DEVELOPMENT AGREEMENT

by and among

THE COUNTY OF LOS ANGELES

and

CENTENNIAL FOUNDERS, LLC

and

TEJON RANCHCORP
# DEVELOPMENT AGREEMENT

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DEVELOPMENT AGREEMENT

This Development Agreement (“Agreement”) is executed this ___________ day of ________, 2018, and is effective pursuant to Section 7.1 below, by and among the COUNTY OF LOS ANGELES, a body corporate and a political subdivision of the State of California (“County”), CENTENNIAL FOUNDERS, LLC, a Delaware Limited Liability Company (“Centennial”) and TEJON RANCHCORP, a California corporation (“Tejon”), pursuant to California Government Code Section 65864 et seq., Title 22, Chapter 22.16, Part 4 of the County Code, and the implementing procedures of the County, with respect to the following. Tejon and Centennial are each referred to herein as a “Property Owner” and, collectively, as “Property Owners.”

RECITALS

WHEREAS, to strengthen the public planning process, to encourage private participation in comprehensive planning, and to reduce the economic risk of development, the Legislature of the State of California adopted the Development Agreement Act (defined below), which authorizes the County to enter into a property development agreement with any person having a legal or equitable interest in real property for development of such property in order to establish certain development rights in the real property that is the subject of the proposed development project; and

WHEREAS, pursuant to the Development Agreement Act, the County adopted the Development Agreement Ordinance (defined below), establishing procedures and requirements for entering into a development agreement with a private developer pursuant to the Development Agreement Act, which agreement vests certain rights and requires a developer to provide certain public benefits beyond those that could otherwise be imposed as conditions of development. The Parties are entering into this Agreement in accordance with the Development Agreement Act and the Development Agreement Ordinance; and

WHEREAS, Tejon and Centennial own in fee or otherwise retain a legal or equitable interest in the Tejon Property and the Centennial Property, respectively (and respectively defined below). The Tejon Property and the Centennial Property collectively constitute the “Property.” Property Owners intend to develop the Property in the manner described in the Centennial Specific Plan approved by the County on __________, 2018, and as provided for by the Project Approvals (defined below), which development includes, but is not limited to, the development and construction of up to 19,333 dwelling units on 4987 gross acres of land (of which not less than 10% will be made available as affordable housing units pursuant to the terms and provisions of this Agreement as more fully provided in Exhibit G hereto), approximately 7,363,818 square feet of business park uses on 597 gross acres of land, approximately 1,034,550 square feet of commercial uses on 102 gross acres of land, approximately 130,680 square feet of recreation and entertainment uses on 75 gross acres of land, approximately 5,624 acres of open space, and approximately 1,588,160 square feet of institutional/civic and other utility uses on 110 gross acres of land (such as schools [within overlay zones], higher education facilities, medical facilities, library, public safety, wastewater treatment facilities, sites permitting material recovery facilities and other civic uses), all which are more specifically described in the Centennial Specific Plan; and
WHEREAS, Property Owners have proposed the development of the Project (defined below), which represents a substantial investment in the County. Property Owners desire to enter into a development agreement with the County in connection with the possible development of the Project, including compliance with the various conditions and requirements of the Project, all of which will result in large expenditures of monies by the Property Owners; and

WHEREAS, to ensure that the County remains responsive and accountable to its residents while pursuing the benefits of development agreements contemplated by the State Legislature, the County: (1) accepts restraints on its police powers contained in the Agreement only to the extent and for the duration required to achieve the mutual objectives of the Parties; and (2) to offset such restraints, seeks public benefits from the Property Owners that go beyond those obtained by traditional County controls and conditions imposed on development project applications; and

WHEREAS, the County, as lead agency under CEQA, has prepared and considered the project-level Final Environmental Impact Report (State Clearinghouse No. 2004031072) (“FEIR”) prepared for the Project and certified on _______, 2018 for the development of the Property as more fully described therein; and

WHEREAS, the Parties recognize and agree that the certified FEIR for the Project will be used by the County when evaluating applications for Implementing Discretionary Actions (defined below) and Subsequent Discretionary Actions (defined below) for the Project. More detailed information about Project implementation activities provided for subsequent County approvals of tentative tract maps, use permits and other discretionary decisions, where such activities are within the scope of the FEIR, will not trigger the need for a supplemental or subsequent EIR unless required by Cal. Pub. Res. Code section 21166, as may be amended; and

WHEREAS, the County and Property Owners recognize that the expansion and further development of the Property as provided for by the Initial Project Approvals (defined below) will provide opportunities for creating an economically sustainable master-planned community, provide for a broad range of employment, residential, institutional, and recreational land uses, and will contribute significantly to the economy of the County of Los Angeles, the Southern California region, and California generally; and

WHEREAS, Property Owners wish to obtain reasonable assurances that the Project may be developed in accordance with the Centennial Specific Plan, the Initial Project Approvals, the FEIR and the terms of this Agreement, as Property Owners anticipate making substantial capital expenditures in reliance upon this Agreement; and

WHEREAS, Property Owners will implement public benefits above and beyond the necessary mitigation for the Project, including the creation of new jobs, the reporting and monitoring of the balance between housing and jobs within the Project, the development of affordable housing and the development and construction of other public facilities and amenities, along with funding for various community improvements as set forth in this Agreement; these public benefits as set forth in this Agreement serve as the consideration upon which the County bases its decision to enter into this Agreement; and
WHEREAS, this Agreement is necessary to assure Property Owners that the Project will not be reduced in density, intensity, or use or be subjected to new or modified rules, regulations, ordinances, or policies adopted or applied to the Project after the Effective Date of this Agreement, unless otherwise allowed by this Agreement, and this assurance serves as the consideration upon and the reliance for which the Property Owners base their decisions to enter into this Agreement; and

WHEREAS, development of the Project in accordance with this Agreement will provide for the orderly development of the Property in accordance with the objectives set forth in the General Plan, the goals and policies set forth in Exhibit MK (“Antelope Valley Area Plan Goals and Policies”) and the Centennial Specific Plan. Moreover, a development agreement for the Project will eliminate uncertainty in planning for and securing orderly development of the Property, assure timely installation of necessary improvements, assure attainment of maximum efficient resource utilization within the County at the least economic cost to its citizens, and otherwise achieve the goals and purposes for which the Development Agreement Act was enacted; and

WHEREAS, the implementation of the Centennial Specific Plan and related actions will allow further development of the Property consistent with the Project objectives and Specific Plan goals; and

WHEREAS, on June 6, 2018 and on _______, 2018, the Regional Planning Commission held a duly noticed public hearing on this Agreement and the related Project Approvals (defined below). Following the public hearing, the Regional Planning Commission considered the FEIR for the Project under CEQA, the CEQA Findings and Statement of Overriding Considerations, and the MMRP (defined below), and determined that the Project and the Agreement are, as a whole and taken in their entirety, consistent with the County’s objectives, policies, general land uses, and programs specified in the General Plan and the Zoning Code. The Regional Planning Commission adopted resolutions recommending approval of the Project, including this Agreement, to the Board of Supervisors. The Regional Planning Commission transmitted to the Board of Supervisors its findings and recommendations; and

WHEREAS, on _______, 2018, the Board of Supervisors, having received the Regional Planning Commission’s recommendations, held a duly-noticed public hearing on this Agreement and the related Project Approvals. Following the public hearing, the Board certified the FEIR, adopted the CEQA Findings and Statement of Overriding Considerations and the MMRP, and indicated its intent to approve the Project, including this Agreement, finding that the Agreement is consistent with the General Plan and Zoning Code; and

WHEREAS, on ________, __, the Board of Supervisors adopted Ordinance No. __________ (“Enacting Ordinance”), approving this Agreement and authorizing the Chairman of the Board of Supervisors to execute this Agreement, subject to the receipt by the Executive Officer-Clerk of the Board of the Agreement executed by Property Owners within 30 days of the date of Board approval. The Enacting Ordinance is effective 30 days after the date of approval of such ordinance, provided the executed Development Agreement is received by the Executive Officer-Clerk of the Board within that 30-day time period. The following initial land use approvals and entitlements relating to the Project were approved by the Board concurrently.
with this Agreement: the Centennial Specific Plan, General Plan Amendment No 02-232, Zone Change No. 02-232, Vesting Tentative Parcel Map No. 060022, and Conditional Use Permit No. 02-232; and

WHEREAS, County represent and warrants that any actions concerning the Initial Project Approvals taken by County and the approval of this Agreement have been duly taken or approved in accordance with all applicable legal requirements for notice, public hearings, findings, votes, and other procedural matters.

AGREEMENT

NOW, THEREFORE, pursuant to the authority contained in the Development Agreement Act and the Development Agreement Ordinance, with reference to the foregoing recitals and in consideration of the mutual promises, obligations, and covenants herein contained, the Parties agree as follows:

1. DEFINITIONS.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context requires:

1.1. “Agreement” means this Development Agreement and all amendments and modifications thereto.

1.2. Intentionally Deleted.

1.3. “Applicable Rules” means the Rules, Regulations, and Official Policies in effect as of the Effective Date of this Agreement pertaining to the Project to the extent such are not superseded or modified by the Centennial Specific Plan and other Initial Project Approvals. For the convenience of the Parties in administration of this Agreement, the County has separately compiled the Applicable Rules, Regulations and Official Policies and shall maintain them in an appropriate file indexed to this Agreement. Property Owners have reviewed said compilation. Notwithstanding the foregoing, said compilation is for the convenience of the Parties only and shall not preclude the application to this Agreement of Applicable Rules, whether or not such Applicable Rules are included, in whole or in part, in said compilation.

1.4. “Board of Supervisors” means the Board of Supervisors of the County, which is the “legislative body” of the County as referenced in Section 65867 of the Development Agreement Act.

1.5. “CEQA” means the California Environmental Quality Act (Cal. Public Resources Code Sections 21000 et seq.) and the State CEQA Guidelines (Cal. Code of Regs., Title 14, Sections 15000 et seq.).

1.6. “California Building Standards Codes” means those building, electrical, mechanical, fire and other similar regulations, which are mandated by state law and which become applicable throughout the County, including, but not limited to, the California Building Code, the California Electrical Code, the California Mechanical Code, the California Plumbing
Code, the Building Efficiency Standards (24 Cal. Code Regs. Pt. 6) and the California Fire Code (along with those amendments to the promulgated California codes which reflect local modification to implement requirements justified by local conditions, as allowed by state law, and which are applicable County-wide).

1.7. “Centennial Property” means that certain real property located in Los Angeles County, California, owned by Centennial, which property is more fully described in Exhibit A and depicted on Exhibit C. To the extent there is any conflict between Exhibits A and C, Exhibit A shall control.

1.8. “Community Benefits” means the community benefits to be performed by Property Owners in connection with this Agreement as identified in Exhibit G.

1.9. “County” means the County of Los Angeles, a body corporate and a political subdivision of the State of California, and each and every agency, department, board, commission, authority, employee, and/or official acting under the authority of the County, including, without limitation, the Board of Supervisors and the Regional Planning Commission.

1.10. Intentionally Deleted.

1.11. Intentionally Deleted.

1.12. “Development Agreement Act” means Article 2.5 of Chapter 4 of Division 1 of Title 7 (Sections 65864 through 65869.5) of the California Government Code.


1.14. “Director of Planning” means the Director of the Department of Regional Planning for the County.

1.15. “Effective Date” is the date on which this Agreement shall be effective in accordance with Section 7.1 hereof.

1.16. “Fees” means Impact Fees, Processing Fees, and any other fees or charges imposed or collected by the County.

1.17. “FEIR” means the Final Environmental Impact Report for the Project, State Clearinghouse No. 2004031072, certified by the County on ____, 2018 in accordance with the requirements of CEQA.

1.18. “Future Rules” means new or modified Rules, Regulations, and Official Policies adopted by the County after the Effective Date as defined in Section 3.2 hereof.

1.19. “General Plan” means the adopted General Plan for the County.

1.20. “Impact Fees” means any fee established by the County with respect to development and its impacts pursuant to any governmental requirements, including without
limitation fees adopted pursuant to Section 66000 *et seq.* of the California Government Code, dedication requirements, linkage fees, exactions, assessments or fair share charges, or any other similar impact fees, charges or exactions imposed on and in connection with development undertaken pursuant to the Project Approvals by the County pursuant to Rules, Regulations, and Official Policies. Impact Fees do not include (i) Processing Fees or (ii) other Countywide fees or charges of general applicability, provided that such Countywide fees or charges are not imposed on impacts of development.

1.21. “Initial Project Approvals” means those land use approvals and entitlements relating to the Project that were approved by the Board of Supervisors concurrently with this Agreement, which include the Centennial Specific Plan, General Plan Amendment No 02-232, Zone Change No. 02-232, Vesting Tentative Parcel Map No. 060022, and Conditional Use Permit No. 02-232, the CEQA Findings and Statement of Overriding Considerations, the MMRP (No. ____________) and the FEIR.

1.22. “Implementing Approvals” means the permits, approvals, plans, inspections, certificates, documents, licenses, and all other actions sought or agreed to in writing by the Property Owners and required to be taken by the County in order for Property Owners to implement, develop, and construct the Project and implement the Mitigation Measures, including without limitation, building permits, demolition permits, foundation permits, public works permits, grading permits, stockpile permits, encroachment permits, and other similar permits and approvals that are required by the County Code, Project plans, and Project Approvals to implement the Project and the Mitigation Measures. Implementing Approvals shall not include any Implementing Discretionary Actions.

1.23. “Implementing Discretionary Action” means an action or decision requested or agreed to in writing by Property Owners in connection with the implementation of the Project Approvals that requires the exercise of judgment or deliberation on the part of the County in the process of approving or disapproving a particular activity, as distinguished from an activity that merely requires the County to determine whether there has been conformity with applicable statutes, ordinances, or regulations.

1.24. “Mortgagee” means a mortgagee of a mortgage, a beneficiary under a deed of trust or any other security-device lender, and their successors and assigns.

1.25. “Liabilities” means all liabilities, losses, damages (including, without limitation, penalties, fines and monetary sanctions), expenses, charges or costs of whatsoever character, nature and kind, including reasonable attorneys’ fees and costs incurred by the indemnified Party with respect to counsel of its choice.

1.26. “Litigation” means any legal action instituted by any third party challenging any aspect of this Agreement or the Project Approvals. Without limiting the breadth of this provision, “Litigation” includes third party claims challenging (1) the adoption, validity or application of any provision of this Agreement (including claims by third party owners of a portion of the Property), (2) the County’s compliance with CEQA in adopting the Project Approvals and (3) the Project’s compliance with California Labor Code section 1720 *et seq.*
1.27. “Mitigation Measures” means the mitigation measures described in the FEIR and in the MMRP.

1.28. “MMRP” means the Mitigation Monitoring and Reporting Program for the Project, which was adopted by the County on ________, and which is attached hereto and fully incorporated herein as Exhibit F, Mitigation Monitoring and Reporting Program.

1.29. “On Site Public Infrastructure” means those public facilities, amenities (including parks and open space) and infrastructure that are identified with specificity on Exhibit E that Property Owners each are obligated to construct (or cause to be constructed) with respect to their respective Property on or before the milestones identified in the On Site Public Infrastructure Phasing Plan (Exhibit E-1), consistent with and subject to this Agreement.

1.30. “On Site Public Infrastructure and Phasing Plan” means the schedule of milestones by which Property Owners shall each construct (or cause to be constructed) with respect to their respective Property the On Site Public Infrastructure and which plan also identifies the phasing for other aspects of the Project. The schedule of milestones for the On Site Public Infrastructure and schedule for phasing of other aspects of the Project is contained in Exhibit E-1, and (as applicable with respect to those items identified as On Site Public Infrastructure) is further identified as a Community Benefit in Exhibit G.

1.31. “Parties” means collectively Tejon, Centennial and the County.

1.32. “Party” means any one of Tejon, Centennial or the County.

1.33. “Processing Fees” means all processing fees and charges adopted by the Board of Supervisors and contained on an adopted fee schedule that are required by the County including, but not limited to, fees for land use applications, project permits, building applications, building permits, grading permits, encroachment permits, tract or parcel maps, lot line adjustments, air right lots, street vacations, and certificates of occupancy that are necessary to implement the Project and the Mitigation Measures. Processing Fees do not include Impact Fees, except as specifically provided for in this Agreement.

1.34. “Project” means development within the County on the Property as described in the Initial Project Approvals, including, without limitation, the permitted uses, density and intensity of users, and maximum size and height of buildings specified in the Initial Project Approvals.

1.35. “Project Approvals” means all of the following: (1) the Initial Project Approvals; (2) any Implementing Approvals; (3) any Implementing Discretionary Actions; and (4) any subsequent approvals required by other state or federal entities for development and implementation of the Project that are sought or agreed to in writing by the Property Owners. All Project Approvals and amendments to any Project Approvals issued, adopted or approved by the County shall automatically vest for the term of this Agreement on the date such approval is effective with no further action required by the Property Owner.

1.36. “Property” means the Tejon Property and the Centennial Property within the area covered by the Centennial Specific Plan and located within the areas of the County.
1.37. “Property Owners” are described in the preamble and include their respective successors, transferees, and assignees pursuant to assignment in compliance with Section 7.10 below.

1.38. “Regional Planning Commission” means the Regional Planning Commission of the County, which is the “planning agency” of the County, as referenced in Section 65867 of the Development Agreement Act.

1.39. “Reserved Powers” means those rights and authority excepted from this Agreement’s restrictions on the County’s police powers and which are instead expressly reserved to the County as provided in this Agreement. The Reserved Powers consist of the power to enact and implement Rules, Regulations, and Official Policies (defined below) after the Effective Date with respect to the Project that may be in conflict with the Project Approvals but: (1) prevent or remedy conditions which the County has found based on substantial evidence to be injurious or detrimental to the public health or safety; (2) are California Building Standards Codes; (3) are necessary (subject to the provisions in the penultimate paragraph of Section 3.2) to comply with state or federal laws, rules and regulations (whether enacted previous or subsequent to the Effective Date) or to comply with a court order or judgment of a state or federal court; (4) are agreed to or consented to by a Property Owner; or (5) are County-wide fees or charges of general applicability that are included in a County fee schedule adopted by the Board of Supervisors (provided that such County-wide fees or charges are not fees or charges imposed on or in connection with the impacts of new development in violation of the express limitations provided in Section 3.5 of this Agreement), subject to any rights under this Agreement or in law that permit a person to protest or challenge the imposition of such fee or charge.

1.40. “Rules, Regulations, and Official Policies” means the County rules, regulations, ordinances, laws, and officially adopted policies governing development, including, without limitation, density and intensity of use, permitted uses, the maximum height and size of proposed buildings, the provision for the reservation or dedication of land, if any, for public purposes, the construction, installation, and extension of public improvements, environmental review, and other criteria relating to development or use of real property and which are generally applicable to the development of the Property.

1.41. “Specific Plan” or “Centennial Specific Plan” means the Centennial Specific Plan approved by the County on ____ ___, 2018 (No. ___).

1.42. “Subsequent Discretionary Action” means an action or decision requested or agreed to in writing by Property Owners unrelated to the Project or beyond the scope of the Project that requires the exercise of judgment or deliberation on the part of the County in the process of approving or disapproving a particular activity, as distinguished from an activity that merely requires the County to determine whether there has been conformity with applicable statutes, ordinances, or regulations.

1.43. “Term” means the period of time for which this Agreement shall be effective in accordance with Section 7.2 hereof.
1.44. “Tejon Property” means that certain real property located in Los Angeles County, California, owned by Tejon, which is more fully described in Exhibit B and depicted on Exhibit D. To the extent there is any conflict between Exhibits B and D, Exhibit B shall control.

1.45. “Tentative Map” or “Tentative Tract Map” means a tentative map prepared and approved in accordance with Los Angeles County Code, Title 21.40 et seq. "Final Map", “Parcel Map” or "Final Tract Map" means a final map or parcel map prepared and approved in accordance with Los Angeles County Code, Title 21.44 et seq.

1.46. “Vesting Tentative Map” means a vesting tract or parcel map approved in accordance with Los Angeles County Code, Title 21.38 et seq.

1.47. “Offer of Temporary Easement” means the offer of a temporary statutory dedication at the time of the recording of a Final Map or a Parcel Map for temporary road, drainage or utility easement purposes, but which offer shall revert by its own terms and be of no further force and effect at such time as a replacement offer of dedication is recorded, all pursuant to Section 3.8 herein.

1.48. “Public Improvements” means all improvements to be funded or constructed on and adjacent to the Property (including, without limitation On Site Public Infrastructure [which includes, without limitation, public parks, open space and regional trails], roadways, water treatment, wet and dry utilities, medians, curbs, sidewalks, lighting and landscaping and any required offsite improvements) that are rationally related to the Project.

1.49. “CPI” means the Consumer Price Index (All Urban Consumers) for the Los Angeles-Long Beach-Anaheim area published from time to time by the United States Department of Labor, Bureau of Labor Statistics or, if such index is discontinued or not available, such other similar index that may be mutually agreed upon by the Parties.

2. OBLIGATIONS OF A PROPERTY OWNER.

2.1. Project; Project to Include Community Benefits. As described in the Centennial Specific Plan, Property Owners seek to develop a mixed-use residential development, consisting of the following major components, which are described in greater detail in the Centennial Specific Plan and in the Initial Project Approvals: (1) development and construction of up to 19,333 dwelling units, (2) approximately 7,363,818 square feet of business park uses, (3) approximately 1,034,550 square feet of commercial uses, (4) approximately 130,680 square feet of recreation and entertainment uses, (5) approximately 5,624 acres of open space, and (6) approximately 1,588,160 square feet of institutional/civic and other utility uses (such as schools [within overlay zones], higher education facilities, medical facilities, library, public safety, wastewater treatment facilities, sites permitting material recovery facilities and other civic uses). Additionally, apart from the Centennial Specific Plan and the other Initial Project Approvals, and exclusively for purpose of implementing this Agreement, the Parties agree that in exchange for the rights conferred by this Agreement to the Property Owners, and in consideration of the obligations imposed by this Agreement on the County, those items defined as Community Benefits (and described in Exhibit G) shall also be considered part of the Project.
2.2. **Project Development.** Each Property Owner agrees that it will use commercially reasonable efforts (which shall, for the purpose of this Agreement, be defined to mean each Property Owner’s efforts as determined by the exercise of its own sole and independent business judgment, taking into account market conditions and economic considerations) to undertake development of the Project, and that such development shall be undertaken in accordance with the terms and conditions of this Agreement and the Project Approvals; notwithstanding the foregoing, except as expressly required by Exhibit E-1 as part of the Property Owner’s discretion to construct the Project, nothing in this Agreement requires a Property Owner to proceed with the construction of or any other implementation of the Project or any portion thereof.

2.3. **Phasing Plan; Timing of Development.** The Parties acknowledge that Property Owners cannot at this time predict when or at what rate the Property would be developed. Such decisions depend upon numerous factors that are not all within the control of Property Owners, such as market orientation and demand, interest rates, absorption, competition and similar factors. Because the California Supreme Court held in *Pardee Construction Co. v. City of Camarillo*, 37 Cal. 3d 465 (1984), that the failure of the parties therein to provide for the timing of development permitted a later adopted initiative restricting the timing of development and controlling the Parties’ agreement, it is the intent of Property Owners and the County to hereby acknowledge and provide for the right of Property Owners to develop the Property in such order and at such rate and times as Property Owners deem appropriate within the exercise of their respective sole and subjective business judgment. The County acknowledges that such a right is consistent with the intent, purpose, and understanding of the Parties to this Agreement; provided, however, that this Section 2.3 does not in any way affect the specific timing, implementation or provision of improvements or other requirements of the Project to the extent such timing, implementation or provision of improvements or other requirements are set forth in the Specific Plan or in this Agreement (including, without limitations as addressed in the On Site Infrastructure and Phasing Plan).

2.4. **Public Benefits.**

2.4.1. **Community Benefits.** Property Owners shall each perform with respect to their respective property the Community Benefits identified in Exhibit G to this Agreement.

2.4.2. **Public Objectives.** In accordance with the legislative findings set forth in section 65864 of the Development Agreement Act, County wishes to encourage certain public objectives that will be furthered by this Agreement, including the orderly development of the Property in accordance with Applicable Rules and the Project Approvals. Moreover, this Agreement will reduce uncertainty in planning for and securing orderly development of the Project, facilitate installation of necessary improvements, encourage attainment of efficient resource utilization within the County and otherwise achieve the goals and purposes for which the Development Agreement Act was enacted. Additionally, although development in accordance with this Agreement will restrain the County’s land use and other relevant police powers to the extent expressly set forth herein, the Agreement will provide County with sufficient Reserved Powers during the Term hereof to remain responsible and accountable to its residents. In exchange for these and other benefits to the County (including the Community Benefits), the Property Owners will receive assurances that the Project may be developed during
the Term of this Agreement in accordance with the Applicable Rules and the Project Approvals. The Parties believe that such orderly development of the Project will provide many benefits to the Parties, including without limitation the following:

2.4.2.1.Comprehensive Planning Objectives. The development of the Project pursuant to the Project Approvals and this Agreement will facilitate the implementation of the General Plan and will promote the following planning objectives contained within the General Plan, including the following:

(a) Maintaining and enhancing major employment centers;
(b) Expanding and attracting new business to the County;
(c) Developing a well-balanced community offering well-planned commercial and residential districts, and a coordinated circulation system for fast, safe, and efficient movement of people and commodities;
(d) Providing usable open space tailored to Project-generated demands that would otherwise be placed on public open space and recreation resources;
(e) Incorporating open space to provide a contrast to, and relief from, the tensions associated with suburban living;
(f) Maximizing the development, economic, and job-creating potential of under-utilized properties zoned for commercial and manufacturing uses.
(g) Encouraging a mix of residential land use designations and development regulations that accommodate various densities, building types and styles.
(h) Promoting mixed income neighborhoods and a diversity of housing types throughout the unincorporated areas to increase housing choices for all economic segments of the population.

2.4.2.2.County Development Objectives. The public benefits to be received as a result of the development of the Project pursuant to this Agreement include, among others:

(a) Development of a major business center within the County providing opportunities for employment during construction of the Project for up to an estimated 67,710 persons in the County and, at build out, permanent local long-term employment for up to an estimated 22,470 persons in the County with an annual direct and induced total output estimated at $3,100,000,000 in the County and an annual impact from labor income estimated at $1,400,000,000 at full build out.
(b) Construction of major On Site Public Infrastructure in accordance with and as described in Exhibits E and E-1 which will ensure that infrastructure necessary to allow job-creating development within the Commercial Districts will be in place when needed;

(c) Construction and maintenance of the Privately Maintained Publicly Accessible Infrastructure as defined in Section 3.4.2.

(d) Construction of no less than 10% of all residential units in deed restricted housing for income-restricted residents to assist in meeting the affordable housing needs of the County as further described in Exhibit G, Item 11;

(e) Assurance that development of the Project will proceed in accordance with a master plan which was the result of a comprehensive and coordinated planning process by and among Parties and the community in which private and public goals, objectives and interests were thoughtfully integrated and resolved in an optimal fashion;

(f) Implementation of a well-planned hiring program to meet the community’s goal of employing local Los Angeles County residents in the construction of the Project, including without limitation in connection with construction of all Public Improvements and the On Site Public Infrastructure identified on the On-Site Public Infrastructure and Phasing Plan as described further in Exhibits E and E-1.

2.4.2.3. Antelope Valley Area Plan Goals and Policies. The development of the Project pursuant to the Project Approvals and this Agreement shall be consistent with the goals and policies set forth on Exhibit MK (“Antelope Valley Area Plan Goals and Policies”) attached hereto and incorporated herein by this reference.

3. OBLIGATIONS OF THE COUNTY.

3.1. Entitlement to Develop. Property Owners shall have the vested right during the Term of this Agreement to develop and operate the Project in accordance with, and to the extent of, this Agreement, the Project Approvals, and the Applicable Rules. The Parties acknowledge that Implementing Approvals will be required and Implementing Discretionary Actions may be required for development and implementation of the Project. The County shall process, consider and act on any application for Implementing Approvals and/or Implementing Discretionary Actions only in accordance with this Agreement, the Initial Project Approvals, Applicable Rules, and any Future Rules that are made applicable to the Project or Property pursuant to Section 3.2, below. The County agrees that it is bound to permit the development and operation of the uses, density and intensity of such uses, the building heights, and the development standards and design guidelines provided for in this Agreement and the Project Approvals.

The County shall not require a Property Owner to obtain any approvals or permits for the development of the Project in accordance with this Agreement other than those permits or approvals that are required by the Project Approvals, the Applicable Rules, and any Future Rules that are made applicable to the Project or Property pursuant to Section 3.2, below. The Parties agree that this Agreement does not modify, alter, or change the County’s obligations pursuant to CEQA and acknowledge that Implementing Discretionary Actions and Subsequent Discretionary
Actions may require additional environmental review pursuant to CEQA or similar state or federal environmental law.

Notwithstanding the previous paragraph of this Section 3.1, this Agreement does not: (1) grant density, intensity or uses in excess of that otherwise established in the Project Approvals and the Applicable Rules; (b) supersede, nullify or amend any condition imposed in the Project Approvals; (c) eliminate County discretion with respect to future Subsequent Discretionary Actions; (d) guarantee that Parties will receive any profits from the Project; or (e) amend the County’s General Plan beyond the Initial Project Approvals. The Parties understand this Agreement has a fixed Term and is not permanent.

3.2. Changes in Applicable Rules. County may adopt new or modified Rules, Regulations, and Official Policies after the Effective Date (“Future Rules”); provided, however, that such Future Rules shall be applicable to the Project or Property only to the extent that such application does not conflict with Project Approvals or Applicable Rules; and provided, however, that as provided in Government Code Section 65866 such Future Rules will not delay, modify, prevent, or impede development or operation of the Project on the Property or conflict with any of the vested rights granted to Property Owner under this Agreement. Without limiting the generality of the foregoing and by way of example, any Future Rules shall be deemed to conflict with Property Owner’s vested rights if, they seek to limit or reduce the types of uses allowed, the density or intensity of uses permitted, or the building heights allowed, or attempt to alter or modify the development standards or design guidelines, or to limit the timing of the development of the Project, either with specific reference to the Property or as part of a general enactment that applies to the Property. A Property Owner may, in its sole and absolute discretion, consent to the application to the Project of any Future Rules.

Notwithstanding the foregoing, the County shall not be precluded from applying any Future Rules to the Project or Property under the following circumstances where, and to the extent that, the Future Rules are: (1) specifically mandated by changes in state or federal laws or regulations adopted after the Effective Date as provided in Government Code Section 65869.5 (but subject to the provisions of the following paragraph); (2) specifically mandated by a court of competent jurisdiction as applicable to the Project or Property; (3) necessary to protect the public health and safety and are generally applicable on a Countywide basis; (4) an event of natural disasters as found by the Board of Supervisors such as floods, earthquakes, and similar acts of God which need not be applicable on a Countywide basis; or (5) a Reserved Power. In addition, all specifications, standards, and policies regarding the design and construction of public works facilities, if any, shall be those that are in effect at the time the project plans are being processed for approval and/or under construction, and the design and construction requirements for an individual action under the Project shall be governed by the California Building Standards Codes then in effect at the time such action is submitted for review and approval except as otherwise specifically provided for in the Centennial Specific Plan.

With respect to item “(1)” above in the preceding paragraph, such Future Rules described in “(1)” shall be implemented by County to minimally comply with such state or federal laws or regulations; provided, however, that this Agreement and the Project Approvals shall remain in full force and effect to the extent not inconsistent with such state or federal laws or regulations and to the extent such state or federal laws or regulations do not render such remaining
provisions impractical or impossible to enforce. Unless otherwise required by law, as determined in County’s reasonable discretion (but subject to the meet and confer provisions of this paragraph), modifications to this Agreement and to the Project Approvals that may be required to address minimal compliance with state or federal laws or regulations pursuant to this Section 3.2 shall be implemented by the County as “minor” or “administrative” changes in accordance with Sections 3.9 and 7.9.1 of this Agreement, so long as Owner consents to such modification in writing. Upon discovery of a Future Rule described in “(1)” above, County shall provide the Property Owners with written notice of the Future Rule, and a written statement of the conflicts thereby raised with the provisions of Applicable Rules or this Agreement. The Parties shall thereafter meet and confer in a good faith attempt to modify this Agreement, as necessary, to minimally comply with such federal or state law or regulation. In implementing this paragraph, preservation of the terms of this Agreement and the rights of Parties as derived from this Agreement shall be the primary goal. If necessary to comply with federal or state law or regulations, County also agrees to process the Property Owners’ proposed changes to the Project that are necessary to comply with such federal or state law or regulations and that such proposed changes shall be conclusively deemed to be consistent with this Agreement without any further need for any amendment to this Agreement or any of its Exhibits.

This Agreement shall not be construed to prevent County from approving, conditionally approving, or denying any Subsequent Discretionary Action on the basis of Applicable Rules or Future Rules.

3.2.1. Special Taxes and Assessments. Other than as expressly addressed in Exhibit G of this Agreement (which provides that the Property Owners shall not contest certain actions taken by the County to enact financing mechanisms for certain Community Benefits), nothing in this Agreement shall prevent a Property Owner, from contesting, protesting, opposing or voting against any and all special taxes, assessments, levies, charges, and/or fees imposed with respect to any assessment districts, Mello-Roos, or community facilities districts, maintenance districts, or other similar districts.

3.2.2. Health and Safety Emergencies. In the event that a public health or safety emergency is declared by the County that arises with respect to the Project, the County agrees that it shall attempt, to the extent reasonably possible as determined by the County in its discretion, to address and resolve such emergency in a way that does not have a material adverse impact on the Project in accordance with the Project Approvals and the Applicable Rules; however, if the County determines, in its discretion, that it is not reasonably possible to so address or resolve such health or safety emergency, then the County shall select that option for addressing the emergency which, in the County’s discretion, but in consultation with the Property Owners, minimizes, so far as reasonably possible, the impact on the Project in accordance with the Project Approvals and the Applicable Rules while still addressing such health or safety emergency in a manner acceptable to the County.

3.3. Moratoria or Interim Control Ordinances. In the event an ordinance, resolution, policy, or other measure is enacted, whether by action of the County, by initiative, or otherwise, which relates directly or indirectly to the Project or to the rate, amount, timing, sequencing, or phasing of the development or construction of the Project on all or any part of the Property or the implementation of the Mitigation Measures adopted in connection with approval
of the Project, such ordinance, resolution, or other measure shall not apply to the Property or this Agreement, unless such changes are adopted pursuant to Section 3.2, above.

3.4. Public Improvements; Formation of Infrastructure Financing Districts; Reimbursement; Maintenance of Certain Improvements. Property Owners shall construct (or cause to be constructed) the Public Improvements necessary for the Project, which construction shall be undertaken in compliance with state applicable law, including, without limitation, Labor Code section 1720 et seq.. If Property Owners undertake infrastructure financing, such as with the use of Mello-Roos, joint powers authority, geological hazard abatement district, landscape lighting district or community facilities districts to finance their obligations to design and construct Public Improvements, the County agrees to cooperate fully in such endeavors and agrees to use good faith efforts to promptly commence and diligently and timely process any related applications. The Property Owners shall confer with the Department of Regional Planning prior to submitting the first Tentative Tract Map to discuss formation of any financing districts.

3.4.1. Reimbursement for Public Improvements. If, at the County’s request or as part of a Project Approval, the Property Owners construct, install or otherwise provide financing for any Public Improvements benefiting lands within the County that are outside of the Property, and such lands are not owned or controlled by a Property Owner, then, at the request of the Property Owners, County shall take such actions as are necessary to create a benefit district by which a fee, assessment, charge or other requirement will be imposed upon such other properties and reimbursed to Property Owners for the pro-rata share of the benefits conferred upon such lands by such Public Improvements. Reimbursement to the Property Owners shall be evidenced by a reimbursement agreement to be entered into between the County and Property Owner. If public facilities are constructed or solely funded by the Property Owners as Community Benefits pursuant to Exhibit G of this Agreement and such facilities are oversized, then notwithstanding this Section 3.4.1, but subject to and reserving any financing rights that Property Owners may have in this section and in Exhibit G, Property Owners shall have no right and County shall have no obligation to reimburse Property Owners for other property’s(ies’) fair share contributions.

3.4.2. Maintenance of Landscaping and Other Improvements; Master Declaration; Use Restrictions. The Property Owners agree that, following completion of each of the Public Improvements identified in this section, and notwithstanding public ownership of all or a part thereof, the Property Owners shall be responsible for all actual and necessary costs of repair, replacement, maintenance and other similar costs (collectively, “Maintenance”) pertaining to parkway and median landscaping (including street trees, irrigation, the open space and the bike paths in such parkways and medians) located within the Specific Plan (collectively, the “Privately Maintained Publicly Accessible Infrastructure”). To the extent permitted by law, the Property Owners’ Maintenance obligations for Privately Maintained Publicly Accessible Infrastructure may be financed as provided in Section 3.4. Prior to the sale of any lot on a Final Map by the Property Owners or the issuance of any certificates of occupancy within the Project, whichever occurs first, the Property Owners shall submit to the County for its approval, which shall not be unreasonably withheld, conditioned or delayed (and, following such approval, shall record against the Property), a Master Declaration of Covenants, Conditions and Restrictions (the “CC&Rs”), which shall constitute equitable servitudes enforceable against the
Property Owners and all subsequent successors and assigns. The CC&Rs shall (a) obligate the Property Owners either to perform all Maintenance for the Privately Maintained Publicly Accessible Infrastructure in accordance with County-required standards set forth in the CC&Rs or to reimburse the County, as the Property Owners shall elect, for all costs of such Maintenance of the Privately Maintained Publicly Accessible Infrastructure, which election shall be made by the Property Owners prior to issuance of the first certificate of occupancy for the Project; (b) provide that those provisions of the CC&Rs described in this Section 3.4.2 shall not be modified without the consent of the County, which consent shall not be unreasonably withheld, conditioned or delayed; (c) provide that the County shall have the right to enforce the provisions of the CC&Rs expressly identified as being for the County’s benefit in the event of the failure of the Property Owners to do so; and (d) provide for indemnification of the County from any such Maintenance costs or expenses or any claims, causes of action or Liabilities arising from the manner of performance of such Maintenance by the Property Owners (or any association of such owners formed for the purpose, inter alia, of performing such Maintenance (the “Association”)). The CC&Rs shall also (i) require that all Privately Maintained Publicly Accessible Infrastructure remain open to the public in perpetuity, and (ii) contain use restrictions with respect to certain uses within the Project which Property Owners and County consider to be undesirable or inappropriate for the Project, in each case in a form and substance approved by the Property Owners and County, which approvals shall not be unreasonably withheld, conditioned or delayed.

Notwithstanding anything in this Agreement which is or appears to the contrary, all private streets within the Project shall be privately constructed, in accordance with Applicable Law, privately owned and privately maintained. The County shall have no capital or Maintenance obligation with respect to private streets.

3.5. Impact Fees. Property Owners shall pay all Impact Fees that are in effect at the time an application is submitted for any Implementing Approval, Implementing Discretionary Actions, and/or Subsequent Discretionary Action provided that such action or approval may lawfully be conditioned on the payment of Impact Fees. Notwithstanding the foregoing, County agrees that the Property Owners shall receive a credit in lieu of specified Impact Fees to the extent expressly provided in Section 3.5.1 (provided, however, notwithstanding the fee credit provisions below, land value shall not be eligible to be included in any fee credit pursuant to this Agreement).

3.5.1. Impact Fee Credit for Provision of Certain Public Benefits. In addition to any other Project Approval or Applicable Rule that provide for the crediting of Impact Fees, the County agrees that Property Owners shall be entitled to a credit in lieu of any existing or future Impact Fee obligations relating, in whole or in part, to the value of any construction or equipping of public improvements or facilities, (to the extent permitted by the Mitigation Fee Act) required by the following Community Benefits: Items 2 (Sheriff Station and Temporary Sheriff Substation), 3 (Fire Stations), 7 (Park Facilities), 8 (Library) and 13 (Public Art) of Exhibit G.

3.5.2. Valuation for Purpose of Impact Fee Credit. For those items for which Section 3.5.1 and Exhibit G provide the Property Owners shall be entitled to a credit in lieu of any applicable Impact Fee, the Parties agree that the credit in lieu of applicable Impact
Fees shall be based on the fair market value of the construction or equipping as follows: For equipping and construction of improvements, the actual cost incurred and paid by the Property Owners shall be deemed fair market value.

3.6. **Processing Fees.** Property Owner shall pay all Processing Fees for the Implementing Approvals, Implementing Discretionary Actions, and any Subsequent Discretionary Actions. Processing Fees shall be those in effect at the time an application is submitted for any Implementing Approval, Implementing Discretionary Action, and/or Subsequent Discretionary Action, except as otherwise provided in the Specific Plan.

3.7. **Timeframes and Staffing for Processing and Review.** The County acknowledges that expeditious processing of Implementing Approvals and Implementing Discretionary Actions, if any, and any other approvals or actions required for the Project are important to the implementation of the Project. In recognition of the importance of timely review and processing of Implementing Approvals and Implementing Discretionary Actions, if any, the County agrees to enter into a separate Supplemental Fee Agreement (as defined in Los Angeles County Code Section 22.70.040), or similar agreement, to work with Property Owner to establish time frames for processing and review of such Implementing Approvals and Implementing Discretionary Actions, if any, and both Parties agree to comply in good faith with timeframes established in the Project Approvals and any applicable Supplemental Fee Agreement. The County agrees to use good faith efforts to expeditiously, diligently and timely process Implementing Approvals and Implementing Discretionary Actions, if any.

3.8. **Dedication of Road, Drainage and Other Public Purpose and Utility Easements.** County and Property Owners acknowledge that as development of the Project proceeds, it may be necessary to relocate or realign road, drainage or other utility easements granted to the County or to other governmental agencies or quasi-governmental agencies as shown on applicable Tract Map(s) or Parcel Map(s). To further development of the Project in the most expeditious manner, County and the Property Owners agree that proposed easements as shown on applicable Tract Map(s) or Parcel Map(s), may be offered as temporary statutory dedications on a Final Tract Map or Final Parcel Map covering all or a portion of the Property, and that such Offer of Temporary Easement shall revert, by their terms, to the respective Property Owner at such time as a replacement offer of dedication is recorded.

3.9. **Minor and Administrative Changes to Project Approvals.** Unless otherwise required by law, a “minor” or “administrative” change to the Project Approvals shall not require an amendment to this Agreement pursuant to California Government Code section 65868. Unless otherwise required by law, a minor or administrative change in a Project Approval may be reflected in an Operating Memoranda as described in Section 7.9.1.

3.10. **Tentative Tract, Financing Parcel Map and Other Entitlement Extensions.** The Parties intend that Project Tentative Tract Maps, Financing Maps and Tentative Maps facilitate the orderly, long-term development of the Property and the Property Owner’s provisions of certain infrastructure improvements over time; in addition these matters are inextricably intertwined with other Project Approvals sought by Property Owners to facilitate the Project. To allow for sufficient certainty in the construction and financing of major infrastructure, pursuant to California Government Code sections 65863.9 and 66452.6(a)(1),
which provide that a tentative map may be extended for the period of time provided in a
development agreement, Tentative Tract Maps, Financing Maps, Tentative Maps and any Project
Approval for the Project that may be approved by the County will be automatically extended for
the greater of the Term of this Agreement, in which case no such extension application to extend
the expiration date of any such map or permit need be filed, or such time approved in accordance
with state law or the Applicable Rules. The Parties also agree that phased final subdivision maps
may be processed or recorded.

3.11. Vesting Tentative Maps. If any tentative or final subdivision map or tentative or
final parcel map heretofore or hereafter approved in connection with development of the
Property is a vesting map under the Subdivision Map Act, and if this Agreement is determined
by a final judgement to be invalid or unenforceable insofar as it grants a vested right to develop
to Property Owners for development of the Project, then and to that extent all rights and
protections afforded Property Owners under the laws and ordinances applicable to vesting maps
shall supersede the provisions of this Agreement.

3.12. Development Agreement/Project Approval Inconsistencies. If there is an
inconsistency between any Applicable Rules and a Development Approval, then the provisions
of the Development Approval shall control and govern the Parties’ actions. If there is an
inconsistency between any Applicable Rules, Future Rules or Development Approval and this
Agreement, then the provisions of this Agreement shall control and govern the Parties’ actions.

4. INCORPORATION AND ANNEXATION.

4.1. Intent. If all or any portion of the Property is annexed to or otherwise becomes a
part of a city or of another county, it is the intent of the Parties that this Agreement shall survive
and be binding on such other jurisdiction.

4.2. Incorporation. If at any time during the term of this Agreement, a city is
incorporated comprising all or any portion of the Property, the validity and effect of this
Agreement shall be governed by Section 65865.3 of the California Government Code.

5. ANNUAL REVIEW.

5.1. Annual Review. Review of the Property Owners’ good faith compliance with the
terms of this Agreement during the period under review shall take place on an annual basis
beginning 12 months after the Effective Date of this Agreement and continuing to occur annually
thereafter on or shortly following the yearly anniversary of the Effective Date (“Annual
Review”) until termination of the Agreement. The Annual Review shall be conducted in
accordance with the Development Agreement Act and the Development Agreement Ordinance,
and shall address all items set forth therein as well as specifically demonstrate Property Owners’
compliance during the period under review with its obligations under Section 2 above, this
Agreement as a whole, and the MMRP. Property Owners shall submit evidence of their
compliance with this Agreement and the MMRP during the period under review in a form that
the Director of Planning may reasonably establish, in writing, and transmitted to the Director of
Planning no later than sixty (60) days from the Director of Planning’s commencement of the
Annual Review. The Property Owners shall reimburse the County for the actual costs of
preparing for and conducting the Annual Review within forty-five (45) days of written demand by the County.

5.2. **Certificate of Agreement Compliance.** If, at the conclusion of an Annual Review, a Property Owner is found to be in good faith compliance with this Agreement, County shall, upon request by the Property Owner, issue a Certificate of Agreement Compliance (“Compliance Certificate”) to such Property Owner stating that, after the most recent Annual Review and based upon the information then known to the County, (1) this Agreement remains in effect and (2) Property Owner is, to the current actual knowledge of the County, in good faith compliance with the Agreement as required by section 65865.1 of the Development Agreement Act. The Compliance Certificate shall be in the form attached hereto as Exhibit I. The Property Owner may record the Compliance Certificate with the County Recorder. Additionally, any Party may at any time request from the other an estoppel certificate (“Estoppel Certificate”) confirming, in addition to the foregoing, (a) that this Agreement is unmodified and in full force and effect, or if there have been modifications hereto, that this Agreement is in full force and effect as modified and stating the date and nature of such modifications; (b) that there are no known current uncured defaults under this Agreement or specifying the dates and nature of any such known default; and (c) as to any other reasonable information requested. The Estoppel Certificate shall in the form attached hereto as Exhibit N. Any such Compliance Certificate or Estoppel Certificate delivered pursuant to this Section shall not estop the Party delivering such certificate from asserting a breach or default, or pursuing any rights arising therefrom, with respect to any matter which occurs subsequent to the date of such certificate or discovered thereafter.

5.3. **Failure of Annual Review.** County’s failure to conduct a review at least annually of the Property Owners’ compliance with the terms and conditions of this Agreement shall not constitute or be construed by County or the Property Owners as a breach of or a default under this Agreement.

6. **DEFAULT PROVISIONS.**

6.1. **General Default Provisions.**

6.1.1. **Default.** Failure or unreasonable delay by the County or a Property Owner to perform any material provision of this Agreement shall constitute a default under this Agreement, except as expressly provided pursuant to this Agreement.

6.1.2. **Notice of Default.** In the event of a default, the Party alleging such default shall give the defaulting Party timely written notice of default (“Notice of Default”). County shall always notice a non-defaulting Property Owner at the same time and in the same manner as a defaulting Property Owner. Failure or delay in giving a Notice of Default shall not waive a Party’s right to give future notice of any other default. The Notice of Default shall specify the nature of the alleged default and the manner in which said default may be satisfactorily cured.

6.1.3. **Cure Period.** The defaulting Party shall provide evidence that it was never, in fact, in default or shall promptly commence to cure the identified default within
thirty (30) days of the Notice of Default, unless the Parties extend such time by mutual written consent or except in cases in which Property Owner’s alleged default presents a threat of imminent harm to the public. If the nature of the alleged default is such that it cannot be reasonably cured within such 30-day period, the commencement of the cure within such time period and the diligent pursuit to completion of the cure shall be deemed a cure within such period. During any period of curing, the Party charged shall not be considered in default for purposes of terminating this Agreement, for the purpose of determining compliance pursuant to an Annual Review under Section 5.1, or instituting legal proceedings pursuant to this Agreement. In the case of a dispute as to whether a default exists or whether the defaulting Party has cured the default, the Parties shall submit the matter to dispute resolution pursuant to Section 7.6 of this Agreement. County agrees that a non-defaulting Property Owner may, in such Party’s sole and absolute discretion and without imposing any obligation, cure or remedy any default or the other defaulting Property Owner.

6.2. Remedies for Default.

6.2.1. Property Owner Default; County Remedies. If a Property Owner remains in default after the cure period, and subject to satisfaction of the dispute resolution provisions of Section 7.6 of this Agreement, the County shall have all rights and remedies provided by this Agreement, including, without limitation, the right to terminate or modify this Agreement subject to the provisions set forth in Section 6.2.1.1 below. The County shall, in addition to any other remedy available at law or in equity, also have the right to compel specific performance of the obligations of the Property Owner that is in default under this Agreement, including, without limitation, the right to compel specific performance of the Community Benefits set forth in Exhibit G to this Agreement to the extent a particular Community Benefit would have been due at the time of delivery of a Notice of Default.

6.2.1.1. Termination or Modification. If the Director of Planning finds and determines that a Property Owner remains in default after the cure period, subject to satisfaction of the dispute resolution provisions of Section 7.6, and if the County intends to terminate or modify this Agreement, the Director of Planning shall notify the Regional Planning Commission that the Agreement is being violated, and a public hearing shall be scheduled before the Regional Planning Commission in accordance with the provisions of the Development Agreement Ordinance (County Code Sections 22.16.460, 22.16.470, and 22.16.480). If after such public hearing, the Regional Planning Commission finds that a Property Owner is in violation of this Agreement, the Regional Planning Commission shall notify the Board of Supervisors of its findings and recommend such action as it deems appropriate. If the Regional Planning Commission reports a violation of the Development Agreement to the Board of Supervisors pursuant to this Section, the Board of Supervisors may take one of the following actions: (a) approve the recommendation of the Regional Planning Commission instructing that action be taken as indicated therein in cases other than a recommendation to terminate or modify the Agreement; (b) refer the matter back to the Regional Planning Commission for further proceedings with or without instructions; or (c) schedule the matter for hearing before the Board of Supervisors if termination or modification of the Agreement is recommended. Procedures for such hearing before the Board of Supervisors shall be the same as provided in Section 22.16.450 of the Development Agreement Ordinance. There shall be no termination or modifications of this Agreement unless the Board of Supervisors acts pursuant to the provisions set forth in the
Development Agreement Act (Government Code Sections 65865.1) and the Development Agreement Ordinance. Pursuant to Section 65865.1 of the Development Agreement Act, if, as a result of the Annual Review, the County determines, on the basis of substantial evidence, that the Property Owner has not complied in good faith with terms or conditions of this Agreement, the County may terminate or modify the Agreement; provided, however, that if a defaulting Property Owner does not agree to the modification the County’s only remedy shall be to terminate the Agreement, but only as to such Party. Further, if the County seeks to terminate or modify the Agreement for any other reason, such action shall be subject to the requirements of Government Code Section 65868, including the requirement for the mutual consent of the Parties. In no event shall the County terminate or modify this Agreement as to a non-defaulting Property Owner solely based on default of the defaulting Property Owner.

6.2.2. County Default; Property Owner Remedies. If the County remains in default after the cure period and subject to satisfaction of the dispute resolution provisions of Section 7.6, Property Owners shall have all rights and remedies provided by this Agreement, including, without limitation, the right to compel specific performance of the County’s obligations under this Agreement. Property Owners also have the right to initiate amendment or cancellation of this Agreement subject to the provisions set forth in the Development Agreement Act and Development Agreement Ordinance, which include, but are not limited to, the requirement for mutual consent of the Parties to the amendment or cancellation. In the event County materially defaults under the terms of this Agreement, County agrees that Property Owners shall not be obligated to proceed with or compete any phase of the Project materially and directly affected by the default, nor shall resulting delays in a Property Owner’s performance constitute grounds for modification or termination of this Agreement.

6.2.3. No Monetary Damages. It is acknowledged by the Parties that neither the County nor a Property Owner would have entered into this Agreement if such Party were liable in monetary damages under or with respect to this Agreement or the application thereof. Therefore, the Parties agree that the Parties shall not be liable in monetary damages and the Parties covenant not to sue for or claim any monetary damages for the breach of any provision of this Agreement. The limitation on monetary damages shall not be construed to limit the right of the County to seek specific performance of any or all of the Community Benefits identified on Exhibit G to this Agreement, including any payments required therein that would have been due (and only to the extent due) at the time of delivery of a Notice of a Default.

6.3. Termination or Cancellation of the Agreement. In addition to the procedures set forth in Section 6.2.1.1, this Agreement is also subject to the following termination provisions:

6.3.1. Termination Upon Expiration of Term. This Agreement shall terminate upon expiration of the Term set forth in Section 7.2 unless otherwise extended or modified by mutual consent of the Parties. Upon termination of this Agreement, the County Registrar-Recorder/County Clerk may cause a notice of such termination in a form satisfactory to the County to be duly recorded in the official records of the County.
6.3.2. Cancellation by Mutual Consent. This Agreement may be cancelled by mutual consent of the Parties, subject to the procedures set forth in the Development Agreement Act and the Development Agreement Ordinance.

6.4. Enforced Delay; Extension of Time of Performance. In addition to specific provisions of this Agreement, performance by any Party hereunder shall not be deemed to be in default where a delay is enforced due to: war, insurrection, strikes, walkouts, lockouts, riots, floods, earthquakes, fires, casualties, acts of God, acts of public enemy, epidemics, quarantines, restrictions, freight embargos, lack of transportation, governmental restrictions or priority, unusually severe weather, acts of the other Parties, third-party litigation, restrictions imposed or mandated by governmental entities other than the County, enactment of conflicting state or federal laws or regulations, judicial decisions, or any other causes beyond the reasonable control or without the fault of the Party to be excused, and the cause of the enforced delay actually prevents or unreasonably interferes with such Party’s ability to comply with this Agreement (“Enforced Delay”); provided, however, that the Parties agree that a delay that results solely from unforeseen economic circumstances shall not constitute an Enforced Delay for purposes of this Section 6.4. This Section 6.4 shall not be applicable to any proceedings with respect to bankruptcy or receivership initiated by or on behalf of Property Owner, or by any third parties against Property Owner if such third-party proceedings are not dismissed within ninety (90) days. If written notice of an Enforced Delay is given to either Party within forty-five (45) days of the commencement of such Enforced Delay, an extension of time for such cause will be granted in writing for the period of the Enforced Delay, or longer as may be mutually agreed upon. Litigation, as defined in Section 1.26, shall be deemed to create an Enforced Delay under this Section 6.4 only as to the Property Owners.

7. GENERAL PROVISIONS.

7.1. Effective Date. The Effective Date of this Agreement shall be the date on which Enacting Ordinance becomes effective. The Enacting Ordinance is effective 30 days after the date of approval of such ordinance, provided the executed Development Agreement is received by the Executive Officer-Clerk of the Board within that 30-day time period.

7.2. Term. The Term of this Agreement shall commence on the Effective Date and shall extend for a period of thirty (30) years after the Effective Date, unless said Term is otherwise terminated, modified, or extended by circumstances set forth in this Agreement or by mutual consent of the Parties hereto. Following the expiration of this Term, this Agreement shall terminate and be of no further force and effect; provided, however, that termination shall not affect any right or duty arising from entitlements or approvals, including the Project Approvals, approved concurrently with, or subsequent to, the Effective Date of this Agreement. Notwithstanding the foregoing and in addition to any other provision in this Agreement, if any party other than a Property Owner initiates litigation that challenges the Project, the Initial Project Approvals or this Agreement, then any Property Owner will have the right to toll commencement of the Term while such litigation is pending. The tolling shall commence upon receipt by the County of written notice from any Property Owner invoking its right to tolling. The tolling shall terminate when (1) a final order is issued in said litigation that upholds the Project and the Project Approvals or (2) the litigation is dismissed with prejudice as to all parties; whichever occurs first.
7.3. **Incorporation of Preamble, Recitals, and Exhibits.** The preamble paragraph, Recitals, and Exhibits, and all defined terms contained therein, are incorporated fully herein.

7.4. **Consistency with General Plan and Applicable Rules.** The County hereby finds and determines that execution of this Agreement is in the best interest of the public health, safety, and general welfare, and the provisions of this Agreement are consistent with the General Plan. Based upon all information made available to the County up to or concurrently with the execution of this Agreement, the County finds that no Applicable Rules prohibit or prevent the full completion and occupancy of the Project in accordance with the uses, intensities, densities, designs and heights, permitted demolition, and other development entitlements incorporated and agreed to herein and in the Project Approvals.

7.5. **Enforceability of Agreement.** The Parties agree that unless this Agreement is amended to provide otherwise or terminated pursuant to the provisions of this Agreement, this Agreement shall be enforceable by any of the Parties hereto.

7.6. **Dispute Resolution.** In addition to, and not by way of limitation of, all other remedies available to the Parties under the terms of this Agreement, the Parties shall first use the dispute resolution processes in this Section 7.6 to resolve disputes related to the interpretation or enforcement of, or compliance with, the provision of this Agreement ("Disputes") prior to seeking any other remedy; provided that with respect to injunctive or other equitable relief for which a defense of timeliness to prosecute could be asserted, the Parties agree that utilization of mediation shall not be a basis for such a defense.

7.6.1. **Dispute Resolution Process.** In addition to, and not by way of limitation of, all other remedies available to the Parties under the terms of this Agreement, the Parties shall first use the dispute resolution processes in this Section 7.6 to resolve disputes related to the interpretation or enforcement of, or compliance with, the provision of this Agreement ("Disputes") prior to seeking any other remedy; provided that with respect to injunctive or other equitable relief for which a defense of timeliness to prosecute could be asserted, the Parties agree that utilization of mediation shall not be a basis for such a defense.

7.6.1.1. **Informal Dispute Resolution.** If any Party believes that a Dispute exists in connection with whether another Party has breached or otherwise failed to perform an obligation required by this Agreement, then the aggrieved Party shall first attempt promptly to resolve the Dispute through informal communications with the respective Parties’ designated points of contact. If such efforts fail, the aggrieved Party shall promptly provide the other Party with written notice of the Dispute and allow the other Party thirty (30) days to cure the Dispute. In the event the Dispute is not cured to the other Party’s satisfaction within the cure period described in the previous sentence, then the aggrieved Party shall issue a notice of mediation within thirty (30) days thereafter pursuant to Section 7.6.1.2. Each Party shall bear its own costs and expenses in connection with any use of this informal dispute resolution process.

7.6.1.2. **Mediation.** If informal dispute resolution pursuant to 7.6.1.1 fails to resolve Disputes, Disputes shall be submitted to mediation prior to judicial enforcement pursuant to Section 7.7 or undertaking other remedies provided by this Agreement. The Party requesting mediation will pay for the services of the mediator. All Parties shall make a good faith effort to resolve Disputes through mediation. When selecting a mediator, each Party shall provide the other Parties with a list of three (3) potential mediators and a short biography of each mediator and his or her qualifications, which should be of the same nature as well-respected
mediators throughout California. The Parties shall work together in good faith to select a mediator from the lists provided. The Parties shall commence mediation within thirty (30) days after notice of the mediation and designation of the mediator, subject to the mediator’s schedule. With the exception of the cost of the mediator’s services, which shall be borne by the Party requesting mediation, each Party shall bear its own fees and costs relating to the mediation.

7.7. Legal Action. Subject to the limitations on remedies imposed by this Agreement, either Party may, in addition to any other rights or remedies, institute legal action in any court of competent jurisdiction, to cure, correct, or remedy any default, enforce any covenant or agreement herein, enjoin any threatened or attempted violation, or enforce by specific performance the obligations and rights of the Parties hereto. In the event of any legal action between County and a Property Owner seeking enforcement of any of the terms and conditions of this Agreement, the prevailing Party in such action shall be awarded, in addition to such relief to which the Party is entitled under this Agreement, at law or in equity, its reasonable litigation costs and expenses, including without limitation its expert witness fees and reasonable attorneys’ fees. A Property Owner shall have no liability (other than the potential termination of this Agreement) if the contemplated development fails to occur.

7.8. Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

7.9. Amendment. This Agreement may be amended by mutual consent in writing of the Parties to this Agreement in accordance with the provisions of the Development Agreement Act (Government Code Section 65868) and the Development Agreement Ordinance. Any amendment to this Agreement that relates to the Term, permitted uses, density or intensity of use, height, or size of buildings, provisions for reservation and dedication of land, conditions, restrictions, and requirements or any conditions or covenants relating to the use of the Property, which are not provided for under the Project Approvals, shall require notice and public hearing before the Parties may execute an amendment thereto.

7.9.1. Operating Memoranda. The provisions of this Agreement require a close degree of cooperation and flexibility between the County and the Property Owners. The development of the Property may demonstrate that clarifications or modifications to this Agreement, the Applicable Rules and Future Rules are appropriate with respect to the details of performance of the County and the Property Owners. To the extent allowed by law, Property Owners retains flexibility as provided herein with respect to all matters, items and provisions covered in general under this Agreement. When and if a Property Owner finds it necessary or appropriate to make changes, adjustments or clarifications to matters, the Parties shall effectuate such changes, adjustments or clarifications through operating memorandum (“Operating Memoranda”) approved by the Parties in writing with reference to this Section 7.9.1. Operating Memoranda are not intended to constitute an amendment to this Agreement but mere ministerial clarifications; therefore, public notice and hearings shall not be required. Operating Memoranda may be used and thus deemed non-substantive and/or procedural if it does not result in material change in fees, cost, an increase in the density or intensity of use, permitted uses, an increase in maximum height and size of buildings, a decrease in the amount of land to be dedicated for public purposes, or the reduction of improvement or construction standards and specifications for the Project. County Counsel shall be authorized, upon consultation with and approval of the
Property Owners to determine whether a requested clarification may be effectuated pursuant to this Section 7.9.1 or whether the requested clarification is of such a character to constitute an amendment to this Agreement which requires compliance with the provisions of Section 7.9. The Planning Director of the County is authorized to make clarifications, in consultation with County Counsel, on behalf of the County.

7.10. Assignment. A Property Owner shall have the right to sell, encumber, convey, assign or otherwise transfer, in whole or in part, directly or indirectly, its rights, interests and obligations contained in this Agreement (an “Assignment”), to any person or entity (an “Assignee”) at any time during the Term of this Agreement; provided, however, that (except with respect to Exempt Transfers [defined below]) such Property Owner shall first obtain the written consent of the County. Such consent shall not be unreasonably delayed, withheld or conditioned and must be granted upon demonstration by the Property Owner, to the reasonable satisfaction of the Chief Executive Officer of the County, that the Assignee (or any guarantor or surety of the Assignee’s performance that may reasonably be required by the County to ensure that any transferred obligations can be performed) has the financial ability to meet the obligations proposed to be assigned and to undertake and complete the portion of the Project affected by such Assignment, and, further, that the proposed Assignee (or any guarantor or surety of the Assignee) has adequate experience with developments of comparable scope and complexity and has successfully completed such developments. If the County determines that a guaranty or surety is reasonably required to ensure that any transferred obligations can be performed, then such guaranty or surety shall be provided in a form and content reasonably satisfactory to the County. Any request for County consent of an Assignment shall be in writing and accompanied by certified financial statements (or other financial documentation reasonably acceptable to the County) of the proposed Assignee (and any proposed guarantor or surety) and any additional information concerning the identity, financial condition and experience of the Assignee (and any proposed guarantor or surety) as the County may reasonably request; provided, that, any such request for additional information by the County shall be made, if at all, within twenty-one (21) days after County’s receipt of the request for approval of the proposed Assignment. If County wishes to not give its consent to the requested Assignment, then County shall set forth in writing and in reasonable detail the grounds for such disapproval. If the County fails to provide consent or otherwise disapprove of a proposed Assignment within sixty (60) days after written request for such consent is given in the manner set forth in Section 7.15 and delivery of any required and requested additional information described above, such proposed Assignment shall be deemed to be consented to by County. Any attempted Assignment in violation of this provision shall be void ab initio, and shall constitute a breach of this Agreement. All Assignees that wish to engage in further Assignment shall also be bound by the terms of this Section 7.10 and each successive Assignment of the rights hereunder shall also be subject to the requirements of this Section.

7.10.1. Form of Assignment and Assumption Agreement. Any Assignment shall be evidenced by a written assignment and assumption agreement in a form and content that similar to the form contained in Exhibit “L” attached hereto.

7.10.2. County Consent – Delegation to Chief Executive Officer. Any consent required of the County under this Section 7.10 may be provided by the Chief Executive Officer and the Chief Executive Officer is hereby delegated the authority to provide such
consent; provided that nothing herein shall require the Chief Executive Officer to act prior to submission of such matter to the Board of Supervisors if the Chief Executive Officer considers that review necessary or helpful in the Chief Executive Officer’s sole discretion. Any such submission of the Chief Executive Officer to the Board of Supervisors shall not extend the sixty (60) day period to disapprove the Assignment set forth in this Section.

7.10.3. **Obligations Not Transferred Absent Assignment; Meet and Confer for Obligations Assigned.** Unless otherwise transferred to an Assignee pursuant to an Assignment, all obligations in this Agreement (including without limitation the obligations to provide Community Benefits) shall remain obligations of the Property Owners. Upon the request of any Party, the Parties shall expeditiously meet and confer in a reasonable effort to determine and reach resolution on whether a particular obligation under this Agreement that is proposed to be transferred to an Assignee should be treated as non-severable (i.e., not transferable by Assignment).

7.10.4. **Exempt Transfers.** Notwithstanding the foregoing or anything to the contrary in this Agreement, County consent shall not be required for either (1) the assignment, transfer or conveyance of the Agreement or the Property to an Affiliate (as defined below) or (2) the transfer of a Property Owner’s (or the Controlling Entity’s [defined below]) shares, partnership interests, or other equity interests sold in the over-the-counter market or on other recognized stock exchange (collectively, “Exempt Transfers”). As used in this Section 7.10, the term “Affiliate” means any entity controlling (“Controlling Entity”), controlled by or under common control or management of, or with, a Property Owner, or any entity which a Property Owner or a Property Owner’s Controlling Entity, directly or indirectly, through one or more intermediaries, is a partner, shareholder, member, beneficiary or otherwise an owner.

7.11. **Covenants.** It is intended and determined that the provisions of this Agreement shall constitute covenants that shall run with the land comprising the Property for the benefit thereof, and the burdens and benefits hereof shall bind and inure to the benefit of all assignees, transferees, and successors to the Parties hereto.

7.12. **Cooperation and Implementation.**

7.12.1. **Processing.** Upon satisfactory completion by the Property Owners of all required preliminary actions and payment of appropriate Processing Fees, the County shall commence and diligently process all required steps necessary for the implementation of this Agreement and development of the Property in accordance with the terms of this Agreement. The Property Owners shall, in a timely manner, provide the County with all documents, plans, fees, and other information necessary for the County to carry out its processing obligations pursuant to this Agreement.

7.12.2. **Other Governmental Permits.** The Property Owners shall, subject to the exercise of each Property Owner’s sole business judgement and taking into account market and economic considerations, process such other permits and approvals as may be required from other governmental or quasi-governmental agencies having jurisdiction over the Project as may be required for the development of, or provision of services to, the Project. The County shall cooperate with the Property Owners in its endeavors to obtain such permits and
approvals and shall, from time to time at the request of the Property Owners, attempt with due diligence and in good faith to enter into binding agreements with any such entity to ensure the availability of such permits and approvals, or services, provided such agreements are reasonable and not detrimental to the County, as determined by the County. These agreements may include, but are not limited to, joint powers agreements under the provisions of the Joint Exercise of Powers Act (Government Code Section 6500, et seq.), Mello Roos or community facilities districts, creation of geologic hazard abatement districts, LAFCO’s approval of annexation or detachment, or agreements entered into pursuant to the provisions of other laws to create legally binding, enforceable agreements between such parties. To the extent allowed by law, the Property Owners shall be a party to any such agreement, or a third party beneficiary thereof, entitled to enforce for its own benefit on behalf of the County, or in its own names, the rights of the County or Property Owners thereunder or the duties and obligations of the parties thereto. Property Owners shall reimburse the County for all costs and expenses incurred in connection with seeking and entering into any such agreement provided that Property Owner have requested such agreement. Property Owners shall defend the County in any challenge by any person to any such agreement, and shall reimburse the County for any costs and expenses incurred by the County in enforcing such agreement. Any fees, assessments, or other amounts payable by the County thereunder shall be borne by Property Owners except where Property Owners has notified the County in writing, prior to the County’s entering into such agreement, that Property Owners does not desire for the County to execute such agreement.

7.12.3. 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 Agreement, the Parties hereby agree to cooperate in defending said action.

7.13. Relationship of the Parties; Project is a Private Undertaking. The only relationship between County and Property Owner is that of a government entity regulating the development of private property and the owner of such property. It is understood and agreed by the Parties hereto that the Project is a private development. Further, the County and Property Owner hereby renounce the existence of any form of joint venture or partnership between them and agree that nothing herein or in any document executed in connection herewith shall be construed as making the County and Property Owner joint venturers or partners. County agrees that by its approval of, and entering into, this Agreement County is not taking any action that would transform this private Project into a “Public work” project, and that nothing in this Agreement shall be interpreted to convey upon the Property Owners any benefit that would transform the Property Owners private Project into a public work project, it being understood that this Agreement is entered into by County and Property Owners upon the exchange of consideration described in this Agreement, including the recitals of this Agreement which are incorporated into this Agreement and made a part hereof, and that County is receiving by and through this Agreement, the full measure of benefit in exchange for the burdens placed on the Property Owners by this Agreement, including but not limited to Property Owners obligation to provide the Community Benefits set forth herein.

7.14. Hold Harmless. The Applicant shall defend, indemnify, and hold harmless the County, its agents, officers, and employees from any claim, action, or proceeding against the County or its agents, officers, or employees to attack, set aside, void, or annul any approvals
associated with the Centennial Project, including but not limited to, any action raised pursuant to
the Government Code, the California Environmental Quality Act (CEQA), the Public Records
Act related to document requests associated with the Centennial Project, or other federal, state,
or local law. Under this indemnification provision the applicant shall be responsible for the
payment of any of the County’s attorney’s fees (with counsel of the County’s choice) and costs
associated with the defense of the Centennial Project, and any attorney’s fees or costs which may
be awarded to any person or party challenging the project approvals on any grounds. The
County shall promptly notify the Applicant of any claim, action, or proceeding and the County
shall reasonably cooperate in the defense.

In the event that any claim, action, or proceeding as described above is filed against the County,
The Applicant shall within ten days of the filing make an initial deposit with Regional Planning in
the amount of up to $50,000.00, from which actual costs and expenses shall be billed and deducted
for the purpose of defraying the costs or expenses involved in Regional Planning's cooperation in
the defense, including but not limited to, depositions, testimony, and other assistance provided to
Applicant or Applicant's counsel.

If during the litigation process, actual costs or expenses incurred reach 80 percent of the amount
on deposit, the Applicant shall deposit additional funds sufficient to bring the balance up to the
amount of $50,000.00. There is no limit to the number of supplemental deposits that may be
required prior to completion of the litigation.

At the sole discretion of the Applicant, the amount of an initial or any supplemental deposit may
exceed the minimum amounts defined herein. Additionally, the cost for collection and duplication
of records and other related documents shall be paid by the Applicant according to County Code
Section 2.170.010.

7.15. Notices. Any notice or communication required under this Agreement between
the County or Property Owners shall be in writing, and shall be given either personally or by
registered or certified mail, return receipt requested. Notice, whether given by personal delivery
or registered mail, shall be deemed to have been given and received upon the receipt by the
County or the Property Owners at the addresses designated below. Either Party hereto may at any
time, by giving ten (10) days’ written notice to the other Party hereto, provide additional persons
or addresses or designate any other person or address in substitution of the person or address to
whom or to which such notice or communication shall be given. Such notices or communications
shall be given to the Parties at their addresses set forth below:

If to the County:

Director of Regional Planning
Attention: Amy J. Bodek, AICP
County of Los Angeles Department of
Regional Planning
320 West Temple Street, 13th Floor
Los Angeles, CA 90012

with copies to:

Director of Public Works
Attention: Mark Pastrella
County of Los Angeles Department of
Public Works
900 South Fremont Avenue
Alhambra, CA 91803
7.16. **Recordation.** As provided in Government Code Section 65868.5, the Executive Officer-Clerk of the Board of Supervisors (“Executive Officer”) of the County shall record a copy of this Agreement with the Registrar-Recorder/County Clerk of the County of Los Angeles within ten (10) days following the execution of this Agreement. Property Owner shall provide the Executive Officer with the fees for such recording should the Executive Officer effectuate the recordation.

7.17. **Constructive Notice and Acceptance.** Every person who now or hereafter owns or acquires any right, title, interest in or to any portion of the Property, is and shall be conclusively deemed to have consented and agreed to every provision contained herein, whether or not any reference to this Agreement is contained in the instrument by which such person acquired an interest in the Property.

7.18. **Successors and Assignees.** The provisions of this Agreement shall be binding upon and shall inure to the benefit of the Parties, any subsequent owner of all or any portion of the Property and their respective successors, transferees, and assignees.

7.19. **Severability.** If any term, provision, condition, or covenant of this Agreement, other than those set forth in Sections 2.4 and 3 above and in Exhibit G to this Agreement, is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions, conditions, and covenants of this Agreement shall continue in full force and effect.

7.20. **Time of the Essence.** Time is of the essence for each provision of this Agreement of which time is an element.
7.21. **Waiver.** No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the Party against whom enforcement of a waiver is sought and refers expressly to this Section. No waiver by any Party of any provisions of this Agreement shall be considered a waiver of any other provision or any subsequent breach of the same or any other provision, including the time for performance of any such provision. The exercise of any right or remedy provided in this Agreement or provided by law shall not prevent the exercise by that Party of any other right or remedy provided in this Agreement or under the law.

7.22. **No Third-Party Beneficiaries.** The only Parties to this Agreement are the County and Property Owners and their respective successors-in-interest. There are no third-party beneficiaries and this Agreement is not intended, and shall not be construed to benefit or be enforceable by any other person whatsoever.

7.23. **Entire Agreement.** This Agreement, inclusive of the preamble paragraph, Recitals, and Exhibits, constitutes the entire understanding and agreement between the Parties with respect to the subject matter contained herein. There are no oral or written representations, understandings or ancillary covenants, undertakings or agreements that are not contained or expressly referred to herein (or any such representations, understandings or ancillary covenants, undertakings or agreements are integrated in this Agreement) and no testimony or evidence of any such representations, understandings, or covenants shall be admissible in any proceedings of any kind or nature to interpret or determine the provisions or conditions of this Agreement.

7.24. **Construction of Agreement.** Each Party acknowledges that it has received independent legal advice from its attorneys with respect to the advisability of executing this Agreement and the meaning of the provisions hereof. This Agreement has been reviewed and revised by legal counsel for the County and the Property Owners. The provisions of this Agreement and the attached Exhibits shall be construed as a whole according to their fair and common meaning, in a manner that shall achieve the purposes of this Agreement, and not strictly for or against any Party based upon any attribution to such Party as the source of the language in question. Phrases used in this Agreement may have similar meanings even if there is a slight deviation in the context or exact language used. The headings and table of contents used in this Agreement are for the convenience of reference only and shall not be used in construing this Agreement.

7.25. **Discretion to Encumber; Mortgagee Protection.** This Agreement shall not prevent or limit Property Owners in any manner, in their respective sole discretion, from encumbering the Property or any portion of the Property or any improvement on the Property by any mortgage, deed of trust, or other security device securing financing with respect to the Property or its improvements. County acknowledges that the lenders providing such financing may require certain Agreement interpretations and modifications and agrees upon request, from time to time, to meet with Property Owners and representatives of such lenders to negotiate in good faith any such request for interpretation or modification. County will not unreasonably withhold its consent to any such requested interpretation or modification provided such interpretation or modification is consistent with the intent and purposes of this Agreement. Any Mortgagee of the Property shall be entitled to the following rights and privileges:
7.25.1. Neither entering into this Agreement nor a breach of this Agreement shall defeat, render invalid, diminish or impair the lien of a Mortgage on the Property made in good faith and for value, unless otherwise required by law.

7.25.2. If County timely received a request from a Mortgagee requesting a copy of a notice of default given to Owner under the terms of this Agreement, County shall provide a copy of that notice to the Mortgage within ten (10) days of sending the notice of default to Owner. The Mortgagee shall have the right, but not the obligation, to cure the default during the remaining cure period allowed such Party under this Agreement.

7.26. **Expedited Processing of Legal Actions.** Property Owners and the County agree to cooperate in good faith for the expedited processing of any legal action seeking specific performance, declaratory relief, or injunctive relief, to set court dates at the earliest practicable date(s), and not to cause undue delay in the prosecution/defense of the action, provided such cooperation shall not require any Party to waive any rights.

7.27. **Termination of Agreement With Respect to Lots Upon Sale to Builders/Members of the Public.** Notwithstanding any other provisions of this Agreement, this Agreement shall terminate with respect to any lot and such lot shall be released and no longer be subject to this Agreement without the execution or recordation of any further document upon satisfaction by a Property Owner of both of the following conditions: (a) The lot has been finally subdivided and individually or in bulk sold, or leased (for a period equal to or longer than one year) to a homebuilder, or to a member of the public or other ultimate user; and (b) All benefits set forth under Section 2.4 of this Agreement required at that point in time have been provided.

7.28. **Water Supply Assessment Verification.** To the extent any vesting tentative maps or tentative maps approved for the Project would trigger the application of Government Code section 66473.7, the Project shall comply with provisions of Government Code section 66473.7.

7.29. **Counterparts.** This Agreement is executed in two duplicate originals, each of which is deemed to be an original. This Agreement, not counting the Cover Page, Table of Contents, and Signature Page, consists of (_)_____ pages and ______ (_) Exhibits and the index of Applicable Rules, which constitute the entire understanding and agreement of the Parties. Said Exhibits are identified as follows:

- Exhibit A: Legal Description of Centennial Property
- Exhibit B: Legal Description of Tejon Property
- Exhibit C: Depiction of Centennial Property
- Exhibit D: Depiction of Tejon Property
- Exhibit E: On Site Public Infrastructure
- Exhibit E-1 On Site Public Infrastructure Phasing And Plan
- Exhibit F: MMRP
- Exhibit G: Community Benefits
- Exhibit H: Map of Specific Plan Area
- Exhibit I: Form of Certificate of Agreement Compliance
- Exhibit J: Supplemental Regional Park Land Depiction
IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first written above.

COUNTY OF LOS ANGELES, a body politic and political subdivision of the State of California

By: ________________________________
   Sheila Kuehl, Chair
   Board of Supervisors

DATE: ________________________________

APPROVED AS TO FORM:

MARY C. WICKHAM
COUNTY COUNSEL

By: ________________________________
   Deputy

DATE: ________________________________

ATTEST:

Executive Officer-Clerk of the Board of Supervisors

By: ________________________________

DATE: ________________________________

TEJON RANCHCORP, a California corporation

By: ________________________________
   Name: Allen E. Lyda,
   Its: Executive Vice President and Chief Financial Officer

DATE: ________________________________

By: ________________________________
   Name: ________________________________
   Its: Authorized Representative

DATE: ________________________________
CENTENNIAL FOUNDERS, LLC,
a Delaware limited liability company

By: Tejon Ranchcorp,
a California corporation,
its Development Manager

By: ____________________________  
   Allen E. Lyda  
   Its: Executive Vice President and Chief Financial Officer

By: ____________________________  
   Name: ____________________________  
   Its: Authorized Representative

DATE: ____________________________
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA )
COUNTY OF _____________

On ________________, before me, __________________, Notary Public in and for said state, 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.

________________________________________ (Seal)

Signature
EXHIBIT A

Legal Description of Centennial Property

[Attached on following pages]

[Exhibit in process of preparation]
EXHIBIT B

Legal Description of Tejon Property

[Attached on following pages]
EXHIBIT C

Depiction of Centennial Property

[Attached on following pages]

[Exhibit in process of preparation]
EXHIBIT D

Depiction of Tejon Property

[Attached on following pages]

[Exhibit in process of preparation]
EXHIBIT E

On Site Public Infrastructure

In addition to other Public Improvements that may be required for development of the Project, by entering this Agreement, the Property Owners agree to construct (or cause to be constructed) the following On Site Public Infrastructure that are identified below with respect to their respective Property on or before the milestones identified in the On Site Public Infrastructure Phasing Plan (Exhibit E-1):

1. County Civic Administration Facility as described further in Exhibit G at Item 1. *
2. Temporary Sheriff Substation as described further in Exhibit G at Item 2. *
3. Permanent Sheriff Station as described further in Exhibit G at Item 2. *
4. Fire Stations (not less than 3, nor more than 4) as described further in Exhibit G at Item 3. *
5. Waste Water Treatment Plant as described in Exhibit E-1 and in the Specific Plan.
6. Parks: Neighborhood Parks, Regional Park, Regional Trail, Open Space as described further in Exhibit G at Item 7 and on Exhibit E-1. *
7. Project-wide Wireless Internet as described in Exhibit E-1.
8. Community Gardens (2) as described in Exhibit E-1.
9. Sustainability Learning Program Facilities as described in Exhibit G at Item 9. *
10. Water Treatment Plant as described in Exhibit E-1 and in the Specific Plan.

Note 1: Items followed by an asterisk (“*”) are (or have features that constitute) Community Benefits and are further described in Exhibit G.

Note 2: Listed items reflect Public Improvements required by various entitlements contained in the Initial Project Approvals.
EXHIBIT E-1

On Site Public Infrastructure And Phasing Plan

[Attached on following pages]
EXHIBIT F

Mitigation Monitoring and Reporting Program

[Attached on following pages]

[Exhibit in process of preparation]
EXHIBIT G

Community Benefits

In addition to performing any other obligations imposed by the Initial Project Approvals or elsewhere in this Agreement, and solely and exclusively in consideration for the County’s entering into this Agreement, the Property Owners shall perform the Community Benefits contained in this Exhibit G, which benefits are agreed to by the Property Owners in exchange for the County’s performance of its obligations in this Agreement including, without limitation, the County’s assurances that the Project may be developed during the Term of this Agreement in accordance with the Applicable Rules and the Project Approvals. Community Benefits do not include items otherwise required by the Specific Plan or any entitlement, condition or mitigation measure for the Project.

1. County Civic Administration Facility

1.1. Identification of Site. The Property Owners will dedicate one (1) site of not more than two (2) acres for the purpose of constructing a civic and administration facility of not more than 30,000 square feet, along with associated landscaping, hardscape, signage and necessary surface parking lots ("Civic Administration Facility"). The exact acreage, location, configuration and square footage (within the square footage range noted above) of the Civic Administration Facility shall be mutually agreed by the Parties and shall be specified at the time the Parties prepare the Civic Facilities Plan (defined below). The Civic Administration Facility site will be identified as a parcel in the Tentative Tract Map for the Town Center (Village 3).

1.2. Civic Facilities Plan; Property Owners’ Construction Obligations; Timing of Conveyance and Construction. The Parties shall mutually develop and agree to a civic facilities plan that will address the design and planning of the Civic Administration Facility (including the development of construction schedules, site plans, floor plans, elevations, landscaping and lighting plans, wayfinding and signage, parking plans, accessibility plans and selection of interior/exterior construction materials), shall specifically identify the acreage, location and configuration of the site where the facility will be located, shall specify the exact square footage of the facility, and shall include the budget described in Item 1.3 below ("Civic Facilities Plan"). The Civic Facilities Plan shall be developed, prepared and agreed to by the Parties prior to approval of the Tentative Tract Map for Village 3 (Town Center). The County shall specify and have ultimate approval rights of the plans, designs and construction standards for the Civic Administration Facility, subject to the standards described in Items 1.5 and the budget prepared as described in Item 1.3. The Civic Facility Plan’s design and space standards for the Civic Administration Facility shall reasonably reflect the average benchmarks for other modern and contemporary civic administration facilities designed or constructed within the previous five years for North American cities and/or counties with populations of 200,000 or more. The County shall accept dedication of the site for the Civic Administration Facility promptly following recordation of the Final Map. Notwithstanding any dedication and/or acceptance thereof,
if the County determines not to construct the Civic Administration Facility, for any reason other than a breach of the Property Owner’s obligations hereunder, or if the site is not fully used for the Civic Administration Facility or another governmental use by the County that is mutually approved by the Parties, then the Parties agree that the Property Owner’s deed conveying title to the site for the Civic Administration Facility shall provide for the reversion of the site (or portion of the site not used for a Civic Administration Facility or other mutually approved governmental use by the County) to the Property Owner. Subject to the budget agreed to by the Parties, the Property Owners shall design and construct the Civic Administration Facility, for the County’s permanent ownership, operation and maintenance. The Civic Administration Facility shall be completed by the Property Owners (i.e., certificate of occupancy issued) and transferred to the County no later than the milestones identified in Exhibit E-1. Property Owners shall bear no cost for the facility’s operations, maintenance or risk of loss following transfer to the County.

1.3. Design and Construction Budget; Establishment of Costs. The Parties shall mutually agree to a design and construction budget for the Civic Administration Facility, which budget shall include an agreed maximum cost; the maximum cost shall (i) be adjusted to reflect changes in the CPI between the date Parties agree to a budget and the date a construction contract for the Civic Administration Facility is awarded and (ii) include a mutually agreed reasonable contingency for unforeseen construction cost overruns. The budget shall reflect the design and space standards benchmarked against other similar facilities as described in Item 1.2. The budget shall be prepared as part of the Civic Facilities Plan. In no event shall the cost of the Property Owners’ obligation to design and construct the Civic Administration Facility exceed the maximum cost agreed to in the budget (as such cost may be adjusted by “(i)” in the prior sentence).

1.4. Co-Location of Other Public Facilities. The Parties believe that it may be advantageous to co-locate other public facilities within or adjacent to the Civic Administration Facility. Such facilities may include, without limitation, the colocation of the sustainability learning program facilities (Item 9 below) within the Civic Administration Facility and location of library facilities (Item 8 below) adjacent to the Civic Administration Facility. The Parties shall review colocation and adjacency opportunities during the design of the Civic Administration Facility as part of the preparation of the Civic Facilities Plan. To the extent that the Parties mutually agree to co-locate other public facilities within the Civic Administration Facility, the Parties shall meet and confer to assess how to implement, design and construct such collocation. Collocation shall not impose on the Property Owners further obligation to (i) increase the square footage of the Civic Administration Facility (or site size) or (ii) increase the maximum cost identified in Item 1.3 above. To the extent that collocation occurs for facilities that would otherwise be subject to an Impact Fee imposition, the Property Owners shall receive credit based on a reasonable pro-ration of the cost/square footage for such facility.

1.5. Building(s) and Architecture. Design quality of the Civic Administration Facility shall reflect the dignity of a civic function and highlight the importance of broad civic engagement. The architecture should be compelling and reflect regional values and the history of the Property. Materials should be high quality, yet cost effective, durable and low maintenance in keeping with the civic and institutional nature of the development. In
addition, the Civic Administration Facility shall be designed to conserve energy, reduce operating costs, conserve resources, support cost effectiveness and create healthy productive work environments. Life cycle cost analysis must be conducted during selection of the mechanical, electrical and other systems to ensure the needs of the County are met efficiently and cost effectively. The commitment in Item 12 to “net zero electricity,” or the equivalent, is required. The Civic Administration Facility shall also use Leadership in Energy and Environmental Design standards (LEED) and Well Building standards, or equivalent, to measure the effectiveness of achieving sustainability goals for the County. The minimum sustainable design goal for the Civic Administration Facility is LEED NC Gold.

The Civic Administration Facility shall be designed, planned and constructed with access control systems in mind to enable a limited number of security checkpoints to monitor all access.

The Civic Administration Facility may include, but not be limited to, the following requirements for functionality based on the standards of public facility use/staffing/design existing at the time the budget is prepared, at the sole discretion of the County: Board/Commission meeting room and conference suite; typical office space and support functions including reception, conference, filing/storage, copy/supply; public counters for various functions requiring public interface; and other requirements as determined during the Civic Facilities Plan stage.

Continuity of County Operations. The Civic Administration Facility is required to be an essential facility; all associated requirements shall be in conformance with governing authority.

2. Sheriff Station & Temporary Sheriff Substation

2.1. Identification of Site. The Property Owners will dedicate one site for a permanent LA County Sheriff Department ("LACSD") station ("Sheriff Station") and shall provide a location, prior to the establishment of the Sheriff Station, as a temporary/interim “storefront” substation ("Temporary Sheriff Substation"). The Sheriff Station shall be constructed in the Specific Plan area and the general location will be as identified on Exhibit 4-1 of the FEIR, subject to relocation by mutual agreement of the Parties. With respect to siting the location of the Sheriff Station, any such determination shall take into account (a) response time requirements as summarized in the FEIR (p. 5.16-19) and (b) the reasonable business judgment of the Property Owners as to a location that meet the metrics in “(a)”. Notwithstanding the previous sentence, LACSD will nevertheless have final approval of any sheriff station location. The Temporary Sheriff Substation shall be at a location that is mutually acceptable to the parties and shall be transferred back to developer once the permanent station is operational.

2.2. Timing of Construction. The facilities shall be completed (i.e., certificate of occupancy issued) no later than the milestones identified in Exhibit E-1 for each facility. The approximate sizing of the facilities shall be as follows:
Temporary Sheriff Substation: Approximately square footage to be determined by the Parties based on LACSD reasonable needs and response time requirements.

Sheriff Station: Up to 22,000 sf facility on a site of approximately 2.5 acres.

2.3. **Construction Costs; Budget.** The Property Owners shall design, construct and equip the stations to the standard provided in Item 2.2 (at Property Owners’ sole cost and expense). The Parties shall mutually agree to a budget for the Temporary Sheriff Substation and Sheriff Station, which budget shall include an agreed maximum cost; the maximum cost shall (i) be adjusted to reflect changes in the CPI between the date the Parties agree to a budget and the date a construction contract for the Sheriff Station is awarded and (ii) include a mutually agreed reasonable contingency for unforeseen construction cost overruns. The budget shall be prepared prior to approval of the first Tentative Tract Map. In no event shall the cost of the Property Owners’ obligation to design and construct the Temporary Sheriff Substation and Sheriff Station exceed the maximum cost agreed to in the budget (as such cost may be adjusted by “(i)” in the second sentence of this Item 2.3).

2.4. Continuity of County Operations. The Sheriff Substation is required to be an essential facility; all associated requirements shall be in conformance with governing authority.

3. **Fire Stations**

3.1. **Identification of Sites, Number and Type of Stations.** The Property Owners will dedicate sites for fire stations, with the exact number of stations to be determined based on the impact metrics contained in Mitigation Measure 16-1 of the FEIR; it is anticipated that buildout of the Project will require three (3) fire stations, and potentially (but not necessarily) a fourth station if required by Mitigation Measure 16-1. The fire stations will consist, of three (3) medium stations (approximately 10,000 sf) and one (1) large station (approximately 13,000 sf), all of which will be located within the Specific Plan area. The general locations of three of the stations will be situated as identified on Exhibit 4-1 of the FEIR, subject to relocation by mutual agreement of the Parties. The fourth station, if required at all, shall be located based on mutual agreement of the Parties. With respect to the Parties’ discussion of specific locations, any such determination shall take into account (a) a 5 minute response times for a “first responder” fire service unit, (b) an 8 minute response times for advanced life support/paramedic service and (c) the reasonable agreement of the Parties as to locations that meet the metrics in “(a)” and “(b)”. Notwithstanding the metrics in the previous sentence, the Los Angeles County Fire Department will nevertheless have final approval of any fire station location.

3.2. **Timing and Equipping.** The fire stations shall be completed (i.e., certificate of occupancy issued) and equipped no later than the milestones identified in Exhibit E-1 for each fire station. The approximate sizing and equipping of the fire stations shall be as follows:

First Fire Station: Approximately 10,000 sf facility on a site of approximately 1.25 acres, equipped to be compatible, in the Los Angeles County Fire Department’s Development Impact Mitigation Agreement (“DMIA”) standards.
Second Fire Station: Approximately 13,000 sf facility on a site of approximately 4 acres, equipped to be compatible, in the Los Angeles County Fire Department’s Development Impact Mitigation Agreement (“DMIA”) standards.

Third Fire Station: Approximately 10,000 sf facility on a site of approximately 1.25 acres, equipped to be compatible, in the Los Angeles County Fire Department’s Development Impact Mitigation Agreement (“DMIA”) standards.

Fourth Fire Station (if needed): To be determined based on need established pursuant to MM 16-1.

3.3. Construction and Equipping Costs. The Property Owners shall design, construct and equip each fire station to the standard provided in Item 3.2 (at Property Owners’ sole cost and expense).

3.4. Continuity of County Operations. The Fire stations are required to be essential facilities; all associated requirements shall be in conformance with governing authority.

4. Consolidated County Maintenance Yard

4.1. Identification of Site; Timing of Conveyance. Developer shall identify and dedicate a site of not less than 5 and not more than 10 acres for a consolidated maintenance yard (for use by County road maintenance, operational services [signs, striping and signal maintenance] and fleet maintenance, or by other public agencies mutually approved by the Parties) (the “Maintenance Yard Site”). The Maintenance Yard Site shall be located within an area designated for Utilities uses on Exhibit 4-1 of the Specific Plan adjacent to the sewage treatment plan (East) at a precise location that is mutually agreeable to the Parties. The exact size of the Maintenance Yard Site, within the range noted above, will be determined cooperatively and by the mutual agreement of the Parties. The Maintenance Yard Site’s exact size and location within the area described above shall be identified no later than the processing of the Tentative Map or Parcel Map that includes the 3,001st residential unit. The Maintenance Yard Site shall be offered for dedication to the County prior to issuance of the 3,001st residential building permit. Notwithstanding any dedication and/or acceptance thereof, if the County determines not to construct a consolidated maintenance yard on the Maintenance Yard Site, for any reason other than a breach of the Property Owner’s obligations hereunder, or if the site is not fully used for a consolidated maintenance yard or another governmental use by the County that is mutually approved the Parties, then the Parties agree that the Property Owner’s deed conveying title to the site for the Maintenance Yard Site shall provide for the reversion of the site (or portion of the site not used for a consolidated maintenance yard or other mutually approved governmental use by the County) to the Property Owner.

4.2. Property Owners’ Funding Obligation. The Property Owners shall deposit the amount of $4,000,000.00 with the County to be used for, and in order to assist in funding a portion of, the County’s construction of a consolidated maintenance yard on the Maintenance Yard Site (the “Maintenance Yard Contribution”). The Property Owners’ obligation to pay the Maintenance Yard Contribution shall not occur until the later of the following has
occurred: (i) the County’s acceptance of the Maintenance Yard Site or (ii) issuance of the 3,001st residential building permit. The Maintenance Yard Contribution shall be adjusted to reflect changes in the CPI between the date the Term commences and the date payment is due pursuant to the previous sentence. The Property Owners shall have no obligation to construct or operate the Maintenance Yard Site.

5. Material Recovery Facility Site

5.1. Identification of Site; Timing of Conveyance. The Property Owners shall identify and dedicate a site of not less than 5 and not more than 10 acres within the Centennial Specific Plan area designated for Utilities uses on Exhibit 4-1 of the Specific Plan the (“MRF/HHW Site”). The MRF/HHW Site shall be dedicated for use as a Material Recovery Facility (“MRF”), organic composting, and household hazardous waste/e-waste (“HHW”) collection, transfer processing and recycling facility (the “MRF/HHW Facility”), or the like. The exact size and location of the MRF/HHW Site will be determined cooperatively by the Parties based on the expected waste needs of the Centennial Specific Plan and the proximity of the site to sensitive receptors. The MRF/HHW Site’s exact size and location shall be identified during processing of the Tentative Map or Parcel Map where the site is located and shall be dedicated to the County upon the later to occur of (i) recordation of the Final Map or Parcel Map where the site is located or (ii) establishment of the exclusive franchise system described in Item 5.2. The Parties agree that the dedication of the MRF/HHW Site shall be subordinate to a deed restriction that prohibits solid waste collection, processing and recycling from outside of the Centennial Specific Plan Area, which restriction shall be for the benefit of and enforceable by the Property Owners. Notwithstanding any dedication and/or acceptance thereof, if a MRF/HHW Facility is not constructed on the MRF/HHW Site, for any reason other than a breach of the Property Owner’s obligations hereunder, or if the site is not fully used for the MRF/HHW Facility or another governmental use by the County that is mutually approved the Parties, then the Parties agree that the Property Owner’s deed conveying title to the MRF/HHW Site shall provide for the reversion of the site (or portion of the site not used for a MRF/HHW Facility or other mutually approved governmental use by the County) to the Property Owner.

5.2. County Establishment of Exclusive Franchise System. Without limiting the future legislative discretion of the County, the Parties agree that it is in their best interest that an exclusive franchise system be established for the collection of solid waste within the Centennial Specific Plan area and for the operation of the MRF/HHW Facility. Thus, the County shall in good faith undertake a process to establish an exclusive franchise system providing that (among other things): (i) a single waste hauler will service the Centennial Specific Plan area’s commercial and residential uses and operate the MRF portion of the MRF/HHW Facility from the MRF/HHW Site, (ii) the “waste-shed” of the MRF/HHW Facility shall be limited exclusively to the Centennial Specific Plan area (i.e., the MRF/HHW Facility shall in no event process waste from outside the Centennial Specific Plan area); (iii) the length of the exclusive franchise will be sufficiently long in duration to encourage a waste hauler to take on the franchise. The County’s completion of creating an exclusive franchise system that includes the aforementioned concepts shall be a
condition precedent to the Property Owners’ obligations to dedicate in excess of 5 acres and a condition precedent to the Property Owners’ funding obligations in Item 5.4 below.

5.3. **Incentives for Use of MRF/HHW Facility.** The Property Owners shall have no obligation to construct or operate the MRF/HHW Facility. Nevertheless, Property Owners shall cooperate in good faith (but at no cost to them other than the funding obligations in Item 5.4) with County efforts to incentivize the use and operation of a MRF.

5.4. **Property Owners’ Funding Obligation.** The Property Owners shall deposit an amount not to exceed $3,000,000, which shall be adjusted for changes in CPI, to assist the County with establishing an exclusive franchise system and development of the portion of the facility used for HHW use (the “MRF/HHW Contribution”). The Property Owners’ obligation to deposit the MRF/HHW Contribution (apportioned in the manner described in the next sentence) shall not occur until the earlier of the following: (i) establishment of the exclusive franchise system or (ii) issuance of the 5,000th residential building permit (the “Deposit Trigger Date”). The Developer shall make an initial deposit of $1,000,000 to the County following the Deposit Trigger Date and shall make an additional deposit (not to exceed) the remaining balance of the MRF/HHW Contribution at the time the building permit for the MRF/HHW Facility is issued.

6. **Animal Care Facility**

6.1. **Identification of Site; Timing of Conveyance.** The Property Owners shall identify and dedicate a site of not more than 2 acres within the Centennial Specific Plan area, which site shall be dedicated for use as an animal care center (“Animal Care Facility”). The exact size and location of the site for the Animal Care Facility will be determined cooperatively by the Parties based on proximity of the site to sensitive receptors, accessibility for the public, and best practices for housing and care of animals. The Animal Care Facility’s exact site location shall be identified during processing of the Tentative Map or Parcel Map that includes the 3,501st residential unit (but may be located somewhere other than the map that includes the 3,501st residential unit). The Animal Care Facility site location shall be offered for dedication to the County prior to issuance of the 3,501st residential building permit. Notwithstanding any dedication and/or acceptance thereof, if the County determines not to construct the animal shelter and animal control facility, for any reason other than a breach of the Property Owner’s obligations hereunder, or if the site is not fully used for an animal shelter and animal control facility or another governmental use by the County that is mutually approved the Parties, then the Parties agree that the Property Owner’s deed conveying title to the Animal Care Facility site shall provide for the reversion of the site (or portion of the site not used for an animal shelter and Animal Care Facility or other mutually approved governmental use by the County) to the Property Owner.

6.2. **Property Owners’ Financial Obligation.** The Property Owners shall deposit an amount not to exceed $10,000,000 with the County to assist the County with its construction and equipping of the Animal Care Facility at the agreed-upon Site (the “Animal Care Facility Contribution”). The Property Owners’ obligation to deposit the Animal Care Facility Contribution shall not occur until the later of the following has occurred: (i) the County’s
acceptance of the Animal Care Facility site or (ii) issuance of the 3,501st residential building permit. The Animal Care Facility Contribution shall be adjusted to reflect changes in the CPI between the date the Term commences through the date the deposit is due pursuant to the previous sentence. The Property Owners shall have no obligation to construct or operate the Animal Care Facility.

7. Park Facilities & Open Space Dedication

7.1. Commitment to Provide Additional Regional Park Land. Property Owners shall increase designated park space from what is provided in the Specific Plan to 6 acres per 1,000 residents, resulting in an additional approximately 96 acres for regional park space (the “Supplemental Regional Park Land”). The Supplemental Regional Park Land shall be located within drainage and retention areas and the County agrees to designate, treat and deem such land as “regional park space.” The Parties shall mutually agree to the exact locations of the Supplemental Regional Park Land within those areas identified and depicted on Attachment “1” of this Exhibit J at the time a Tentative Tract Map that includes an area identified and depicted as Supplemental Regional Park Land is processed; such land shall thereafter be identified in any Tentative Tract Map and Final Map. In order to this Agreement ensure that Supplemental Regional Park Land is distributed throughout the Project, the Parties agree that not every Tentative Tract Map within which Supplemental Regional Park Land is conceptually identified need include such land. The Parties agree that the Supplemental Regional Park Land shall be maintained as natural open space (utilizing concepts of natural, native, drought tolerant, grassland, and wildflower landscape design concepts).

7.2. Construction of Public Parks and Park Amenities; Timing. The Property Owners shall construct, at their cost and expense, all public parks, park improvements and amenities within the Specific Plan for dedication to the County. The public parks will be completed, (and a certificate of occupancy issued as to any structures), improved and amenitized no later than the milestones identified in Exhibit E-1 for each public park and each Tentative Tract Map shall include conditions establishing the specific timing and phasing of design, construction, funding obligations, security and dedication requirements for each park within said map.

7.3. Construction and Equipping Budget; Fee Credit. The Parties shall mutually agree to a Project-wide budget for park improvements and amenities (“Park Facilities Budget”); the budget shall (i) be adjusted to reflect changes in the CPI between the date the Parties agree to a budget and the date a contract is awarded for the construction of the improvements and amenities in a particular park and (ii) include a mutually agreed reasonable contingency for unforeseen construction cost overruns. The Park Facilities Budget shall memorialize the Parties mutual understanding of the Property Owners’ financial obligations with respect to constructing parks and park amenities. The Park Facilities Budget shall be prepared prior to approval of the Project’s first Tentative Tract Map. The Property Owners shall receive a dollar for dollar credit in lieu of any obligations to pay Impact Fees related, in whole or in part, to parks for the value of the design, construction and amenitizing of the public parks as provided in Section 3.5. To the extent that the total value of dedication, construction and equipping of public parks exceeds the
Property Owners’ obligations to pay applicable Impact Fees related, in whole or in part, to public parks, the Property Owners agree that they shall not seek reimbursement from the County.

7.4. Conservation of Open Space & Land in Off Site Mitigation Preserves. To secure the timely protection and conservation of open space as provided in the Initial Project Approvals, and to do so in advance of when such conservation may otherwise be required by such approvals, the Parties desire to memorialize the phasing of the Property Owners’ conservation of onsite open space (as identified and depicted as “Open Space” on Exhibit 4-1 of the FEIR) and certain offsite open space (which offsite open space is termed “Off-Site Mitigation Preserves” in the FEIR, and identified and depicted on Exhibit 5.7-10) as follows:

7.4.1. For onsite open space that is located within the boundaries of the Specific Plan area and is identified and depicted on Exhibit 4-1 of the FEIR, the Property Owners shall place such open space into conservation easements, as may be required by the Initial Project Approvals, no later than recordation of the first Final Map that is adjacent to the respective open space.

7.4.2. For the site identified as Off-Site Mitigation Preserve “Area 1” in Exhibit 5.7-10 of the FEIR, the Property Owners shall place into conservation easement, as may be required by the Initial Projects Approvals, Area 1 no later than one year following the Effective Date of this Agreement.

7.4.3. For the site identified as Off-Site Mitigation Preserve “Area 2” in Exhibit 5.7-10 of the FEIR, the Property Owners shall place into conservation easement, as may be required by the Initial Project Approvals, Area 2 no later than one year following the Effective Date of this Agreement.

7.4.4. The milestones described in the previous sentences are further identified in Exhibit E-1.

8. Library

The Property Owners will (i) dedicate one (1) site of approximately 2.62 acres located within Village 3 of the Centennial Specific Plan for the exclusive use as a public library (“Library Site”) and (2) pay applicable Impact Fees for library services; provided, however, that if the County determines in its sole discretion that it does not desire the Library Site to be dedicated, then the Property Owners shall only be obligated to pay the applicable Impact Fee for library services. The location of the Library Site shall be subject to relocation by mutual agreement of the Parties. Conveyance to the County will occur upon recordation of the Final Map for the tract in which the Library Site is located, subject to the County’s acceptance of the dedication as required by law. Notwithstanding any dedication and/or acceptance thereof, if a library is not built on the Library Site within ten (10) years of conveyance and acceptance, for any reason other than a breach of the Property Owner’s obligations hereunder, or if the site is not fully used for a library or another governmental use by the County that is mutually approved the Parties, then the Parties agree that the Property Owner’s deed conveying title to the Library Site shall provide for the reversion of the
9. **Sustainability Learning Program and Facilities**

9.1. **Program Development and Implementation.** Property Owners shall, in collaboration, cooperation and coordination with the County (but at the Property Owners’ sole cost and expense) develop, prepare and implement a “sustainability learning program” as provided in this Item 9. The program shall be prepared prior to final approval of the Project’s first tentative tract map. The program will be designed to provide interactive resources and programmatic activities at locations throughout the Project for the general public to learn about, see demonstrations/attend classes and engage in practices for a sustainable living environment in such areas as smart gardening, composting, water conservation practices, rain and stormwater capture, alternative energy and energy efficiency, recycling, transportation alternatives, natural design, green architecture, GHG reduction and related topics. To the extent feasible, the sustainability learning program’s interactive features will be complimentary to other Centennial Specific Plan amenities and incorporated into the Property Owners’ welcome center/model home sales sites.

9.2. **Facilities.** To encourage public participation, access and interaction, the County and Property Owners shall cooperate to co-locate sustainability learning program facilities within other public facilities, including at the Civic Facility and within Project parks. Any construction of the sustainable learning program facilities that are co-located in other public facilities shall be complete within the milestones established in Exhibit E-1 for each respective On Site Public Infrastructure facility in which a sustainable learning program facility is located.

9.3. **Seed Funding for Staff.** The Property Owners (or an entity affiliated with the Property Owners) shall make an annual payment to the County in the amount of $10,000 (each a “Sustainable Learning Program Payment” and, collectively, the “Sustainable Learning Program Payments”) as seed funding to pay for adequate staffing of the sustainable learning program facilities for a period of three (3) years commencing the year the first certificate of occupancy for a residential unit is issued. The first Sustainable Learning Program Payment shall be made prior to issuance of the first certificate of occupancy for a residential unit and, thereafter, the remaining two (2) payments shall be made on or before January 1st of each such successive year. The total Sustainable Learning Payments, in the aggregate, for which the Property Owners are obligated shall not exceed $30,000. It is intended that following seed funding, the staffing of the learning center will be volunteer-based or funded through other mechanisms and the Parties shall cooperate to develop long term funding opportunities.
10. County Fleet Maintenance Facility Site

A County fleet maintenance facility shall be coordinated with and implemented into the consolidated Maintenance Yard Site that is described in Item 4 above.

11. Affordable Home Ownership and Rental Housing Program

11.1. Affordable Housing Obligation. Ten percent (10%) of the residential units constructed throughout the entire Project, which may include both homeownership and rental units as further specified below, shall be made available as affordable units to very low, low and moderate income individuals and families earning between fifty percent (50%) and one hundred and twenty percent (120%) of the Los Angeles County area median income, as determined by the US Department of Housing and Urban Development (adjusted for household size) (“AMI”) (sometimes referred to in this Item 11 as the “housing set aside requirements”). The affordable units shall be subject to deed restriction and affordability covenants (“Affordability Covenants”). No Project Approval or Applicable Rule shall impose an obligation on the Property or any portion thereof, to include affordable units for any other AMI groups, unless expressly agreed to by the Property Owners in their sole and absolute discretion.

11.2. Affordable Housing Implementation Plan. To implement this Item 11, the Parties shall cooperate to develop and prepare an “Affordable Housing Implementation Plan”, with the participation by the Executive Director of the County of Los Angeles Community Development Commission and the Director of Planning. The Affordable Housing Implementation Plan shall be prepared and executed within one (1) year after the Effective Date of this Agreement. The Affordable Housing Implementation Plan shall be consistent with and not conflict with the provisions of the Applicable Rules and this Agreement and shall include, among other things:

1. Identification of the exact mix of affordable units (i) among very low, low and moderate AMI thresholds and (ii) among rental and for-sale housing types (subject to Item 11.4).

2. Provisions identifying the Property Owners as having responsibility for compliance with the affordable program unless and until there is a County-approved and recorded Assignment and/or associated Affordability Covenants for any parcel that is sold or assigned to a third party developer. In this regard, the Parties acknowledge that the practical implementation of the Affordable Housing Implementation Plan envisions the sale of parcels to specific developers who agree to implement a portion of the housing set-aside requirements, however the overall responsibility for compliance shall rest with the Property Owners until there is a County-approved and recorded Assignment and/or associated Affordability Covenant for any parcel that is sold or assigned to a third party developer.

3. The Affordability Covenants must be recorded prior to, and senior to, any covenants or deeds recorded in conjunction with future land sales and/or Assignments of parcels designated to include affordable housing set-aside units.
(4) The Property Owners will otherwise comply with County Code Sections 22.56.2640 (monitoring) and 22.60.100 (payment of fees). The imposition of project review and monitoring fees, as such fees may be determined from time to time by the County in its sole discretion, will be required, and said payment of all fees is an obligation of the Property Owners or an approved Assignee.

(5) Prioritization to provide units based on the following criteria, subject to any limitation or requirements of law, in the sale or renting of affordable units: (i) the lowest income qualifying buyers at the time an affordable unit is for sale, (ii) first-time homebuyers, (iii) persons whose principal workplace is within the Centennial Specific Plan, (iv) community-serving employees such as police and other law enforcement officers, fire-fighters, teacher and healthcare workers.

(6) Timing by which affordable units will be made available, which shall be reasonably contemporaneous with the overall development of housing units permitted as part of the Project, including enforcement mechanisms to require that for every 1,250 market-rate residential units issued certificates of occupancy, the County shall not issue a final certificate of occupancy for the 1,251st market-rate unit until at least 125 affordable units are made available or the Property Owners have made good faith efforts to make such 125 units available consistent with the Affordable Housing Implementation Plan (e.g., sites with adequate density are transferred to a bona fide affordable housing developer or such sites with adequate density are encumbered by Affordability Covenants).

(7) A marketing plan for affirmative marketing, selling and renting of affordable units.

(8) Provisions requiring compatibility of affordable units with respect to the design or use of market rate units in terms of exterior appearance, materials and finished quality.

(9) Provisions addressing the ability of Property Owners to transfer affordable housing units between communities, planning areas or phases by up to 20 percent, so long as the total of a minimum of 10% affordable units (with the Parties agreeing to round up to the nearest whole unit for the purpose of determining the 10% threshold) is provided at Project build-out.

(10) For-sale homes under the Affordable Housing Implementation Plan shall include a Los Angeles County CDC-approved shared-equity provision. To the extent allowable by law, the CDC requirements shall include the shared equity provision in the Promissory Note and Deed of Trust and shall be acknowledged by the homebuyer.

11.3. Public Assistance. Nothing in this Agreement precludes the County, in its sole and absolute discretion, from providing financial or other assistance in the development of affordable housing units. Nothing set forth in this Agreement, the Affordable Housing
Implementation Plan, or any Project Approval shall preclude the use of any affordable housing assistance from any sources (private, public or nonprofit).

11.4. **Mix of For-Sale and Rental Affordable Units.** The allocation of very low, low and moderate income units shall be distributed between the for-sale and rental units in accordance with the approved Implementation Plan and may be designated solely for rent, designated solely for-sale, or may be a mix of both rental and for-sale units.

11.5. **Credit for Units Made Available In Compliance with Agreement and Plan.** Property Owners shall receive credit against the 10% affordable unit obligations in this Agreement for each affordable unit that is made available in compliance with this Agreement and the Affordable Housing Implementation Plan. The ultimate disposition of an affordable unit or the longevity of an affordable units’ income-restricted status resulting from occurrences beyond the Property Owners’ control (e.g., failure to attract buyers or resale at market rate in violation of Affordability Covenants by affordable unit purchasers) will not cause credited affordable units to be clawed back or otherwise preclude the issuance of certificates of occupancy for market-rate units.

11.6. **Distribution and Adjustment.** The distribution and number of affordable units provided in any particular community, planning area, phase or tract map may be adjusted by the Property Owners as part of seeking Implementing Approvals or Implementing Discretionary Actions, provided that the overall commitment to make available 10% affordable units throughout the Project in a manner consistent with this Agreement and the Affordable Housing Implementation Plan is satisfied. It is the Parties’ intention that affordable units will be constructed simultaneously with the overall residential development of the Project, shall be intermixed with market rate development, and will include similar size and design as market rate product.

11.7. **Future Affordable Housing Rules Deemed in Conflict.** Notwithstanding anything to the contrary in this Agreement, the Parties agree that any Future Rules that impose affordable housing obligations, inclusionary housing requirements or similar Rules, Regulations or Official Policies that pertain to the provision or funding of affordable housing (“Future Affordable Housing Rules”) shall be in conflict with the Initial Project Approvals, the Applicable Rules and this Agreement (including, without limitation, the provisions contained in this Item 11). As such, Future Affordable Housing Rules shall not apply to, or be enforceable with respect to, the Project. The prohibition on the County applying and enforcing Future Affordable Housing Rules on the Project is an express exclusion from the reservations of County authority contained in the second paragraph of Section 3.2 of this Agreement. The Parties agree that the prohibition contained in this Item 11.7 is a material basis for the Property Owners agreeing to include Item 11 in this Agreement and that the Property Owners would not agree to Item 11 but for the agreement by the County that it will not enforce or apply Future Affordable Housing Rules on the Project.

12.1. Net Zero Carbon for Electric Sector. The Property Owners shall achieve a “net zero carbon for the electric sector” standard on all public and private facilities constructed within the Project. As used in this Item 12, “net zero carbon for the electric sector” means that carbon emissions created to produce electricity that is consumed within the Specific Plan area will be offset with an equivalent amount of carbon emission reductions that result from quantified greenhouse gas emission reductions. For the purpose of quantifying greenhouse gas emission reductions, localized greenhouse gas reductions will be prioritized, with first priority given to greenhouse gas emission reductions from Project activities, the Property, or other property owned by Tejon; second priority will be given to funding or acquiring greenhouse gas reduction credits or allowances approved by the County to achieve greenhouse gas emission reductions in Los Angeles County, in California, and outside California in that priority order. Because new and modified technologies and services that reduce greenhouse gas emissions are anticipated to be required by Applicable Rules, as well as made available in the market, greenhouse gas emission calculations as well as compliance with the net zero carbon for the electric sector standard shall be documented by the Property Owners over time as part of each application for a Tentative Tract Map in a form and content that is agreeable to the County. Compliance with the net zero carbon for the electric sector standard shall be reviewed and approved by the County as part of the Tentative Tract Map approval process.

12.2. Community Choice Aggregation Program. The Property Owners shall, to the extent allowed applicable law, cause future Project occupants to participate in the Clean Power Alliance (“CPA”) program to maximize reliance on renewable energy resources for the use of electricity imported to and used on the Project site. To the extent that the Property Owners are precluded by existing laws from requiring future Project occupants to participate in the CPA, the Property Owners shall provide educational information about the financial and climate change benefits of participating in the CPA for mandatory distribution to property owners within the Project, and shall require residential and commercial property owners’ associations to include such information on their websites with an annual reminder notice posted as a banner or similar graphic on the home page of such websites for no less than seven consecutive days (“Property Owner Association Website Notices”).

12.3. Emergency Preparation and Response Resiliency. The Property Owners shall require future residential and commercial property owners associations to develop and implement an emergency preparation and response plan, including shelter-in-place and evacuation plans as well as first aid and emergency electric power supplies. The Property Owners shall provide educational information about the health and safety benefits of emergency preparation and response supplies such as a seven-day supply of potable water and food, and solar-powered batteries for communication and refrigeration, to respond to earthquakes and other potential disasters, at the initial point of property sale, and annually thereafter in Property Owner Association Website Notices. The Property Owners and Property Owner Association Website Notices may also identify emergency response
supply and battery vendors providing discounts or other preferential terms to Project site occupants.

13. Public Art

13.1. Public Art Included in Design Guidelines. The Property Owners shall prepare public arts guidelines (“Public Arts Guidelines”) for the Centennial Specific Plan. The Public Arts Guidelines shall be prepared by the Property Owners and submitted to the County with the first application for a Tentative Tract Map that contains commercial or industrial land use designations. The Property Owners shall have discretion to develop the Public Arts Guidelines, but particular emphasis shall be given to integrating public art in public places such as parks and plazas (including as part of landscape, hardscape and water features) and focusing on features that respect and account for the ranching tradition and history of the Property. In preparing the Public Arts Guidelines, the Property Owners shall include and consult with staff from the County of Los Angeles Public Arts Commission (or its successor department) in development of the guidelines.

13.2. Payment of Arts Impact Fee; Credit for Providing Public Art. If the County has adopted a County-wide Impact Fee for public art prior to the issuance of the first commercial or industrial building permit within the Project, then the Parties agree that the fee adopted by the County shall be applicable to all commercial and industrial development within the Project to the same extent such fee would apply on a County-wide basis, notwithstanding the provisions contained in Section 3.5; provided, however, that any such fee collected on development in the Specific Plan area shall only be used for public art within the Specific Plan area. If no such Impact Fee has been adopted prior to issuance of the first commercial or industrial building permit within the Project, then notwithstanding Section 3.5, a fee equal to one percent (1%) of the “building valuation” of any newly constructed commercial and industrial structures within the Project shall be deposited into a separate segregated account for the benefit of providing public art within the Specific Plan area; provided, however, that such fee shall be required only for newly constructed industrial and commercial structures having a “building valuation” of $500,000 or more. Notwithstanding the previous sentence, if the County later adopts an Impact Fee for public art that is of County-wide application, such County-wide fee shall replace the fee agreed to in this Item 13.2.

13.2.1. Definition. For the purpose of this Item 13, “building valuation” shall mean the total value of all construction work for which a building permit is issued, and includes, but is not limited to, outside improvements, all finish work, painting, roofing, electrical, plumbing, heating, air conditioning, elevators, fire-extinguishing systems and any other permanently installed work or permanently installed equipment. The term shall not include land valuation.

13.2.2. Credit for Construction of Public Art. Commercial and industrial construction in the Centennial Specific Plan shall receive a dollar for dollar credit in lieu of any obligations to pay Impact Fees related, in whole or in part, to public art (or the fees described in Item 13.2) for the value of any public art constructed by Property Owners
(so long as such art is consistent with the Public Art Guidelines) in the manner provided in Section 3.5.

14. Education Trust Fund

Property Owners shall make an endowment payment in the total aggregate amount of $250,000 (the “Education Trust Payment”) as seed funding to create and establish an educational trust benefiting primary or secondary education in the Antelope Valley. The Education Trust Payment shall be targeted to, and used exclusively for, activity in and around the Project area by the educational trust. The Education Trust Payment shall be made by the Property Owners prior to issuance of the first residential building permit for the Project. In the event that a structure for the educational trust has not been formalized and finalized prior to the Property Owners’ obligations in this Item 14, then the County agrees that the Property Owners shall have satisfied their obligations in this item by depositing the Education Trust Payment into an escrow account at a financial institution of the County’s selection for release at such time as the trust is established. The Parties will cooperate and collaborate to create and establish an educational trust prior to the date the Education Trust Payment is due.

15. Medical Facility Site & Incentives

15.1. Identification and Establishment of Exclusive Site for Medical Facility. Prior to or as part of an application for the first Tentative Tract Map that includes residential and retail/commercial development, the Property Owners shall identify (in cooperation with the County) a site in said Tentative Map to designate and restrict, as an exclusive permitted use, an urgent care facility of approximately 5000 sf (“Medical Facility Site”). The location of the Medical Facility Site shall not require any amendment to the General Plan or Centennial Specific Plan land use designations approved as part of the Initial Project Approvals.

15.2. Marketing and Incentivizing Medical Facility Use. Following approval of the Tentative Tract Map, the Property Owners will use good faith efforts to identify methods to incentivize a medical provider’s use of the Medical Facility Site as an urgent care facility. The Property Owners shall be entitled to use their respective reasonable business judgment in determining the mechanisms, manner and mix of incentives offered to attract a medical provider and such incentives may include, but are not limited to, construction (or reimbursement/crediting of a portion of costs) for site-specific infrastructure (utility stubbing, curb/gutter cuts, landscape, lighting/parking/shared parking, or agreement to pay for emergency signalization on public roads), payment of impact fees applicable to the exclusive use (if any), or (if market conditions warrant in the Property Owners’ reasonable business judgment) providing sale or leasing of the site at rates or on terms that assist in obtaining a medical provider. This Agreement does not limit or restrict the Property Owners’ sole and absolute discretion to negotiate the business and other terms by which a medical provider may use the Medical Facility Site. Property Owners shall engage in outreach to medical users to market the Medical Facility Site and shall promote any incentives offered by the Property Owners in such outreach.
15.3. **Medical Facility Site in Future Tentative Maps; Satisfaction of Obligation.** If a medical provider does not enter an agreement to use the Medical Facility Site within five (5) years of the first Tentative Map’s final approval, and provided that the Property Owners’ have made good faith efforts to satisfy the outreach and incentive obligations in Item 15.2, then the Medical Facility Site’s exclusive use limitation shall be released by County (i.e., any permitted use shall thereafter be allowed); provided, however, that prior to and as a condition on such release the Property Owners shall, in cooperation with the County, identify a new Medical Facility Site to be included on the next Tentative Tract Map. The obligations in this Item 15 shall continue until such time as a medical provider has acquired or enters an agreement to use the Medical Facility Site, at which time the Property Owners’ obligations in this Item 15 shall be deemed satisfied.

16. **Financing of Operations and Maintenance of Public Park and Open Space Improvements**

16.1. **Use of Public Financing to Maintain and Operate.** The Parties agree that funding for the operation and maintenance of public parks and open space facilities within the Centennial Specific Plan shall be achieved, in part (and in addition to property or other ad valorem tax revenue collected and periodically allocated by the County for such purposes), by establishing one or more public financing districts (e.g., JPA, CDF, CSD, GHAD, EIFD, etc.) for such activities. In no event shall the total property or ad valorem tax and assessment liability for residential property exceed 2% of initial assessed value. If a Homeowners Association or other private entity becomes obligated by Initial Project Approvals, Implementing Approvals or Implementing Discretionary Actions to maintain/operate public parks or open space, then the obligation of such entity shall be conditioned on reimbursing or crediting it for the cost of such operation and maintenance obligations in accordance with applicable law, it being the intention of the Parties that there should not be both the public financing or park facilities and a separate private funding obligation for the same costs.

16.2. **Formation of Public Financing District(s).** The County shall cooperate in the creation of one or more public financing districts to provide for the operation and maintenance of public parks and open space facilities. The County shall in good faith consider taking all necessary actions and cooperate with other agencies within the lawful scope of its authority to accomplish the formation of any public financing districts and in the levying of such assessments. The County will consider joint facilities with other governmental entities in order to explore both joint use and financing opportunities. In connection with any formation by the County, the Property Owners shall execute and record a covenant agreeing on behalf of themselves and successors (including any homeowners associations or similar entities) not to contest the formation of any public financing district requested by the Property Owners to finance the matters contained in this Item 16; provided, however, the County shall not take action to increase any assessment levied by any public financing district except as may reasonably be required to adjust such assessments for inflation.

17. **Public Financing of Certain Improvements**

Refer to Section 3.4 of the Agreement.
18. Point of Sale

Property Owners and Successor and Assigns shall cooperate and work with County to establish a local Los Angeles County point of sale for use in the collection of sales and use taxes associated with construction resulting from buildout of the Project. The Parties anticipate that this process may include, but is not necessarily limited to, general contractors and subcontractors on applicable construction contracts in the Project obtaining a Board of Equalization sales/use tax sub permit for the jobsite at the Project site on which a general contractor or subcontractor is working and allocating all eligible sales and use tax payment to the County. The County shall be entitled to use this sales and use tax information publicly for reporting purposes. The County shall cause its tax consultant(s) to reasonably cooperate with general contractors and the general contractor’s subcontractors to effect the intention of this provision. The point of sale program shall be prepared concurrent with the submittal of public works improvement plans and prior to the issuance of a rough grading permit.

19. Local and Minority/Women/Disadvantaged Business Hiring Program

19.1. Hiring Plan. The Property Owners shall encourage a hiring goal of 10% of Local (defined below) residents, minority-owned, women-owned, and disadvantaged business enterprises for the construction of buildings within the Specific Plan by preparing and implementing a hiring target, markings and outreach plan ("Hiring Plan").

19.2. Hiring Goals. As part of implementing the Hiring Plan, the Property Owners shall either establish or partner with an established job-skills training program(s) to give Local residents, minority, women, and disadvantaged business enterprises access to the project.

19.3. Reporting. As part of the Annual Review, the Property Owners shall provide a report on implementation of the Hiring Plan and progress with respect to the 10% hiring goal. So long as the Property Owners are in good faith, and with diligent effort, implementing the Hiring Plan, the Property Owners shall not be in default of this Agreement for not reaching the 10% hiring goal.

19.4. “Local” shall be defined as, in the following order of priority:

   (1) Tier 1: Workers residing in Lancaster, Palmdale or the Los Angeles Portion of the Antelope Valley;

   (2) Tier 2: Workers residing within 50 miles of the Centennial Specific Plan area; and

   (3) Tier 3: Workers who reside in the County of Los Angeles.

20. Universal Access
20.1. Homebuilders developing single-family residential units in the Project shall offer, as part of the options program such residential units, one or more Optional Universal Access Features (which are described in the next sentence), which homebuyers may elect to include at such homebuyers’ additional cost. The exact mix of Optional Universal Access Features to be offered for residential units to homebuyers shall be identified by the applicant in a site plan review application for the residential units that are the subject of the site plan application.

20.2. As used herein, “Optional Universal Access Features” mean: (1) Ground-level building entrances without stairs (except as limited by site and grading constraints); (2) Clear lines of sight to buildings or other areas to reduce dependence on sound (except as limited by site and grading constraints); (3) Accessible path of travel to dwelling; (4) 32” wide interior doors; (5) Handrail and handrail reinforcement in hallways; (6) Entry door high/low peep hole viewer; (7) Doorbell at 48” maximum height in accessible location (36”); (8) Switches and outlets at 15” to 48” above the floor; (9) Rocker light switches; (10) Closet rods and shelves adjustable from 3’ to 5’6” high; (11) Up to 42” wide hallway; (12) In bathrooms/powder-rooms: (a) At least one bathroom or powder room on the primary entry level in single family detached residential unit (which may include an accessible bathtub or roll in shower, if requested early in the design phase), (b) Grab bars and grab bar backing in walls in bathrooms, (c) Lavatory with lever faucet controls, (d) Removable base cabinets or open lavatory with knee space and protection panel, and (e) Hand-held adjustable shower head; and (13) In Kitchens (a) Accessible route to the kitchen, (b) Removable base cabinets at sink, (c) Lever controls at kitchen sink faucet, (d) Switches and outlets at 15” to 48” above the floor and (e) 18” counter or breadboard for clear work area.

21. Phasing of On Site Public Infrastructure; Description of Community Benefits on Other Exhibits

Construction and substantial completion (as evidenced by the County’s issuance of a certificate of occupancy) of the On Site Public Infrastructure (defined in Exhibit E) shall be accomplished on or before the milestones established in Exhibit E-1 for each respective On Site Public Infrastructure facility.

The On Site Public Infrastructure and Phasing Plan (Exhibit E-1) sets forth the timing for certain Community Benefits listed in this Exhibit G (such items are identified in Exhibit E-1 by an asterisk (“*”)) based on the milestones identified in Exhibit E-1. To the extent that there is any conflict between how Community Benefits are described in this Exhibit G and in Exhibit E-1, it is the intention of the Parties that the provisions of this Exhibit G shall control the Parties rights and obligations with respect to the Community Benefits contained in this Exhibit G.

22. Project Phasing Maps

Subject to the terms and provisions of this Agreement, including without limitation Section 2.3, the Conceptual Phasing Plan contained and depicted in Figure 4-1 of the Centennial Specific Plan is intended by the Parties to be a guide for the conceptual phasing of Project development. The Specific Plan Conceptual Phasing Plan depiction is attached hereto as Attachment “2” to this
Exhibit KG, and are attached for illustrative purposes only. Notwithstanding the attachment of the Specific Plan phasing plan to this Agreement as an illustrative exhibit, should any inconsistency arise between this Item 22 and Exhibit K Attachment 2 hereto, on one hand, and the phasing plan contained in the Specific Plan (as approved as an Initial Project Approval or as may later be amended as a Subsequent Discretionary Action), on the other hand, then the phasing plan that is contained in the then-current Specific Plan shall control for all purposes.

23. Commercial, Retail, Industrial, Etc. Phasing

23.1. Property Owners shall include sufficient land in each Tentative Tract Map application designated for commercial, retail, mixed uses, business park and industrial uses (“Job Producing Land Use Designations”) that would reasonably demonstrate (including by provision of information pursuant to the next sentence) and permit the County to determine that a balance of jobs and housing could be attained within those land use designations upon development of the Project. In conjunction with submitting a Tentative Tract Map application, the Property Owners will provide information to the County to substantiate the attainment.

23.2. For any Tentative Tract Map that includes both residential and “neighborhood center” land use designations, the Property Owners agree that the County may impose a condition on such Tentative Tract Map that requires the Property Owner to (i) rough grade one “neighborhood center” lot or parcel (to be identified during the processing of the Tentative Tract Map) and (ii) stub wet and dry utilities to the lot or parcel. Items (i) and (ii) shall be completed prior to the issuance of the certificate of occupancy for the residential dwelling unit that would exceed 50% of the residential units allowed in such Tentative Tract Map.

23.3. Following approval of a Final Map, the Property Owners will use good faith efforts to engage in outreach and marketing of the Job Producing Land Use Designations by third party users.

24. Community Resource Center

To support the first residents and homeowners of the Project, the Property Owners shall provide within Village 1 a Community Resource Center ("CRC") located in the Village Core that provides the following facilities and services: (a) a meeting room no less than 1,500 square feet in size able to accommodate 25 persons or larger that is air-conditioned, fully furnished and equipped with a kitchenette, restrooms (with showers), A/V equipment and internet access; (b) emergency food supply storage area; (c) emergency generator; (d) first aid supplies; (e) information kiosk or display located near the building and accessible by the public when the building is closed; and (f) a mobility pick-up point with signage, lighting, seating and overhead shelter. The CRC will be included within in the first community/recreation center, home finding center, or other site that is compatible with the purpose and uses of the CRC. The CRC shall be complete (i.e., certificate of occupancy issued) prior to the issuance of the first residential certificate of occupancy.
Attachment 1 to Exhibit G

Supplemental Regional Park Land Depiction

[Attached on following page]
Attachment 2 to Exhibit G

Project Phasing Map

[Attached on following page]
EXHIBIT H

Maps of Specific Plan Area

[Attached on following pages]

[Attached on following pages]

[Exhibit in process of preparation]
EXHIBIT I

Certificate of Agreement Compliance
EXHIBIT J

Supplemental Regional Park Land Depiction

[Attached on following pages]
EXHIBIT K

Project Phasing Maps

[Attached on following pages]

[Exhibit in process of preparation]
EXHIBIT L-J

Form of Assignment and Assumption Agreement

[Attached on following pages]

[Attached on following pages]

[Exhibit in process of preparation]
EXHIBIT MK

AVAP Goals and Policies

[Attached on following pages]
EXHIBIT N:\Form of Estoppel Certificate

[Attached on following pages]

[Exhibit in process of preparation]