

## ORDINANCE NO. 25-2506

**AN UNCODIFIED ORDINANCE OF THE CITY OF CARSON, CALIFORNIA, APPROVING (1) AN ADDENDUM TO THE 2040 GENERAL PLAN UPDATE ENVIRONMENTAL IMPACT REPORT WITH RESPECT TO DEVELOPMENT AGREEMENT NO. 2-24, AND (2) DEVELOPMENT AGREEMENT NO. 2-24, AN AMENDMENT TO DEVELOPMENT AGREEMENT NO. 27-21 BETWEEN THE CITY OF CARSON AND 21611 PERRY STREET LLC, FOR A PROPOSED 62-UNIT RESIDENTIAL TOWNHOME CONDOMINIUM DEVELOPMENT AS AN ALTERNATIVE TO A SELF-STORAGE FACILITY AT 21611 PERRY STREET**

**WHEREAS**, California Government Code Section 65864 *et seq.* authorizes the City of Carson (“City”) to enter into binding development agreements with persons having a legal or equitable interest in real property for the development of such property in order to establish certain development rights, for the purpose of strengthening the public planning process, encouraging private participation and comprehensive planning and identifying the economic costs of such development; and

**WHEREAS**, on October 18, 2022, the City of Carson approved Development Agreement (“DA”) No. 27-21 with 21611 Perry Street LLC (“Developer”) for the development of a self-storage facility consisting of approximately 121,775 square feet in a mix of three buildings, with a maximum height of 36 feet, with storage units for rent (“Project A”), upon real property located at 21611 Perry Street having Assessor’s Parcel Numbers 7327-010-014 & 015 and legally described in Exhibit “A” attached hereto and incorporated herein by this reference (the “Property”); and

**WHEREAS**, the Property is located in the Corridor Mixed Use General Plan land use designation and the Perry Street Specific Plan; and

**WHEREAS**, on or about December 5, 2024, the Department of Community Development received an application from Developer for certain entitlements to develop a residential project on the Property consisting of 62 townhome condominiums (“Project B”) as an alternative to developing Project A, while maintaining the option to develop Project A; and

**WHEREAS**, Developer’s requested entitlements consist of the following: (1) General Plan Amendment (“GPA”) No. 2-24, to amend the description of the Corridor Mixed Use land use designation in the Land Use and Revitalization Element, (2) Specific Plan Amendment (“SP”) No. 2-24 to amend the Perry Street Specific Plan to allow for the development of Project B as an alternative to Project A, (3) Development Agreement (“DA”) No. 2-24, amending and restating DA No. 27-21, to grant Developer a vested right to develop Project B on the Property in exchange for provision of specified community benefits (“DA Amendment” or DA No. 2-24), (4) Site Plan and Design Review (“DOR”) No. 20-24, to approve the development plan for Project B, and (5) Vesting Tentative Tract Map (“TTM”) No. 3-24 for TTM 84598 for condominium purposes, to accommodate 62 for-sale townhome condominium units for Project B; and

**WHEREAS**, on April 4, 2023, the City of Carson certified an Environmental Impact Report (EIR) prepared for the Carson 2040 General Plan Update (General Plan Update) (State Clearinghouse No. 2001091120, December 2022) (“Certified EIR”). In accordance with the

California Environmental Quality Act (CEQA), the City has prepared an Addendum to the Certified EIR for the Project pursuant to CEQA Guidelines Section 15164 (“Addendum”); and

**WHEREAS**, the application for the DA Amendment was submitted pursuant to Government Code Sections 65864 through 65869.5; and

**WHEREAS**, after notice of the time, place, and purpose of a public hearing was duly given, the City’s Planning Commission held a public hearing and heard testimony and considered all factors both oral and written on the 11th day of February, 2025, to consider Developer’s application. Following such public hearing, the Planning Commission adopted Planning Commission Resolution No. 25-2881, whereby it: (1) approved the Addendum, DOR No. 20-24, and TTM No. 3-24 for the Project, all subject to the conditions of approval set forth in Exhibit “B” attached to said resolution (“Conditions”) and contingent on the City Council’s approval of GPA No. 2-24, SP No. 2-24, and DA No. 2-24; and (2) recommended City Council approval of GPA No. 2-24, SP No. 2-24, and DA No. 2-24, subject to the Conditions applicable to SP No. 2-24 and DA No. 2-24; and

**WHEREAS**, after notice of the time, place and purpose of a public hearing was duly given, the City Council held a public hearing on the 4th day of March, 2025, to consider Developer’s applications for GPA No. 2-24, SP No. 2-24, and DA No. 2-24, and the Addendum with respect thereto, pursuant to the Planning Commission’s recommendation, and during such hearing, the City Council heard testimony and considered all factors both oral and written. Immediately following such hearing, the City Council adopted Resolution No. 25-031, approving the Addendum in compliance with CEQA with respect to GPA No. 2-24 and SP No. 2-24, and approving GPA No. 2-24 and SP No. 2-24 and introduced this Ordinance; and

**WHEREAS**, the City Council now intends, by adoption this Ordinance, to approve DA No. 2-24, subject to the Conditions to the extent applicable to DA No. 2-24.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CARSON DOES HEREBY ORDAIN AS FOLLOWS:**

**Section 1.** The above recitals are true and correct and are hereby incorporated into this Ordinance as findings of fact.

**Section 2. CEQA.** In accordance with CEQA, the “Addendum to the Carson 2040 General Plan Update EIR – 21611 Perry Street Project,” dated February, 2025, which is attached hereto as Exhibit “B” (“Addendum”), analyzes proposed modifications, including but not limited to DA No. 2-24 (the “Modified Project”), to the Carson 2040 General Plan Update approved by the City in 2023, for which an Environmental Impact Report (“EIR”) was certified (“Certified EIR”). Having considered the Addendum and the Certified EIR, as well as the entire administrative record, the City Council finds that, based on substantial evidence in the record, none of the conditions described in CEQA Guidelines Section 15162 calling for preparation of a subsequent EIR have occurred with respect to the Modified Project, and therefore preparation of a subsequent EIR is not required, nor is preparation of a supplemental EIR pursuant to CEQA Guidelines Section 15163.

The Addendum demonstrates that the Modified Project does not meet the standards that would require a Supplemental or Subsequent EIR pursuant to Public Resources Code (“PRC”) Section 21166 or CEQA Guidelines Section 15162 and 15163. As demonstrated by the discussion and analysis in the Addendum: the Modified Project does not propose substantial changes which will require major revisions of the Certified EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; no substantial changes will occur with respect to the circumstances under which the Modified Project is undertaken which will require major revisions of the Certified EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; and, no new information of substantial importance has become available relative to any of the environmental topic categories that shows any of the following: (i) the Modified Project will have one or more significant effects not discussed in the Certified EIR; (ii) significant effects previously examined will be substantially more severe than shown in the Certified EIR; (iii) mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the Modified Project, but the project proponents decline to adopt the mitigation measure or alternative; or (iv) mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative. The applicable mitigation measures included as part of the Certified EIR will continue to be implemented under the Modified Project, as conditioned pursuant to the Conditions. Therefore, the Modified Project would not create any potential adverse impacts beyond those evaluated in the Certified EIR, and the preparation of an addendum that amends the Project Description in the Certified EIR to include the Modified Project is appropriate and fully complies with the requirements of PRC Section 21166 and CEQA Guidelines Sections 15162, 15163, and 15164, and the Addendum properly does so.

The City Council determines, in the exercise of its independent judgment, after consideration of the whole of the administrative record, that the Modified Project was assessed in the Certified EIR, and pursuant to CEQA Guidelines 15162 and 15164, some changes or additions to the Certified EIR are necessary in order to provide an environmental review of the Modified Project in accordance with the requirements of CEQA, but that none of the conditions described in CEQA Guidelines Section 15162 calling for the preparation of a subsequent EIR have occurred, and the Addendum has been prepared for that purpose and includes the necessary changes or additions. The City Council further finds that the Addendum reflects the independent judgment of the City as lead agency for the Modified Project and has been prepared in compliance with all requirements of CEQA and the CEQA Guidelines..

**Section 3.** Based upon all oral and written reports and presentations made by City staff, Developer, and members of the public, including any attachments and exhibits, the City Council hereby finds that:

- a) The DA Amendment is consistent with the provisions of Government Code Sections 65864 through 65869.5.

- b) The Development Agreement, as amended by the DA Amendment, is consistent with the General Plan, as amended by GPA No. 2-24, and is consistent with the Perry Street Specific Plan, as amended by SP No. 2-24.
- c) The DA Amendment provides for a project that is located within an area suitable for the proposed use and is in conformance with the General Plan as amended by GPA No. 2-24 and the Perry Street Specific Plan as amended by SP No. 2-24.
- d) The DA Amendment provides for a public convenience through significant monetary benefits which will contribute directly or indirectly to programs and services designed to provide for the health, safety, and welfare of the public, thereby exhibiting good land use practices. The Development Agreement, as amended by the DA Amendment, specifies the Community Benefits in Article 3, and more specifically in Section 3.B for Project B.
- e) The DA Amendment will not be detrimental to the public's health, safety, and general welfare, nor will it adversely affect the orderly development or property values for the subject Property or areas surrounding it.
- f) The DA Amendment is in compliance with the procedures established by the City as required by Government Code Section 65865(c).
- g) Article 6 of the Development Agreement, as amended by the DA Amendment, provides for an annual review to ensure good faith compliance with the terms of the Development Agreement, as required in Section 65865.1 of the Government Code.
- h) Article 4 of the Development Agreement, as amended by the DA Amendment, includes conditions, terms, restrictions, and requirements for development of the Property as permitted in Section 65865.2 of the Government Code.
- i) Article 7 of the Development Agreement, as amended by the DA Amendment, contains provisions for termination of the Agreement prior to expiration of its term.
- j) The Development Agreement, as amended by the DA Amendment, provides for amendment or cancellation in whole or in part, by mutual consent of the parties to the Agreement or their successors in interest, as required in Section 65868 of the Government Code.
- k) The Development Agreement, as amended by the DA Amendment, is in the best public interest of the City and its residents and will achieve a number of City objectives including ensuring compatibility of the development and use of the site with surrounding uses and helping achieve a sustainable balance of residential and non-residential development and a balance of traffic circulation through the City, in furtherance of General Plan goals and objectives.

**Section 4.** Based on the aforementioned findings, the City Council hereby (1) approves the Addendum with respect to DA No. 2-24, and (2) approves DA No. 2-24, a copy of which is attached hereto as Exhibit “C” and incorporated herein by this reference, subject to the Conditions to the extent applicable to DA No. 2-24, and authorizes its execution by the Mayor and all actions necessary to comply with its terms.

**Section 5.** This Ordinance shall take effect on the 30th day following its adoption by the City Council. However, if and when the Amended and Restated Development Agreement No. 27-21 should terminate pursuant to Article 7 thereof, this Ordinance will automatically terminate concurrently therewith without any action needing to be taken by the City Council.

**Section 6.** Pursuant to Government Code Section 65868.5, the City Clerk of the City shall record a copy of DA No. 2-24 with the County Recorder within 10 days after execution thereof.

**Section 7.** The City Council declares that, should any provision, section, paragraph, sentence or word of this Ordinance be rendered or declared invalid by any final court action in a court of competent jurisdiction or by reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences or words of this Ordinance as hereby adopted shall remain in full force and effect.

**Section 8.** The Mayor, City Manager, and City Clerk or their designees, are authorized and directed to take such actions and execute such documents and certifications as may be necessary to implement and affect execution, recordation and enforcement of this Ordinance and the DA Amendment.

**Section 9.** The City Clerk of the City of Carson shall certify to the passage and adoption of this Ordinance and shall cause this Ordinance or a summary of this Ordinance to be published in a newspaper of general circulation, printed and published within the City of Carson in accordance with Section 314 of the City’s Charter.

**[signatures on the following page]**

**PASSED, APPROVED and ADOPTED** this \_\_\_\_ day of \_\_\_\_\_ 2025.

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Lula Davis-Holmes, Mayor

ATTEST:

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Dr. Khaleah K. Bradshaw, City Clerk

APPROVED AS TO FORM

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Sunny K. Soltani, City Attorney

## EXHIBIT "A"

### PROPERTY LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF CARSON, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

THAT PORTION OF LOT 15 OF TRACT NO. 4054, IN THE CITY OF CARSON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 44 PAGE 39 OF MAPS, .IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHERLY LINE OF THE SOUTHERLY 20 FEET OF SAID LOT WITH A LINE PARALLEL WITH AND NORTHEASTERLY 27 FEET, MEASURED AT RIGHT ANGLES, FROM THE SOUTHWESTERLY LINE OF SAID LOT; THENCE ALONG SAID PARALLEL LINE NORTH 39° 21' 48" WEST 245.64 FEET; THENCE SOUTH 89° 22' 27" WEST 25.48 FEET; THENCE NORTH 39° 21' 48" WEST 2.11 FEET; THENCE NORTH 0° 37' 33" WEST 17.38 FEET TO A LINE PARALLEL WITH AND NORTHEASTERLY 18 FEET, MEASURED AT RIGHT ANGLES, FROM SAID SOUTHWESTERLY LINE; THENCE ALONG SAID LAST MENTIONED PARALLEL LINE NORTH 39° 21' 48" WEST TO THE SOUTHERLY LINE OF TRACT NO. 29360, AS PER MAP RECORDED IN BOOK 734, PAGE 45 OF MAPS; THENCE EASTERLY ALONG SAID SOUTHERLY LINE TO THE EASTERLY LINE OF SAID LOT 15; THENCE SOUTHERLY ALONG SAID EASTERLY LINE TO SAID NORTHERLY LINE; THENCE WESTERLY ALONG SAID NORTHERLY LINE TO THE POINT OF BEGINNING.

EXCEPT THEREFROM THAT PORTION OF SAID LAND DESIGNATED AS PARCELS 2-36 INCLUSIVE IN THE FINAL DECREE OF CONDEMNATION ENTERED IN SUPERIOR COURT, LOS ANGELES COUNTY, CASE NO. 909461, A CERTIFIED COPY OF WHICH WAS RECORDED AUGUST 26, 1969, AS INSTRUMENT NO. 2734, IN BOOK D-4478, PAGE 350, OFFICIAL RECORDS OF SAID COUNTY AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EASTERLY LINE OF SAID LOT WITH THE NORTHERLY LINE OF THE SOUTHERLY 20 FEET OF SAID LOT; THENCE WESTERLY ALONG SAID NORTHERLY LINE 19.99 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE NORTHWEST, HAVING A RADIUS OF 15 FEET, TANGENT TO SAID NORTHERLY LINE AND TANGENT TO THE WESTERLY LINE OF THE EASTERLY 5 FEET OF SAID LOT; THENCE NORTHEASTERLY ALONG SAID CURVE 23.55 FEET TO SAID WESTERLY LINE; THENCE EASTERLY AT RIGHT ANGLES FROM SAID WESTERLY LINE 5 FEET TO SAID EASTERLY LINE; THENCE SOUTHERLY ALONG SAID EASTERLY LINE 14.99 FEET TO THE POINT OF BEGINNING.

ALSO, EXCEPT 1/2 OF ALL OIL, GAS, HYDROCARBON AND MINERAL SUBSTANCES IN AND UNDER SAID LAND, BUT WITHOUT RIGHT OF SURFACE ENTRY, AS

RESERVED BY MARY M. REGAN, IN DEED RECORDED OCTOBER 4, 1957 AS  
INSTRUMENT NO. 504, IN BOOK 44767, PAGE 300, OFFICIAL RECORDS.

APNs: 7327-010-014 & 015



**EXHIBIT “B”**

**ADDENDUM**

Available at <https://ci.carson.ca.us/CommunityDevelopment/PerrySt.aspx>

**EXHIBIT “C”**

**DEVELOPMENT AGREEMENT NO. 2-24**

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

City of Carson  
701 E Carson Street  
Carson, CA 90745  
Attn: Planning Manager

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

## AMENDED AND RESTATED DEVELOPMENT AGREEMENT

This Amended and Restated Development Agreement (“**Agreement**”) is executed on the \_\_\_\_ day of \_\_\_\_\_, 2025 (“**Execution Date**”), by and between the City of Carson, a municipal corporation of the State of California (“**City**”), and 21611 Perry Street LLC, a California limited liability company (“**Developer**”). The City and Developer shall be referred to jointly within this Agreement as the “Parties” and individually as a “Party.” This Agreement is an amendment to and restatement of Development Agreement No. 27-21, which the Parties entered into on or around October 18, 2022, including all previous amendments to Development Agreement No. 27-21 through Minor Modifications and any other amendments thereto (“**Original Agreement**”).

### RECITALS

- A. *The Development Agreement Statute.* California Government Code Sections 65864 *et seq.* (“**Development Agreement Law**”) authorizes cities to enter into binding development agreements with persons having a legal or equitable interest in real property for the development of such property, all for the purpose of strengthening the public planning process, encouraging private participation, and comprehensive planning and identifying the economic costs of such development.
- B. *Orderly Development; Public Benefits.* The City Council finds that this Agreement is in the best public interest of the City and its residents, adopting this Agreement constitutes a present exercise of the City’s police power, and this Agreement is consistent with the City’s General Plan. This Agreement and the proposed Project will achieve a number of City objectives, including the orderly development of the Property and the provision of public benefits, or funds therefor, to the City and its residents.
- C. *The Property.* The property is a vacant lot located in a region characterized by a mix of residential and commercial uses, and is located at 21611 Perry Street, Carson, California, on the northwest corner of East Carson Street and South Perry Street, having Assessor’s Parcel Numbers 7327-010-014 and 7327-010-015, legally described and depicted in Exhibit “A” and Exhibit “B” attached hereto and incorporated herein (the “**Property**”). Developer owns the Property and, as such, possesses the requisite equitable interest in the Property under Government Code Section 65865 that allows the Parties to enter into this Agreement.
- D. *Original Project.* The Original Agreement concerned the development of a self-storage facility on the Property consisting of approximately 121,775 maximum square feet in a mix of three buildings, with a maximum height of 36 feet, referred to herein as Project A.

- E. *Original Project Approvals.* Concurrently with the Original Agreement, the City approved the following legislative actions, entitlements, and environmental determinations for Project A:
1. General Plan Amendment (“**GPA**”) No. 111-21, changing the General Plan land use designation for the Property from Light Industrial to Heavy Industrial;
  2. The Perry Street Specific Plan (SP No. 29-22);
  3. Zone Change No. 185-21, changing the zoning of the Property from Manufacturing Light with a Design Overlay (ML-D) to Perry Street Specific Plan;
  4. A Site Plan and Design Overlay Review (“**DOR No. 1858-21**”); and
  5. A mitigated negative declaration, including a mitigation monitoring and reporting program (“**MND**”).
- F. *Amendments to General Plan and Specific Plan.* Subsequent to the approval of the Original Agreement and GPA No. 111-21, the City amended the General Plan land use designation for the Property to Corridor Mixed Use. Concurrently, with the approval of this Agreement, the City has adopted an amendment to the description of the Corridor Mixed Use land use designation in the General Plan Land Use and Revitalization Element (“**GPA No. 00002-24**”) and an amendment to the Perry Street Specific Plan (“**SPA No. 00002-24**”). GPA No. **00002-24** amends the Corridor Mixed Use land use designation to allow for self-storage uses on land that is both (i) designated as Corridor Mixed Use according to its General Plan land use designation and (ii) within the Perry St. Specific Plan area. SPA No. **00002-24** amends the Perry Street Specific Plan to allow for development of either Project A or a new Project B on the Property, as described below.
- G. *Project B.* In addition to retaining its rights to develop Project A pursuant to the terms of the Original Agreement, as modified herein, Developer has requested the right to develop an alternative project on the Property consisting of 62 residential townhomes, parking, and open space for residents, as detailed in Section 1.24, referred to herein as Project B. Project B is consistent with the Corridor Mixed Use land use designation, as amended by GPA No. **00002-24**, and with the Perry Street Specific Plan, as amended by SPA No. **00002-24**.
- H. *Project B Entitlements.* Developer has also applied for, and City has approved, Tentative Tract Map No. 00003-24 (“**TTM No. 00003-24**”), Site Plan and Design Review No. 20-24 (“**DOR No. 00020-24**”), and an Addendum to the Environmental Impact Report for the Carson 2040 General Plan Update (SCH# 2001091120) (“**Addendum**”) for the amendment this Agreement (“**DA No. 0002-24**”) and Project B.
- I. *Adoption of DIF Program.* On April 16, 2019, the City Council adopted Ordinance No. 19-1931 to implement the City’s Interim Development Impact Fee Program (“**DIF Program**”) to establish an interim Development Impact Fee (“**DIF**”) schedule applicable to new development within the City. DIFs are valuable tools to fund infrastructure needs associated with new/additional development within the City pursuant to Government Code Sections 66000 *et seq.* DIFs serve the purpose of allowing the City to recover from each

new development project a reasonable and proportional share of the cost of public facilities and infrastructure improvements that serve or will benefit that development.

- J. *Agreed-Upon Payment of DIF Amount for Project A and Project B.* Prior to the approval of the Original Agreement (with respect to Project A) and this Agreement (with respect to Project B), City staff and its rate consultants analyzed the draft “Development Impact Fee Study” and then-available fee study data, and potential impacts upon public facilities and infrastructure attributable to the Project, in order to accurately estimate the DIFs that would be applicable to Projects A and B. The Project A and B DIF Amounts in this Agreement were estimated by reviewing Project A and B and the impacts created by Projects A and B, and the fees collected, and it was determined that the amounts of the fees are roughly proportional to Project A and B’s specific impacts. Based on such analyses, the Parties hereto mutually agree that Project A impacts warrant a one-time DIF payment of \$392,115.50 calculated at \$3.22 per square foot, subject to adjustment as set forth in Section 3.1.A, which amount is to be paid prior to issuance of Project A building permits. The Project B impacts also warrant a minimum one-time DIF payment of \$1,267,327.74 at a rate of \$20,440.77 per unit, subject to adjustment as set forth in Section 3.1.B, which amount is to be paid prior to issuance of Project B building permits. All payments for DIFs for Projects A and B pursuant to this Agreement are hereinafter referred to as the “**Project DIF Amount.**” The Parties agree that the Project A and Project B DIF Amounts are (1) directly related to the impacts of Project A and B, and (2) roughly proportional to the specific impacts upon public facilities and infrastructure attributable to Project A and B.
- K. *CFD Formation.* On November 7, 2018, the City formed a Master CFD entitled City of Carson Community Facilities District No. 2018-01 (Maintenance and Services) (the “**Master CFD**”) for the purpose of funding the maintenance of public infrastructure within the area of the Master CFD which is within the City’s jurisdictional boundaries (the “**Services**”). More specifically, the Services may include, but not be limited to, the provision of general City services and the maintenance of sidewalks, roadways, and parks to enhanced service levels. Additionally, the Master CFD may also fund any other public services as authorized under Section 53313 of the California Government Code. The Master CFD contemplates that the City will annex properties from time to time to the Master CFD to fund Services by unanimous written consent or as otherwise permitted by the Mello-Roos Community Facilities Act of 1982 (the “**Act**”), which properties may be annexed as a “Zone” or otherwise with special taxes related to such properties to be assessed on the property owner pursuant to the Act.
- L. *CFD Annexation for Project A and Project B.* By entering into this Agreement, Developer has agreed that if Developer elects to construct Project A, the Property shall be annexed into the Master CFD and be subject to the Property’s special taxes, which will help finance on-going Services associated with Project A. If Developer elects to construct Project B, Developer has agreed to either annex into the Master CFD or pay a one-time in lieu fee of \$250,000.00, due and payable prior to issuance of Project B building permits.
- J. *Previous Minor Modifications.* On May 11, 2023, the City’s Director of Community Development approved a Minor Modification to the Original Agreement (“**First Minor Modification**”), which clarified insurance provisions in the Original Agreement and modified Condition of Approval (“COA”) number 48 of Project A (“**Project A COA**”).

**Modification**”). The revisions made to the Original Agreement by the First Minor Modification have been incorporated into this Agreement. Notwithstanding any provision herein, the Project A COA Modification shall remain in full force and effect and shall not be superseded or rendered void by the approval of this Agreement. On November 16, 2023, the City’s Director of Community Development approved a second Minor Modification to the Original Agreement (“**Second Minor Modification**”), which revised the project to include a 3,800 square foot office/business and retail space, as well as designated parking spaces on site for the charging of electrical vehicle equipment and electrical vehicles (“**EV Project**”). On March 14, 2024, the City’s Director of Community Development approved a third Minor Modification, which further revised the EV Project (“**Third Minor Modification**”). Developer has elected to abandon the EV Project, and the revisions in the Second and Third Minor Modifications have not been incorporated into this Agreement. The Parties mutually intend that the Second and Third Minor Modifications shall be superseded by this Agreement and shall have no further force or effect beginning on the Effective Date for Project B, as defined herein.

- K. *Intent.* The Parties now desire to amend and restate the Original Agreement upon the terms and conditions set forth herein, and specifically intend that:
1. Developer shall have a vested right to develop Project A on the Property under the terms and conditions of the Original Agreement as originally adopted, as modified herein; and
  2. Developer shall also have a vested right to develop Project B on the Property as an alternative to developing Project A, subject to the terms and conditions herein.

## COVENANTS

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

### 1. GENERAL DEFINITIONS.

In addition to those terms defined within the above Recitals and elsewhere within this Agreement, the following terms shall bear the meanings set forth below:

**1.1 “Agreement”** means this Amended and Restated Development Agreement, including all of its exhibits.

**1.2 “Annual Review”** means the annual review of the Developer’s performance under this Agreement in accordance with Article 6 of this Agreement.

**1.3 “Applicable Rules”** means, collectively, the following:

- a. The Project Development Approvals, including the Conditions of Approval.
- b. The Existing Land Use Regulations.

- c. Subsequent Development Approvals.
- d. Those Subsequent Land Use Regulations to which Developer has agreed in writing.

The Applicable Rules for both Project A and Project B include GPA No. 00002-24 and SPA No. 00002-24.

**1.4 “Approval Date” means:**

- a. For Project A, October 18, 2022.
- b. For Project B, the date on which the City Council adopted the ordinance approving this Agreement.

**1.5 “CEQA”** means the California Environmental Quality Act (Public Resources Code § 21000, et seq.).

**1.6 “City”** means the City of Carson, a California Charter city.

**1.7 “City Council”** means the City Council of the City of Carson.

**1.8 “Conditions of Approval”** means all conditions imposed on the Project by the City, including those recommended by the Los Angeles County Fire Department, as part of the approval of the Project.

**1.9 “Developer”** means 21611 Perry Street LLC, a California limited liability company, and its successors and assigns to all or any part of the Property.

**1.10 “Developer’s Vested Right”** means Developer’s right to complete the Project in accordance with, and to the full extent of, the Project Development Approvals.

**1.11 “Development”** means the improvement of the Property for the purposes of completing the structures, improvements, and facilities comprising the Project including, but not limited to: grading; the construction of infrastructure related to the Project whether located within or outside the Property; the construction of buildings and structures; and the installation of landscaping and other facilities and improvements necessary or appropriate for the Project, and the maintenance, repair, or reconstruction of any building, structure, improvement, landscaping or facility after the construction and completion thereof.

**1.12 “Development Approvals”** means all Project-specific non-legislative approvals granted by the City. Development Approvals include, but are not limited to, plans, maps, permits, site plans, design guidelines, variances, conditional use permits, grading, building, and other similar permits, environmental assessments, including environmental impact reports, negative declarations, and other CEQA approvals, and any amendments or modifications to those matters. “Development Approvals” does not include (i) rules, regulations, policies, and other enactments of general application within the City, (ii) legislative enactments, or (iii) any matter where City has reserved authority under Section 5 of this Agreement. Development Approvals are not Land Use Regulations.

**1.13 “Development Plan”** means Developer’s plan for completion of the Project in compliance with and to the full extent of the Project Development Approvals, the Applicable Rules, and this Agreement.

**1.14 “DIF(s)”** means Development Impact Fees agreed to by Developer pursuant to Sections 3.1.A and 3.1.B hereof.

**1.15 “Effective Date”** means:

- a. For Project A, January 17, 2023.
- b. For Project B, the date on which the ordinance approving this Agreement became effective, typically thirty (30) days after the Approval Date.

**1.16 “Entitlements”** means this Agreement and:

- a. For Project A, DOR No. 1858-21 and the MND.
- b. For Project B, TTM No.00003-24, DOR No. 00020-24, and the Addendum.

**1.17 “Exhibit”** means an exhibit to this Agreement, unless otherwise specifically referenced to a different agreement or document. The following exhibits are incorporated into the Agreement by reference as though set forth in full:

Exhibit A	Legal description of the Property
Exhibit B	Depiction of the Property
Exhibit C	Conceptual Depiction of Dedication

**1.18 “Existing Land Use Regulations”** means (i) all Land Use Regulations in effect on the Effective Date and (ii) any changes to Land Use Regulations enacted on or after the Approval Date and before the Effective Date for which Developer has provided its written consent to allow those changes to apply to the Project. Notwithstanding any other provision herein, the Existing Land Use Regulations for Project A and Project B include GPA No.00002-24 and SPA No. 00002-24.

**1.19 “Land Use Regulations”** are laws and regulations enacted through legislative actions of the City Council. Land Use Regulations include ordinances, laws, resolutions, codes, rules, regulations, policies, requirements, guidelines or other actions of City, including but not limited to the City’s General Plan, Specific Plans, Municipal Code, and Zoning Code which affect, govern or apply to the development and use of the Property, including, without limitation, the permitted use of land, the density or intensity of use, subdivision requirements, the maximum height and size of proposed buildings, the provisions for reservation or dedication of land for public purposes, and the design, improvement, and construction standards and specifications applicable to the Project. “Land Use Regulations” do not include (i) Development Approvals, (ii) regulations relating to the conduct of business, professions, and occupancies generally, (iii) taxes and assessments, (iv) regulations for the control and abatement of nuisances, (v) health and safety regulations, or (vi) any other matter reserved to the City pursuant to Article 5.



**1.20 “Mortgage”** means a mortgage, deed of trust, or other security instrument encumbering the Property.

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

**1.22 “Project,”** when used without “A” or “B” refers to either Project A or Project B, whichever project Developer chooses to develop.

**1.23 “Project A”** means the development of the Property with a self-storage project consistent with the Entitlements and Applicable Rules for Project A.

**1.24 “Project B”** means the development of the Property with a residential project consisting of 62 townhome units, two parking spaces provided within a private garage for each of the 62 units, an additional 26 spaces dispersed throughout the site to provide for guest parking (resulting in a total of 150 vehicle parking spaces), 4,722 square feet of private open space and 29,071 square feet of common open space, and 29,071 square feet of landscaping, consistent with the Entitlements and Applicable Rules for Project B.

**1.25 “Project Development Approvals”** means all Development Approvals, inclusive of the Entitlements, which meet the following criteria:

- a. Were applied for by Developer;
- b. Are acceptable to Developer (including all Conditions of Approval); and
- c. Are required or permitted by the Applicable Rules in order to complete the Project.

Project Development Approvals include, without limitation, all Development Approvals needed or desired by Developer to complete the Project, provided that those Development Approvals are consistent with Developer’s Vested Right, this Agreement, the City’s General Plan, and the City’s Zoning Code (subject to the provisions of this Agreement and Development Agreement Law). The Entitlements (minus this Agreement), as examples of Project Development Approvals, have been or are anticipated to be approved prior to or in conjunction with the approval of this Agreement.

**1.26 “Property”** means the real property described in Exhibit “A” and shown in Exhibit “B.”

**1.27 “Reservation of Authority”** means the limitations, reservations, and exceptions to Developer’s Vested Right set forth in Article 5 of this Agreement.

**1.28 “Subsequent Land Use Regulations”** means those Land Use Regulations which are both adopted and effective on or after the Approval Date and which are not included within the definition of Existing Land Use Regulations.

**1.29 “Subsequent Development Approvals”** means all Development Approvals issued subsequent to the Effective Date in connection with development of the Property, which shall include, without limitation, any changes to the Development Approvals.

**1.30 “Term”** shall have the meaning ascribed to it in Section 2.1, unless earlier terminated as provided in this Agreement.

## **2. TERM & GENERAL COVENANTS.**

**2.1 Term.** The term of this Agreement (the “**Term**”) starts on the Effective Date and shall expire on October 18, 2037, subject to any early termination provisions described in this Agreement.

**2.2 Binding Effect of Agreement.** From and following the Effective Date for Project B, the Original Agreement shall be replaced in its entirety with this Agreement, and actions by the City and Developer with respect to the development of the Property for completion of the Project, including actions by the City on applications for Subsequent Development Approvals affecting the Property shall be subject to the terms and provisions of this Agreement.

**2.3 Agreement Runs with the Land.** This Agreement shall be recorded and shall run with the land. Pursuant to Government Code Section 65868.5, the burdens of this Agreement and each of its provisions shall be binding upon, and the benefits of this Agreement shall inure to, all successors in interest to the Parties, including, but not limited to, all parties that enter into lease agreements with Developer for possession of any part of the Property.

**2.4 Covenant Against Discrimination.** The Developer covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, sexual orientation or gender preference, national origin, or ancestry in the performance of this Agreement. The Developer shall take affirmative action to ensure that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, sexual orientation or gender preference, national origin, or ancestry.

## **3.A DEVELOPER’S OBLIGATIONS REGARDING PROJECT A.**

As consideration for the granting of Developer’s Vested Right to develop Project A in accordance with Article 4 below and subject to the City’s Reservation of Authority set forth in Article 5 below, Developer shall do the following:

**3.1.A Development Impact Fees for Project A.** Developer shall make a one-time payment to the City for the Project A DIF Amount of \$392,115.50 calculated at \$3.22 per square foot, subject to adjustment as provided in paragraph (b) below, at 121,775 square feet of storage facility approved as part of Project A. The Parties agree that the Project A DIF Amount is (1) directly related to the impacts of Project A, and (2) roughly proportional to the specific impacts upon public facilities and infrastructure attributable to Project A. Developer agrees to release, defend and hold the City harmless from any and all claims, costs (including attorneys’ fees) and liability for any damages, which may arise, directly or indirectly, from the City determination, calculation or imposition of, or Developer’s agreement to pay, the Project A DIF Amount.

- a. **Timing of Payment of Project A DIF Amount.** The Project A DIF Amount is payable in full prior to the issuance of any building permits for Project A, and is a condition precedent thereto.
- b. **Project A DIF Amount Adjustments.** The Project A DIF Amount shall be adjusted annually in accordance with the State of California Construction Cost Index (prior March to current March adjustment) on July 1<sup>st</sup> of each year.

**3.2.A CFD Annexation.** Developer has voluntarily agreed that if Developer elects to construct Project A, the Property shall be annexed into the Master CFD No. 2018-01. Based on an analysis of the Services needed for Project A, Developer agrees the Property will be taxed at the rate in effect at the time of issuance of Project A building permits for Industrial – All Other, which amount shall be adjusted as described in Section 3.2.A(b) below. Developer understands that there is an impact on the Services provided by the City in connection with its Project. Developer agrees to become subject to the Property’s special taxes, which will help finance on-going Services associated with the Project.

- a. **Timing of CFD Annexation.** Developer shall annex the Property into the Master CFD prior to issuance of any building permits for Project A
- b. **Tax Rate Adjustments.** On each July 1, commencing on July 1, 2023 through and including July 1, 2024, the Maximum Special Tax Rate for the applicable tax zone (which applies to the Property) shall be increased by 7%. On each July 1, commencing on July 1, 2025 and thereafter, the Maximum Special Tax Rate for such tax zone shall be increased by the percentage change in the November annualized Consumer Price Index for Los Angeles-Long Beach-Anaheim for all Urban Consumers.

**3.3.A Project A Development Agreement Fee.** If Developer chooses to develop Project A, Developer will operate a self-storage facility as part of Project A. In consideration for such allowance, Developer shall pay City a one-time Development Agreement fee in the amount of \$175,000.00 prior to issuance of any building permits for Project A.

**3.4.A Community Benefits and Fee.** The City has established the Citywide Commercial Façade Improvement Program pursuant to City Council Resolution No. 22-132 (“**Façade Program**”) whereby City provides grants to businesses to be used toward making exterior improvements and design approvals. In consideration for City’s allowance for Developer to develop the Project, Developer shall pay City a one-time payment of \$250,000.00 to serve as seed money (to replace contribution from property owners) to be used toward the Façade Program in the north side of Carson Street between Harbor View Avenue and Santa Fe Avenue or any other area determined by the Community Development Director (“**Façade Program Payment**”) prior to issuance of building permits. However, should the City receive requests from property owners in the north side of Carson Street between Harbor View Avenue and Santa Fe Avenue or any other area determined by the Community Development Director seeking to participate in the program, the City in its sole and absolute discretion shall be entitled to receive the Façade Program Payment as early as thirty (30) days after the Effective Date for Project A. The City’s Community Development Director shall notify the Developer of the City’s interest to receive the Façade Program Payment anytime between thirty (30) days after the Effective Date for Project A and prior

to issuance of building permits for Project A. Developer shall pay City the Façade Program Payment within thirty (30) days after receipt of City's notice.

**3.5.A Dominguez Channel Bike Lane Dedication:** Developer shall, upon formal, written request by the City, dedicate to the City an area no more than 550 square feet near the south-west corner of the Property (for purposes of this paragraph, "**Dedication**") to allow for the construction of a bike path along the Dominguez Channel (for purposes of this paragraph, "**Bike Path**"), provided the Dedication shall not result in the loss of any parking stalls, loss of or changes to self-storage facilities, or conflict with any driveways on the Property. Developer shall not be required to construct or maintain any portion of the Bike Path.

### **3.B DEVELOPER'S OBLIGATIONS REGARDING PROJECT B.**

As consideration for the granting of Developer's Vested Right to develop Project B in accordance with Article 4 below and subject to the City's Reservation of Authority set forth in Article 5 below, Developer shall accomplish the following:

**3.1.B Development Impact Fees for Project B.** If Developer chooses to develop Project B, Developer shall pay development impact fees in accordance with the DIF Program based on the applicable DIF amount at the time of issuance of building permits for Project B. Notwithstanding the foregoing, the Project B DIF payment amount shall be no less than \$1,267,327.74 (calculated at \$20,440.77 per unit), the applicable DIF amount at the time of the Effective Date for Project B, which amount shall be adjusted annually in accordance with the State of California Construction Cost Index (prior March to current March adjustment) on July 1st of each year. The Project B DIF amount shall be due and payable in full prior to the issuance of any Project B building permits, and is a condition precedent thereto. The Parties agree that the Project B DIF amount is (1) is directly related to the impacts of the Project B, and (2) roughly proportional to the specific impacts upon public facilities and infrastructure attributable to Project B. Developer agrees to release, defend and hold the City harmless from any and all claims, costs (including attorneys' fees) and liability for any damages, which may arise, directly or indirectly, from the City determination, calculation or imposition of, or Developer's agreement to pay, the Project B DIF amount.

**3.2.B Project B Development Agreement Fee.** If Developer chooses to develop Project B, Developer will develop a residential development as part of Project B. In consideration for such allowance, Developer shall pay City a one-time Development Agreement fee in the amount of \$50,000.00 prior to the issuance of any building permits for Project B.

**3.3.B Façade Program Payment.** In consideration for City's allowance for Developer to develop Project B, Developer has paid or will pay City the \$250,000 Façade Program Payment as provided in Section 3.4.A.

**3.4.B Site Remediation.** The Property has a well-known history of environmental contamination, which resulted in the California Regional Water Quality Control Board, Los Angeles Region ("**Water Board**") requiring the recordation of a Covenant and Environmental Restriction on Property ("**Environmental Covenant**") against the Property in 2015. Among other things, the Environmental Covenant prohibits residential use of the Property. As a result, since the recordation of the Environmental Covenant, there have been no development applications, nor any discussions with the City, by any party seeking to develop the Property for housing. Instead, there have been multiple attempts to redevelop the Property for industrial and heavy commercial uses.

Nevertheless, and despite having a fully entitled self-storage project for the Property, Developer is attempting a residential redevelopment of the site (Project B). As part of those efforts, Developer has expended hundreds of hours working with the Department of Toxic Substances Control (DTSC) and the Water Board to address site remediation issues, and has spent over \$1,000,000 in foregoing the previously approved redevelopment of the Property with Project A and creating a viable path for residential redevelopment. The Developer's actions and commitments related to the remediation and productive re-development of the Property for Project B provide a substantial community benefit to the City by (a) remediating a previously contaminated site, and (b) allowing for the removal of the Environmental Covenant and the use of the Property for residential development in the form of Project B, which is both a desirable and much-needed use in the City.

**3.5.B Project B CFD Obligation.** Developer has voluntarily agreed to and shall annex the Property into the Master CFD No. 2018-01 for Project B, unless the Project B CFD In Lieu Fee is paid as set forth in Section 3.5.B(c), below. Unless Developer elects to pay the CFD In Lieu Fee, based on an analysis of the Services needed for Project B, Developer agrees the Property will be taxed at the rate in effect at the time of issuance of Project B building permits for Residential – All Others, which amount shall be adjusted as described in Section 3.5.B(b), below. Developer understands that there is an impact on the Services provided by the City in connection with Project B. Unless Developer elects to pay the CFD In Lieu Fee, Developer agrees to become subject to the Property's special taxes, which will help finance on-going Services associated with the Project.

**a) Timing of CFD Annexation.** Developer shall annex the Property into the Master CFD prior to recordation of the final map for Project B (unless Developer elects to pay the CFD In Lieu Fee set forth below in Section 3.5.B(c)). Once the project is annexed into the CFD and provided that building permits have been issued, the CFD assessments on individual units shall commence.

**b) Tax Rate Adjustments.** On each July 1, commencing on July 1, 2025 and thereafter, the Maximum Special Tax Rate for the applicable tax zone (which applies to the Property) shall be increased by the percentage change in the November annualized Consumer Price Index for Los Angeles-Long Beach-Anaheim for all Urban Consumers.

**c) Project B CFD In Lieu Fee.** In lieu of the requirement to annex into the CFD for Project B, Developer may instead opt to pay a one-time two hundred and fifty thousand dollar (\$250,000.00) in lieu fee, due and payable prior to and as a condition precedent of issuance of any Project B building permits (“**CFD In Lieu Fee**”).

**3.6.B Dominguez Channel Bike Lane Dedication:** Developer shall, upon formal, written request by the City, dedicate to the City an area no more than 550 square feet at or near the southwest corner of the Property, similar to the area depicted on “Exhibit C”, attached hereto and incorporated herein (for purposes of this paragraph, “**Dedication**”) to allow for the construction of a bike path along the Dominguez Channel (for purposes of this paragraph, “**Bike Path**”), provided the Dedication shall not result in the loss of more than one parking stall, loss of or changes to residential units, or conflict with any private driveways on the Property. For the avoidance of doubt, “private driveways,” as used in the preceding sentence, does not include the emergency

access gate on Carson Street or the curb cut therefor. Developer shall not be required to construct or maintain any portion of the Bike Path. City and Developer agree that further refinements may be made to Exhibit C to design the bike path with the least impact to the Developer's property and provides necessary safety measures for the bike path as determined by the City Engineer.

#### **4. DEVELOPMENT OF THE PROPERTY.**

**4.1 Scope of Developer's Vested Right.** Subject to the Reservation of Authority set forth in Article 5, Developer shall have the vested right to develop the Project to the full extent permitted under the Applicable Rules ("**Developer's Vested Right**") and this Agreement.

**4.2 Effect of Agreement on Land Use Regulations.** Except as otherwise provided under the terms of this Agreement, the rules, regulations and official policies governing permitted uses of the Property, the density and intensity of use of the Property, the maximum height and size of proposed buildings, and the design, improvement and construction standards and specifications applicable to the Development of the Property, shall be as set forth in the Existing Land Use Regulations, which shall include GPA No. 00002-24 and SPA No. 00002-24 for both Project A and Project B..

**4.3 Rights under State and Federal Law.** Developer shall retain all rights it has under state and federal law, including, but not limited to, Developer's rights under Government Code Section 65865.2, which provides that subsequent discretionary actions shall not prevent development of the Property for the uses and to the density or intensity of development set forth in the Project Development Approvals.

**4.4 Apportionment.** Developer shall have the right to apportion the uses, intensities, and densities of the Project between itself and any subsequent owners, upon the sale, transfer, or assignment of all or any portion of the Property, so long as such apportionment is consistent with the Applicable Rules and this Agreement.

**4.5 Lesser Development.** Without amending this Agreement, Developer shall have the right to elect to develop and construct upon all or any portion of the Property a Project of lesser height or building size, or with fewer units, than that permitted by the Project Development Approvals provided that the Project otherwise complies with the Applicable Rules (including, in the case of Project B, applicable minimum and maximum residential density requirements) and this Agreement.

**4.6 Project Development Approvals; Subsequent Development Approvals.** The Project Development Approvals for the Project may require the processing of Subsequent Development Approvals. Subject to the provisions of Section 4.7 below, the City shall accept for processing, review and action all applications for Subsequent Development Approvals, and such applications shall be processed in the normal manner for processing such matters in accordance with the Existing Land Use Regulations. The parties acknowledge that subject to the Existing Land Use Regulations, under no circumstances shall City be obligated in any manner to approve any Subsequent Development Approval, or to approve any Subsequent Development Approval with or without any particular condition. However, unless otherwise requested by Developer, City shall not, without good cause, amend or rescind any Subsequent Development Approvals respecting the Property after such approvals have been granted by the City. Processing of Subsequent Development Approvals or changes in the Project Development Approvals made

pursuant to Developer's application shall not require an amendment to this Agreement. This Agreement shall not prevent City from denying or conditionally approving any application for a Subsequent Development Approval on the basis of the Existing Land Use Regulations.

**4.7 Role of Project Development Approvals.** Except as provided within this Agreement, the Project Development Approvals shall exclusively control the uses of the Property, the density or intensity of use, the maximum height and size of proposed buildings, the provisions for reservation or dedication of land for public purposes and the design, improvement, and construction standards and specifications applicable to the Project. Pursuant to Government Code Section 66452.6, the term of any tentative map for the Property or any portion thereof, if any, filed within the term of this Agreement shall automatically be extended for the term of this Agreement, as amended by the Project Development Approvals. All Project Development Approvals, including but not limited to Tentative Tract Maps, shall automatically expire concurrently with the expiration or termination of this Agreement.

**4.8 Moratorium.** Notwithstanding any other provision of this Agreement, no future amendment of any existing City ordinance or resolution or any subsequent ordinance, resolution or moratorium, enacted either by the City Council or by voter approved initiative, that purports to impose or result in a limitation on the Project, imposed by City, shall apply to govern, or regulate the Project or development or use of the Developer Property during the Term. In the event of any such subsequent action by City, Developer shall continue to be entitled to apply for and receive Development Approvals in accordance with the Existing Land Use Regulations, subject only to the exercise of the City's Reservation of Authority set forth herein.

**4.9 Maintaining Property.** The Property must at all times be maintained and generally kept in a clean condition, in accordance with the City's Code Enforcement regulations.

## **5. CITY'S RESERVATION OF AUTHORITY.**

Notwithstanding Developer's Vested Right, the Project is subject to the following Subsequent Land Use Regulations:

**5.1 City's Discretion Under Applicable Rules.** In considering future applications, if any, for a Subsequent Development Approval, the City may exercise its regulatory discretion to the extent permitted by the Applicable Rules and this Agreement.

**5.2 Uniform Codes.** Changes adopted by the International Conference of Building Officials, or other similar body, as part of the then most current versions of the Uniform Building Code, Uniform Fire Code, Uniform Plumbing Code, Uniform Mechanical Code, or National Electrical Code, or other such Uniform Codes, and also adopted by City as Subsequent Land Use Regulations, but only if applicable City-wide.

**5.3 Emergencies.** Emergency rules, regulations, laws, and ordinances within the City's police power that would limit the exercise of Developer's Vested Right ("**Conflicting Emergency Regulations**"), provided that the Conflicting Emergency Regulations:

- a. Result from a sudden, unexpected emergency declared by the President of the United States, Governor of California, County Board of Supervisors and applicable to incorporated areas, including the City, or the City Council;

- b. Address a clear and imminent danger, with no effective reasonable alternative available that would have a lesser adverse effect on Developer's Vested Right;
- c. Do not primarily or disproportionately impact the development of the Project; and
- d. Are based upon findings of necessity established by a preponderance of the evidence at a public hearing.

**5.4 Laws of Other Jurisdictions.** Other public agencies not subject to control by City may possess authority to regulate aspects of the Project. This Agreement does not limit the authority of such other public agencies. Therefore:

- a. Federal, state, county, and multi-jurisdictional laws and regulations (the "**Additional Regulations**"), including regional impact fees, which City is required to enforce against the Property or the Project, except if the Additional Regulations are for the purpose of mitigating a significant or potentially significant impact that has already been mitigated pursuant to Project A's Mitigated Negative Declaration or other CEQA mitigation measures applicable to the Project.
- b. If an Additional Regulation is enacted after the Effective Date and prevents or precludes compliance with one or more of the provisions of this Agreement, those provisions shall be modified or suspended as may be necessary to comply with the Additional Regulation. In that event, this Agreement shall remain in full force and effect to the extent it is not inconsistent the Additional Regulation and to the extent that the suspension or modification necessitated by the Additional Regulation does not deny one of the Parties its primary benefits under this Agreement.
- c. Developer shall apply in a timely manner for such other permits and approvals that are lawfully required by other governmental or quasi-governmental agencies in order to allow the Project to be constructed. City shall provide Developer reasonable cooperation in Developer's efforts to obtain such permits and approvals. The Parties shall cooperate and use reasonable efforts in coordinating the implementation of the Development with other public agencies, if any, having jurisdiction over the Property or the Project.

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



**5.6 Energy Efficient and Sustainable Building Design.** All Project buildings shall promote sustainable and energy efficient practices through compliance with California Code of Regulations, Title 24.

**5.7 Employment Outreach for Local Residents.** A goal of the City with respect to this Project and other major projects within the City is to foster employment opportunities for Carson residents. To that end, Developer covenants that with respect to the construction, operation and maintenance of the Project, the Developer shall make reasonable efforts to cause all solicitations for full or part-time, new or replacement, employment relating to the construction, operation and maintenance of the Project to be advertised in such a manner as to target local City residents and shall make other reasonable efforts at local employment outreach as the City shall approve. Developer shall also notify the City of jobs available at the Project such that the City may inform City residents of job availability at the Project. Developer will inform its purchasers and lessees of the provisions of these requirements. Nothing in this paragraph shall require Developer to offer employment to individuals who are not otherwise qualified for such employment. Without limiting the generality of the foregoing, the provisions of this Section 5.7 are not intended, and shall not be construed, to benefit or be enforceable by any person whatsoever other than City.

**5.8 Prevailing Wages.** Developer's cost of developing the Project and constructing all of the on-site and off-site improvements, if any, at or about the Property required to be constructed for the Project shall be borne by Developer. Developer is aware of the laws of the State governing the payment of prevailing wages on public projects and will comply with same and will defend, hold harmless, and indemnify City in the event Developer fails to do so. As the City is not providing any direct or indirect financial assistance to Developer, the Project should not be considered to be a "public work" "paid for in whole or in part out of public funds," as described in California Labor Code Section 1720. Accordingly, it is believed by the parties that Developer is not required to pay prevailing wages in connection with any aspect of the Development or the construction of the Project. However, to the extent that (contrary to the parties' intent) it is determined that Developer was required to pay prevailing wage and has not paid prevailing wages for any portion of the Project, Developer shall defend, indemnify, and hold the City (which, for purposes of this section, shall include its related agencies, officers, employees, agents and assigns) harmless from and against any and all increase in construction costs, or other liability, loss, damage, costs, or expenses (including reasonable attorneys' fees and court costs) arising from or as a result of any action or determination that Developer failed to pay prevailing wages in connection with the construction of the Project. City shall reasonably cooperate with Developer regarding any action by Developer hereunder challenging any determination that the Project is subject to the payment of prevailing wages. Notwithstanding the foregoing, the City retains the right to settle or abandon the matter without Developer's consent as to the City's liabilities or rights only, but should it do so, City shall waive the indemnification herein provided such waiver occurs prior to the issuance of any judgment in the matter.

**5.9 Fees, Taxes, and Assessments.**

- a. **Processing Fees.** The Developer shall pay all processing fees and charges of every kind and nature imposed by City to cover the estimated actual costs to City of processing applications for the Project Development Approvals, the Original Agreement, this Agreement, and all legislative actions

associated with the Project (i.e., GPA No. 111-21, SP No. 29-22, ZCC No. 185-21, GPA No. 0002-24, and SPA No. 0002-24), including but not limited to, City Attorney fees incurred by City for the review, preparation and negotiation of the Entitlements, inclusive of this Agreement, at a rate of \$425 per hour for partners and \$395 per hour for associates, and for monitoring compliance with the Original Agreement, this Agreement and any Project Development Approvals granted or issued (“**City Costs**”). Developer has made an initial deposit to the City, which the City acknowledges is sufficient to pay for City Costs incurred up to the Execution Date (“**Initial Deposit**”). Developer shall deliver additional deposit amounts to replenish the Initial Deposit within five (5) business days of City’s written request to Developer. City’s written requests for additional deposits shall state what City Costs have been incurred to date, additional costs anticipated, and how City intends to apply any needed additional Developer deposits. The Initial Deposit plus any additional sums deposited hereunder are hereinafter referred to as the “**Deposit.**” If deposited sums exceed the City Costs, City shall refund the difference as soon as City determines the amount of such excess, but City may request and shall have the right to retain additional deposits as necessary to maintain a minimum balance of the Deposit of Fifteen Thousand Dollars (\$15,000).

- b. **Permit Fees.** Except as expressly provided in this Agreement, Developer shall pay all standard permit fees and other fees and charges which are standard and uniformly-applied to similar projects in the City.
- c. **General Charges.** Nothing herein shall prohibit the application of the following, if lawfully imposed upon the Property:
  - (i) **Additional Taxes, Fee, and Charges.** Developer, or Developer’s Project occupants, shall pay all normal and customary taxes, fees, and charges applicable to all permits necessary for the Project, and any taxes, fees, and charges hereafter imposed by City, which are standard and uniformly-applied to similar properties in the City.
  - (ii) Developer, or Developer’s Project occupants, shall be obligated to pay any fees or taxes, and increases thereof, imposed on a City-wide basis such as business license fees or taxes, sales or use taxes, transient occupancy taxes, utility taxes, and public safety taxes.
  - (iii) Developer, or Developer’s Project occupants, shall be obligated to pay any future fees or assessments imposed on an area-wide basis (such as landscape and lighting assessments and community services assessments such as the Master CFD/Property’s special taxes).
  - (iv) Developer, or Developer’s Project occupants, shall be obligated to pay any fees imposed pursuant to any assessment district such as the special taxes of the Master CFD established within the Project as of the date hereof or otherwise proposed or consented to by Developer;

- (v) Developer, or Developer’s Project occupants, shall be obligated to pay any fees imposed pursuant to any Uniform Code.
- (vi) Developer, or Developer’s Project occupants, shall be obligated to pay any utility fees and charges, including amended rates thereof, for City services such as electrical utility charges, water rates, and sewer rates.

**5.10 Inconsistencies.** It is expressly agreed that in the event of any inconsistency between the provisions or conditions of the Existing Land Use Regulations or Conditions of Approval and the provisions of this Agreement, the provisions of this Agreement shall govern. The conditions of such Existing Land Use Regulations and Conditions of Approval shall be interpreted insofar as possible to prevent such inconsistency, and in the event this Agreement is silent concerning an issue, the conditions of the Existing Land Use Regulations and Conditions of Approval shall govern. As between several instruments and regulations governing the Project, in the event of a clear and explicit conflict which cannot be resolved through interpretation, the following interpretive priorities shall apply: (i) the terms of this Agreement shall prevail over the provisions of the Existing Land Use Regulations and Conditions of Approval except where the Conditions of Approval are more restrictive in which event the Conditions of Approval shall prevail; (ii) the terms of the Project Development Approvals shall prevail over the terms of the Existing Land Use Regulations, except where such Existing Land Use Regulations are legally preemptive; and (iii) the terms of the Project Development Approvals shall take priority over the provisions of the CEQA instruments approved in conjunction with the Project, except where the CEQA instruments are legally preemptive.

## **6. ANNUAL REVIEW.**

**6.1 Timing of Annual Review.** Pursuant to Government Code Section 65865.1, at least once during every twelve (12) month period of the Term, City shall review the good faith compliance of Developer with the terms of this Agreement (“**Annual Review**”). No failure on the part of City to conduct or complete an Annual Review as provided herein shall have any impact on the validity of this Agreement, nor shall it be deemed a breach on the part of Developer. The cost of the Annual Review shall be borne by Developer and Developer shall pay the actual and reasonable costs incurred by the City for such review.

**6.2 Special Review.** The City Council may, in its sole and absolute discretion, order a special review of compliance with this Agreement at any time at City’s sole cost (“**Special Review**”). Developer shall cooperate with the City in the conduct of such Special Reviews.

**6.3 Standards for Annual Review.** During the Annual Review, Developer shall demonstrate good faith compliance with the terms of this Agreement. “**Good faith compliance**” shall be established if Developer is in substantial compliance with the material terms and conditions of this Agreement.

**6.4 Procedure.** Each party shall have a reasonable opportunity to assert matters which it believes have not been undertaken in accordance with the Agreement, to explain the basis for such assertion, and to receive from the other party a justification of its position on such matters. The procedure for an Annual Review or Special Review shall be as follows:

- a. As part of either an Annual Review or Special Review, within ten (10) days of a request for information by the City, the Developer shall deliver to the City all information and supporting documents reasonably requested by City (i) regarding the Developer's performance under this Agreement demonstrating that the Developer has complied in good faith with the terms of this Agreement, and (ii) as required by the Existing Land Use Regulations.
- b. The City Manager, or his/her designee, shall prepare and submit to Developer a written report on the performance of this Agreement and identify any perceived deficiencies in Developer's performance of this Agreement. The Developer may submit written responses to the report and Developer's written response shall be included in the City Manager's report. If the City Manager determines that the Developer has substantially complied with the terms and conditions of this Agreement, the Annual or Special Review shall be concluded.
- c. If any deficiencies are noted, or if requested by a Councilmember, a public hearing shall be held before the City Council at which the Council will review the City Manager's report. The report to Council shall be made at a regularly-scheduled City Council meeting occurring as soon as possible, subject to the requirements of the Brown Act, after the commencement of the Annual or Special Review process outlined in this Section 6.4. If the City Council finds and determines, based on substantial evidence, that the Developer has not substantially complied with the terms and conditions of this Agreement for the period under review, the City may declare a default by the Developer in accordance with Article 7.
- d. Neither party hereto shall be deemed in breach if the reason for non-compliance is due to a "force majeure" as defined in, and subject to the provisions of, Section 13.10.

**6.5 Certificate of Agreement Compliance.** If, at the conclusion of an Annual Review or a Special Review, Developer is found to be in compliance with this Agreement, City shall, upon written request by Developer, issue a Certificate of Agreement Compliance ("**Certificate**") to Developer stating that after the most recent Annual Review or Special Review and based upon the information known or made known to the City Manager, Planning Commission, and City Council that (i) this Agreement remains in effect and (ii) Developer is in compliance. The Certificate, whether issued after an Annual Review or Special Review, shall be in recordable form, shall contain information necessary to communicate constructive record notice of the finding of compliance. Developer shall at its cost record the Certificate with the County Recorder. Additionally, Developer may at any time request from the City a Certificate stating, in addition to the foregoing, which obligations under this Agreement have been fully satisfied with respect to the Property, or any lot or parcel within the Property.

**6.6 Review Process Not a Prerequisite to Declaring a Default.** Neither the Annual Review nor Special Review procedure is a prerequisite to either party declaring a default and

initiating the default and cure procedure in Article 7. In other words, either party may declare a default at any time without first undertaking the Annual Review or Special Review process.

**6.7 Public Hearings.** The public hearing prescribed by Section 6.4 is independent of, and in addition to, any further hearing procedures relating to defaults and remedies prescribed in Article 7 below. Thus, if the City Council finds that the Developer has not substantially complied with the terms and conditions of this Agreement as part of a review process pursuant to Section 6.4 and determines to declare a default, the City Council is still required to follow the notice/cure process (Section 7.2) and the termination hearing process (Section 7.4) before terminating this Agreement.

## **7. DEFAULTS AND REMEDIES.**

**7.1 Remedies Available.** The parties acknowledge and agree that other than the termination of this Agreement pursuant to Article 7, specific performance, injunctive and declaratory relief are the only remedies available for the enforcement of this Agreement and knowingly, intelligently, and willingly waive any and all other remedies otherwise available in law or equity. Accordingly, and not by way of limitation, and except as otherwise provided in this Agreement, Developer shall not be entitled to any money damages from City by reason of any default under this Agreement. Further, Developer shall not bring an action against City nor obtain any judgment for damages for a regulatory taking, inverse condemnation, unreasonable exactions, reduction in value of property, delay in undertaking any action, or asserting any other liability for any matter or for any cause which existed or which the Developer knew of or should have known of prior to the time of entering into this Agreement, Developer's sole remedies being as specifically provided above. Developer acknowledges that such remedies are adequate to protect Developer's interest hereunder and the waiver made herein is made in consideration of the obligations assumed by the City hereunder.

### **7.2 Declaration of Default & Opportunity to Cure.**

- a. **Rights of Non-Defaulting Party after Default.** The parties acknowledge that both parties shall have hereunder all legal and equitable remedies as provided by law following the occurrence of a default or to enforce any covenant or agreement herein except as provided in Section 7.1. Before this Agreement may be terminated or action may be taken to obtain judicial relief the party seeking relief ("**Non-Defaulting Party**") shall comply with the notice and cure provisions of this Section 7.2.
- b. **Notice and Opportunity to Cure.** A Non-Defaulting Party in its discretion may elect to declare a default under this Agreement in accordance with the procedures hereinafter set forth for any failure or breach of the other party ("**Defaulting Party**") to perform any material duty or obligation of the Defaulting Party under the terms of this Agreement. However, the Non-Defaulting Party must provide written notice to the Defaulting Party setting forth the nature of the breach or failure and the actions, if any, required by the Defaulting Party to cure such breach or failure (the "**Default Notice**"). The Defaulting Party shall be deemed in Default under this Agreement, if the breach or failure can be cured, but the Defaulting Party has failed to take such actions and cure such default within thirty (30) days after the date of

such notice or ten (10) days for monetary defaults (or such lesser time as may be specifically provided in this Agreement). However, if such non-monetary Default cannot be cured within such thirty (30) day period, and if and, as long as the Defaulting Party does each of the following:

- (i) Notifies the Non-Defaulting Party in writing with a reasonable explanation as to the reasons the asserted default is not curable within the thirty (30) day period;
- (ii) Notifies the Non-Defaulting Party of the Defaulting Party's proposed cause of action to cure the default;
- (iii) Promptly commences to cure the default within the thirty (30) day period;
- (iv) Makes periodic reports to the Non-Defaulting Party as to the progress of the program of cure; and
- (v) Diligently prosecutes such cure to completion.

Then the Defaulting Party shall not be deemed in breach of this Agreement.

**7.3 Termination Notice.** Upon receiving a Default Notice, should the Defaulting Party fail to timely cure any default, or fail to diligently pursue such cure as prescribed above, the Non-Defaulting Party may seek termination of this Agreement, in which case the Non-Defaulting Party shall provide the Defaulting Party with a written notice of intent to terminate this Agreement ("**Termination Notice**"). The Termination Notice shall state that the Non-Defaulting Party will elect to terminate this Agreement within thirty (30) days and state the reasons therefor (including a copy of any specific charges of default or a copy of the Default Notice) and a description of the evidence upon which the decision to terminate is based. Once the Termination Notice has been issued, the Non-Defaulting Party's election to terminate this Agreement will only be rescinded if so determined by the City Council pursuant to Section 7.4.

**7.4 Hearing Opportunity Prior to Termination.** If Developer is the Defaulting Party pursuant to Section 7.3, then the City's Termination Notice to Developer shall additionally specify that Developer has the right to a hearing prior to the City's termination of this Agreement ("**Termination Hearing**"). The Termination Hearing shall be scheduled as an open public hearing item at a regularly-scheduled City Council meeting within thirty (30) days of the Termination Notice, subject to any legal requirements including but not limited to the Ralph M. Brown Act, Government Code Sections 54950-54963. At said Termination Hearing, Developer shall have the right to present evidence to demonstrate that it is not in default and to rebut any evidence presented in favor of termination. Based upon substantial evidence presented at the Termination Hearing, the Council may, by adopted resolution, act as follows:

- a. Decide to terminate this Agreement; or
- b. Determine that Developer is innocent of a default and, accordingly, dismiss the Termination Notice and any charges of default; or

- c. Impose conditions on a finding of default and a time for cure, such that Developer's fulfillment of said conditions will waive or cure any default.

Findings of a default or a conditional default must be based upon substantial evidence supporting the following two findings: (i) that a default in fact occurred and has continued to exist without timely cure, and (ii) that such default has caused or will cause a material breach of this Agreement and/or a substantial negative impact upon public health, safety and welfare, the environment, or such other interests that the City and public may have in the Project.

**7.5 Rights and Duties Following Termination.** Upon the termination of this Agreement, no Party shall have any further right or obligation hereunder except with respect to (i) any obligations to have been performed prior to said termination, (ii) any default in the performance of the provisions of this Agreement which has occurred prior to said termination, or (iii) the indemnification provisions of Article 8. Termination of this Agreement shall not affect either Party's rights or obligations with respect to any Development Approval granted prior to such termination.

**7.6 Waiver of Breach.** By not challenging any Development Approval within ninety (90) days of the action of City enacting the same, Developer shall be deemed to have waived any claim that any Condition of Approval is improper or that the action, as approved, constitutes a breach of the provisions of this Agreement.

**7.7 Interest on Monetary Default.** In the event Developer fails to perform any monetary obligation under this Agreement, Developer shall pay interest thereon at the rate of six and one-half percent (6.5%) per annum from and after the due date of said monetary obligation until payment is actually received by City.

## **8. THIRD PARTY LITIGATION.**

### **8.1 Indemnity Obligations on Third-Party Claims**

- a. Developer hereby agrees to indemnify, defend, and hold City, its officers, agents, employees, members of its City Council and any commission, partners and representatives ("**City Indemnitees**") harmless from and against any and all claims, actions, suits, damages, liabilities, losses, penalties, errors, omissions, forfeitures, fees (including attorneys' fees), costs, expenses, and any other actions or proceedings (whether legal, equitable, declaratory, administrative, or adjudicatory in nature) (collectively, "**Claims**"), asserted against City or City Indemnitees arising out of or in connection with the Original Agreement, this Agreement and/or the Project, including, without limitation, (i) City's approval of the Original Agreement or this Agreement and all documents related to any of the legislative actions listed in Section 5.9, Project Development Approvals, Conditions of Approval, permits, or other entitlements or approvals for the Project and issues related thereto (including, City's determinations regarding CEQA compliance and/or any other development incentives granted to the Project), (ii) the development of the Project, (iii) the

Environmental Covenant (including as may be modified), the approval or development of the Project notwithstanding the existence of such covenant (whether or not such approval or development is consistent with such covenant and/or approved by the Water Board, DTSC or any other regulatory agency), any environmental contamination affecting the Property, or the remediation or non-remediation of same; and (iv) liability for damage or claims for damage for personal injury including death and claims for property damage which may arise from, or are attributable to, Developer's (or Developer's contractors, subcontractors, agents, employees or other persons acting on Developer's behalf ("**Developer's Representatives**")) performance of its rights or obligations under this Agreement and/or the negligence or misconduct of Developer or of Developer's Representatives which relate to the Project or the Property.

- b. The City shall provide the Developer with notice of the pendency of such Claims within ten (10) days of being served or otherwise notified of such Claims and shall request that the Developer defend such action. The Developer may utilize the City Attorney's office or use legal counsel of its choosing, but shall reimburse the City for any necessary legal cost incurred by City. In all cases, City shall have the right to utilize the City Attorney's office in any legal action. The Developer shall provide a deposit in the amount of 100% of the City's estimate, in its sole and absolute discretion, of the cost of litigation, including the cost of any award of attorney's fees. If the Developer fails to provide the deposit, and after compliance with the provisions of this Section 8.1, the City may abandon the action and the Developer shall pay all costs resulting therefrom and City shall have no liability to the Developer. The Developer's obligation to pay the cost of the action, including judgment, shall extend until judgment. After judgment in a trial court, the parties must mutually agree as to whether any appeal will be taken or defended. City agrees that it shall fully cooperate with the Developer in the defense of any matter in which the Developer is defending and/or holding the City harmless.

**8.2 Hold Harmless: Developer's Construction, and Other Activities.** The Developer shall defend, save and hold the City and its elected and appointed boards, commissions, officers, agents, and employees harmless from any and all claims, costs (including attorneys' fees) and liability for any damages, personal injury or death, which may arise, directly or indirectly, from the Developer's or the Developer's agents, contractors, subcontractors, agents, or employees' Project construction activities and operations under this Agreement or the Project Development Approvals or Subsequent Development Approvals, whether such Project construction activities and operations be by the Developer or by any of the Developer's agents, contractors or subcontractors or by any one or more persons directly or indirectly employed by or acting as agent for the Developer or any of the Developer's agents, contractors or subcontractors. Nothing herein shall be construed to mean that the Developer shall hold the City harmless and/or defend it from any claims arising from, or alleged to arise from, the sole negligence or willful misconduct of the City's officers, employees, agents, contractors of subcontractors.



**8.3 Loss and Damage.** City shall not be liable for any damage to property of Developer or of others located on the Property, nor for the loss of or damage to any property of Developer or of others by theft or otherwise. City shall not be liable for any injury or damage to persons or property resulting from fire, explosion, steam, gas, electricity, water, rain, dampness or leaks from any part of the Property or from the pipes or plumbing, or from the street, or from any environmental or soil contamination or hazard, or from any other latent or patent defect in the soil, subsurface or physical condition of the Property, or by any other cause of whatsoever nature. Nothing herein shall be construed to mean that the Developer shall bear liability for the sole negligence or willful misconduct of the City's officers, employees, agents, contractors of subcontractors.

**8.4 Non-liability of City Officers and Employees.** No official, agent, contractor, or employee of the City shall be personally liable to the Developer, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Developer or to its successor, or for breach of any obligation of the terms of this Agreement.

**8.5 Conflict of Interest.** No officer or employee of the City shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to this Agreement which affects the financial interest of any corporation, partnership or association in which he or she is, directly or indirectly, interested, in violation of any state statute or regulation.

**8.6 Survival of Indemnity Obligations.** All indemnity provisions set forth in this Agreement shall survive expiration or sooner termination of this Agreement for any reason other than a default by City.

## **9. INSURANCE.**

### **9.1 Types of Insurance.**

- a. **Public Liability Insurance.** Prior to commencement and until completion of construction of improvements by Developer on the Property, Developer shall, at its sole cost and expense, keep or cause to be kept in force, for the mutual benefit of City and Developer, comprehensive broad form general public liability insurance against claims and liability for personal injury or death arising from the use, occupancy, disuse or condition of the Property, improvements or adjoining areas or ways, affected by such use of the Property or for property damage. Such policy shall provide protection of at least \$6,000,000 for bodily injury or death to any one person, at least \$6,000,000 for any one accident or occurrence, and at least \$6,000,000 for property damage, and \$7,000,000 in the aggregate.
- b. **Worker's Compensation.** To the extent Developer and its contractors utilize employees for any portion of the Project, Developer and such contractors shall also furnish or cause to be furnished to City evidence reasonably satisfactory to it that Developer and any contractor with whom Developer has contracted for the performance of any work for which Developer is responsible hereunder carries workers' compensation insurance as required by law.

- c. **Automobile Liability Insurance.** Developer shall ensure that all contractors with whom Developer has contracted for the performance of any work for which Developer is responsible hereunder maintains automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Developer arising out of or in connection with work to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than \$5,000,000 combined single limit for each accident.
- d. **Pollution Liability Insurance.** Environmental Impairment Liability Insurance shall be written on a Contractor's Pollution Liability form or other form acceptable to City providing coverage for liability arising out of sudden, accidental and gradual pollution and remediation. The policy limit shall be no less than \$1,000,000 dollars per claim and \$2,000,000 in the aggregate. All activities contemplated in this Agreement shall be specifically scheduled on the policy as "covered operations." The policy shall provide coverage for the hauling of waste from the project site to the final disposal location, including non-owned disposal sites.
- e. **Other Insurance.** Developer may procure and maintain any insurance not required by this Agreement, but all such insurance shall be subject to all of the provisions hereof pertaining to insurance and shall be for the benefit of City and Developer.

**9.2 Insurance Policy Form, Sufficiency, Content, and Insurer.** All insurance required by express provisions hereof shall be carried only by responsible insurance companies licensed and admitted to do business by California, rated "A" or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VIII or better, unless waived by City. All such policies shall be non-assessable and shall contain language, to the extent obtainable, to the effect that (i) any loss shall be payable notwithstanding any act of negligence of City or Developer that might otherwise result in the forfeiture of the insurance, (ii) the insurer waives the right of subrogation against City and against City's agents and representatives; (iii) the policies are primary and noncontributing with any insurance that may be carried by City; and (iv) the policies cannot be canceled or materially changed except after thirty (30) days' written notice by the insurer to City or City's designated representative. Developer shall furnish City with copies of all such policies promptly on receipt of them or with certificates evidencing the insurance. City shall be named as an additional insured on all policies of insurance required to be procured by the terms of this Agreement, except for all insurance required by Developer's contractors, both City and Developer shall be named as an additional insured. Moreover, the insurance policy must specify that where the primary insured does not satisfy the self-insured retention, any additional insured may satisfy the self-insured retention. In the event the City's Risk Manager determines that the use, activities or condition of the Property, improvements or adjoining areas or ways, affected by such use of the Property under this Agreement creates an increased or decreased risk of loss to the City, Developer agrees that the minimum limits of the insurance policies required by Section 9.1 may be changed accordingly upon receipt of written notice from the City's Risk Manager; provided that Developer shall have

the right to appeal a determination of increased coverage to the City Council of City within ten (10) days of receipt of notice from the City's Risk Manager.

**9.3 Failure to Maintain Insurance and Proof of Compliance.** Developer shall deliver to City, in the manner required for notices, copies of certificates of all insurance policies together with endorsements required hereunder together with evidence satisfactory to City of payment required for procurement and maintenance of each policy within the following time limits:

- a. For insurance required above, prior to issuance of the first permit, including (without limitation) any demolition permit, grading permit, building permit, electrical permit, etc.
- b. For any renewal or replacement of a policy already in existence, at least ten (10) days before the expiration or termination of the existing policy.
- c. If Developer fails or refuses to procure or maintain insurance as required hereby or fails or refuses to furnish City with required proof that that insurance has been procured and is in force and paid for, such failure or refusal shall be a default hereunder.

**9.4 Waiver of Subrogation.** Developer agrees that it shall not make any claim against, or seek to recover from City or its agents, servants, or employees, for any loss or damage to Developer or to any person or property, except as specifically provided hereunder and Developer shall give notice to any insurance carrier of the foregoing waiver of subrogation, and obtain from such carrier, a waiver of right to recovery against City, its agents and employees.

**9.5 Broader Coverages and Higher Limits.** Notwithstanding anything else herein to the contrary, if Developer maintains broader coverages and/or higher limits than the minimums shown above, the City requires and shall be entitled to the broader coverages and/or higher limits maintained by Developer.

## **10. MORTGAGEE PROTECTION.**

**10.1** The parties agree that this Agreement shall not prevent or limit Developer, in any manner, at Developer's sole discretion, from encumbering the Property or any portion thereof or any improvement thereon by any mortgage, deed, of trust or other security device securing financing with respect to the Property. City acknowledges that the lenders providing such financing may require certain Agreement interpretations, modifications, and estoppel certificates and City agrees upon request, from time to time, to communicate and meet with Developer and representatives of such lenders to negotiate in good faith any such estoppel certificates and/or requests for interpretation or modification. Subject to compliance with applicable laws, City will not unreasonably withhold its consent to any such requested estoppel certificate, interpretation or modification provided City determines such estoppel certificate, interpretation or modification is consistent with the intent and purposes of this Agreement. Any Mortgagee of the Property shall be entitled to the rights and privileges set forth in this Article 10.

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

**10.3** The Mortgagee of any Mortgage or deed of trust encumbering the Property, or any part thereof, where Mortgagee has submitted a request in writing to the City in the manner specified herein for giving notices, shall be entitled to receive written notification from City of any default by Developer in the performance of Developer's obligations under this Agreement.

**10.4** If City timely receives a request from a Mortgagee requesting a copy of any notice of default given to Developer under the terms of this Agreement, City shall provide a copy of that notice to the Mortgagee within ten (10) days of sending the notice of default to Developer. The Mortgagee shall have the right, but not the obligation, to cure the default during the period that is the longer of (i) the remaining cure period allowed such party under this Agreement, or (ii) sixty (60) days.

**10.5** Any Mortgagee who comes into possession of the Property, or any part thereof, pursuant to foreclosure of the Mortgage or deed of trust, or deed in lieu of such foreclosure, shall take the Property, or part thereof, subject to the terms of this Agreement.

## **11. ASSIGNMENTS.**

**11.1** The experience, knowledge, capability and reputation of Developer, its principals, employees and affiliates were a substantial inducement for the City to enter into this Agreement. The Developer may sell, transfer, lease or assign this Agreement, the Property, or any part thereof (such sale, transfer, lease or assignment shall be referred to as an "**Assignment**") with the prior written consent of the Community Development Director, which consent may not be unreasonably withheld, after providing reasonable documentation and evidence demonstrating that the person or entity to whom any of the rights or privileges granted herein are to be sold, transferred, leased, assigned, hypothecated, encumbered, merged, or consolidated, meets the following criteria: (i) the transferee has the financial strength and capability to perform its obligations under the Agreement, (ii) reasonably satisfactory evidence that the transferee has the experience and expertise to operate the Project, including reasonably satisfactory evidence that the transferee has experience with operations and projects with a similar scale of this Project; and (iii) reasonably satisfactory evidence that the transferee's key principals have no felony convictions. The proposed transferee shall execute and deliver to the City an assumption agreement assuming Developer's Project obligations, which assumption agreement shall be in a form approved by the City Manager and City Attorney ("**Assignment and Assumption Agreement**"). Notwithstanding the foregoing, if Developer should seek the Assignment prior to making the \$250,000 Façade Program Payment, Developer shall make such payment to City prior to completion of the Assignment. The Assignment and Assumption Agreement shall state whether assignee intends to develop Project A or Project B. If assignee states an intent to develop Project A, then Developer shall pay the \$175,000.00 fee required by Section 3.3.A prior to completion of the Assignment. If assignee states an intent to develop Project B, then Developer shall pay the \$50,000.00 fee required by Section 3.2.B prior to completion of the Assignment. Developer making these payments will be a condition precedent to the Community Development Director providing consent to the Assignment.

**11.2 City Consideration of Requested Assignment.** The City agrees that it will not unreasonably withhold, condition, or delay approval of a request for approval of an Assignment required pursuant to this Article 11, provided that:

- a. Developer delivers written notice to the City requesting that approval prior to the completion of the Assignment (the “**Consent Request**”); and
- b. The Assignment is not completed until either (i) City has provided its written consent or (ii) sixty (60) days have passed after delivery by Developer to City of the Consent Request without the City having rejected the Consent Request in writing.
- c. The Consent Request shall be accompanied by (i) a proposed draft of the Assignment and Assumption Agreement described in Section 11.1, in a form acceptable to the City Attorney and City Manager, and (ii) evidence regarding the proposed assignee’s development and/or operational qualifications and experience and its financial commitments and resources in sufficient detail to enable the City to evaluate the proposed assignee’s ability to complete the Project.

**11.3 Assignments Permitted Without City’s Consent.** Notwithstanding any other provision of this Agreement, Assignments related to the following property conveyances and other transactions shall not require City consent:

- a. The granting of easements or permits to facilitate construction of the Project or any public improvements.
- b. The granting of easements or permits for utility purposes.
- c. Transactions for financing purposes, including the grant of a deed of trust to secure the funds necessary, but not to exceed the amounts reasonably required, for land acquisition, construction, and/or permanent financing of any portion of the Project.
- d. The acquisition of some or all of the Property by a Mortgagee in its capacity as a Mortgagee, such as through foreclosure or a deed in lieu of foreclosure.
- e. A sale or transfer resulting from, or in connection with, a reorganization as contemplated by the provisions of the Internal Revenue Code of 1986, as amended or otherwise, in which the ownership interests of a corporation are assigned directly or by operation of law to a person or persons, firm or corporation which acquires the control of the voting capital stock of such corporation or all or substantially all of the assets of such corporation.
- f. A sale or transfer between members of the same family, or transfers to a trust, testamentary or otherwise, in which the beneficiaries consist primarily of family members of the trustor, or transfers to a corporation or partnership in which the family members or shareholders of the transferor own at least

ten percent (10%) of the present equity ownership and/or at least fifty percent (50%) of the voting control of Developer.

- g. If Developer is a trust, corporation, real estate investment trust, or partnership, a transfer of stock or other interests, provided there is no material change in the actual management and control of Developer.
- h. Transactions with any member, partner, officer, employee, or affiliate of Developer or any trust or family member, provided that, following the transaction, the management of Developer on the Effective Date for Project B shall, subject to normal and customary business practices and personnel changes, remain the primary Developer representative(s) for purposes of communication with the City.

**11.4 Effect of Assignment.** Unless otherwise stated within the Assignment, upon an Assignment:

- a. The assignee shall be liable for the performance of all remaining obligations of Developer with respect to those portions of the Property which are transferred (the “**Transferred Property**”) but shall have no obligations with respect to any portions of the Property not conveyed (the “**Retained Property**”).
- b. The owner of the Retained Property shall be liable for the performance of all obligations of Developer with respect to the Retained Property, but shall have no further obligations with respect to the Transferred Property.
- c. The Assignee’s exercise, use, and enjoyment of the Transferred Property shall be subject to the terms of this Agreement to the same extent as if the Assignee were the Developer.

## **12. AMENDMENT AND MODIFICATION.**

**12.1 Initiation of Amendment.** Either party may propose an amendment to this Agreement.

**12.2 Procedure.** Except as set forth in Section 12.4, the procedure for proposing and adopting an amendment to this Agreement shall be the same as the procedure required for entering into this Agreement in the first instance as set forth in Government Code Section 65867.

**12.3 Consent.** Except as expressly provided in this Agreement, no cancellation of or amendment to all or any provision of this Agreement shall be effective unless set forth in writing and signed by duly authorized representatives of each of the parties hereto and recorded in the Official Records of Los Angeles County.

**12.4 Administrative Minor Project Modifications.** Notwithstanding any other provision and/or Condition of Approval contained in any Development Approvals, “Minor Modifications” to this Agreement, the Project, and/or the Development plans shall be made ministerially, with the approval of the Director. For Project B, the determination of whether a



With copy to: Aleshire & Wynder  
18881 Von Karman Avenue, Suite 1700  
Irvine, CA 92612  
Fax: 949-223-1180  
Attn: Sunny Soltani

To Developer: 21611 Perry Street LLC,  
659 N. Robertson Blvd  
West Hollywood, CA 90069  
Attn: Darren Embry

A Party may change its address by giving written notice to the other Party. Thereafter, Notices shall be addressed and transmitted to the new address.

**13.3 Estoppel Certificates.** Either Party (or a Mortgagee) may at any time deliver written notice to the other Party requesting an Estoppel Certificate stating:

- a. The Agreement is in full force and effect and is a binding obligation of the Parties;
- b. The Agreement has not been amended or modified or, if so amended, identifying the amendments; and
- c. There are no existing defaults under the Agreement to the actual knowledge of the Party signing the Estoppel Certificate.

A Party receiving a request for an Estoppel Certificate shall provide a signed certificate to the requesting Party within thirty (30) days after receipt of the request. The City Manager may sign Estoppel Certificates on behalf of the City. An Estoppel Certificate may be relied on by assignees and Mortgagees.

**13.4 Project as a Private Undertaking.** It is specifically understood and agreed by the Parties that the Project is a private development, that neither Party is acting as the agent of the other in any respect, and that each Party is an independent contracting entity with respect to this Agreement. The only relationship between City and Developer is that of a government entity regulating the development of property owned by a private party. City agrees that by its approval of, and entering into, this Agreement that it is not taking any action which would transform this private Development into a “public work” project, and that nothing herein shall be interpreted to convey upon Developer any benefit which would transform Developer’s private project into a public work project, it being understood that this Agreement is entered into by City and Developer upon the exchange of consideration described in this Agreement, including the Recitals to this Agreement, and that City is receiving by and through this Agreement the full measure of benefit in exchange for the burdens placed on Developer by this Agreement, including but not limited to Developer’s obligation to provide the public improvements set forth herein.

**13.5 Eminent Domain.** No provision of this Agreement shall be construed to limit or restrict the exercise by City of its power of eminent domain.



**13.6 Entire Agreement.** This Agreement represents the entire agreement of the Parties with respect to the subject matter of this Agreement. No testimony or evidence of any such representations, understandings or covenants shall be admissible in any proceeding of any kind or nature to interpret or determine the terms or conditions of this Agreement.

**13.7 Further Actions and Instruments.** Each of the Parties shall cooperate with and provide reasonable assistance to the other to the extent necessary to implement this Agreement.

**13.8 Severability.** If any term, provision, covenant or condition of this Agreement shall be determined invalid, void or unenforceable, the remainder of this Agreement shall not be affected thereby to the extent such remaining provisions are not rendered impractical to perform taking into consideration the purposes of this Agreement.

**13.9 Covenant Not To Sue.** The parties to this Agreement, and each of them, agree that this Agreement and each term hereof is legal, valid, binding, and enforceable. The parties to this Agreement, and each of them, hereby covenant and agree that each of them will not commence, maintain, or prosecute any claim, demand, cause of action, suit, or other proceeding against any other party to this Agreement, in law or in equity, or based on any allegation or assertion in any such action, that this Agreement or any term hereof is void, invalid, or unenforceable.

**13.10 Force Majeure.** Neither Party shall be deemed to be in default where failure or delay in performance of any of its obligations under this Agreement is caused by earthquakes, other acts of God, fires, wars, terrorism, riots or similar hostilities, strikes, and other labor difficulties beyond the Party's control, government regulations, pandemics, government-ordered quarantine, court actions (such as restraining orders or injunctions), or other causes beyond the Party's reasonable control. If any such events shall occur, the term of this Agreement and the time for performance shall be extended for the duration of the impacts on the Project of each such event.

**13.11 Waiver.** All waivers of performance must be in a writing signed by the Party granting the waiver. Failure by a Party to insist upon the strict performance of any provision of this Agreement shall not be a waiver of future performance of the same or any other provision of this Agreement.

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

**13.13 Governing Law and Venue.** This Agreement shall be governed and interpreted in accordance with California law, with venue for any litigation concerning this Agreement in Los Angeles, California.

**13.14 Interpretation.** This Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the parties hereto, and the rule of construction to the effect that ambiguities are to be resolved against the drafting party or in favor of City shall not be employed in interpreting this Agreement, all parties having been represented by counsel in the negotiation and preparation hereof.

**13.15 Corporate Authority.** The person(s) executing this Agreement on behalf of each of the parties hereto represent and warrant that (i) such party, if not an individual, is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said

party, (iii) by so executing this Agreement such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other agreement to which such party is bound.

**13.16 Attorneys' Fees.** If either party to this Agreement is required to initiate or defend litigation against the other party, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorneys' fees. Attorneys' fees shall include attorneys' fees on any appeal, and, in addition, a party entitled to attorney's fees shall be entitled to all other reasonable costs for investigating such action, taking depositions and discovery and all other necessary costs the court allows which are incurred in such litigation. All such fees shall be deemed to have accrued on commencement of such action and shall be enforceable whether or not such action is prosecuted to a final judgment.

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

**13.18 No Brokers.** City and Developer represent and warrant to the other that neither has employed any broker and/or finder to represent its interest in this transaction. Each party agrees to indemnify and hold the other free and harmless from and against any and all liability, loss, cost, or expense (including court costs and reasonable attorney's fees) in any manner connected with a claim asserted by any individual or entity for any commission or finder's fee in connection with this Agreement arising out of agreements by the indemnifying party to pay any commission or finder's fee.

**13.19 Joint and Several Liability.** In the event Developer should sell, transfer, lease or assign this Agreement, the Property, or any part thereof, Developer shall bear ultimate responsibility for all obligations, conditions, and restrictions set forth under this Agreement, it being understood that both Developer and any transferee, assignee, or lessee shall be jointly and severally liable.

**13.20 Compliance with Laws.** Developer must comply with all federal, state and local laws and regulations, including the City's Municipal Code, subject to the provisions of this Agreement and Development Agreement Law.

**13.21 Counterparts.** This Agreement may be executed by the Parties in counterparts, which together shall have the same effect as if each of the Parties had executed the same instrument.

[SIGNATURES ON FOLLOWING PAGE(S)]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the day and year first set forth above.

CITY  
CITY OF CARSON a municipal corporation

\_\_\_\_\_  
Lula Davis-Holmes, Mayor

ATTEST

\_\_\_\_\_  
Dr. Khaleah K. Bradshaw, City Clerk

APPROVED AS TO FORM  
ALESHIRE & WYNDER, LLP

\_\_\_\_\_  
Sunny K. Soltani, City Attorney

DEVELOPER  
21611 PERRY STREET LLC, a California  
limited liability company

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

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

**Two corporate officer signatures required when Consultant is a corporation, with one signature required from each of the following groups: 1) Chairman of the Board, President or any Vice President; and 2) Secretary, any Assistant Secretary, Chief Financial Officer or any Assistant Treasurer. CONSULTANT’S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO CONSULTANT’S BUSINESS ENTITY.**





**EXHIBIT "A"**

**PROPERTY LEGAL DESCRIPTION**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF CARSON, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

THAT PORTION OF LOT 15 OF TRACT NO. 4054, IN THE CITY OF CARSON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 44 PAGE 39 OF MAPS, .IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHERLY LINE OF THE SOUTHERLY 20 FEET OF SAID LOT WITH A LINE PARALLEL WITH AND NORTHEASTERLY 27 FEET, MEASURED AT RIGHT ANGLES, FROM THE SOUTHWESTERLY LINE OF SAID LOT; THENCE ALONG SAID PARALLEL LINE NORTH 39° 21' 48" WEST 245.64 FEET; THENCE SOUTH 89° 22' 27" WEST 25.48 FEET; THENCE NORTH

39° 21' 48" WEST 2.11 FEET; THENCE NORTH 0° 37' 33" WEST 17.38 FEET TO A LINE PARALLEL WITH AND NORTHEASTERLY 18 FEET, MEASURED AT RIGHT ANGLES, FROM SAID SOUTHWESTERLY LINE; THENCE ALONG SAID LAST MENTIONED PARALLEL LINE NORTH 39° 21' 48" WEST TO THE SOUTHERLY LINE OF TRACT NO. 29360, AS PER MAP RECORDED IN BOOK 734, PAGE 45 OF MAPS; THENCE EASTERLY ALONG SAID SOUTHERLY LINE TO THE EASTERLY LINE OF SAID LOT 15; THENCE SOUTHERLY ALONG SAID EASTERLY LINE TO SAID NORTHERLY LINE; THENCE WESTERLY ALONG SAID NORTHERLY LINE TO THE POINT OF BEGINNING.

EXCEPT THEREFROM THAT PORTION OF SAID LAND DESIGNATED AS PARCELS 2-36 INCLUSIVE IN THE FINAL DECREE OF CONDEMNATION ENTERED IN SUPERIOR COURT, LOS ANGELES COUNTY, CASE NO. 909461, A CERTIFIED COPY OF WHICH WAS RECORDED AUGUST 26, 1969, AS INSTRUMENT NO. 2734, IN BOOK D-4478, PAGE 350, OFFICIAL RECORDS OF SAID COUNTY AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EASTERLY LINE OF SAID LOT WITH THE NORTHERLY LINE OF THE SOUTHERLY 20 FEET OF SAID LOT; THENCE WESTERLY ALONG SAID NORTHERLY LINE 19.99 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE NORTHWEST, HAVING A RADIUS OF 15 FEET, TANGENT TO SAID NORTHERLY LINE AND TANGENT TO THE WESTERLY LINE OF THE EASTERLY 5 FEET OF SAID LOT; THENCE NORTHEASTERLY ALONG SAID CURVE 23.55 FEET TO SAID WESTERLY LINE; THENCE EASTERLY AT RIGHT

ANGLES FROM SAID WESTERLY LINE 5 FEET TO SAID EASTERLY LINE; THENCE SOUTHERLY ALONG SAID EASTERLY LINE 14.99 FEET TO THE POINT OF BEGINNING.

ALSO, EXCEPT 1/2 OF ALL OIL, GAS, HYDROCARBON AND MINERAL SUBSTANCES IN AND UNDER SAID LAND, BUT WITHOUT RIGHT OF SURFACE ENTRY, AS RESERVED BY MARY M. REGAN, IN DEED RECORDED OCTOBER 4, 1957 AS INSTRUMENT NO. 504, IN BOOK 44767, PAGE 300, OFFICIAL RECORDS.

APNs: 7327-010-014 & 015

# EXHIBIT "B"

## DEPICTION OF THE PROPERTY





# EXHIBIT "C"

## CONCEPTUAL DEPICTION OF DEDICATION

