measures, performance measures, management measures, and other requirements of the Hydromodification Management Plan or Interim Hydromodification Criteria, as applicable, developed in accordance with Section F.1.h of Order No. R9-2009-0002 (NPDES Permit No. CAS0108740), or any subsequent Order adopted by the California Regional Water Quality Control Board, San Diego Region, and shall provide all necessary related calculations in the grading plans.
72. Prior to issuance of the first residential certificate of occupancy, the Applicant shall install, to the reasonable satisfaction of the City Engineer, a traffic signal at the intersection of Avenida de la Carlota and the main entrance to the Property, including interconnection to the existing traffic signal at the intersection of Avenida de la Carlota and Los Alisos Boulevard via conduit and hardwire, and construction on the easterly side of Avenida de la Carlota of a public sidewalk connection to the Oakbrook Plaza office development. Said traffic signal shall be constructed to applicable State and City standards and specifications and shall be equipped with video detection and controller equipment as approved by City. The sidewalks and ramps at all corners of the newly signalized intersection and the sidewalk connection to the Oakbrook Plaza office development on the easterly side of Avenida De La Carlota shall be constructed and/or modified to conform to City and Americans With Disabilities Act ("ADA") standards. Prior to construction of said improvements, the Applicant shall prepare, and the City Engineer shall approve, a Traffic Signal Improvement Plan and a Striping Plan for the proposed traffic signal, including a traffic signal interconnection plan to interconnect the new traffic signal with the existing traffic signal at the intersection of Avenida de la Carlota at Los Alisos Boulevard.

73. The Applicant shall design and construct, to the satisfaction of the City Engineer, storm drain connections, inlets, and/or other improvements necessary to eliminate all cross-gutter drainage across both the main and the northerly entrance driveway intersections with Avenida De La Carlota. No cross-gutters shall be used at the above-described intersections.
74. Debris gates of the type specified by the City Engineer shall be installed at all catch basin inlets along the Property frontage to Avenida De La Carlota.
75. The northerly entrance intersection with Avenida De La Carlota shall be realigned to intersect Avenida De La Carlota at 90 degrees to the reasonable satisfaction of the City Engineer and as shown on the Vesting Tentative Map.
76. Prior to issuance of the first residential certificate of occupancy, the Applicant shall dedicate and transfer to City the public right-of-way necessary for, and shall construct and create, a new curb line along the entire Property frontage of Avenida de la Carlota, including a six (6) foot wide landscaped parkway space and a minimum six (6) foot wide sidewalk to City standards and specifications. Such improvements shall not interfere with existing vehicular lane configurations or result in modifications that have the effect of reducing any on-site parking for the Project. Required parkway improvements shall be as shown on the approved landscape plans, shall be consistent with the Urban Village Specific Plan, and shall include all irrigation and drainage facilities and improvements deemed necessary by the City Engineer.
77. All of the curb ramps on Avenida De La Carlota at each entrance to Oakbrook Village shall be reconstructed to current ADA standards to the satisfaction of the City Engineer with detectable warning surface by Armor Tile, cast in place, and blue in color.
78. The Applicant shall provide an Americans with Disabilities Act (ADA) site review of existing pathways, sidewalks and access ramps for both on-site access and adjacent to the site access along the accessible pathways. The accessible pathway shall not include a path within any drive aisle, except as necessary to cross a drive aisle at 90° to the drive aisle. The report shall be prepared by a professional whose expertise lies in the field and shall include an implementation plan to correct all deficiencies noted as approved by the City Engineer. Any sidewalk or pathway not in compliance with ADA standards shall be reconstructed.

79. The Applicant shall demonstrate that all on-site access routes are capable to accommodate truck access and truck turning radii.
80. Prior to the grading permit close out (which may occur after the issuance of building permits) or the issuance of a certificate of use and occupancy, the Applicant shall demonstrate compliance with the WQMP in a manner meeting the satisfaction of the City Engineer, including:
 - a. Demonstrates that all structural BMPs described in the Project WQMP have been implemented, constructed, and installed in conformance with approved plans and specifications;
 - b. Demonstrates that the Applicant has complied with and/or is prepared to implement all non-structural BMPs described in the Project WQMP;
 - c. Demonstrates that an adequate number of copies of the project's approved Project WQMP are available for the future occupants;
 - d. Demonstrates that the Applicant has agreed to and recorded CC&R's, an agreement, or another legal instrument approved by the City Attorney that shall require the property owner, successors, tenants (if applicable), and assigns to fund, operate and maintain in perpetuity the post-construction BMPs described in the Project WQMP.
 - e. The Community Development Department and Public Services Department shall determine whether any proposed change in use requires an amendment to an approved Project WQMP and/or recorded document or agreement.
81. Trash/recycling enclosures shall be provided on-site and shall be constructed per the City of Laguna Hills Covered Trash Enclosure Detail and City standards, including a solid roof and sewer drain connection.
82. The Applicant shall install "Smart" landscape irrigation controllers, low precipitation-rate sprinkler heads, and water efficient landscaping throughout the property in conformance with Municipal Code Chapter 9-47.

Additional Mitigation Measures / Conditions

The following mitigation measures/conditions relate to air quality impacts:

83. During grading activities, all rubber-tired dozers and scrapers (≥ 50 horsepower) shall be CARB Tier 3 Certified or better. Additionally, the maximum (actively graded) disturbance area shall not exceed four acres per day.
84. The Applicant shall apply the following measures, as applicable, during construction of the Project to reduce the amount of fugitive dust in accordance with SCAQMD Rule 403:
- Dust suppression at construction sites using vegetation, surfactants, and other chemical stabilizers
 - Wheel washers for construction equipment
 - Watering down of all construction areas
 - Limit speeds at construction sites to 15 miles per hour
 - Covering of aggregate or similar material during transportation of material
85. The Applicant shall implement the following measures, as applicable, during construction of the Project to reduce exhaust emissions from construction equipment:
- On-site equipment shall not be left idling when not in use.
 - The hours of operation of heavy-duty equipment and/or the amount of equipment in use at any one time shall be limited.
 - Staging areas for heavy-duty construction equipment shall be located as far as possible from sensitive receptors.
 - Before construction contracts are issued, the project Applicant shall perform a review of new technology, in consultation with the SCAQMD, as it relates to heavy-duty equipment, to determine what (if any) advances in emissions reductions are available for use and are economically feasible. Construction contract and bid specifications shall require contractors to utilize the best available and economically feasible technology on an established percentage of the equipment fleet. It is anticipated that in the near future, both NO_x and PM₁₀ control equipment will be available.

86. Activities involving idling trucks shall be oriented as far away from and downwind of existing or proposed sensitive receptors as feasible. Strategies shall be incorporated to reduce the idling time of main propulsion engines through alternative technologies such as IdleAire, electrification of truck parking, and alternative energy sources for transport refrigeration units (TRUs) to allow diesel engines to be completely turned off.
87. The Applicant shall develop a Construction Traffic Emission Management Plan for the proposed project. The Plan shall include measures to minimize emissions from vehicles including: scheduling truck deliveries to avoid peak hour traffic, consolidating truck deliveries, and prohibiting truck idling in excess of five minutes. Other measures include: use electricity or alternate fuels for on-site mobile equipment instead of diesel equipment to the extent feasible; maintain construction equipment by conducting regular tune ups and retard diesel engine timing; use electric welders where electricity is available; use on-site electricity rather than temporary power generators where electricity is available; evaluate the feasibility of retrofitting the large off-road construction equipment; use alternative diesel fuels, if commercially available; and suspend the use of all construction activities during first stage smog alerts.

The following mitigation measures/conditions relate to both air quality and greenhouse gas emissions impacts:

88. Prior to building permit final, the Applicant shall provide bike support facilities (e.g., bicycle racks) to encourage bicycle riding as a transportation mode. Prior to installation, a plan for such amenities shall be submitted to the Community Development Director for his or her review and approval.
89. At a minimum, the Applicant shall implement the following "green" building practices:
- The apartment units shall feature dual pane low E vinyl windows, low flow toilets, low flow showerheads, low flow faucets, Energy Star appliances, energy efficient lighting, reflective white PVC "cool" roof membrane, programmable thermostats, and high efficiency HVAC condensing units.
 - Project irrigation shall utilize Smart irrigation technology.
 - The "green" 2010 Cal Green Building Code shall be implemented into building design.

- Individual identification of gas, electricity, and water consumption shall be available to give resident awareness of consumption.

The following mitigation measures/conditions relate to hazardous building materials impacts:

90. All demolition activities shall comply with the SCAQMD's Rule 1403, which requires that buildings undergoing demolition or renovation be surveyed for asbestos-containing materials (ACM) prior to any demolition or renovation activities.

The following mitigation measures/conditions relate to noise impacts:

91. Delivery or service hours for stores and businesses with loading areas, docks, or trash bins that gain access on driveways next to residential and other noise sensitive areas shall take place between the hours of 7:00 a.m. and 10:00 p.m. No use that is immediately adjacent to a residential use shall produce loading or unloading of materials, products, and or supplies at the site between the hours of 8:00 p.m. and 7:00 a.m. The City shall only approve exceptions if full compliance with the nighttime limits of the noise regulations is achieved.
92. Trucks associated with construction activities shall follow designated truck routes, where appropriate.
93. Noise sources associated with construction, repair, remodeling, or grading of any real property, shall not take place between the hours of 8:00 p.m. and 7:00 a.m. on weekdays, 8:00 p.m. and 8:00 a.m. on Saturday, or at any time on Sunday or a federal holiday.
94. Heating ventilation and air conditioning (HVAC) units shall be installed in compliance with the provisions of Chapter 5-24 (Noise Control) of the City's Municipal Code.
95. Prior to the issuance of building permits, the Applicant shall submit a final acoustical report prepared to the Satisfaction of the Community Development Director indicating compliance with the state's interior noise standard of 45 dB CNEL for multiple-family residential land use. The Applicant shall increase the recommended STC ratings of windows/ doors, exterior wall and/or roof assemblies for the project as recommended by the final acoustic report and include any such requirements in project building plans.

The following mitigation measures/conditions relate to utilities and service systems impacts:

96. The project shall comply with all federal, state, and local statutes and regulations related to solid waste. The project shall comply with the City's established reduction, reuse, and recycling programs.
97. The project shall be connected to the public sewer.

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THE CITY COUNCIL ADOPTED ORDINANCE NO. 2015-2, AN ORDINANCE OF THE CITY OF LAGUNA HILLS, CALIFORNIA, AMENDING AND RESTATING SECTIONS 2-28.060 AND 2-28.070 (APPOINTMENT AND TERMS) OF CHAPTER 2-28 (BOARDS AND COMMISSIONS GENERALLY) OF TITLE 2 (ADMINISTRATION AND PERSONNEL) OF THE LAGUNA HILLS MUNICIPAL CODE RELATING TO THE APPOINTMENT, TERMS, AND REAPPOINTMENT LIMITATION OF BOARD AND COMMISSION MEMBERS.

3.9 CITY COUNCIL "OTHER AGENCIES" APPOINTED REPRESENTATIVES

THE CITY COUNCIL APPOINTED COUNCIL MEMBER CARRUTH TO SERVE ON THE OC PUBLIC LIBRARIES - LIBRARY ADVISORY BOARD; AND APPOINTED COUNCIL MEMBER BLOUNT TO SERVE ON THE SOUTH ORANGE COUNTY WATERSHED MANAGEMENT AREA EXECUTIVE COMMITTEE.

3.10 UPGRADE TO THE AUDIO-VISUAL SYSTEM AT THE LAGUNA HILLS COMMUNITY CENTER AND ANNUAL MAINTENANCE OF THE AUDIO-VISUAL SYSTEM AT THE COMMUNITY CENTER AND THE CIVIC CENTER

THE CITY COUNCIL: (1) APPROVED THE PROFESSIONAL SERVICES AGREEMENT BETWEEN VIZUAL SYMPHONY, INC., AND THE CITY OF LAGUNA HILLS FOR THE UPGRADE OF THE AUDIO-VISUAL SYSTEM AT THE COMMUNITY CENTER FOR A NOT TO EXCEED COST OF \$60,000 AND AUTHORIZED THE CITY MANAGER TO EXECUTE THE AGREEMENT; AND (2) AUTHORIZED THE CITY MANAGER TO ENTER INTO A TWO YEAR MAINTENANCE AND SERVICE AGREEMENT IN THE AMOUNT OF \$6,500 FOR THE NEW AV SYSTEM AT THE LAGUNA HILLS COMMUNITY CENTER; AND (3) AUTHORIZED THE CITY MANAGER TO ENTER INTO A TWO YEAR MAINTENANCE AND SERVICE AGREEMENT IN THE AMOUNT OF \$19,500 FOR THE AV SYSTEM AT THE CIVIC CENTER.

4. PLANNING AGENCY

Mayor Gilbert recessed the City Council Meeting and acting in the capacity of Chair, called the regular meeting of the Planning Agency of the City of Laguna Hills, California, to order at 8:07 PM.

4.1 ROLL CALL OF PLANNING AGENCY MEMBERS

Present: Chair Gilbert, Vice Chair Kogerman, Agency Member Blount, Agency Member Carruth, and Agency Member Sedgwick.

4.2 PUBLIC COMMENTS

There were no Public Comments.

4.3 APPROVAL OF MINUTES FOR JANUARY 27, 2015

THE PLANNING AGENCY APPROVED THE MINUTES OF THE JANUARY 27, 2015, REGULAR MEETING, BY M/AGENCY MEMBER CARRUTH, VICE CHAIR KOGERMAN.

APPROVED BY A VOTE OF 5-0.

4.4 PLANNING AGENCY PUBLIC HEARINGS

4.4.1 CONDITIONAL USE PERMIT/SITE DEVELOPMENT PERMIT/ VARIANCE/ MASTER SIGN PROGRAM (CUP/SDPM/VA/MSP) NO. 10-14-3013, A REQUEST BY PM DESIGN GROUP ON BEHALF OF RAISING CANE'S TO REDEVELOP THE PROPERTY AT 23971 EL TORO ROAD IN THE VILLAGE COMMERCIAL ZONE INCLUDING DEMOLITION OF THE EXISTING SHELL STATION AND CONSTRUCTION AND OPERATION OF A NEW DRIVE-THRU RESTAURANT

Robert Kahn, Principal with RK Engineering Group, spoke regarding his concerns with the project, and that his primary concern was the impact at El Toro Road and with the high volume of traffic. Mr. Kahn stated that vehicles entering the site could block the conflict area and cause major backup on El Toro Road.

Chair Gilbert opened the Public Hearing.

Robert Montgomery, Applicant, spoke on the history of Raising Cane's Restaurant, and detailed the design elements, traffic flow and landscape plan for this project.

Tyler Holst, Civil Engineer for the Applicant, indicated that the original site plan provided circulation in a counter-clockwise manner and from an engineering standpoint was efficient but did not meet design guidelines.

Brady McShane, Legal Counsel, spoke on traffic queuing, parking requirements and variance findings for this project.

Rick Frazier, Owner/Operator of Don Jose Restaurant, located adjacent to this site, spoke on traffic volumes on El Toro Road and Avenida de la Carlota, ingress and egress of traffic, lack of parking, and visibility of his restaurant.

Ahmad Ghaderi, Ashdon Development and owner of this property for the past seven years, stated that although he loves this community, it has not been a



City of Laguna Hills

City Council Meeting Agenda

Staff Report

DATE: FEBRUARY 24, 2015

TO: MAYOR AND COUNCIL MEMBERS

**FROM: DAVID REYNOLDS
DEPUTY CITY MANAGER/COMMUNITY SERVICES**

**ISSUE: CITY OF LAGUNA HILLS PARTICIPATION AS A “HOST TOWN” CITY IN
SUPPORT OF THE 2015 SPECIAL OLYMPICS WORLD GAMES IN LOS
ANGELES**

**RECOMMENDATION: THAT THE CITY COUNCIL APPROVE THE CITY OF
LAGUNA HILLS’ PARTICIPATION AS A “HOST TOWN” CITY FOR THE 2015
SPECIAL OLYMPICS WORLD GAMES.**

SUMMARY:

Laguna Hills staff is working with staff from the City of Lake Forest to become a “Host Town” to support a delegation or two for the Special Olympics World Games (Special Olympics) which will be held in Los Angeles in July 2015. The Special Olympics will rely on the Host Towns to provide lodging, transportation, workout facilities, and community events to the delegation(s) for a few days prior to the Special Olympics opening ceremonies. As the City Council may already be aware, the City of Laguna Hills already offers a very popular Circle of Friends program as part of our recreation programming—and the Host Town efforts seems to be a logical extension to our existing program work efforts and objectives. Furthermore, becoming a Host City would also be a great opportunity to show support for this incredible global event in which athletes with intellectual disabilities exhibit their tremendous courage, strength, and heart. The “Host Town” initiative was presented to the Parks and Recreation Commission at its February 4, 2015, meeting and the Commission was in favor of the City of Laguna Hills becoming a “Host Town”.

BACKGROUND:

The City of Los Angeles is hosting the Special Olympics World Games (Special Olympics) in July 2015. With 7,000 athletes, 3,000 coaches and an estimated 500,000 spectators, this event will showcase athletic ability and determination. Athletes will represent 177 countries in 25 sporting events at 27 venues in Los Angeles. Opening ceremonies will be

held on July 25, 2015, at the Los Angeles Memorial Coliseum; and the athletes will be housed at the Athlete Villages at USC and UCLA during the games. The games will occur from July 25, 2015, through August 2, 2015. The 2015 World Games will be the largest event hosted by Los Angeles since the 1984 Olympic Games. The following is a quote from Special Olympics International that captures the honorable intent of the Special Olympics:

“Special Olympics is a global movement of people creating a new world of inclusion and community, where every single person is accepted and welcomed, regardless of ability or disability. We are helping to make the world a better, healthier and more joyful place—one athlete, one volunteer, one family member at a time.”

For the three days preceding the Opening Ceremony, up to 100 cities (“Host Towns”) across Southern California will host delegations from around the world. Host Towns each will serve the special role of welcoming approximately 100 Special Olympic delegates (typically one or two delegations) to Southern California. Host Towns provide a place for a delegation to practice and rest before the Games, as well as provide the athletes with an opportunity to participate in social and cultural activities that are unique to the host city. A current list of the Host Towns is provided as an attachment to this report as well as a sample calendar of host town activities and responsibilities and facts and figures about the event.

Laguna Hills staff has been working with the City of Lake Forest staff to join forces to co-host a delegation(s). Between the new sports complex at Lake Forest and the City of Laguna Hills Community Center and Sports Complex, incredible sport facilities can be offered to the Special Olympics athletes and support staff. In addition, talented recreation staff from both cities can assist in the planning and hosting duties which includes arrangements for food, lodging, transportation, training, public relations, volunteer staffing and coordination, language services, medical and security services, and events for the athletes and their coaches during their visit at both Lake Forest and Laguna Hills from July 21, 2015 – July 24, 2015. To date Laguna Hills and Lake Forest staff have secured donations for transportation, have secured a hotel reservation for lodging, have begun planning efforts for activities and cultural events. Staff will continue the planning efforts which will include the raising of funds to cover the costs of this initiative. Lake Forest and Laguna Hills have already received \$10,000 in funds from COX Communications and Kelly Blue Book for our “Host Town” efforts.

Participation as a Host Town will make both Laguna Hills and Lake Forest a part of this global program. Communities that have participated as Host Towns have described a rewarding community experience. Cities that participate as Host Towns will be listed on the 2015 Special Olympics World Games’ website that has worldwide exposure. In addition, each Host Town city receives its own webpage and Facebook Fan Page created by the World Games staff for Host Town promotion and recognition of supporting partners. Also, Host Towns will be acknowledged at the competition venues as well.

The Parks and Recreation Commission was presented with this information at its February 4, 2015, meeting, and the Commission was in favor of the City of Laguna Hills serving as a Host Town.

FISCAL IMPACT:

It is staff's intent and expectation to cover the majority of expenses of serving as a Host Town with in-kind and monetary donations. However, staff time to support this initiative may not be covered but is in line with the current Community Services work program to "Host and promote multiple Community-wide events" and can be absorbed in the current budget. Staff will also budget a few thousand dollars to cover miscellaneous expenses with this initiative in the Community Services Department budget in the next budget cycle.

ATTACHMENTS:

- List of Current Host Towns
- Sample Schedule
- Facts and Figures

Attachment 1

LIST OF CURRENT HOST TOWNS
(as of 2/17/15)

1) Alhambra	24) Glendora	46) Oxnard
2) Anaheim	25) Goleta	47) Palm Springs
3) Arcadia	26) Hermosa Beach	48) Palmdale
4) Azusa	27) Huntington Beach	49) Pasadena
5) Bakersfield	28) Inglewood	50) Poway
6) Beverly Hills	29) Irvine	51) Rancho Cucamonga
7) Big Bear Lake	30) La Habra	52) Redlands
8) Burbank	31) La Jolla	53) Redondo Beach
9) Calabasas	32) La Mirada	54) Reseda
10) Camarillo	33) La Verne	55) San Diego Downtown
11) Carson	34) Laguna Hills	56) San Diego East County
12) Chatsworth	35) Lake Forest	57) San Diego North County
13) Chino	36) Lincoln Heights	58) San Luis Obispo County
14) Chino Hills	37) Long Beach	59) San Pedro
15) Claremont	38) Manhattan Beach	60) Santa Barbara
16) Corona	39) Mission Viejo	61) Santa Clarita
17) Costa Mesa	40) Monterey Park	62) Santa Maria
18) Downey	41) Mountain Communities of Lake Arrowhead	63) Santa Monica
19) Duarte	42) Newport Beach	64) Santa Monica Mountains
20) El Segundo	43) Northridge	65) Simi Valley
21) Fountain Valley	44) Ontario	66) Solvang
22) Fullerton	45) Orange	67) South County
23) Glendale		68) South Pasadena

Attachment 1

LIST OF CURRENT HOST TOWNS
(as of 2/17/15)

- 69) Studio City
- 70) Tarzana
- 71) Thousand Oaks
- 72) West Covina
- 73) West LA
- 74) Whittier
- 75) Winnetka
- 76) Woodland Hills

SAMPLE SCHEDULE

SPECIAL OLYMPICS WORLD GAMES 2015 HOST TOWN – SAMPLE CALENDAR OF EVENTS

	8 AM – 9 AM	9 AM – 12 PM	12 PM – 1 PM	1 PM – 4 PM	4 PM – 6 PM	6 PM – 9 PM CURFE W	9 PM – 8 AM
JULY 21	WELCOME DELEGATES DINNER OR SNACKS (DEPENDENT ON ARRIVAL TIME)						OVERNIGHT
JULY 22	BREAKFAST	TRAINING*	LUNCH	CULTURAL/ COMMUNITY EVENT	REST TIME	DINNER & EVENING ACTIVITY	OVERNIGHT
JULY 23	BREAKFAST	TRAINING*	LUNCH	CULTURAL/ COMMUNITY EVENT	REST TIME	DINNER & EVENING ACTIVITY	OVERNIGHT
JULY 24	BREAKFAST	FAREWELL CEREMONY DELEGATES DEPART FOR ATHLETE VILLAGE					

* Training occurs during this time period, but will not take up the entire three-hour period.



Special Olympics
**WORLD
GAMES**
LOS ANGELES 2015

FACTS AND FIGURES

WHAT IS INTELLECTUAL DISABILITY?

Did you know that people with intellectual disabilities - over 200 million worldwide - are among the most neglected and vulnerable groups in the world?

In many places, they have limited access to education, healthcare and less opportunity for employment. These individuals are often marginalized or ignored and are more likely to be a victim of violence and abuse than the rest of the general population.

But what is Intellectual Disability?

- Intellectual functioning level (IQ) below 70-75
- Significant limitations exist in 2 or more adaptive skill areas – communication, self-care, home living, social skills, leisure, health and safety, self direction, functional academics, community use and working
- This condition manifests itself prior to age 18

“Special Olympics is a global movement of people creating a new world of inclusion and community, where every single person is accepted and welcomed, regardless of ability or disability. We are helping to make the world a better, healthier and more joyful place -- one athlete, one volunteer, one family member at a time.”

- Special Olympics International -

SPECIAL OLYMPICS: THE MOVEMENT

From a backyard summer camp for people with intellectual disabilities to a global movement, Special Olympics has been changing lives and attitudes for 45 years.

How It All Began

It all began in the 1950s and early 1960s, when Eunice Kennedy Shriver saw how unjustly and unfairly people with intellectual disabilities were treated. She also saw that many children with intellectual disabilities didn't even have a place to play. She decided to take action.



Soon, her vision began to take shape, as she held a summer day camp for young people with intellectual disabilities in her own backyard. The goal was to learn what these children could do in sports and other activities – and not dwell on what they could not do.

Throughout the 1960s, Eunice Kennedy Shriver continued her pioneering work -- both as the driving force behind President John F. Kennedy's White House panel on people with intellectual disabilities and as the director of the Joseph P. Kennedy Jr. Foundation. Her vision and drive for justice eventually grew into the Special Olympics movement.

Special Olympics Today

Today, Special Olympics has over 226 accredited programs in 170 countries, serving over 4.4 million athletes every year. Close to 1.5 million dedicated volunteers help out every year to provide athletes with top quality sports experiences as well as additional programs that bring health care and education around the world.

North America is home to over 650,000 athletes in all 50 states and the District of Columbia. Southern California alone serves more than 13,000 athletes in 11 counties. Last year there were more than 81,000 competitions that took place around the world (think about it - that's an average of 222 per day) The Special Olympics movement truly is everywhere, every day!



SPECIAL OLYMPICS SOUTHERN CALIFORNIA



Special Olympics Southern California was founded in 1969 and currently serves nearly 18,000 Special Olympics athletes as they train and compete in 12 sports year-round. SOSC's footprint includes 11 counties, with an office located in each, stretching from San Luis Obispo and Kern County down to San Diego and into the Inland Empire.

SOSC also offers a Young Athletes Program for children with intellectual disabilities, ages 2 ½ to 7, in addition to a Healthy Athletes Program, which provides free health exams in a variety of disciplines to the athletes. The newest program of SOSC, Unified Sports, brings together athletes with and without disabilities playing together on the same team.

SOSC's goal is to double the number of athletes they serve by 2016, and the Host Town program will play an important part in helping to reach that goal. The relationships formed as you build your Host Town can live on to support local athletes through coaches, volunteers and friends bringing the Special Olympics message of inclusion, acceptance and joy to your community well beyond the World Games. (www.sosc.org)



WORLD GAMES



Every two years, the world transcends the boundaries of geography, nationality, political philosophy, gender, age, culture and religion, to come together for the largest sporting and humanitarian event on the planet, the Special Olympics World Games. Alternating between Summer Games and Winter Games, this event is the flagship event of the Special Olympics movement, which promotes equality and acceptance for people with intellectual disabilities around the world.

No other organized event in the world has the emotional and social impact of the Special Olympics World Games. For the athletes and their families, it opens doors to unimagined possibilities. For those who volunteer, support, and sponsor the Games, it inspires unprecedented pride and hope for a brighter future. And for the cities, states, and nations who host the Games, it transforms their society, creating a more just and understanding environment for all, and demonstrating to the world their recognition of the value of every human being.

The Special Olympics World Games feature nine days of challenging and inspiring international competition among thousands of athletes, making it the world's second-largest sports event, after the Olympic Games. The World Games are watched on television by millions of viewers across six continents, and more than 500,000 spectators including world leaders, celebrities and dignitaries typically attend the event. The culmination of years of athletic training and competition, the World Games bring together adults and children with intellectual disabilities to compete on one of the world's greatest athletic stages.



KEY FACTS AND FIGURES

Who

- 7,000 Special Olympics athletes and Unified Partners from 177 countries
- 30,000 Volunteers
- 6,000 family members
- 5,000 invited dignitaries and invited guests
- 3,000 Coaches
- 500,000 Spectators

When

July 25, 2015 - August 2, 2015

Where

Los Angeles, CA, USA

Competitions

- | | | |
|---------------------------|-----------------|-------------------------|
| • Aquatics (Swimming) | • Golf | • Table Tennis |
| • Athletics | • Gymnastics | • Tennis |
| • Badminton | • Half Marathon | • Volleyball |
| • Basketball | • Handball | • Demonstration Sports: |
| • Bocce | • Judo | Beach Volleyball |
| • Bowling | • Kayaking | Open-Water |
| • Cycling | • Powerlifting | Swimming |
| • Equestrian | • Rollerskating | Triathlon |
| • Football | • Sailing | |
| (5/side, 7/side, 11/side) | • Softball | |

Other Events

- Healthy Athletes program
- Unified Sports Experiences
- Young Athletes program
- Global Youth Summit
- Festivals/ USC & UCLA
- Opening and Closing Ceremonies - Los Angeles Memorial Coliseum

Athlete Villages

Athletes will be housed at USC and UCLA





M NO.



City of Laguna Hills

City Council Meeting Agenda

Staff Report

DATE: FEBRUARY 24, 2015

TO: MAYOR AND COUNCIL MEMBERS

**FROM: DAVID REYNOLDS
DEPUTY CITY MANAGER/COMMUNITY SERVICES**

**ISSUE: 2015 LAGUNA HILLS MEMORIAL DAY HALF MARATHON, 10K, AND 5K
EVENT AND 3/5 MARINE BATTALION TRIBUTE BANNERS.**

RECOMMENDATION: THAT THE CITY COUNCIL: (1) RECEIVE A PRESENTATION ON THE PRE-EVENT PLANNING EFFORTS OF THE 2015 MEMORIAL DAY RACE; (2) APPROVE THE INCLUSION OF THE 3/5 MARINE TRIBUTE BANNERS INTO THE 2015 PATRIOTIC BANNER DISPLAY FOR THE STREET COVERAGE AND TIMEFRAME AS OUTLINED IN THE STAFF REPORT; AND (3) DETERMINE IF THE CITY SHOULD PAY FOR THE LABOR TO INSTALL AND REMOVE THE 3/5 MARINE TRIBUTE BANNERS.

SUMMARY:

The 17th annual City of Laguna Hills Memorial Day Half Marathon, 10K and 5K, honoring the USMC Dark Horse Battalion is scheduled for Monday, May 25, 2015. Event registration opened on October 1, 2014, and there are more than four hundred (400) runners registered for the event at this time. Staff has been contacted by the 3/5 Marine Support Committee about wounded warrior Cpl. Marcus Chischilly serving as the event Grand Marshall for 2015. In addition, Team Dark Horse has requested that the 25 banners honoring the Marines of the 3/5 Battalion that lost their lives in Operation Enduring Freedom be displayed for the 2015 event. The City once again intends to donate \$3 from each paid 5K, 10K, and half marathon race registration to the 3/5 Marine Support Committee at the conclusion of the event. The race information was presented to the Parks and Recreation Commission at its December 3, 2014, meeting.

BACKGROUND:

The 17th annual City of Laguna Hills Memorial Day Half Marathon, 10K and 5K honoring the USMC Dark Horse Battalion is scheduled for Monday, May 25, 2015. All races will start at 7 AM, which allows the streets impacted by the event to re-open as early as possible. Staff intends to once again work with the Toll Roads to waive the fees in

exchange for booth space at the Community Expo. The tolls have been waived between the hours of 7 AM and 9 AM during past year's events to minimize the inconvenience for Aliso Viejo residents due to the road closures at Alicia Parkway and Moulton Parkway.

As the City Council may recall, a pledge formula was established by City Council direction, whereby, the City intends to donate \$3 from each paid 5K, 10K, and half marathon registration to the 3/5 Marine Support Committee at the conclusion of the event. Based on the City Council approved pledge formula, \$10,425 was provided to the 3/5 Marine Support Committee in 2014 by City Council Resolution.

Members of Team Dark Horse have met with staff and recommended that Wounded Warrior Cpl. Marcus Chischilly serve as the Grand Marshall for the 2015 event. Cpl. Chischilly lost a leg in Sangin, Afghanistan while serving with the 3/5 Marines. He plays on the Wolfpack Basketball team with previous Grand Marshalls Josue Barron and Carlos Garcia.

At its January 28, 2014, meeting, the City Council approved the display of the City's patriotic banners for calendar year 2014 from just prior to the 2014 Memorial Day event to July 5, 2014. The banners were displayed on the streets recommended by the Parks and Recreation Commission, shown on Attachment 3 to this staff report. It is staff's opinion that the hanging of the banners provides for appropriate race course decoration for the City's event and intends to install the City's patriotic banners for 2015 in the same fashion and time frame as last year. Also approved at the January 28, 2014, City Council meeting was the inclusion of the Team Dark Horse banners honoring the 25 fallen 3/5 Battalion Marines into the 2014 patriotic banner display. Members of Team Dark Horse have again requested that the 25 banners for the fallen Marines be displayed for the 2015 event and have also requested that the City cover the cost of the installation and takedown of these banners. This cost is approximately \$1,300.

Staff is seeking approval from the City Council to again include the 3/5 Battalion tribute banners into the banner display for 2015. Although monies were not allocated for this initiative in the City's current two-year budget, funds are available within the Community Services Department's race event budget to again display the banners for 2015. In addition, staff is seeking direction from the City Council on covering the costs of the 25 3/5 Marine Battalion tribute banners in regards to the labor to install and remove them. The overall estimated cost for this 2015 banner initiative is approximately \$6,300 (including the \$1,300 in installation/teardown costs of the 25 3/5 Battalion tribute banners).

All course maps are attached to this staff report. Staff will provide the City Council with a synopsis of the event including the results of the charity outreach activity when the post event report is brought to the City Council in August 2015.

FISCAL IMPACT:

Event revenue for the 2014 event was \$182,661, and direct expenditures (not including staff costs), totaled \$173,269. The expenditure total for 2014 includes the \$10,425 provided to the 3/5 Marine Support Committee. The 2015 budget planning worksheets with current estimated revenue and expenditure totals, including the costs for displaying the banners, are attached to this staff report.

The patriotic banner program as recommended by staff is approximately \$6,300. This cost includes the cost of approximately \$1,300 to install and remove the 25 3/5 Marine Battalion tribute banners.

ATTACHMENTS:

1. Course Maps
2. Budget Planning Worksheets
3. Patriotic Banner Street Coverage Map

5K Course Map

5K START

**SADDLEBACK
MEMORIAL
MED. CTR.**

El Toro Rd.

Ave

De La

DIEGO

Blvd.

FWY



Carlota

Alisos

**LAGUNA HILLS
MALL**

Laguna Woods Village

Sevilla

Moulton

Calle Aragon
Gate #3

Glenwood

**ALISO
VIEJO**

Pkwy

Laguna

Hills

Indian

Via

Lomas

Alicia

Hills Dr.

FINISH

W F

Trail

Pkwy.

Aliso Hills

Valencia

Stockport

Beckham

Kennington

Paseo

Los

Health

Cr

De La

Res. Cr.

Cr D La Plata

Gate #2

Via

**LAGUNA HILLS
COMMUNITY
CENTER**

**LAGUNA
HILLS**

LEGEND



Mile Marker



Course Route



Water



Porta-Potties

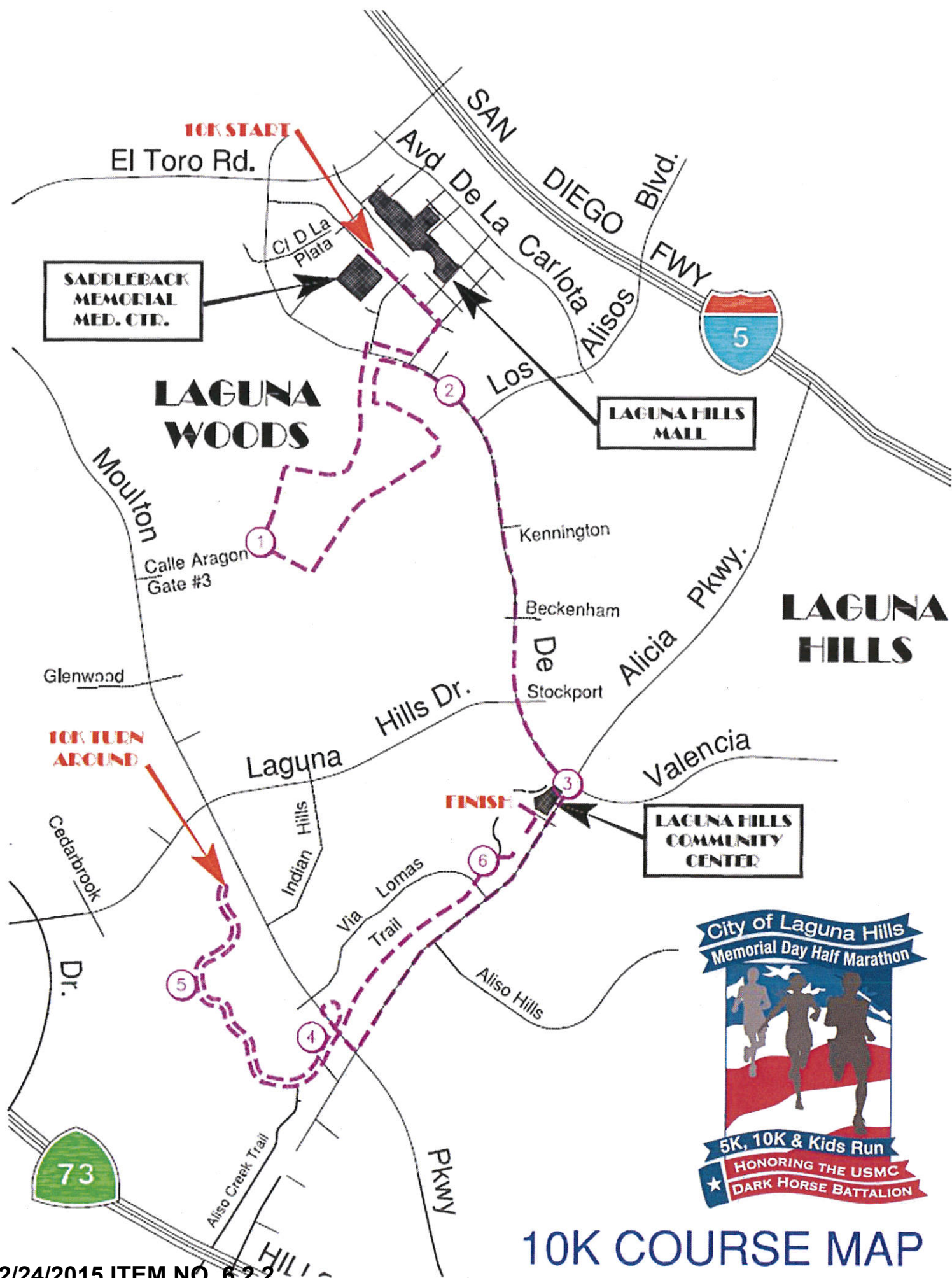


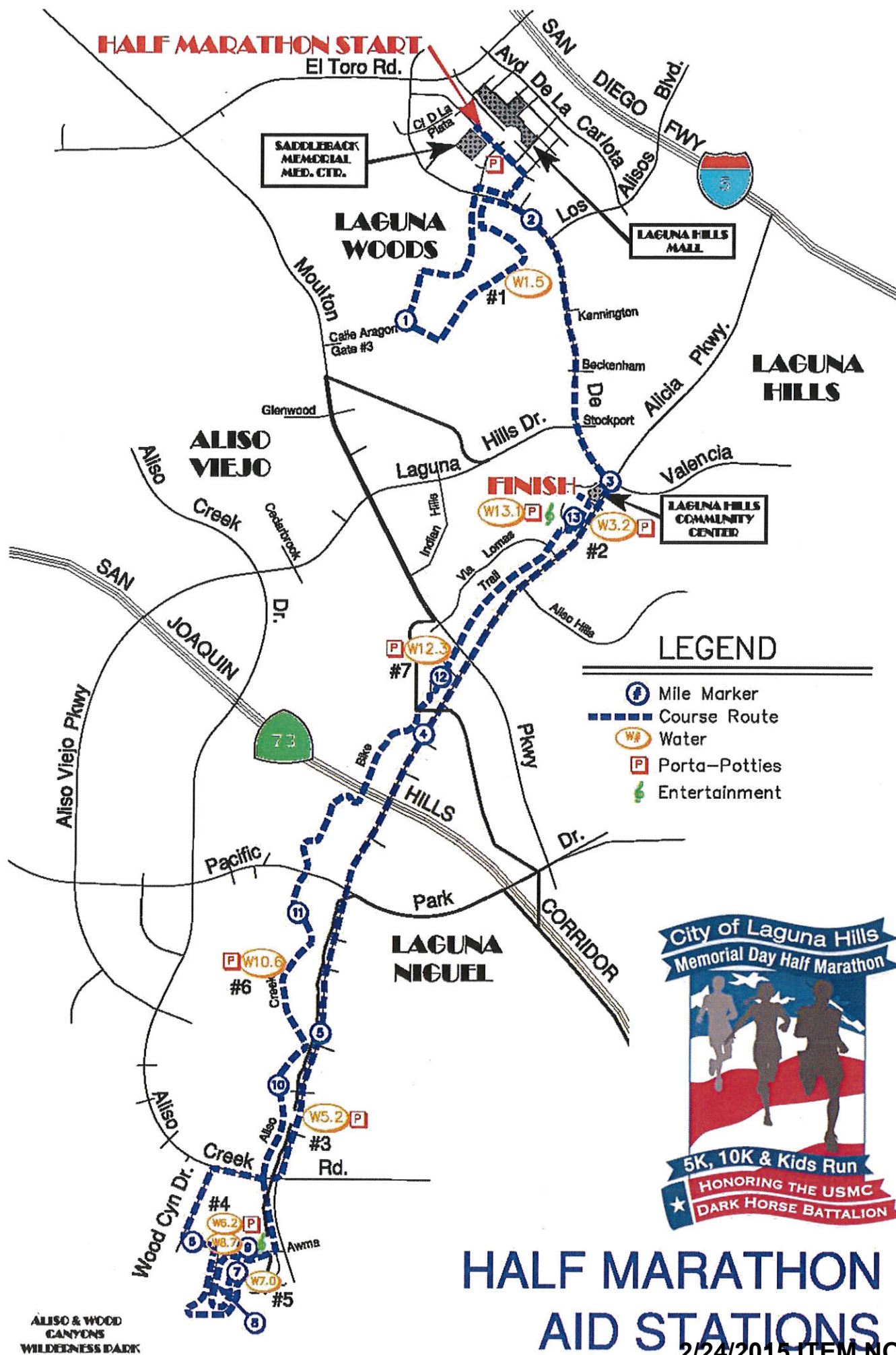
Entertainment



Photographer







Attachment 2

Event Budget for 2014/2015 Half Marathon, 10K and 5k

Income

	Estimated	Actual
Total income	\$194,500.00	\$22,294.00

Admissions	Estimated	Actual	Fee	Fee late	Estimated	Actual
1/2 marathon	1440	223	75	90	\$108,000.00	16,725.00
10K	650	77	36	38	\$23,400.00	2,772.00
5K	1200	91	28	33	\$33,600.00	2,548.00
Kids Run	200	11	15	20	\$3,000.00	165.00
Diaper Dash	45	7	12	15	\$540.00	84.00
Total	3535					
Total race registration, including early-bird, team discounts, and race day registration:					\$168,540.00	\$22,294.00

Sponsors	Amount	Number of	Totals	Estimated	
SMMC/Presenting*	\$15,000.00	1	\$15,000.00	\$15,000.00	
Road Runner	\$3,500.00	1	\$3,500.00	\$3,500.00	
		1		\$0.00	
		1		\$0.00	\$0.00
Total			\$18,500.00	\$18,500.00	\$0.00

Exhibitors/vendors						
		Large booths @	\$425.00	\$425.00		
		Large booths @	\$425.00	\$425.00		
		Large booths @	\$425.00	\$425.00		
		Large booths @	\$425.00	\$350.00		
		Large booths @	\$350.00	\$350.00		
		Large booths @	\$425.00	\$425.00		
		Large booths @	\$350.00	\$350.00		
		Large booths @	\$350.00	\$350.00		
		Large booths @	\$350.00	\$350.00		
		Large booths @	\$350.00	\$350.00		
		Booth @	\$150.00	\$150.00		
		Booth & Goodie Bag	\$350.00	\$350.00		
		Non-Profit	\$150.00	\$350.00		
		Double Booth	\$600.00	\$600.00		
		Truck at RRS	\$150.00	\$100.00		
		Booth & Goodie Bag	\$500.00	\$500.00		
		Power	\$450.00	\$450.00		
		goodie bags@	\$200.00	\$200.00		
		goodie bags@	\$200.00	\$200.00		
		goodie bags@	\$150.00	\$150.00		
		Donation	\$175.00	\$175.00		
		Hotel Sponsor @	\$0.00	\$0.00		\$0.00
				\$7,025.00		\$0.00

		Donation	\$0.00	\$0.00		
Donations	0		\$0.00	\$0.00		\$0.00
OCSD-Cadets	0		\$435.00	\$435.00		
	0			\$0.00		\$0.00
	0			\$435.00		\$0.00

Event Budget for 2014/2015 Half Marathon, 10K & 5k

Expenses

		Estimated	Actual
Total Expenses		\$172,201.00	\$23,265.54

		Estimated	Actual
Permits			
Laguna Hills High School	\$125.00		
Aliso Viejo	\$0.00		
Health Dept.	\$160.00		
ABC Permit	\$25.00		
Laguna Niguel	\$0.00		
OC Permits	\$1,200.00		
OCFA	\$210.00		
Police-OCSD	\$12,000.00		
Totals	\$13,720.00		\$0.00

		Estimated	Actual
Race Expenses			
Food/Water/Cups	\$400.00		
Course Cert.	\$0.00		
Awards Div/Kids Medals	\$650.00		
Medals or Drinking Glasses	\$8,000.00		
Busses	\$1,500.00		
T-Shirts	\$22,750.00		
Walkie Talkies	\$600.00		
Bibs	\$1,767.50		
Totals	\$33,900.00		\$0.00

		Estimated	Actual
Advertising			
Competitor	\$3,000.00		\$880.00
Facebook	\$900.00		
Race Place	\$850.00		
OC Register	\$0.00		
Postage	\$1,000.00		
Booth Space/Bags	\$1,600.00		\$250.00
Misc event reimb.	\$1,200.00		
Runners Image	\$800.00		
Active.com web/e-news	\$1,700.00		
Totals	\$11,050.00		\$1,130.00

		Estimated	Actual
Graphics			
Website	\$1,200.00		\$1,150.00
Post card printing 20K	\$0.00		
Postcard printing 5K	\$568.00		\$170.54
Postcard printing 15K	\$400.00		
RaceBanners/Signs	\$1,500.00		
Flyer Distribution	\$1,000.00		
Domain Fees	\$65.00		
Web Hosting	\$103.00		
Mail Fee-Custom Quick	\$2,300.00		
Sponsor materials	\$500.00		
Totals	\$7,636.00		\$1,320.54

		Estimated	Actual
Miscellaneous			
Insurance	\$1,420.00		
Ritz Day Porter	\$300.00		
Mail Scantrons	\$50.00		
Trucks	\$1,500.00		
Labor Ready	\$500.00		
RaceGrader	\$0.00		
Virtual Goodie Bag	\$500.00		\$500.00
Kids Zone-L. Murray	\$250.00		
Linda Weuste	\$100.00		
Traffic Control	\$500.00		
Ads (Sinta)	\$2,000.00		\$315.00
Scaffolding	\$500.00		
EMT Services	\$800.00		
Volunteer Food	\$300.00		
Security-Expo	\$500.00		
Security-Beer Garden	\$145.00		
Comm./sponsors 20%	\$5,000.00		
Totals	\$14,365.00		\$815.00

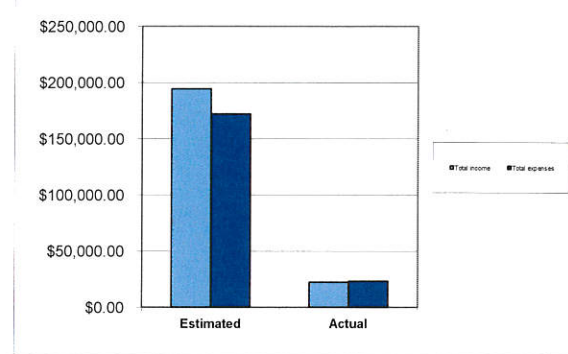
		Estimated	Actual
Services			
Timing Services base	\$800.00		
Timing Services \$3 per registered	\$10,605.00		
Electrical & sound	\$2,500.00		
Banner Install/Removal	\$6,300.00		
Portable Restrooms	\$2,400.00		
Announcer	\$400.00		
American Barr./Traffic Plan	\$15,000.00		
Renegade Racing	\$46,000.00		\$20,000.00
RR over 3250 part. Bonus \$2	\$500.00		
Totals	\$84,505.00		\$20,000.00

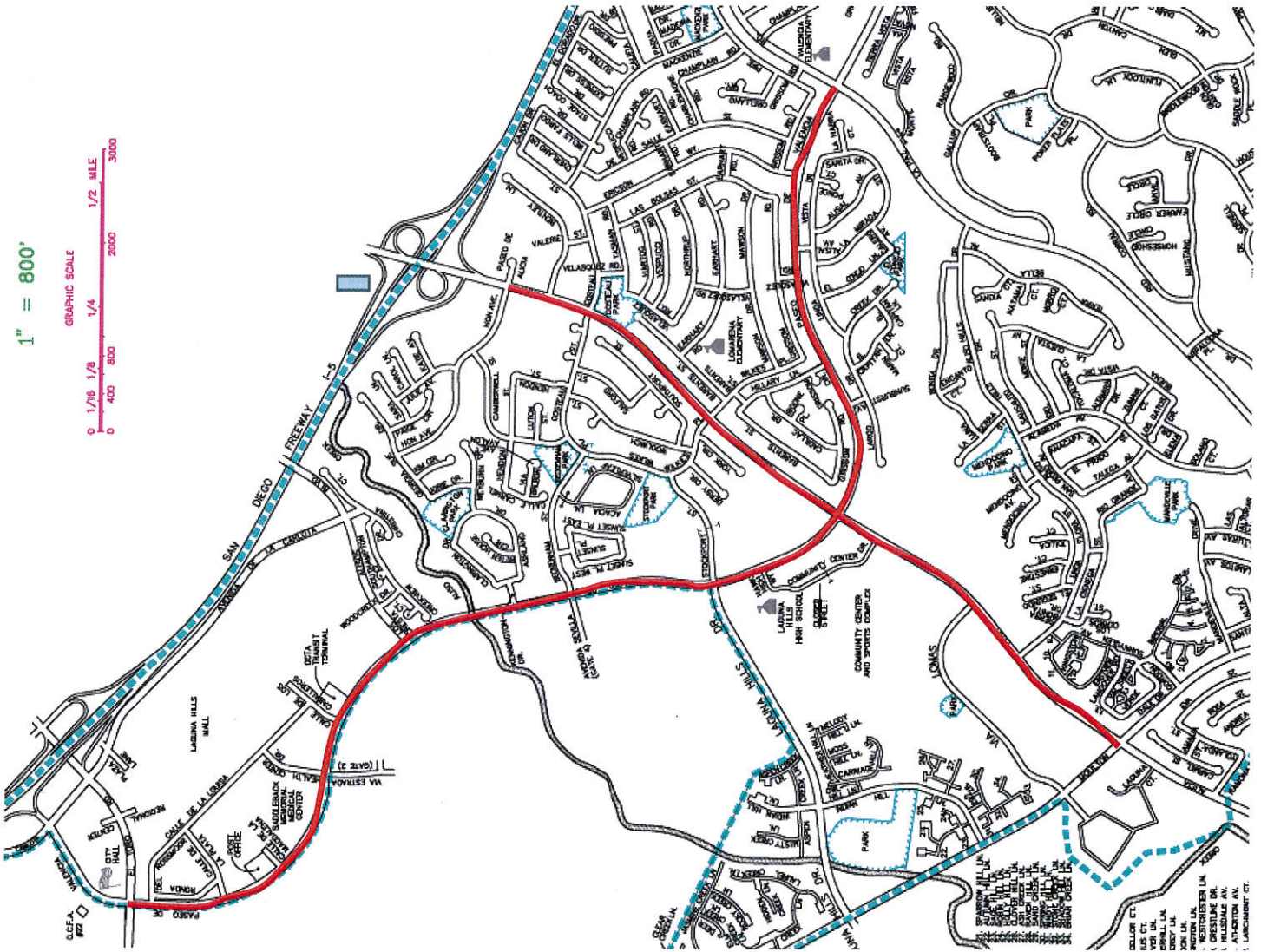
		Estimated	Actual
Expo			
Bounce Houses	\$825.00		
Balloons	\$1,200.00		
tents, tables, chairs	\$5,000.00		
Totals	\$7,025.00		\$0.00

Event Budget for 2014/2015 1/2 Marathon, 10K & 5k

Profit - Loss Summary

	Estimated	Actual
Total income	\$194,500.00	\$22,294.00
Total expenses	\$172,201.00	\$23,265.54
Total profit (or loss)	\$22,299.00	(\$971.54)





**Race
Course
Option 2**

**(use of
existing
banners)**

\$6,307

**Banner
Count: 119**

