

ORDINANCE NO. 182344

An ordinance authorizing the execution of a development agreement by and between the City of Los Angeles and the University of Southern California relating to real property in the South and Southeast Los Angeles Community Plan areas and the University of Southern California University Park Campus Specific Plan area and located in the area around the University of Southern California campus.

**WHEREAS**, the City Planning Commission on May 10, 2012, approved and recommended that the City Council approve a development agreement by and between the City of Los Angeles and the University of Southern California; and

**WHEREAS**, on October 10, 2012, the City's Planning Land Use and Management Committee modified the development agreement recommended by City Planning Commission and recommended that City Council approve a revised version of the development agreement, which is attached to Council File No. 12-0698, by and between the City of Los Angeles and the University of Southern California (Development Agreement), which Development Agreement is hereby incorporated by reference and which is hereby incorporated into the provisions of this ordinance; and

**WHEREAS**, after due notice, the City Planning Commission and the City Council did conduct public hearings on this matter; and

**WHEREAS**, pursuant to California Government Code Section 65864, *et seq.*, the City Planning Commission has transmitted to City Council its findings and recommendations; and

**WHEREAS**, the Development Agreement is in the public interest and is consistent with the City's General Plan, the South and Southeast Los Angeles Community Plans, and the University of Southern California University Park Campus Specific Plan; and

**WHEREAS**, The City Council has reviewed and considered the Development Agreement and the findings and recommendations of the City Planning Commission.

**NOW, THEREFORE,**

**THE PEOPLE OF THE CITY OF LOS ANGELES  
DO ORDAIN AS FOLLOWS:**



Section 1. The City Council finds, with respect to the Development Agreement, that:

(a) It is consistent with the City's General Plan, policies and programs specified in the South and Southeast Los Angeles Community Plans and the University of Southern California University Park Campus Specific Plan, and is compatible with the

uses authorized in, and the regulations prescribed for, the zone in which the real property is located;

(b) The intensity, building height and use set forth in the Development Agreement are permitted by, or are consistent with, the South and Southeast Los Angeles Community Plans and the University of Southern California University Park Campus Specific Plan;

(c) It will not be detrimental to the public health, safety and general welfare since it encourages the construction of a project that is desirable and beneficial to the public. Furthermore, the Development Agreement specifically permits application to the project of rules and regulations under the Los Angeles Municipal Code Section 91.101.1 to 98.0605 relating to public health and safety;

(d) It complies with all applicable City and State regulations governing development agreements; and

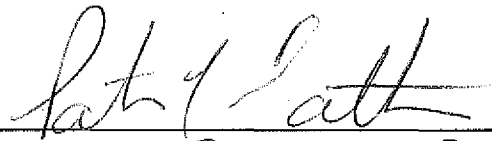
(e) It is necessary to strengthen the public planning process and to reduce the public and private costs of development uncertainty.

Sec. 2. The City Council hereby approves the Development Agreement and authorizes and directs the Mayor to execute the Development Agreement in the name of the City of Los Angeles.

Sec. 3. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that this ordinance was passed by the Council of the City of Los Angeles, at its meeting of DEC 11 2012.

JUNE LAGMAY, City Clerk

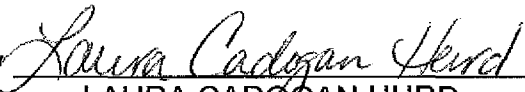
By   
Deputy

Approved DEC 12 2012

  
Mayor

Approved as to Form and Legality

CARMEN A. TRUTANICH, City Attorney

By   
LAURA CADOGAN HURD  
Deputy City Attorney

Date 12-11-12

File No. CF No. 12-0968

Pursuant to Charter Section 559, I approve this ordinance on behalf of the City Planning Commission and recommend that it be adopted . . . . .

December 10, 2012

  
Michael LoGrande  
Director of Planning

## DECLARATION OF POSTING ORDINANCE

I, MARIA VIZCARRA, state as follows: I am, and was at all times hereinafter mentioned, a resident of the State of California, over the age of eighteen years, and a Deputy City Clerk of the City of Los Angeles, California.

**Ordinance No. 182344 – Authorizing the execution of a development agreement by and between the City of Los Angeles and the University of Southern California relating to real property in the South and Southeast Los Angeles Community Plan areas and the University of Southern California University Park Campus Specific Plan area** - a copy of which is hereto attached, was finally adopted by the Los Angeles City Council on **December 11, 2012**, and under the direction of said City Council and the City Clerk, pursuant to Section 251 of the Charter of the City of Los Angeles and Ordinance No. 172959, on **December 14, 2012** I posted a true copy of said ordinance at each of the three public places located in the City of Los Angeles, California, as follows:

- 1) one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall;
- 2) one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East;
- 3) one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

Copies of said ordinance were posted conspicuously beginning on **December 14, 2012** and will be continuously posted for ten or more days.

I declare under penalty of perjury that the foregoing is true and correct.

Signed this **14th** day of **December, 2012** at Los Angeles, California.

  
\_\_\_\_\_  
Maria Vizcarra, Deputy City Clerk

Ordinance Effective Date: **January 23, 2013**

Council File No. **12-0968**

**RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:**

---

**SPACE ABOVE THIS LINE FOR RECORDER'S USE**

**DEVELOPMENT AGREEMENT**

**by and among**

**THE CITY OF LOS ANGELES**

**and**

**THE UNIVERSITY OF SOUTHERN CALIFORNIA**

\_\_\_\_\_, 20\_\_

## DEVELOPMENT AGREEMENT

### TABLE OF CONTENTS

	Page
I. DEFINITIONS.....	1
1.1. "Affected Council District" .....	1
1.2 "Affordable Housing Unit" .....	1
1.3 "Agreement" .....	1
1.4 "Applicable Rules" .....	1
1.5 "Assignment Agreement" .....	1
1.6 "CEQA" .....	1
1.7 "City" .....	1
1.8 "City Council" .....	2
1.9 "Development Agreement Act" .....	2
1.10 "Development Phase I" .....	2
1.11 "Development Phase II" .....	2
1.12 "Disadvantaged Worker" .....	2
1.13 "Discretionary Action" .....	2
1.14 "Economic Development Coordinating Council" .....	2
1.15 "Effective Date" .....	2
1.16 "Family of Schools" .....	3
1.17 "Fees" .....	3
1.18 "FEIR" .....	3
1.19 "First Source Hiring Policy" .....	3
1.20 "First Source Referral System" .....	3
1.21 "General Plan" .....	3
1.22 "Grocery Store Tenant" .....	3
1.23 "Impact Fees" .....	3
1.24 "LABOE" .....	3
1.25 "LACDD" .....	3
1.26 "LADCP" .....	3
1.27 "LADOT" .....	3
1.28 "LADRP" .....	4
1.29 "LAFD" .....	4
1.30 "LAHD" .....	4
1.31 "Local Project Area" .....	4
1.32 "Local Small Business" .....	4
1.33 "Ministerial Permits and Approvals" .....	4
1.34 "Mitigation Measures" .....	4
1.35 "Mortgagee" .....	4
1.36 "Nexus Study Area" .....	4
1.37 "Parties" .....	4
1.38 "Planning Commission" .....	4
1.39 "Planning Director" .....	4
1.40 "Poverty Zip Code" .....	4
1.41 "Processing Fees" .....	4

1.42	“Project”	5
1.43	“Project Approvals”	5
1.44	“Property”	5
1.45	“Property Owner”	5
1.46	“Qualifying University Village Tenant”	5
1.47	“Reserved Powers”	6
1.48	“Small Business Empowerment Services”	6
1.49	“Specific Plan”	7
1.50	“Subarea 3”	7
1.51	“Term”	7
1.52	“Transferee”	7
1.53	“UNIDAD”	7
1.54	“Uniform Codes”	7
1.55	“University Village Tenant”	7
2.	RECITALS OF PREMISES, PURPOSE AND INTENT	7
2.1	State Enabling Statute	7
2.2	City Procedures and Actions	8
2.2.1	City Planning Commission Action	8
2.2.2	City Council Action	8
2.3	Purpose of this Agreement	8
2.3.1	Public Benefits	8
2.3.2	Property Owner Objectives	8
2.3.3	Mutual Objectives	9
2.4	Applicability of the Agreement	9
3.	AGREEMENT AND ASSURANCES	9
3.1	Agreement and Assurance on the Part of Property Owner	9
3.1.1	Project Development	10
3.1.2	Timing of Development	10
3.1.3	Additional Obligations of Property Owner as Consideration for this Agreement	10
3.2	Agreement and Assurances on the Part of the City	22
3.2.1	Entitlement to Develop	23
3.2.2	Consistency in Applicable Rules	23
3.2.3	Changes in Applicable Rules	23
3.2.4	Subsequent Development Review	24
3.2.5	Project Construction Beyond 2030 FEIR Buildout Year	24
3.2.6	Effective Development Standards	24
3.2.7	Interim Use	24
3.2.8	Moratoria or Interim Control Ordinances	25
3.2.9	Special Taxes and Assessments	25
3.2.10	Impact Fees	25
3.2.11	Processing Fees	25
4.	ANNUAL REVIEW	25
4.1	Annual Review	25

4.2	Pre-Determination Procedure.....	25
4.3	Director's Determination .....	26
4.4	Appeal By Property Owner.....	26
4.5	Period to Cure Non-Compliance.....	26
4.6	Failure to Cure Non-Compliance Procedure.....	26
4.7	Termination or Modification of Agreement .....	27
4.8	Reimbursement of Costs.....	27
5.	DEFAULT PROVISIONS.....	27
5.1	Default by Property Owner.....	27
5.1.1	Default.....	27
5.1.2	Notice of Default.....	27
5.1.3	Failure to Cure Default Procedures.....	27
5.1.4	Termination or Modification of Agreement .....	28
5.2	Default By The City.....	28
5.2.1	Default.....	28
5.2.2	Notice of Default.....	28
5.3	No Monetary Damages .....	28
6.	GENERAL PROVISIONS .....	29
6.1	Effective Date .....	29
6.2	Term .....	29
6.3	Appeals to City Council.....	29
6.4	Enforced Delay; Extension of Time of Performance.....	29
6.5	Dispute Resolution.....	30
6.5.1	Dispute Resolution Proceedings .....	30
6.5.2	Arbitration.....	30
6.5.3	Arbitration Procedures.....	30
6.5.4	Extension of Term.....	30
6.6	Legal Action.....	30
6.7	Applicable Law.....	31
6.8	Amendments .....	31
6.9	Assignment .....	31
6.9.1	Non-Assignable Obligations.....	31
6.9.2	Liability Upon Assignment.....	31
6.10	Covenants.....	32
6.11	Cooperation and Implementation.....	32
6.11.1	Processing .....	32
6.11.2	Other Governmental Permits .....	32
6.11.3	Cooperation In The Event of Legal Challenge .....	33
6.12	Relationship of the Parties .....	33
6.13	Indemnification.....	33
6.13.1	Obligation to Defend, Indemnify, and Hold Harmless.....	33
6.13.2	Defending the Project Approvals.....	34
6.13.3	Breach of Obligations .....	34
6.13.4	Cooperation.....	34



6.13.5 Contractual Obligation.....	34
6.13.6 Waiver of Right to Challenge.....	34
6.13.7 Survival.....	35
6.13.8 Deposit.....	35
6.14 Extension of Time for All Project Approvals.....	35
6.15 Notices.....	35
6.16 Recordation.....	36
6.17 Constructive Notice and Acceptance.....	36
6.18 Successors and Assignees.....	36
6.19 Severability.....	36
6.20 Time of the Essence.....	36
6.21 Waiver.....	36
6.22 No Third Party Beneficiaries.....	36
6.23 Entire Agreement.....	36
6.24 Legal Advice; Neutral Interpretation; Headings, Table of Contents, and Index.....	37
6.25 Mortgagee Protection.....	37
6.25.1 Discretion to Encumber.....	37
6.25.2 Mortgage Not Rendered Invalid.....	37
6.25.3 Mortgagee's Time to Cure.....	37
6.25.4 Cure Rights.....	37
6.25.5 Bankruptcy.....	38
6.25.6 Disaffirmation.....	38
6.26 Counterparts.....	38

## DEVELOPMENT AGREEMENT

This Development Agreement ("Agreement") is executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between the CITY OF LOS ANGELES, a municipal corporation ("City"), and THE UNIVERSITY OF SOUTHERN CALIFORNIA, a California non-profit corporation ("USC" or "Property Owner"), pursuant to California Government Code Section 65864 et seq., and the implementing procedures of the City, with respect to the following:

### 1. DEFINITIONS.

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

1.1 "Affected Council District" means the Council Districts representing the Nexus Study Area (in whole or in part).

1.2 "Affordable Housing Unit" means dwelling units for low and very-low income households within the Nexus Study Area boundaries. All units must be affordable to households at or below 60% of the area median income (AMI) for the Los Angeles Metropolitan Statistical Area. Income targeting must occur across all proposed unit types.

1.3 "Agreement" means this Development Agreement.

1.4 "Applicable Rules" means the rules, regulations, ordinances and officially adopted policies of the City in full force and effect as of the Effective Date of this Agreement, including, but not limited to the City's General Plan and the USC Specific Plan, as amended by the Project Approvals. Additionally, notwithstanding the language of this Section or any other language in this Agreement, all specifications, standards and policies regarding the design and construction of public works facilities shall be those that are in effect at the time the Project plans are being processed for approval and/or under construction.

1.5 "Assignment Agreement" means a written agreement between the Property Owner and a Transferee of the Property Owner, consistent with the terms of this Agreement, in which the Parties agree to specific obligations of this Agreement being transferred from the Property Owner to the Transferee of the Property Owner.

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

1.7 "City" means the City of Los Angeles, a charter city and municipal corporation, including each and every agency, department, board, commission, authority, employee, and/or official acting under the authority of the City, including without limitation the City Council and the Planning Commission.

1.8 "City Council" means the City Council of the City and the legislative body of the City pursuant to California Government Code Section 65867.

1.9 **“Development Agreement Act”** means Section 65864 *et seq.*, of the California Government Code.

1.10 **“Development Phase 1”** means any Project located within the geographic boundary labeled “Phase I” as depicted in Figure 2 (“Development Phasing in Subarea 3) of the Specific Plan.

1.11 **“Development Phase 2”** means any Project located within the geographic boundary labeled “Phase II” as depicted in Figure 2 (“Development Phasing in Subarea 3) of the Specific Plan.

1.12 **“Disadvantaged Worker”** means an individual who meets one or more of the following criteria: (i) has a household income below 50% of the area median income; (ii) is an emancipated youth; (iii) is receiving public assistance; (iv) lacks a GED or high school diploma; (v) is a single parent; (vi) is homeless; (vii) suffers from chronic unemployment or underemployment.

1.13 **“Discretionary Action”** means an action which requires the exercise of judgment, deliberation or a decision on the part of the City, including any board, commission or department or any officer or employee thereof, in the process of approving or disapproving a particular activity, as distinguished from an activity which merely requires the City, including any board, commission or department or any officer or employee thereof, to determine whether there has been compliance with statutes, ordinances or regulations.

1.14 **“Economic Development Coordinating Council”** means a committee whose voting memberships consist of a representative from each of the following entities: Property Owner; the UNIDAD Coalition; the City of Los Angeles’ Workforce Investment Board (representative must be a member); LACDD Management; a labor-training program; a nonprofit community development financial institution; and The California Endowment. The Economic Development Coordinating Council may choose to add non-voting ad-hoc members to broaden the reach and effectiveness of the Economic Development Coordinating Council in implementing its goals. Economic Development Coordinating Council members shall be experts or practitioners in workforce development or small business development targeting low income communities. The UNIDAD Coalition and the Property Owner must mutually agree on all members of the Economic Development Coordinating Council, unless USC withdraws from the Economic Development Coordinating Council, in which case the Property Owner’s agreement as to members of the Council will no longer be necessary. If any voting member withdraws or declines to participate, the Economic Development Coordinating Council will replace the voting member if possible and continue to function with the remaining members.

1.15 **“Effective Date”** is the date on which this Agreement is attested by the City Clerk of the City of Los Angeles after execution by the Property Owner and the Mayor of the City of Los Angeles.

1.16 **“Family of Schools”** means the USC Family of Schools Program, a partnership with schools near the University Park campus. The Family of Schools includes, but is not limited to:

- o 32nd Street/USC Visual and Performing Arts Magnet
- o Dr. Theodore T. Alexander Jr. Science Center School
- o Griffin Avenue Elementary School
- o James A. Foshay Learning Center
- o John W. Mack Elementary School
- o Lenicia B. Weemes Elementary School
- o Manual Arts High School
- o Norwood Street Elementary School
- o St. Agnes Parish School
- o St. Vincent School
- o Vermont Avenue Elementary School

1.17 **"Fees"** means Impact Fees, Processing Fees and any other fees or charges imposed or collected by the City.

1.18 **"FEIR"** means the Final Environmental Impact Report for the Project, ENV-2009-271-EIR, State Clearinghouse No. 2009011101, certified by the City in accordance with the requirements of CEQA.

1.19 **"First Source Hiring Policy"** means the local hiring program described in Section 3.1.3.19 below.

1.20 **"First Source Referral System"** means the system developed and operated to implement the First Source Hiring Policy.

1.21 **"General Plan"** means the General Plan of the City.

1.22 **"Grocery Store Tenant"** has the meaning set forth in Section 3.1.3.13.

1.23 **"Impact Fees"** means impact fees, linkage fees, exactions, assessments or fair share charges or other similar impact fees or charges imposed on and in connection with new development by the City pursuant to rules, regulations, ordinances and policies of the City in full force and effect as of the Effective Date of this Agreement. Impact Fees do not include (i) Processing Fees or (ii) other City-wide fees or charges of general applicability, provided that such City-wide fees or charges are not imposed on impacts of new development.

1.24 **"LABOE"** means Los Angeles Bureau of Engineering.

1.25 **"LACDD"** means Los Angeles Community Development Department.

1.26 **"LADCP"** means Los Angeles Department of City Planning.

1.27 **"LADOT"** means Los Angeles Department of Transportation.

1.28 **"LADRP"** means Los Angeles Department of Recreation and Parks.

1.29 **"LAFD"** means Los Angeles Fire Department.

1.30 **"LAHD"** means Los Angeles Housing Department.

1.31 **"Local Project Area"** means the area shown on the map attached as Exhibit D to this Agreement.

1.32 **"Local Small Business"** means a local business that: (1) is located in the area bounded by Washington Blvd. to the north, Grand Avenue to the east, Vernon Avenue to the South and Western Avenue to the West; (2) is privately owned and operated; (3) has no more than \$300,000 in annual gross sales; and (4) is owned by an individual or individuals residing within three miles of the Project, or in any Poverty Zip Code that is within 5 miles of the Project.

1.33 **"Ministerial Permits and Approvals"** means the permits, approvals, plans, inspections, certificates, documents, licenses, and all other actions required to be taken by the City in order for Property Owner to implement, develop and construct the Project and the Mitigation Measures, including without limitation, building permits, foundation permits, public works permits, grading permits, stockpile permits, encroachment permits, and other similar permits and approvals which are required by the Los Angeles Municipal Code and Project plans and other actions required by the Project Approvals to implement the Project and the Mitigation Measures. Ministerial Permits and Approvals shall not include any Discretionary Actions.

1.34 **"Mitigation Measures"** means the mitigation measures described in the FEIR and in the Mitigation Monitoring Program for the Project.

1.35 **"Mortgagee"** has the meaning set forth in Section 6.25.1.

1.36 **"Nexus Study Area"** means the area that was the subject of the Nexus Study prepared by the City, as shown on Exhibit C.

1.37 **"Parties"** means collectively Property Owner and the City. Each shall be referred to in the singular as a "Party".

1.38 **"Planning Commission"** means the Los Angeles City Planning Commission and the planning agency of the City pursuant to California Government Code Section 65867.

1.39 **"Planning Director"** means the Director of Planning for the City or his or her designee.

1.40 **"Poverty Zip Code"** means a zip code within the City that contains all or part of a census tract where more than 40% of the population is below the federal poverty line.

1.41 **"Processing Fees"** means all processing fees and charges required by the City including, but not limited to, fees for land use applications, Project permits and/or approvals, building applications, building permits, grading permits, encroachment permits, tract or parcel maps, lot line adjustments, air right lots, street vacations and certificates of occupancy which are necessary to accomplish the intent and purpose of this Agreement. Expressly exempted from Processing Fees are all Impact Fees which may be imposed by the City on development projects pursuant to rules, regulations, ordinances and policies enacted after the Effective Date of this Agreement, except as specifically provided for in this Agreement. The amount of the Processing

Fees to be applied in connection with the development of the Project shall be the amount which is in effect on a City-wide basis at the time an application for the City action is made. Notwithstanding the language of this Section or any other language in this Agreement, Property Owner shall not be exempt from the payment of fees, if any, imposed on a City-wide basis as part of the City's program for storm water pollution abatement mandated by the Federal Water Pollution Control Act of 1972 and subsequent amendments thereto, unless a waiver of these fees is provided by the City in a subsequent agreement.

1.42 **"Project"** means the development of up to 5,020,140 of additional square feet of floor area of academic, commercial and housing uses within the Specific Plan area, consisting of (a) high-density housing (up to 4,038 net new student beds in Subarea 3; up to 250 net new faculty units in Subarea 3; and up to 200 net new student beds in Subarea 1A), (b) up to 350,000 square feet of floor area of commercial uses, such as retail, restaurants, grocery store, a 2,000-seat movie theater complex and University fitness center, (c) a hotel and conference center with up to 165,000 square feet of floor area, up to 150 keys, and conference and banquet facilities, (d) a K-8 laboratory school and community educational academy, and (e) the remaining square footage devoted to academic and University uses as indicated in the Land Use Table (Table 1) of the Specific Plan.

1.43 **"Project Approvals"** means the following land use actions requested by USC from the City of Los Angeles: 1) USC Specific Plan; 2) General Plan Amendments; 3) Zone and Height District Changes; 4) Zone Text Amendment to add USC Specific Plan zone to Zoning Code; 6) Approvals under the Exposition/University Park Redevelopment Project Area; 7) Approvals under the Council District Nine Corridors South of the Santa Monica Freeway Recovery Redevelopment Project Area; and 8) certification of the Environmental Impact Report for the Project, ENV-2009-271-EIR, State Clearinghouse No. 2009011101.

1.44 **"Property"** means the real property owned by Property Owner as described in Exhibit A and depicted in Exhibit B.

1.45 **"Property Owner"** means the University of Southern California, or its successors and assignees as described in Section 6.9.

1.46 **"Qualifying University Village Tenant"** means a University Village Tenant that (a) is privately owned and operated; (b) has fewer than (15) employees; (c) has no more than \$300,000 in annual gross sales; (d) is not affiliated with a national, corporate chain or franchiser; (e) is in good standing in its payment of all rents, operating expenses and other financial obligations set forth in its lease, as well as the performance of all non-monetary terms and conditions of its lease, for the period of time commencing on the Effective Date and remains in good standing until the tenant moves out of its current premises, (f) is not subject to a rental rate that has been reduced within the last two years from the amount set forth in the tenant's lease or to any form of rental or common area maintenance expenses payment plan, or receiving free rent, and (g) was an existing tenant of University Village as of December 7, 2008.

1.47 **"Reserved Powers"** means the rights and authority excepted from this Agreement's restrictions on the City's police powers and which are instead reserved to the City. The Reserved Powers include the powers to enact regulations or take future Discretionary

Actions after the Effective Date of this Agreement that may be in conflict with the Applicable Rules and Project Approvals, but: (1) are necessary to protect the public health and safety, and are generally applicable on a City-wide basis (except in the event of natural disasters as found by the City Council such as floods, earthquakes and similar acts of God); (2) are amendments to Uniform Codes, as adopted by the City of Los Angeles, and/or the Los Angeles Municipal Code, as applicable, regarding the construction, engineering and design standards for private and public improvements to be constructed on the Property; (3) are necessary to comply with state or federal laws and regulations (whether enacted previous or subsequent to the Effective Date of this Agreement) as provided in Section 3.2.3.3; (4) involve citywide sign regulations currently contained in Article 4.4 of Chapter 1 of the Los Angeles Municipal Code, but which may undergo future amendments; or (5) involve the development of Urban Design Guidelines, a Jefferson Boulevard Streetscape Plan, and a USC Parking Program, pursuant to Appendices A, B and C of the USC Specific Plan (whether adopted previous or subsequent to the Effective Date of this Agreement).

1.48 “**Small Business Empowerment Services**” mean the following services provided by Property Owner:

(a) **Business Needs Assessment Consultations:** Review of client strengths and weaknesses and recommendations regarding business support services;

(b) **Access to Capital/Loan Packaging Consultations:** Preliminary creditworthiness assessments and lender referrals;

(c) **Business Marketing Consultations:** Review of marketing practices and assistance developing effective marketing strategies;

(d) **Business Plan Consultations:** Assistance developing business concept and action plan;

(e) **Informational Services regarding Procurement:** Referrals to Property Owner purchasing opportunities;

(f) **Other Procurement and Contracting Training/Consultation Services:** Referrals to fee-based training opportunities through USC MBDA and USC Government Partnership programs and referrals to USC Supplier Outreach events;

(g) **Tax Incentive and Tax Credit Consultations:** Referrals to fee based service providers or to Property Owner’s service partners such as LAEDC;

(h) **Accounting Services:** Referrals to fee-based Property Owner’s accounting services partners such as SCORE;

(i) **Business Legal Services:** Fee-based general business advisory services provided by faculty or through referrals to affiliated professional service providers; and

(j) Computer Skills Training: Fee-based basic computer usage and business software training through USC Civic Engagement Community Computing Center or affiliated business services resources.

1.49 "Specific Plan" means the University of Southern California University Park Campus Specific Plan, Ordinance No. \_\_\_\_\_ as adopted by City Council on \_\_\_\_\_.

1.50 "Subarea 3" means Subarea 3 as defined in the Specific Plan.

1.51 "Term" means the period of time for which this Agreement shall be effective in accordance with Section 6.2 hereof.

1.52 "Transferee" means individually or collectively, Property Owner's successors in interest, assignees or transferees of all or any portion of the Property.

1.53 "UNIDAD" means a coalition of community-based organizations that includes all of the following entities: Community Development Technologies Center (CDTech), a California nonprofit corporation; Esperanza Community Housing Corporation, a California nonprofit corporation; Playa Vista Job Opportunities and Business Services, a California nonprofit corporation; Strategic Actions for a Just Economy (SAJE), a California nonprofit corporation; St. Francis Center, a California nonprofit corporation; Tenemos que Reclamar y Unidos Salvar La Tierra-South LA, a California nonprofit corporation; and United University Church, a California nonprofit corporation.

1.54 "Uniform Codes" means those building, electrical, mechanical, plumbing, fire and other similar regulations of a City-wide scope which are based on recommendations of a multi-state professional organization and become applicable throughout the City, such as, but not limited to, the Uniform Building Code, the Uniform Electrical Code, the Uniform Mechanical Code, Uniform Plumbing Code, or the Uniform Fire Code (including those amendments to the promulgated uniform codes which reflect local modification to implement the published recommendations of the multi-state organization and which are applicable City-wide).

1.55 "University Village Tenant" means an existing commercial tenant in University Village as of the Effective Date that is not affiliated with Property Owner.

## 2. RECITALS OF PREMISES, PURPOSE AND INTENT.

2.1 **State Enabling Statute.** To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California adopted the Development Agreement Act which authorizes any city to enter into binding development agreements establishing certain development rights in real property with persons having legal or equitable interests in such property. Section 65864 of the Development Agreement Act expressly provides as follows:



“The Legislature finds and declares that:

“(a) The lack of certainty in the approval of development projects can result in a waste of resources, escalate the cost of housing and other development to the consumer, and discourage investment in and a commitment to comprehensive planning which would make maximum efficient utilization of resources at the least economic cost to the public.

(b) Assurance to the applicant for a development project that upon approval of the project, the applicant may proceed with the project in accordance with existing policies, rules and regulations, and subject to conditions of approval will strengthen the public planning process, encourage private participation in comprehensive planning, and reduce the economic cost of development.”

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

## **2.2 City Procedures and Actions.**

**2.2.1 City Planning Commission Action.** The City Planning Commission held duly noticed public hearing(s) on May 10, 2012 and recommended approval of this Agreement.

**2.2.2 City Council Action.** The City Council on \_\_\_\_\_, 2012, after conducting a duly-noticed public hearing, adopted Ordinance No. \_\_\_\_\_, to become effective on the thirty-first day after publication, or on the forty-first day after posting, approving this Agreement, found that its provisions are consistent with the City’s General Plan, the South Los Angeles Community Plan, the Southeast Los Angeles Community Plan and the Municipal Code, and authorized the execution of this Agreement.

## **2.3 Purpose of this Agreement.**

**2.3.1 Public Benefits.** This Agreement provides assurances that the public benefits identified below in section 3.1.3 will be achieved and developed in accordance with the Applicable Rules and Project Approvals and with the terms of this Agreement and subject to the City’s Reserved Powers. The Project will provide local and regional public benefits to the City, including without limitation those public benefits listed in Section 3.1.3 below.

**2.3.2 Property Owner Objectives.** In accordance with the legislative findings set forth in the Development Agreement Act, and with full recognition of the City’s policy of judicious restraints on its police powers, the Property Owner wishes to obtain reasonable

assurances that the Project may be developed in accordance with the Applicable Rules and Project Approvals and with the terms of this Agreement and subject to the City's Reserved Powers. To the extent of Project development, and as provided by Section 3.1.1, Property Owner anticipates making capital expenditures or causing capital expenditures to be made in reliance upon this Agreement. In the absence of this Agreement, Property Owner would have no assurance that it can complete the Project for the uses and to the density and intensity of development set forth in this Agreement and the Project Approvals. This Agreement, therefore, is necessary to assure Property Owner that the Project will not be (1) reduced or otherwise modified in density, intensity or use from what is set forth in the Project Approvals, or (2) subjected to new rules, regulations, ordinances or official policies or plans which are not adopted or approved pursuant to the City's Reserved Powers.

**2.3.3 Mutual Objectives.** Development of the Project in accordance with this Agreement will provide for the orderly development of the Property in accordance with the objectives set forth in the General Plan. Moreover, a development agreement for the Project will eliminate uncertainty in planning for and securing orderly development of the Property, assure installation of necessary improvements, assure attainment of maximum efficient resource utilization within the City at the least economic cost to its citizens and otherwise achieve the goals and purposes for which the Development Agreement Act was enacted. The Parties believe that such orderly development of the Project will provide public benefits, as described in Section 2.3.1, to the City through the imposition of development standards and requirements under the provisions and conditions of this Agreement, including increased tax revenues, creation and retention of jobs, and improvements to the University, resulting in benefits to the City. Additionally, although development of the Project in accordance with this Agreement will restrain the City's land use or other relevant police powers, this Agreement provides the City with sufficient Reserved Powers during the Term hereof to remain responsible and accountable to its residents. In exchange for these and other benefits to City, the Property Owner will receive assurance that the Project may be developed during the Term of this Agreement in accordance with the Applicable Rules, Project Approvals and Reserved Powers, subject to the terms and conditions of this Agreement.

**2.4 Applicability of the Agreement.** This Agreement does not: (1) grant density or intensity in excess of that otherwise established in the Project Approvals or Applicable Rules; (2) eliminate future Discretionary Actions relating to the Project if applications requiring such Discretionary Action are initiated and submitted by the Property Owner after the Effective Date of this Agreement; (3) guarantee that Property Owner will receive any profits from the Project; or (4) amend the City's General Plan except as specified in the Project Approvals. This Agreement has a fixed Term. Furthermore, in any subsequent Discretionary Actions applicable to the Property, the City may apply such new rules, regulations and official policies as are contained in its Reserved Powers.

### **3. AGREEMENT AND ASSURANCES.**

**3.1 Agreement and Assurance on the Part of Property Owner.** In consideration for the City entering into this Agreement, and as an inducement for the City to obligate itself to carry out the covenants and conditions set forth in this Agreement, and in order

to effectuate the premises, purposes and intentions set forth in Section 2 of this Agreement, Property Owner hereby agrees as follows:

**3.1.1 Project Development.** Property Owner agrees that it will use commercially reasonable efforts, in accordance with its own subjective business judgment and taking into account the needs of an institution of higher learning, market conditions and economic considerations, to undertake any development of the Project in accordance with the terms and conditions of this Agreement and the Project Approvals. However, nothing in this Agreement shall be deemed to obligate Property Owner to initiate or complete development of the Project or any portion thereof within any period of time or at all, or deemed to prohibit Property Owner from seeking any necessary land use approvals for any different land use project on the Property.

**3.1.2 Timing of Development.** The Parties acknowledge that Property Owner cannot at this time predict when or at what rate the Property would be developed. Such decisions depend upon numerous factors that are not all within the control of Property Owner, such as market orientation and demand, availability of funds, interest rates, and competition. Because the California Supreme Court held in Pardee Construction Co. v. City of Camarillo, 37 Cal. 3d 465 (1984), that the failure of the parties therein to provide for the timing of development permitted a later adopted initiative restricting the timing of development and controlling the parties' agreement, it is the intent of Property Owner and the City to hereby acknowledge that, subject to the requirements of Section 3.1.3.2, Property Owner has the right to develop the Project in such order and at such rate and times as Property Owner deems appropriate within the exercise of its sole and subjective business judgment. The City acknowledges that such a right is consistent with the intent, purpose and understanding of the Parties to this Agreement; provided, however, that this Section 3.1.2 does not in any way affect the specific timing or implementation of improvements or other requirements of development to the extent such provisions are set forth in the Project Approvals.

**3.1.3 Additional Obligations of Property Owner as Consideration for this Agreement.** As additional consideration for this Agreement, Property Owner shall provide the specific benefits listed below.

**3.1.3.1. Housing Preservation and Production.** The Property Owner shall provide a total of \$20,000,000 to the City for affordable housing programs, which payment shall be allocated at the sole discretion of the City, as follows:

A. Prior to issuance of any building permit for a new Project building in Subarea 3, the Property Owner shall provide an initial lump sum of \$10,000,000 to the City for the creation, preservation or rehabilitation of Affordable Housing within the Nexus Study Area. The money shall be allocated to the LAHD's Affordable Housing Trust Fund (AHTF), or a similar Housing Trust Fund administered by LAHD, as follows:

1) **Affordable Housing Trust Fund Contribution.** LAHD shall use the money to preserve at-risk Affordable Housing and to develop new Affordable Housing Units. All funds shall be directed for this use

and in accordance with the AHTF program guidelines within the Nexus Study Area.

B. On the 10<sup>th</sup> anniversary from the Effective Date of this Agreement, the Property Owner shall provide an additional \$5,000,000 (for a cumulative total of \$15,000,000) to the City which shall be allocated to the AHTF. The Property Owner shall provide an additional \$5,000,000 to the City on the 20<sup>th</sup> anniversary of the Effective Date of this Agreement which shall be allocated to the AHTF.

C. In the event that on the 20<sup>th</sup> anniversary of the Effective Date of this Agreement: 1) the Property Owner has built 4,038 USC-owned and operated net new student beds (exclusive of housing developed by private, non-USC entities); and 2) USC offers on-campus housing to 70% or more of its total University Park campus undergraduate population (as calculated on the 19<sup>th</sup> anniversary of the Effective Date of this Agreement), then the final (20<sup>th</sup>-anniversary) \$5,000,000 installment shall be waived.

**3.1.3.2. Student Housing Commitment.** The Property Owner shall construct a minimum of 3,000 net new student beds in Subarea 3 prior to issuance of any permit to demolish existing student housing that is contained in the area of Development Phase 2 of Subarea 3.

**3.1.3.3. Full-Service Grocery Store.** The Property Owner shall provide a minimum of 25,000 square feet of floor area of the Project in Subarea 3 to accommodate a full-service grocery store. During the Term, the Property Owner shall use commercially reasonable efforts to lease such space to a full-service grocery store tenant that dedicates at least 10 percent of usable floor space to fresh produce ("Grocery Store Tenant"). The identity of the Grocery Store Tenant and location within Subarea 3 of the grocery store will be within the sole discretion of the Property Owner. The Property Owner shall maintain the grocery store during the duration of this Agreement. The Grocery Store Tenant shall accept Special Supplemental Nutrition Program for Women, Infants, and Children ("WIC") and Electronic Benefits Transfer ("EBT") vouchers for the Term of this Agreement. The Property Owner shall submit proof of compliance with this obligation by demonstrating buildout of the shell and core prior of the full-service grocery store to issuance of any certificate of occupancy for any Project building within Subarea 3 of the Specific Plan. The Property Owner shall provide the following evidence of annual compliance with the terms herein described as part of Development Agreement compliance review set forth in Section 4.1, as follows:

- A. Photographic or other evidence of ongoing store operation;
- B. Copy of lease containing the lease term for occupancy by a legitimate Grocery Store Tenant; and
- C. If the grocery store space is unoccupied, evidence of Property Owner's commercially reasonable efforts to lease the space to a Grocery Store Tenant.

**3.1.3.4. Community Room.** The Property Owner will provide and manage on a non-exclusive basis an approximately 800-square-foot community room in the Project for use by various groups and community organizations, during hours to be determined

by the Affected Council Office(s). The Property Owner shall be responsible for the procurement of community room space, as well as operations and maintenance expenses, such that use of the community room is provided free of charge to any community group or community organization, for the duration of the Term of this Agreement. The Property Owner shall establish and operate a reservation system published on the Community Outreach Website (pursuant to 3.1.3.6) whereby community groups shall have the ability and option to reserve the room at no cost. The community room will be included at a location mutually agreed upon by the Property Owner and the Department of City Planning in consultation with the Affected Council Office(s). The Property Owner may relocate the community room from time to time as necessary over the Term of the Agreement; however the room shall be physically located to allow street access, during normal business hours and weekends, as determined by the Affected Council Office(s). The community room may be used by residents, tenants or others in the Project. The Property Owner may establish reasonable rules for the use of the community room and may exclude organizations or individuals who do not follow such rules, and shall provide documentation of this information during the Annual Review process, pursuant to Section 4.1. The Property Owner shall submit proof of compliance with this obligation prior to issuance of any certificate of occupancy for any building within Subarea 3 of the Specific Plan. The Property Owner shall further provide photographic or other evidence of ongoing Community Room operation in compliance with the terms herein described, as part of the required Development Agreement compliance review set forth in Section 4.1.

**3.1.3.5. Buy-out of Existing Alcohol Licenses.** The Property Owner will make a good faith effort, to the satisfaction of the Planning Director, to purchase four (4) alcohol licenses from existing establishments located within a five-mile radius of the Project site; provided that The Property Owner shall place the highest priority on those establishments located within a two-mile radius of the Project site. There shall be a priority to acquire these licenses from establishments that have created problems in the community, as determined by the State ABC. The Planning Director may act to further enlarge this repurchase area to include the entire five-mile radius from the intersection of Jefferson Boulevard and Hoover Streets, upon a demonstrated good faith effort by the Property Owner and submission of the following documentation to the Planning Director: a) Evidence of contacting the owners of all State ABC Alcohol License Types 20, 21, 41, and 47 within the repurchase area in writing; b) evidence that site visits have been conducted to all license locations within the repurchase area to determine which are active; c) evidence of following-up on all licenses within the repurchase area that are not operable for possible purchase; d) evidence of following up on all referrals within the repurchase area of nuisance operations; and e) demonstrated readiness to purchase State ABC licenses as they become available. The Property Owner will submit proof of compliance and documentation of good faith effort in locating highest priority existing establishments, with this obligation as part of the required Development Agreement compliance review set forth in Section 4.1. Should the Property Owner not purchase four (4) alcohol licenses within five (5) years of the Effective Date of the Development Agreement, then the Property Owner shall provide the City with an alternative benefit of the fair market monetary equivalent of any remaining licenses, which value shall be determined by the City at that time to provide funding for LADCP's revocation of nuisances.

**3.1.3.6. Community Outreach Website.** In order to facilitate community participation and outreach over the course of the Project's development, the Property

Owner will maintain a bilingual English and Spanish website for purposes of informing the community of the status of developments and/or phases within the Project. The Property Owner will submit proof of compliance with this obligation as part of the required Development Agreement compliance review set forth in Section 4.1. In lieu of providing such website, the Property Owner may, in its sole discretion, elect to provide an alternative benefit to the City of the funding necessary for City to create and operate an outreach website, which costs shall be determined by the City at that time. The Property Owner shall pay that amount to the City, which shall be transferred on a yearly basis to the City Planning Department for outreach activities within the Nexus Study Area.

**3.1.3.7. Local Graffiti Abatement.** The Property Owner currently voluntarily abates graffiti in the vicinity of the University Park Campus, within the general boundaries of the Specific Plan. The Property Owner will expand its graffiti abatement program to extend beyond the Specific Plan to the following boundaries: Western Avenue on the west, Adams Boulevard on the north; Exposition Boulevard on the south; and Grand Avenue on the east. The Property Owner will continue the graffiti abatement program within expanded boundaries, with an annual total cost for the program not to exceed \$30,000, for the duration of the Term of this Agreement. The Property Owner shall submit annual invoices confirming its expenditures on the graffiti abatement program as part of the required Development Agreement compliance review set forth in Section 4.1.

**3.1.3.8. New Fire Station.** The Property Owner will construct a new fire station for the Fire Department pursuant to a Memorandum of Understanding (MOU) between the City and the Property Owner, attached to this Agreement as Exhibit D. The new fire station shall be constructed consistent with the Los Angeles 2000 Fire Facilities Bond (Prop F). The existing Fire Station No. 15 structure shall be renovated consistent with the Secretary of the Interior's Standards for Rehabilitation and is subject to review by the Department of City Planning's Office of Historic Resources. The Property Owner will submit proof of compliance with this obligation prior to City's vacation of the existing Fire Station No. 15.

**3.1.3.9. Neighborhood Park Improvements.** The Property Owner shall make a one-time payment of \$350,000 (exclusive of Quimby fees) to the L.A. Parks Foundation, a 501(c) (3) public charity that raises funds for parks in the City, for the purpose of providing improvements and funds for maintenance of Hoover Park, located at the northeast corner of S. Hoover Street and W. Adams Boulevard, the current Hoover Gateway parcel located at Hoover Street and 23<sup>rd</sup> Street, or such other existing or new public park as identified by the City, provided that such park is within a two-mile radius of the Project. The Property Owner will submit this payment to the L.A. Parks Foundation prior to the issuance of any certificate of occupancy for any building within Subarea 3 of the Specific Plan.

**3.1.3.10. Partnership with Local Schools.** The Property Owner shall continue to fund programs at ten neighborhood schools that focus on safety, positive extracurricular activities, literacy, technology, science education, student academic achievement, parental involvement and education, and school administrator professional development. The Property Owner commits to continue its existing partnership with the Family of Schools at a minimum level of \$25,000 per year for the Term of this Agreement, commencing upon the Effective Date of this Agreement. The Property Owner shall submit reasonable documentation

demonstrating compliance with this obligation as part of the required Development Agreement compliance review set forth in Section 4.1.

**3.1.3.11. Programming at Public Parks.** The Property Owner shall continue to provide resources for programs at public parks within the Nexus Study Area. Programs shall include after-school sports instruction (e.g., martial arts, soccer, basketball, and volleyball) and dance classes (e.g., ballet, jazz and hip hop) and shall be offered to students in the Family of Schools programs. The Property Owner will expend, or contribute resources of equivalent value of, a minimum of \$10,000 dollars annually for the Term of this Development Agreement. The Property Owner shall submit reasonable documentation demonstrating compliance with this obligation as part of the required Development Agreement compliance review set forth in Section 4.1.

**3.1.3.12. Transit Oriented Plans.** The Property Owner shall make a \$500,000 one-time payment to LADCP, which shall be used toward the funding of land use plans for several Transit Oriented Districts within the South Los Angeles region. The Property Owner will submit this one-time payment to LADCP upon the Effective Date of this Agreement.

**3.1.3.13. Expansion of Figueroa Corridor Business Improvement District.** The Property Owner shall make a \$100,000 payment to the Figueroa Corridor Business Improvement District (BID) in order to fully integrate Subarea 3 of the USC Specific Plan into the Figueroa Corridor BID boundary. The funds shall be used toward provision of enhanced security programs (e.g. daytime bicycle and nighttime vehicle patrol) and enhanced maintenance programs (e.g. sidewalk maintenance, graffiti and handbill removal and trash removal). The Property Owner will submit this one-time payment to the Figueroa Corridor BID upon the Effective Date of the Development Agreement.

**3.1.3.14. Vermont Avenue Retail Business Façade Improvement Program.** The Property Owner shall provide \$500,000 in funding to the City within 30 days from the Effective Date of this Agreement. Within 6 months of the transfer of funds from the Property Owner to the City, the Affected Council Offices shall designate the funds for programs bounded within the following geographic area: Vermont Avenue between Adams Boulevard to the north and Exposition Boulevard to the south. The Funds may be designated to provide grants of up to \$20,000 to retail businesses; for the purpose of making minor façade improvements. Such improvements shall promote walkability and pedestrian orientation consistent with the Citywide Design Guidelines and other applicable policies, guidelines and regulations contained in the South Los Angeles Community Plan.

The Affected Council Districts will work with community stakeholders in administering the Vermont Avenue Retail Business Façade Improvement Program.

**3.1.3.15. Vermont Streetscape Improvement.** Within twenty-four (24) months from the Effective Date of this Agreement, the Property Owner shall deposit \$500,000 into a dedicated escrow account to be disbursed to the City in an amount equal to any matching County, Federal or State funds or grants that the City has been awarded for the construction of a landscaped median on Vermont Avenue between Jefferson Boulevard and the 10 Freeway. On the twelfth (12th) anniversary of the Effective Date, the escrow holder shall release any

remaining undisbursed amounts in such escrow account to the Property Owner. The Property Owner will submit reasonable documentation demonstrating deposit of the \$500,000 into escrow as part of the required Development Agreement compliance review set forth in Section 4.1.

**3.1.3.16. Jefferson Boulevard Pedestrian Improvements.** In addition to Jefferson Boulevard Street Improvements required in the USC University Park Specific Plan, the Property Owner shall construct or cause to be constructed pedestrian improvements on Jefferson Boulevard between Vermont Boulevard to the west and Hope Street on the east at cost not to exceed \$1,000,000. Such The pedestrian improvements shall be consistent with the Jefferson Boulevard Concept Streetscape Plan attached as Appendix B to the Specific Plan and may consist of improved pedestrian lighting, planting of additional 24-inch box shade trees, and upgraded crosswalks utilizing Duratherm, stamped concrete, or other commercially acceptable material. The Property Owner shall provide funding or, if the Property Owner elects to construct the improvements, submit to the City an application for A-permit(s) and/or B-permit(s) for such improvements, prior to issuance of a grading, foundation, or building permit for any new Project building in Subarea 3 and complete construction of such improvements prior to the issuance of a certificate of occupancy for any new Project building in Subarea 3.

**3.1.3.17. Bicycle Lane on Jefferson Boulevard.** In addition to the bicycle lane required in the Specific Plan, the Property Owner shall contribute funds toward the implementation of a bicycle lane along two segments of Jefferson Boulevard: (1) between Western Avenue and Vermont Avenue; and (2) between Vermont Avenue and Flower Street, as determined feasible and approved by LADOT. The Property Owner shall contribute a one-time fixed-fee of \$350,000 to be deposited into the City's Bicycle Plan Trust Fund (Ordinance No. 182272). LADOT may utilize these funds to implement bicycle improvements along Jefferson Boulevard and/or within close proximity of the USC campus, as determined feasible. The Property Owner shall submit proof of compliance with this obligation prior to issuance of a certificate of occupancy for any building within Subarea 3 of the Specific Plan.

**3.1.3.18. Mobility Hub in University Village.** The Property Owner shall provide a Mobility Hub within Subarea 3 for the Term in order to support the Project's trip reduction plan and encourage transit use in the community. The Property Owner shall operate the Mobility Hub. The Property Owner shall be responsible for the following with respect to the Mobility Hub:

A. The Property Owner shall provide storefront space (a minimum of 250 square feet) in of floor area Subarea 3.

B. The Mobility Hub shall offer discounted transit passed for Metro Link, MTA and LADOT public transit; coordinate car and van pool services; provide discounted monthly parking passes for car and van pool participants; and offer car rental and car share services and provide secure bike parking, bike sharing, and/or a fold-n-go bike leasing program.

C. The Mobility Hub shall be open seven (7) days a week during normal University Village hours of operation.



D. The Mobility Hub shall provide free printed information that, at minimum, includes the following: schedules and maps for transit and alternative transportation systems within the Nexus Study Area, including Expo Light Rail, Metro Local and Bus Rapid Transit lines, LADOT DASH lines, Bicycle Lanes and Routes, and University Shuttles; and printed information regarding local taxi services (including phone numbers); Shared Ride and Vanpool information for USC and University Village employees; and information about City-sponsored car-sharing systems and programs (such as Zipcar, etc.).

E. The Mobility Hub shall be easily visible from Jefferson Boulevard or Hoover Street, but if it is not feasible to place the Mobility Hub in such a location, signage directing patrons to the Mobility Hub shall be easily visible from Jefferson Boulevard or Hoover Street.

F. Proof of Compliance:

1) The Property Owner shall include the Mobility Hub location on building plans submitted to LADCP for any building in Subarea 3. The siting of the Mobility Hub shall be subject to approval by LADOT. The building plans shall demonstrate compliance with conditions (A) through (C) above through the use of callouts, materials, dimensions, and so forth;

2) The Property Owner shall provide photographic or other evidence demonstrating compliance with (A) through (C) above, as part of the required Development Agreement compliance review set forth in Section 4.1.

**3.1.3.19. Expanded Shuttle Service.** The Property Owner will extend the existing USC tram service to provide connectivity between the surrounding community and the proposed new University Village development in the Project. In lieu of extending the tram service, the Property Owner may, in its sole discretion provide an alternative benefit to the City in the form of funding for LADOT's expanded operation of DASH Services in the local area. The City shall determine the fair market value of such operation at that time and that dollar estimate shall then be paid by the Property Owner to the City. The Property Owner will submit proof of compliance with this obligation prior to issuance of a certificate of occupancy for any building within Subarea 3 of the Specific Plan.

**3.1.3.20. Local Hiring and Job Training.** The Property Owner has established local annual hiring goal of 30% of total operational jobs for permanent and contract jobs and an annual goal of 10% of total jobs for Disadvantaged Workers for University Village, which goals shall exclude USC students. There shall be no penalties to the Property Owner, nor shall Property Owner be deemed to be in default under this Agreement, if it is unable to achieve such goals. "Local" shall be defined in two preferential geographic tiers, with first priority for Tier 1: within 3-mile radius of the boundaries of the Specific Plan Area; and second priority for Tier 2: within a 5-mile radius of the Specific Plan Area. The Property Owner will work with LACDD to implement a First Source Hiring Policy for permanent and contract employees. The purpose of the First Source Hiring Policy is to facilitate the employment of local job applicants

for jobs within the Specific Plan. The Property Owner, contractors and tenants will participate in the First Source Hiring Policy under which the First Source Referral Systems will promptly refer qualified, trained applicants to employers for available jobs in University Village. The Property Owner, contractors and tenants will have no responsibility to provide notice of job openings to the First Source Referral System if the First Source Referral System is not fulfilling its obligations under the First Source Hiring Policy to timely refer qualified, trained applicants. The First Source Referral System will also coordinate job-training programs. The Property Owner shall, on a quarterly basis, present its actual hiring figures relative to local and Disadvantaged Worker hiring goals (i.e. cross-referenced geographically), to the City's Bureau of Contract Administration and the City's Workforce Investment Board. The Property Owner shall also report on compliance with the local and Disadvantaged Worker hiring goals as part of the Annual Report prepared in accordance with Section 4.1 of this Agreement.

**3.1.3.21. Procurement.** The Property Owner shall make a good faith effort to achieve a 15% goal for local procurement consistent with its current procurement policies. There shall be no penalties to the Property Owner, nor shall Property Owner be deemed to be in default under this Agreement, if it is unable to achieve such goals. "Local" shall be defined in two preferential geographic tiers, with first priority for Tier 1: within 1-mile radius of the boundaries of the Specific Plan Area; and second priority for Tier 2: within a 5-mile radius of the Specific Plan Area. The Property Owner shall, on a quarterly basis, present its actual procurement figures to the City's Bureau of Contract Administration. The Property Owner shall also report on compliance with the procurement goals as part of the Annual Report prepared in accordance with Section 4.1 of this Agreement.

**3.1.3.22. Contracts with Participating Small Business, Minority, Women, and Disabled Veteran Business Enterprises.** The Property Owner has established the goals for contracts and subcontracts awarded during construction of the Project be awarded to: Small Business Enterprise (SBE) firms in a dollar amount that is equal to 25%, Minority Business Enterprise (MBE) firms in a dollar amount that is equal to 20%, Women Business Enterprise (WBE) firms in a dollar amount that is equal to 5%, and Disabled Veteran Business Enterprise (DVBE) firms in a dollar amount that is equal to 3% of the aggregate sum of all contracts to be awarded. There shall be no penalties to the Property Owner, nor shall Property Owner be deemed to be in default under this Agreement, if it is unable to achieve such goals. Contracts and subcontracts awarded to MBE, WBE and DVBE firms that meet the criteria of SBE firms shall also be counted toward the SBE participation goal. Contracts and subcontracts awarded to SBE firms that meet the criteria of MBE, WBE or DVBE firms shall also be counted towards the MBE, WBE or DVBE participation goals, as applicable.

**A. Compliance.** The Property Owner shall include the provisions and participation goals of this Section in every contract let by the Property Owner in connection with the construction of the Project, and shall require the inclusion of these provisions and goals in every subcontract entered into by any such contractors. If Property Owner does not annually meet the participation goals for any of the MBE, WBE or DVBE firms then the Property Owner shall increase the goal participation in the other MBE, WBE or DVBE categories by a percentage corresponding with the percentage under the missed target.

B. **Reporting.** The Property Owner shall on a quarterly basis, provide, or cause to be provided to the City's Bureau of Contract Administration, a compliance report, which shall include the following:

- 1) The total of all payments under all contracts subject to this Section during the reporting period;
- 2) The total of all payments to SBE, MBE, WBE and DVBE contractors and subcontractors during the reporting period; and
- 3) The names, addresses, total contract payments and evidence of certification for each SBE, MBE, WBE and DVBE contractor and subcontractor.

C. The Property Owner shall also annually provide or cause to be provided the above compliance report as part of its Annual Report prepared according to Section 4.1 of this Agreement.

Recognized certifications are State of California, Southern California Minority Business Development Council, Women's Business Enterprise Council – West, or City of Los Angeles. The Property Owner shall be entitled to rely on certifications as to the eligibility of a SBE, MBE, WBE or DVBE firm provided by such contractors and subcontractors, and no further certification shall be required.

**3.1.3.23. Legal Assistance for Affordable Housing Tenants within the Nexus Study Area.** Within six months of the Effective Date of this Agreement, the Property Owner shall create a legal clinic within the USC Gould School of Law to provide legal assistance to tenants currently living in an Affordable Housing Unit or Rent Stabilized Unit (RSO) within the Nexus Study Area. The legal assistance will focus on any and all issues related to landlord/tenant relationships including informing, counseling and representing tenants.

**3.1.3.24. Project Labor Agreement (PLA).** The Property Owner shall enter into a Project Labor Agreement with the Building and Construction Trades Council prior to the issuance of the first building permit for the Project. The purpose of the Project Labor Agreement will be to promote efficiency of construction operation during the construction of the Project and provide for the orderly settlement of labor disputes and grievances without strikes or lockouts, thereby assuring timely and economical completion of the Project. Additionally, the Project Labor Agreement will reflect a commitment by all parties to diversity in the workforce hiring that reflects levels of minority, women and other worker utilization at levels which are representative of the relevant workforce of these groups in the Greater Los Angeles Area. The union(s) will use their best efforts to recruit and identify individuals, particularly residents of the City of Los Angeles, for entrance into joining labor/management apprenticeship programs and to assist individuals in qualifying and becoming eligible for such programs.

The Property Owner will include in the PLA a 30% Local Hire goal, with a 10% Disadvantaged Worker hire goal. The Property Owner will use good faith, reasonable efforts to amend the current PLA to remove Los Angeles County as a third tier for Local Hire and to define Local Hire in two tiers as follows:

- a) First Tier: Five (5) miles radius of the Project site and within the Los Angeles City boundaries
- b) Second Tier: City of Los Angeles Boundaries.

The Property Owner shall use a good faith reasonable effort to achieve this goal, however, there shall be no penalties, nor shall Property Owner shall be deemed to be in default hereunder, if the Property Owner is unable to meet these goals. The Property Owner shall, on a quarterly basis, provide evidence of a good faith effort (including, for example, newspaper and internet job ads aimed at the target populations, as well as job offers) to the City's Bureau of Contract Administration. The Property Owner shall also provide evidence of the good faith effort as part of the Annual Report prepared in accordance with Section 4.1 of this Agreement.

**3.1.3.25. University Village Tenant Outreach.** The Property Owner shall hold a meeting for University Village Tenants on a regular basis, but no less frequently than quarterly, to provide updates on the progress of new development at University Village, opportunities for leasing commercial space in the new development, local small business assistance support pursuant to Section 3.1.3.27 below, and relocation assistance pursuant to Section 3.1.3.28 below. The Property Owner shall submit reasonable documentation demonstrating compliance with this obligation as part of the required Development Agreement compliance review set forth in Section 4.1.

**3.1.3.26. Jobs Training.**

**A. Contribution.** Within thirty days of the Effective Date, Property Owner shall deposit \$300,000 into a dedicated escrow account for the establishment of a pilot jobs training program for residents within the Local Project Area. The escrow holder shall disburse such contribution to service providers identified through a request for proposal ("RFP") process issued by a third party evaluation panel ("TPEP") comprised of individuals with workforce development expertise in low income communities. The Economic Development Coordinating Council shall select members of the TPEP through unanimous vote (not including the vote of any members who have withdrawn or otherwise declined to participate), and shall endeavor to compose a TPEP that will provide such evaluation at no cost. The TPEP shall select proposals from the service providers based on advice from the Economic Development Coordinating Council.

**B. Pilot Program.** The details of the Pilot Program shall be developed by the Economic Development Coordinating Council. The Pilot Program may include, but shall not be limited to:

- 1) Neighborhood-based outreach, job readiness, placement and support services by a coalition of community-based organizations, such as the Figueroa Corridor Community Jobs Coalition, to achieve the Local and Disadvantaged Worker hiring goals set forth in Section 3.1.3.20 above;

2) Entry level vocational and STEM career path training and job certification programs, such as those administered by USC Civic Engagement;

3) Case management and training services, such as those offered by local WorkSource Centers;

4) Funding for local community based service providers to deliver hospitality industry training, retail work skills training, computer competency training, English as a Second Language courses, business office administration training, and other training services as may be needed to prepare residents for identified job opportunities.

5) Evaluation tools for workforce development systems and household impact tracking, to effectively measure the Pilot Program's impact and any opportunities for growth.

**C. Role of Economic Development Coordinating Council.** The primary purpose of the Economic Development Coordinating Council shall be to provide general advice on the allocation of the Property Owner's \$300,000 contribution to the Pilot Program, on the selection of the First Source Hiring System, and on opportunities to leverage resources to allow for the expansion and extension of the Pilot Program.

The Economic Development Coordinating Council shall create the RFP process and define the scope of work for each component of the Pilot Program. To carry this out, the Economic Development Coordinating Council shall be guided by the following goals of the Pilot Program:

- Train and place local and disadvantaged residents of the Local Project Area into permanent jobs at the Project;
- Measure and document the outcomes of the Pilot Program;
- Leverage outside resources to grow the Pilot Program in the Local Project Area, including training and placement for career path jobs with a variety of employers;
- Create a sustainable coordinated pipeline of jobs training and placement services to benefit Local Project Area residents; and
- Publicize the Local Small Business Assistance program and seek to leverage resources for such program.

When making recommendations, the Economic Development Coordinating Council shall give the highest consideration to helping the Property Owner meet its Local and Disadvantaged Worker hiring goals set forth in Section 3.1.3.20 above.

The Property Owner may withdraw from the Economic Development Coordinating Council in its sole discretion at any time.

D. The Property Owner shall submit reasonable documentation demonstrating deposit of the \$300,000 into escrow as part of the required Development Agreement compliance review set forth in Section 4.1.

**3.1.3.27. Local Small Business Assistance.**

A. **Assistance.** The Property Owner shall hire a local small business technical services specialist and use good faith reasonable efforts to provide Small-Business Empowerment Services to a minimum of 40 Local Small Businesses and all University Village Tenants over a 42-month period, commencing within six months of the Effective Date. At a minimum, the Property Owner shall provide the services listed as items (a) to (e) in the above definition of Small-Business Empowerment Services free of charge and shall provide free referrals for other services on as needed and as available basis. In providing such services, Property Owner shall make reasonable good faith efforts to communicate with other providers of similar services in the area upon request, with the goal of improving the coordination of services.

B. **Reporting Requirements and Recordkeeping.** As part of the annual Development Agreement compliance review set forth in Section 4.1, the Property Owner shall submit annual reports to LADCP, the City's Bureau of Contract Administration and the City's Workforce Investment Board on its compliance with the Local Small Business Assistance Program. Such annual reports shall also include a list of Property Owner's partners, a description of the services provided, and, if known, the outcomes achieved, based on a reasonable good faith effort to obtain outcome information. The City shall make the reports public upon request.

**3.1.3.28. Relocation Assistance for University Village Tenants.**

A. **Extended Notice.** The Property Owner shall provide at least six months' advance notice prior to closure of the Village for demolition to each University Village Tenant.

B. **Real Estate Broker Services.** Within 90 days of the Effective Date, the Property Owner, at its sole expense shall retain a licensed real estate broker with experience with leases for retail and restaurant space in the general vicinity of the Project site (the "Broker") to assist Qualifying University Village Tenants in finding new space in the area. Specifically, the Broker shall consult with each Qualifying University Village Tenant regarding space needs, survey available leasing opportunities, provide each Qualifying University Village Tenant with a list of comparable retail spaces available for lease within the local real estate market, and assist in preparing offers and evaluating counter-offers. Broker's relocation services shall remain available for use by Qualifying University Village Tenants for a period ending 30 days following the date that the last Qualifying University Village Tenant vacates the University Village premises. All such services shall be provided at no cost or expense to the Qualifying University Village Tenants.

C. **Financial Assistance.** The Property Owner shall provide financial assistance to each Qualifying University Village Tenant in the amount of \$17,500. The Property

Owner shall make such payment on or before the date that the Qualifying University Village Tenant vacates its premises; provided, however, that each Qualifying University Village Tenant may elect to apply up to \$12,500 of such \$17,500 payment as a rent credit for up to the last four months of such tenant's lease term. In such case, the payment due to such tenant upon vacating their premises shall be reduced by the total amount of such rent credits.

**D. Space in the Project.** The Property Owner shall pursue good faith efforts to retain Qualifying University Village Tenants, as well as any other tenants that meet both criteria (e) and (f) in the definition of Qualifying University Village Tenant, in the future commercial development in Subarea 3. Such good faith efforts shall include, without limitation, meeting and conferring with each such tenant within three to six months after Property Owner enters into an agreement with a developer for the commercial component of the first phase of development of Subarea 3 to (i) assess such tenant's interest in returning to commercial space in the Project, and (ii) discuss possible lease terms, the criteria to be used in selecting tenants for such commercial component, and the anticipated timeline for execution of leases.

**E. Proof of Compliance.** The Property Owner shall submit reasonable documentation demonstrating compliance with its obligations under subparagraphs A to C above prior to issuance of a building permit for a new Project building in Subarea 3. The Property Owner shall submit reasonable documentation demonstrating compliance with its obligations under subparagraph D above prior to issuance of a certificate of occupancy for a new Project building in Subarea 3.

**3.1.3.29. Village Ombudsman.** The Property Owner shall provide an ombudsman on site at the University Village, or conveniently nearby, to perform civic engagement and community relations functions that may include:

A. Provision of certain USC Village policies, vendor outreach information, tenant services information, and construction schedule information;

B. Management of scheduling and public access to community meeting space in the new development at University Village;

C. Dissemination of certain USC Civic Engagement program information and community services information, such as job training and procurement training information.

D. Facilitation of Property Owner's compliance with certain Civic Engagement and community benefit reporting and record keeping functions.

**3.2 Agreement and Assurances on the Part of the City.** In consideration for Property Owner entering into this Agreement, and as an inducement for Property Owner to obligate itself to carry out the covenants and conditions set forth in this Agreement, and in order to effectuate the premises, purposes and intentions set forth in Section 2 of this Agreement, the City hereby agrees as follows:

**3.2.1 Entitlement to Develop.** Property Owner has the vested right to develop the Project subject to the terms and conditions of this Agreement, the Applicable Rules, Project Approvals and the Reserved Powers. Property Owner's vested rights under this Agreement shall include, without limitation, the right to remodel, renovate, rehabilitate, rebuild or replace the existing development and the Project or any portion thereof throughout the applicable Term for any reason, including, without limitation, in the event of damage, destruction or obsolescence of the existing development or the Project or any portion thereof, subject to the Applicable Rules, Project Approvals and Reserved Powers. To the extent that all or any portion of the existing development or the Project is remodeled, renovated, rehabilitated, rebuilt or replaced, Property Owner may locate that portion of the existing development or the Project, as the case may be, at any other location of the Property, subject to the requirements of the Project Approvals, the Applicable Rules, and the Reserved Powers.

**3.2.2 Consistency in Applicable Rules.** Based upon all information made available to the City up to or concurrently with the execution of this Agreement, the City finds and certifies that no Applicable Rules prohibit or prevent the full completion and occupancy of the Project in accordance with the uses, intensities, densities, designs and heights, permitted demolition, and other development entitlements incorporated and agreed to herein and in the Project Approvals.

**3.2.3 Changes in Applicable Rules.**

**3.2.3.1. Nonapplication of Changes in Applicable Rules.** Any change in, or addition to, the Applicable Rules, including, without limitation, any change in any applicable general or specific plan, zoning or building regulation, adopted or becoming effective after the Effective Date of this Agreement, including, without limitation, any such change by means of ordinance, City Charter amendment, initiative, referendum, resolution, motion, policy, order or moratorium, initiated or instituted for any reason whatsoever and adopted by the City, the Mayor, City Council, Planning Commission or any other Board, Commission, Department or Agency of the City, or any officer or employee thereof, or by the electorate, as the case may be, which would, absent this Agreement, otherwise be applicable to the Property and/or the Project and which would conflict in any way with the Applicable Rules, Project Approvals, or this Agreement, shall not be applied to the Property or the Project unless such changes represent an exercise of the City's Reserved Powers, or are otherwise agreed to in this Agreement. Notwithstanding the foregoing, Property Owner may, in its sole discretion, consent to the application to the Project of any change in the Applicable Rules.

**3.2.3.2. Changes in Building and Fire Codes.** Notwithstanding any provision of this Agreement to the contrary, development of the Project shall be subject to changes which may occur from time to time in the Uniform Codes, as such Codes are adopted by the City of Los Angeles. In addition, development of the Project shall be subject to changes occurring from time to time in Chapters V (Public Safety and Protection) and IX (Building Regulations) of the Municipal Code regarding the construction, engineering and design standards for both public and private improvements provided that these changes are (1) necessary to the health and safety of the residents of the City, and (2) are generally applicable on a Citywide basis (except in the event of natural disasters found by the Mayor or City Council, such as floods, earthquakes and similar disasters).



**3.2.3.3. Changes Mandated by Federal or State Law.** This Agreement shall not preclude the application to the Project of changes in, or additions to, the Applicable Rules, including rules, regulations, ordinances and official policies, to the extent that such changes or additions are mandated to be applied to developments such as this Project by state or federal regulations, pursuant to the Reserved Powers. In the event state or federal laws or regulations prevent or preclude compliance with one or more provisions of this Agreement, such provisions shall be modified or suspended as may be necessary to comply with such state or federal laws or regulations.

**3.2.4 Subsequent Development Review.** The City shall not require Property Owner to obtain any approvals or permits for the development of the Project in accordance with this Agreement other than those permits or approvals that are required by the Applicable Rules, the Reserved Powers and/or the Project Approvals. However, any subsequent Discretionary Action initiated by Property Owner, which substantially changes the permitted uses or substantially increases the height, and density or floor area allowed under the Project Approvals, shall be subject to the rules, regulations, ordinances and official policies of the City then in effect. The Parties agree that this Agreement does not modify, alter or change the City's obligations pursuant to CEQA and acknowledge that future Discretionary Actions may require additional environmental review pursuant to CEQA. In the event that additional environmental review is required by CEQA, the City agrees to utilize tiered environmental documents to the fullest extent permitted by law, as determined by the City, and as provided in California Public Resources Code Sections 21093 and 21094.

**3.2.5 Project Construction Beyond 2030 FEIR Buildout Year.** The Parties agree and acknowledge that the FEIR describes buildout of the Project by 2030 and that economic conditions or business factors, may influence the ability to complete construction of the Project by 2030. Therefore, with respect to any request for issuance of a building permit to initiate construction the Project after December 31, 2030, the Planning Director shall make an administrative determination as to whether the FEIR together with any addendum thereto is sufficient for the issuance of the permit or approval or whether, as required by CEQA Section 21166 or CEQA Guidelines Sections 15162, 15163 and 15164, there have been substantial changes in circumstances or new information of substantial importance that would require additional environmental review.

**3.2.6 Effective Development Standards.** The City agrees that it is bound to permit the uses, intensities of use and densities on this Property which are permitted by this Agreement and the Project Approvals, insofar as this Agreement and the Project Approvals so provide or as otherwise set forth in the Applicable Rules or the Reserved Powers. The City hereby agrees that it will not unreasonably withhold or unreasonably condition any Discretionary Action which must be issued by the City in order for the Project to proceed, provided that Property Owner reasonably and satisfactorily complies with all City-wide standard procedures for processing applications for Discretionary Action.

**3.2.7 Interim Use.** The City agrees that Property Owner may use the Property during the Term of this Agreement for any use which is otherwise permitted by the applicable zoning regulations and the General Plan in effect at the time of the interim use or pursuant to any

approvals, permits, or other entitlements previously granted and in effect as of the Effective Date.

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

**3.2.9 Special Taxes and Assessments.** Property Owner shall not be obligated to support infrastructure financing undertaken by the City or others. Property Owner shall have the right, to the extent permitted by law, to protest, oppose and vote against any and all special taxes, assessments, levies, charges and/or fees imposed with respect to any assessment districts, Mello-Roos or community facilities districts, maintenance districts or other similar districts.

**3.2.10 Impact Fees.** Impact Fees imposed by the City with respect to the Project shall be only those Impact Fees in full force and effect as of the Effective Date, the amounts of which are subject to ongoing annual increases which shall be calculated at time of payment. This Agreement shall not limit any impact fees, linkage fees, exaction, assessments or fair share charges or other similar fees or charges imposed by other governmental entities and which the City is required to collect or assess pursuant to applicable law (e.g., school district impact fees pursuant to Government Code Section 65995).

**3.2.11 Processing Fees.** Property Owner shall pay all Processing Fees for Ministerial Permits and Approvals.

#### **4. ANNUAL REVIEW.**

**4.1 Annual Review.** During the Term of this Agreement, the City shall review annually Property Owner's good faith compliance with this Agreement. Such periodic review shall be limited in scope to good faith compliance with the provisions of this Agreement as provided in the Development Agreement Act and Property Owner shall have the burden of demonstrating such good faith compliance.

**4.2 Pre-Determination Procedure.** Property Owner's submission of compliance with this Agreement, in a form which the Planning Director may reasonably establish, shall be made in writing and transmitted to the Planning Director not later than sixty (60) days prior to the yearly anniversary of the Effective Date and shall be made public upon request. The public shall be afforded an opportunity to submit written comments regarding compliance to the Planning Director at least sixty (60) days prior to the yearly anniversary of the Effective date. All such public comments and final staff reports shall, upon receipt by the City, be made available as soon as possible to the Property Owner and the public, if requested.

**4.3 Director's Determination.** On or before the yearly anniversary of the Effective Date of the Agreement, the Planning Director shall make a determination regarding whether or not Property Owner has complied in good faith with the provisions and conditions of this Agreement. This determination shall be made in writing with reasonable specificity, and a copy of the determination shall be provided to Property Owner in the manner prescribed in Section 6.15. Copies of the determination shall also be made available to members of the public. If the Planning Director determines that the Property Owner has complied in good faith with the provisions and conditions of this Agreement, the annual review process for that year shall end.

**4.4 Appeal By Property Owner.** In the event the Planning Director makes a finding and determination of non-compliance, Property Owner shall be entitled to appeal that determination to the Planning Commission. After a public hearing on the appeal, the Planning Commission shall make written findings and determinations, on the basis of substantial evidence, whether or not Property Owner has complied in good faith with the provisions and conditions of this Agreement. If the Planning Commission determines that the Property Owner has complied in good faith with the provisions and conditions of this Agreement, the annual review process for that year shall end. Nothing in this Section or this Agreement shall be construed as modifying or abrogating Los Angeles City Charter Section 245 (City Council review of Commission and Board actions).

**4.5 Period To Cure Non-Compliance.** If, as a result of this Annual Review procedure, it is found and determined by the Planning Director or the Planning Commission, on appeal, that Property Owner has not complied in good faith with the provisions and conditions of this Agreement, the City, after denial of any appeal or, where no appeal is taken, after the expiration of the appeal period described in Section 6.3, shall submit to Property Owner, by registered or certified mail, return receipt requested, a written notice of non-compliance in the manner prescribed in Section 6.15, stating with specificity those obligations of Property Owner which have not been performed. Upon receipt of the notice of non-compliance, Property Owner shall promptly commence to cure the identified items of non-compliance at the earliest reasonable time after receipt of the notice of non-compliance and shall complete the cure of such items of non-compliance not later than sixty (60) days after receipt of the notice of non-compliance, or such longer period as is reasonably necessary to remedy such items of non-compliance, provided that Property Owner shall continuously and diligently pursue such remedy at all times until such item of non-compliance is cured.

**4.6 Failure To Cure Non-Compliance Procedure.** If the Planning Director finds and determines that Property Owner, or its successors, transferees, and/or assignees, as the case may be, has not cured or commenced to cure an item of non-compliance pursuant to this Section, and that the City intends to terminate or modify this Agreement or those transferred or assigned rights and obligations, as the case may be, the Planning Director shall make a report to the Planning Commission. The Planning Director shall then set a date for a public hearing before the Planning Commission in accordance with the notice and hearing requirements of Government Code Sections 65867 and 65868. If after such public hearing, the Planning Commission finds and determines, on the basis of substantial evidence, that Property Owner, or its successors, transferees, and/or assignees, as the case may be, has not brought the Project into compliance pursuant to this Section, and that the City may terminate or modify this Agreement, or those transferred or assigned rights and obligations, as the case may be, the finding and

determination shall be appealable to the City Council in accordance with Section 6.3 hereof. In the event of a finding and determination of compliance, there shall be no appeal by any person or entity. Nothing in this Section or this Agreement shall be construed as modifying or abrogating Los Angeles City Charter Section 245 (City Council's review of Commission and Council actions).

**4.7 Termination Or Modification Of Agreement.** The City may terminate or modify this Agreement, or those transferred or assigned rights and obligations, as the case may be, after a finding or determination of noncompliance by the City Council or, where no appeal is taken, after the expiration of the appeal periods described in Section 6.3. There shall be no modifications of this Agreement unless the City Council acts pursuant to Government Code Sections 65867.5 and 65868, irrespective of whether an appeal is taken as provided in Section 6.3.

**4.8 Reimbursement Of Costs.** Property Owner shall reimburse the City for its actual costs, reasonably and necessarily incurred, to accomplish compliance, enforcement, monitoring and any all costs necessary for the effective implementation of this Agreement, including the required annual review.

## **5. DEFAULT PROVISIONS**

### **5.1 Default By Property Owner.**

**5.1.1 Default.** In the event Property Owner does not perform its obligations under this Agreement in a timely manner, the City shall have all rights and remedies provided by this Agreement, which shall include compelling the specific performance of the obligations of Property Owner under this Agreement, or modification or termination of this Agreement, provided that the City has first complied with the procedure in Section 5.1.2 hereof.

**5.1.2 Notice of Default.** City shall first submit to Property Owner a written notice of default stating with specificity those obligations that have not been performed. Upon receipt of the notice of default, Property Owner shall promptly commence to cure the identified default(s) at the earliest reasonable time after receipt of the notice of default and shall complete the cure of such default(s) not later than sixty (60) days after receipt of the notice of default, or such longer period as is reasonably necessary to remedy such default(s), provided that Property Owner shall continuously and diligently pursue such remedy at all times until such default(s) is cured. In the event that Property Owner has assigned all or any portion of its interests pursuant to Section 6.9, Property Owner shall have the right but not the obligation to cure any defaults of any assignee or successor-in-interest. Further, any assignee or successor-in-interest shall have the right but not the obligation to cure any defaults of Property Owner. In the case of a dispute as to whether Property Owner (or its assignee or successor-in-interest) has cured the default, the Parties shall submit the matter to dispute resolution pursuant to Section 6.5 of this Agreement.

**5.1.3 Failure to Cure Default Procedures.** If after the cure period has elapsed, the Planning Director finds and determines that Property Owner, or its successors, transferees and/or assignees, as the case may be, remains in default and that the City intends to terminate or modify this Agreement, or those transferred or assigned rights and obligations, as the case may

be, the Planning Director shall make a report to the Planning Commission and then set a public hearing before the Commission in accordance with the notice and hearing requirements of Government Code Sections 65867 and 65868. If after public hearing, the Planning Commission finds and determines, on the basis of substantial evidence, that Property Owner, or its successors, transferees and/or assigns, as the case may be, has not cured such default pursuant to this Section, and that the City intends to terminate or modify this Agreement, or those transferred or assigned rights and obligations, as the case may be, Property Owner and its successors, transferees and/or assigns, shall be entitled to appeal that finding and determination to the City Council in accordance with Section 6.3. In the event of a finding and determination that all defaults are cured, there shall be no appeal by any person or entity. Nothing in this Section or this Agreement shall be construed as modifying or abrogating Los Angeles City Charter Section 245 (City Council review of Commission and Board actions).

5.1.4 **Termination or Modification of Agreement.** The City may terminate or modify this Agreement, or those transferred or assigned rights and obligations, as the case may be, after such final determination of the City Council or, where no appeal is taken, after the expiration of the appeal periods described in Section 6.3. There shall be no modifications of this Agreement unless the City Council acts pursuant to Government Code Sections 65867.5 and 65868, irrespective of whether an appeal is taken as provided in Section 6.3.

## 5.2 **Default By The City.**

5.2.1 **Default.** In the event the City does not accept, process, or render a decision on necessary development permits, entitlements, or other land use or building permits or approvals for use as provided in this Agreement upon compliance with the requirements thereof, or as otherwise agreed to by the Parties, or the City otherwise defaults under the provisions of this Agreement, Property Owner shall have all rights and remedies provided herein or by applicable law, which shall include compelling the specific performance of the City's obligations under this Agreement, provided that Property Owner or Transferee, as the case may be, has first complied with the procedures in Section 5.2.2. No part of this Agreement shall be deemed to abrogate or limit any immunities or defenses the City may otherwise have with respect to claims for monetary damages.

5.2.2 **Notice Of Default.** Property Owner shall first submit to the City a written notice of default stating with specificity those obligations that have not been performed. Upon receipt of the notice of default, the City shall promptly commence to cure the identified default(s) at the earliest reasonable time after receipt of the notice of default and shall complete the cure of such default(s) not later than one hundred and twenty (120) days after receipt of the notice of default, or such longer period as is reasonably necessary to remedy such default(s), provided that the City shall continuously and diligently pursue such remedy at all times until such default(s) is cured. In the case of a dispute as to whether the City has cured the default, the Parties shall submit the matter to dispute resolution pursuant to Section 6.5 of this Agreement.

5.3 **No Monetary Damages.** It is acknowledged by the Parties that neither the City nor the Property Owner would have entered into this Agreement if it were liable in monetary damages under or with respect to this Agreement or the application thereof. Therefore, the

Parties agree that the Parties shall not be liable in monetary damages and the Parties covenant not to sue for or claim any monetary damages for the breach of any provision of this Agreement.

## **6. GENERAL PROVISIONS.**

**6.1 Effective Date.** This Agreement shall be effective as set forth in Section 1.13 above.

**6.2 Term.** The term of this Agreement shall commence on the Effective Date and shall extend for a period of twenty (20) years after the Effective Date, unless said Term is otherwise terminated, modified or extended by circumstances set forth in this Agreement or by mutual consent of the Parties hereto. Following the expiration of this Term, this Agreement shall terminate and be of no further force and effect; provided, however, that this termination shall not affect any right or duty arising from entitlements or approvals, including the Project Approvals on the Property, approved concurrently with, or subsequent to, the Effective Date of this Agreement. The Term of this Agreement shall automatically be extended for the period of time of any actual delay resulting from any enactments pursuant to the Reserved Powers or moratoria, or from legal actions, administrative proceedings such as appeals or delays of ministerial actions, or appeals which enjoin performance under this Agreement or act to stay performance under this Agreement (other than bankruptcy or similar procedures), or for the period of time during which a lawsuit or litigation (including appeals) relating to the Project or the Project Approvals, including this Development Agreement, has been filed and is pending in a court of competent jurisdiction.

**6.3 Appeals To City Council.** Where an appeal by Property Owner to the City Council from a finding and/or determination of the Planning Commission is created by this Agreement, such appeal shall be taken, if at all, within twenty (20) days after the mailing of such finding and/or determination to Property Owner, or its successors, transferees, and/or assignees, as the case may be. The City Council shall act upon the finding and/or determination of the Planning Commission within eighty (80) days after such mailing, or within such additional period as may be agreed upon by the Property Owner and the City Council. The failure of the City Council to act shall not be deemed a denial or an approval of the appeal, which shall remain pending until final City Council action.

**6.4 Enforced Delay; Extension Of Time Of Performance.** In addition to specific provisions of this Agreement, whenever a period of time, including a reasonable period of time, is designated within which either Party hereto is required to do or complete any act, matter or thing, the time for the doing or completion thereof shall be extended by a period of time equal to the number of days during which such Party is actually prevented from, or is unreasonably interfered with, the doing or completion of such act, matter or thing because of causes beyond the reasonable control of the Party to be excused, including: war; insurrection; riots; floods; earthquakes; fires; casualties; acts of God; litigation and administrative proceedings against the Project (not including any administrative proceedings contemplated by this Agreement in the normal course of affairs (such as the Annual Review)); any approval required by the City (not including any period of time normally expected for the processing of such approvals in the ordinary course of affairs); restrictions imposed or mandated by other governmental entities; enactment of conflicting state or federal laws or regulations; judicial decisions; the exercise of

the City's Reserved Powers; or similar bases for excused performance which is not within the reasonable control of the Party to be excused (financial inability excepted). This Section shall not be applicable to any proceedings with respect to bankruptcy or receivership initiated by or on behalf of Property Owner or, if not dismissed within ninety (90) days, by any third parties against Property Owner. If written notice of such delay is given to either Party within thirty (30) days of the commencement of such delay, an extension of time for such cause will be granted in writing for the period of the enforced delay, or longer as may be mutually agreed upon.

## **6.5 Dispute Resolution.**

**6.5.1 Dispute Resolution Proceedings.** The Parties may agree to dispute resolution proceedings to fairly and expeditiously resolve disputes or questions of interpretation under this Agreement. These dispute resolution proceedings may include: (a) procedures developed by the City for expeditious interpretation of questions arising under development agreements; or (b) any other manner of dispute resolution which is mutually agreed upon by the Parties.

**6.5.2 Arbitration.** Any dispute between the Parties that is to be resolved by arbitration shall be settled and decided by arbitration conducted by an arbitrator who must be a former judge of the Los Angeles County Superior Court or Appellate Justice of the Second District Court of Appeals or the California Supreme Court. This arbitrator shall be selected by mutual agreement of the Parties.

**6.5.3 Arbitration Procedures.** Upon appointment of the arbitrator, the matter shall be set for arbitration at a time not less than thirty (30) nor more than ninety (90) days from the effective date of the appointment of the arbitrator. The arbitration shall be conducted under the procedures set forth in Code of Civil Procedure Section 638, et seq., or under such other procedures as are agreeable to both Parties, except that provisions of the California Code of Civil Procedure pertaining to discovery and the provisions of the California Evidence Code shall be applicable to such proceeding.

**6.5.4 Extension of Term.** The Term of this Agreement as set forth in Section 6.2 shall automatically be extended for the period of time in which the Parties are engaged in dispute resolution to the degree that such extension of the Term is reasonably required because activities which would have been completed prior to the expiration of the Term are delayed beyond the scheduled expiration of the Term as the result of such dispute resolution.

**6.6 Legal Action.** Subject to the limitations on remedies imposed by this Agreement, either Party may, in addition to any other rights or remedies, institute legal action in any court of competent jurisdiction, to cure, correct, or remedy any default, enforce any covenant or agreement herein, enjoin any threatened or attempted violation, or enforce by specific performance the obligations and rights of the Parties hereto. Notwithstanding the above, the City's right to seek specific performance shall be specifically limited to compelling Property Owner to complete, demolish or make safe any particular improvement(s) on public lands which is required as a Mitigation Measure or Condition of Approval. Property Owner shall have no liability (other than the potential termination of this Agreement) if the contemplated development fails to occur.

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

6.8 **Amendments.** This Agreement may be amended from time to time by mutual consent in writing of the Parties to this Agreement in accordance with Government Code Section 65868. Any amendment to this Agreement which relates to the Term, permitted uses, density or intensity of use, height, or size of buildings, provisions for reservation and dedication of land, conditions, restrictions, and requirements relating to subsequent Discretionary Actions or any conditions or covenants relating to the use of the Property, which are not allowed or provided for under the Project Approvals or Applicable Rules, shall require notice and public hearing before the Parties may execute an amendment thereto.

6.9 **Assignment.** The Property, as well as the rights and obligations of Property Owner under this Agreement, may not be transferred or assigned in whole or in part by Property Owner without the prior written consent of the City, which shall not be unreasonably withheld. Notwithstanding the foregoing, Property Owner may transfer on or more ground or air spaces commercial parcels in Subarea 3, as well as the rights of Property Owner hereunder with respect to the transferred parcels, without the City's consent, provided that Property Owner remains liable for all obligations hereunder with respect to the transferred parcels.

6.9.1 **Non-Assignable Obligations.** The Property Owner may not assign in whole or in part any Non-Assignable Obligation of the Agreement. Non-Assignable Obligations are those required in (i) Section 3.1.3.1 (Housing Preservation and Production), (ii) Section 3.1.3.2 (Student Housing Commitment), (iii) Section 3.1.3.4 (Community Room), (iv) Section 3.1.3.6 (Community Outreach Website), (v) Section 3.1.3.7 (Local Graffiti Abatement), (vi) Section 3.1.3.8 (New Fire Station), (vii) Section 3.1.3.9 (Neighborhood Park Improvements), (viii), Section 3.1.3.10 (Partnership with Local Schools), (ix) Section 3.1.3.11 (Programming at Public Parks), (x) Section 3.1.3.12 (Transit Oriented Plans), (xi) Section 3.1.3.13 (Expansion of Figueroa Corridor Business Improvement District), (xii) Section 3.1.3.14 (Vermont Avenue Façade Improvement Program), (xiii) Section 3.1.3.15 (Vermont Streetscape Improvement, (xiv) Section 3.1.3.16 (Jefferson Boulevard Pedestrian Improvements), (xv) Section 3.1.3.17 (Bicycle Lane on Jefferson Boulevard), (xvi) Section 3.1.3.25 (University Village Tenant Outreach), (xvii) Section 3.1.3.26 (Job Training), (xviii) Section 3.1.3.27 (Local Small Business Assistance), and (xix) Section 3.1.3.28 (Relocation Assistance for University Village Tenants). The remaining obligations imposed upon the Property Owner in this Agreement are Assignable Obligations, as such obligations relate solely to such Transferee's portion of the Development Agreement Property. Furthermore, a Transferee shall assume all other obligations of Developer or any successor transferor hereunder as expressly set forth in the Assignment Agreement.

6.9.2 **Liability Upon Assignment.** Unless otherwise stated elsewhere in this Agreement to the contrary, each Transferee of any portion of the Property shall be solely and only liable for performance of such Transferee's obligations applicable to its portion of the Property under this Agreement as specified in the applicable Assignment Agreement. Upon the assignment or transfer of any portion of the Property, the Transferee shall become solely and only liable for the performance of those assigned or transferred obligations and shall have the rights of a "Property Owner" under this Agreement; which such rights and obligations shall be set forth specifically in the Assignment Agreement, acknowledged by the transferring Property



Owner, and the Transferee, as of the date of such transfer, assignment or conveyance of the applicable portion of the Property. The failure of any Transferee to perform the obligations assigned to it may result, at the City's option, in a declaration that this Agreement has been breached with regards to that specific Transferee, and an election to terminate this Agreement as provided for in Section 5.1 hereof, as it relates to that Transferee's holding only and no other portion of the Property. This partial termination is severable from the entire Agreement, and shall not affect the remaining entirety of the Agreement.

**6.10 Covenants.** The provisions of this Agreement shall constitute covenants which shall run with the land comprising the Property for the benefit thereof, and the burdens and benefits hereof shall bind and inure to the benefit of all assignees, transferees, and successors to the Parties hereto.

**6.11 Cooperation And Implementation.**

**6.11.1 Processing.** Upon Satisfactory completion by Property Owner of all required preliminary actions and payment of appropriate Processing Fees, including the fee for processing this Agreement, the City shall commence and diligently process all required steps necessary for the implementation of this Agreement and development of the Property in accordance with the terms of this Agreement. Property Owner shall, in a timely manner, provide the City with all documents, plans, fees and other information necessary for the City to carry out its processing obligations pursuant to this Agreement. The Property Owner acknowledges and agrees that the issuance of a Certificate of Occupancy by the City for the improvements authorized by the Project is contingent on Property Owner implementing all mitigation measures required by the Mitigation Monitoring and Reporting Program to the EIR to be implemented prior to the issuance of a Certificate of Occupancy. The Property Owner waives the right to challenge that the City is prohibited from withholding a Certificate of Occupancy based upon a failure by Property Owner to implement such mitigation measures

**6.11.2 Other Governmental Permits.** Property Owner shall apply in a timely manner for such other permits and approvals as may be required from other governmental or quasi-governmental agencies having jurisdiction over the Project as may be required for the development of, or provision of services to, the Project. The City shall cooperate with Property Owner in its endeavors to obtain such permits and approvals and shall, from time to time at the request of Property Owner, attempt with due diligence and in good faith to enter into binding agreements with any such entity to ensure the availability of such permits and approvals, or services, provided such agreements are reasonable and not detrimental to the City. These agreements may include, but are not limited to, joint powers agreements under the provisions of the Joint Exercise of Powers Act (Government Code Section 6500, *et seq.*), or the provisions of other laws to create legally binding, enforceable agreements between such parties. To the extent allowed by law, Property Owner shall be a party to any such agreement, or a third party beneficiary thereof, entitled to enforce for its own benefit on behalf of the City, or in its own name, the rights of the City or Property Owner thereunder or the duties and obligations of the parties thereto. Property Owner shall reimburse the City for all costs and expenses incurred in connection with seeking and entering into any such agreement provided that Property Owner has requested such agreement. Property Owner or Transferee, as the case may be, shall defend the City in any challenge by any person or entity to any such agreement, and shall reimburse the City

for any costs and expenses incurred by the City in enforcing any such agreement. Any fees, assessments, or other amounts payable by the City thereunder shall be borne by Property Owner or Transferee, as the case may be, except where Property Owner or Transferee, as the case may be, has notified the City in writing, prior to the City entering into such agreement, that it does not desire for the City to execute such agreement.

**6.11.3 Cooperation In The Event Of Legal Challenge.** In the event of any legal action instituted by a third party or other governmental entity or official challenging the validity of any provision of this Agreement, the Parties hereby agree to affirmatively cooperate in defending said action.

**6.12 Relationship Of The Parties.** It is understood and agreed by the Parties hereto that the contractual relationship created between the Parties hereunder is that Property Owner is an independent contractor and not an agent of the City. Further, the City and Property Owner hereby renounce the existence of any form of joint venture or partnership between them and agree that nothing herein or in any document executed in connection herewith shall be construed as making the City and Property Owner joint venturers or partners.

**6.13 Indemnification.**

**6.13.1 Obligation to Defend, Indemnify, and Hold Harmless.** The Property Owner hereby agrees to defend, indemnify, and hold harmless the City and its agents, officers, and employees, from any claim, action, or proceeding ("Proceeding") against the City or its agents, officers, or employees (i) to set aside, void, or annul, all or any part of any Project Approval, or (ii) for any damages, personal injury or death which may arise, directly or indirectly, from the Property Owner or the Property Owner's contractors, subcontractors', agents', or employees' operations in connection with the construction of the Project, whether operations be by the Property Owner or any of the Property Owner's contractors, subcontractors, by anyone or more persons directly or indirectly employed by, or acting as agent for the Property Owner or any of the Property Owner's contractors or subcontractors. In the event that the City, upon being served with a lawsuit or other legal process to set aside, void or annul all or part of any Project Approval, fails to promptly notify the Property Owner of the Proceeding, or fails to cooperate fully in the defense of the Proceeding, the Property Owner shall thereafter be relieved of the obligations imposed in this Section. However, if the Property Owner has actual notice of the Proceeding, it shall not be relieved of the obligations imposed hereunder, notwithstanding the failure of the City to provide prompt notice of the Proceeding. The City shall be considered to have failed to give prompt notification of a Proceeding if the City, after being served with a lawsuit or other legal process challenging the Project Approvals, unreasonably delays in providing notice thereof to the Property Owner. As used herein, "unreasonably delays" shall mean any delay that materially adversely impacts the Property Owner's ability to defend the Proceeding. The obligations imposed in this Section shall apply notwithstanding any allegation or determination in the Proceedings that the City acted contrary to applicable laws. Nothing in this Section shall be construed to mean that the Property Owner shall hold the City harmless and/or defend it from any claims arising from, or alleged to arise from, intentional misconduct or gross negligence in the performance of this Agreement

**6.13.2 Defending The Project Approvals.** The Property Owner shall have the obligation to timely retain legal counsel to defend against any proceeding to set aside, void, or annul, all or any part of any Project Approval. The City shall have the right if it so chooses, to defend the Proceeding utilizing in-house legal staff, in which case the Property Owner shall be liable for all legal costs and fees reasonably incurred by the City, including charges for staff time charged. In the event of a conflict of interest which prevents the Property Owner's legal counsel from representing the City, and in the event the City does not have the in-house legal resources to defend against the Proceeding, the City shall also have the right to retain outside legal counsel provided that retaining outside legal counsel causes no delays, in which case the Property Owner shall be liable for all legal costs and fees reasonably incurred by the City. Provided that the Property Owner is not in breach of the terms of this Section, the City shall not enter into any settlement of the Proceeding which involves modification to any Project Approval or otherwise results in the Property Owner incurring liabilities or other obligations, without the consent of the Property Owner.

**6.13.3 Breach Of Obligations.** Actions constituting a breach of the obligations imposed in this Section shall include, but not be limited to: (i) the failure to timely retain qualified legal counsel to defend against the Proceedings; (ii) the failure to promptly pay the City for any attorneys fees or other legal costs for which the City is liable pursuant to a judgment or settlement agreement in the Proceeding seeking to set aside, void or annul all or part of any Project Approval; or (iii) the breach of any other obligation imposed in this Section, in each case after written notice from the City and a reasonable period of time in which to cure the breach, not to exceed thirty-days. For purposes of this Section, the Property Owner shall be considered to have failed to timely retain qualified legal counsel if such counsel is not retained within fourteen (14) days following the City's provision of the notice of Proceedings to the Property Owner required hereunder. In the event that the Property Owner breaches the obligations imposed in this Section, the City shall have no obligation to defend against the Proceedings, and by not defending against the Proceedings, the City shall not be considered to have waived any rights in this Section.

**6.13.4 Cooperation.** The City shall cooperate with the Property Owner in the defense of the Proceeding; provided however, that such obligation of the City to cooperate in its defense shall not require the City to (i) assert a position in its defense of the Proceeding which it has determined, in its sole discretion, has no substantial merit; (ii) advocate in its defense of the Proceeding legal theories which it has determined, in its sole discretion, lack substantial merit; or (iii) advocate in its defense of the Proceeding legal theories which it has determined, in its sole discretion, are contrary to its best interests, or to public policy. Nothing contained in this section shall require the Property Owner to refrain from asserting in its defense of the Proceeding positions or legal theories that do not satisfy the foregoing requirements.

**6.13.5 Contractual Obligation.** The Property Owner acknowledges and agrees that the obligations imposed in this Section are contractual in nature, and that the breach of any such obligation may subject the Property Owner to a breach of contract claim by the City.

**6.13.6 Waiver Of Right To Challenge.** The Property Owner hereby waives the right to challenge the validity of the obligations imposed in this Section.

6.13.7 **Survival.** The obligations imposed in this Section shall survive any judicial decision invalidating the Project Approvals.

6.13.8 **Deposit.** Following the filing of a lawsuit, or other legal process seeking to set aside, void or annul all or part of any Project Approval, the Property Owner shall be required, following written demand by the City, to place funds on deposit with the City, which funds shall be used to reimburse the City for expenses incurred in connection with defending the Project Approvals. For Project Approvals which included the certification of an environmental impact report by the City, the amount of said deposit shall be ten thousand (\$10,000) dollars. For all other Project Approvals, the amount of the deposit shall be five thousand (\$5,000) dollars. Any unused portions of the deposit shall be refunded to the Property Owner within thirty (30) days following the resolution of the challenge to the Project Approvals. All Deposits must be paid to the City within thirty (30) days of the Property Owner's receipt of the City's written demand for the Deposit.

6.14 **Extension Of Time For All Project Approvals.** The duration of all Project Approvals, excluding the FEIR, shall automatically be extended for the Term of this Agreement.

6.15 **Notices.** Any notice or communication required hereunder between the City or Property Owner must be in writing, and shall be given either personally or by registered or certified mail, return receipt requested. If given by registered or certified mail, the same shall be deemed to have been given and received on the first to occur of (i) actual receipt by any of the addressees designated below as the Party to whom notices are to be sent, or (ii) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If personally delivered, a notice shall be deemed to have been given when delivered to the Party to whom it is addressed. Any Party hereto may at any time, by giving ten (10) days' written notice to the other Party hereto, designate any other address in substitution of the address, or any additional address, to which such notice or communication shall be given. Such notices or communications shall be given to the Parties at their addresses set forth below:

If to the City:

City of Los Angeles  
Attention: Director of Planning  
200 North Spring Street  
Los Angeles, CA 90012

with copies to:

Los Angeles City Attorney's Office  
Real Property/Environment Division  
Los Angeles City Attorney's Office  
7<sup>th</sup> Floor, City Hall East  
200 North Main Street  
Los Angeles, CA 90012.

If to Property Owner:

University of Southern California  
Real Estate & Asset Management  
UGW 110  
Los Angeles, CA 90089-7271

with copies to:

University of Southern California  
Office of the General Counsel  
ADM 352  
Los Angeles, CA 90089-5013

**6.16 Recordation.** As provided in Government Code Section 65868.5, this Agreement shall be recorded with the Registrar-Recorder of the County of Los Angeles within ten (10) days following the Effective Date. Property Owner shall provide the City Clerk with the fees for such recording prior to or at the time of such recording should City Clerk record the Agreement.

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

**6.18 Successors And Assignees.** Except as otherwise provided in Section 6.9, the provisions of this Agreement shall be binding upon and shall inure to the benefit of the Parties, any subsequent owner of all or any portion of the Property and their respective successors and assignees.

**6.19 Severability.** If any provisions, conditions, or covenants of this Agreement, or the application thereof to any circumstances of either Party, shall be held invalid or unenforceable, the remainder of this Agreement or the application of such provision, condition, or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

**6.20 Time Of The Essence.** Time is of the essence for each provision of this Agreement of which time is an element.

**6.21 Waiver.** No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the Party against whom enforcement of a waiver is sought and refers expressly to this Section. No waiver of any right or remedy with respect to any occurrence or event shall be deemed a waiver of any right or remedy with respect to any other occurrence or event.

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

**6.23 Entire Agreement.** This Agreement sets forth and contains the entire understanding and agreement of the Parties and there are no oral or written representations, understandings or ancillary covenants, undertakings or agreements which are not contained or expressly referred to herein (or any such representations, understandings or ancillary covenants, undertakings or agreements are integrated in this Agreement) and no testimony or evidence of any such representations, understandings, or covenants shall be admissible in any proceedings of any kind or nature to interpret or determine the provisions or conditions of this Agreement.

**6.24 Legal Advice; Neutral Interpretation; Headings, Table Of Contents, And Index.** Each Party acknowledges that it has received independent legal advice from its attorneys with respect to the advisability of executing this Agreement and the meaning of the provisions

hereof. The provisions of this Agreement shall be construed as to their fair meaning, and not for or against any Party based upon any attribution to such Party as the source of the language in question. The headings, table of contents, and index used in this Agreement are for the convenience of reference only and shall not be used in construing this Agreement.

#### 6.25. Mortgagee Protection.

6.25.1 **Discretion to Encumber.** This Agreement shall not prevent or limit Property Owner in any manner, at its sole discretion, from encumbering the Property or any portion of the Property or any improvement on the Property by any mortgage, deed of trust or other security device securing financing with respect to the Property or its improvements. The City acknowledges that the lender(s) providing such financing may require certain Agreement interpretations and agrees, upon request, from time to time, to meet with the Property Owner and representatives of such lender(s) to provide within a reasonable time period the City's response to such requested interpretations. The City will not unreasonably withhold its consent to any such requested interpretation, provided that such interpretation is consistent with the intent and purposes of this Agreement. Any mortgagee of a mortgage or a beneficiary of a deed of trust encumbering all or any portion of the Property or any successor or assign thereof, including without limitation any purchaser at a judicial or non-judicial foreclosure sale or a person or entity who obtains title by deed-in-lieu of foreclosure on any portion of the Property (collectively, "**Mortgagee**") shall be entitled to the following rights and privileges:

6.25.2 **Mortgage Not Rendered Invalid.** Neither entering into this Agreement nor a breach of this Agreement shall defeat, render invalid, diminish, or impair the priority of the lien of any mortgage or deed of trust on the Property made in good faith and for value. No Mortgagee shall have an obligation or duty under this Agreement to perform the Property Owner's obligations, or to guarantee such performance, prior to taking title to all or a portion of the Property.

6.25.3 **Mortgagee's Time to Cure.** If the City timely receives a request from a Mortgagee requesting a copy of any notice of non-compliance given to the Property Owner under the terms of this Agreement, the City shall provide a copy of that notice to the Mortgagee within ten (10) days of sending the notice of non-compliance to such Owner. The Mortgagee shall have the right, but not the obligation, to cure the non-compliance for a period of sixty (60) days after the Mortgagee receives written notice of non-compliance, or any longer period as is reasonably necessary, not to exceed 120 days, to remedy such items of non-compliance, by mutual consent of the City and Mortgagee provided that Mortgagee shall continuously and diligently pursue the remedy at all times until the item of non-compliance is cured.

6.25.4 **Cure Rights.** Any Mortgagee who takes title to all or any part of the Property pursuant to foreclosure of the mortgage or deed of trust, or a deed in lieu of foreclosure, shall succeed to the rights and obligations of the Property Owner under this Agreement as to the Property or portion thereof so acquired; provided, however, in no event shall such Mortgagee be liable for any defaults or monetary obligations of the Property Owner arising prior to acquisition of title to the Property by such Mortgagee, except that any such Mortgagee shall not be entitled to a building permit or occupancy certificate until all delinquent and current fees and other

monetary or nonmonetary obligations due under this Agreement for the Property, or portion thereof acquired by such Mortgagee, have been satisfied.

**6.25.5 Bankruptcy.** If any Mortgagee is prohibited from commencing or prosecuting foreclosure or other appropriate proceedings in the nature of foreclosure by any process or injunction issued by any court or by reason of any action by any court having jurisdiction of any bankruptcy or insolvency proceedings involving the Property Owner, the times specified in Section 6.25.4 above shall be extended for the period of the prohibition, except that any such extension shall not extend the term of this Agreement.

**6.25.7 Disaffirmation.** If this Agreement is terminated as to any portion of the Property by reason of (i) any default or (ii) as a result of a bankruptcy proceeding, this Agreement is disaffirmed by a receiver, liquidator, or trustee for the Property Owner or its property, the City, if requested by any Mortgagee, shall negotiate in good faith with such Mortgagee for a new development agreement for the Project as to such portion of the Property with the most senior Mortgagee requesting such new agreement. This Agreement does not require any Mortgagee or the City to enter into a new development agreement pursuant to this Section 6.25.7.

**6.26 Counterparts.** This Agreement is executed in duplicate originals, each of which is deemed to be an original. This Agreement, not counting the Cover Page, Table of Contents or Index, consists of 39 pages and four (4) Exhibits.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first written \_\_\_\_\_ above.

CITY OF LOS ANGELES, a municipal corporation of the State of California

APPROVED AS TO FORM:  
CARMEN TRUTANICH, City Attorney

By: \_\_\_\_\_  
Antonio Villaraigosa, Mayor

By: \_\_\_\_\_  
Laura Cadogan Hurd, Deputy City Attorney

DATE:

DATE:

ATTEST:  
JUNE LAGMAY, City Clerk

By: \_\_\_\_\_  
Deputy

DATE:

THE UNIVERSITY OF SOUTHERN CALIFORNIA, a California non-profit corporation

APPROVED AS TO FORM:  
\_\_\_\_\_

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

By: \_\_\_\_\_

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



**Exhibit A:**

**Legal Description of the Property**

Attached.

## Legal Description

### Subarea 1A

Lots 1- 9, Tract 29395; Lots 1 and 2, Block 2 University Tract Subdivision; Lots 1 and 2, Tract 361; Lot 1, Tract 28138; Lots 1 and 2, Tract 17121; Lots 1 and 2, Tract 28980; Lot 1, Tract 12886; Lots 1 -5, Tract 21684; Lot 1, Tract 10616; Lot 1 Tract 12910 Lots 1- 3 Tract 20875; Lots 1 -6 Tract 28344.

### Subarea 1B

Por. Lot 1, Lots 2-7, Por. Lots 39 - 46, of Clark & Bryans Figueroa Street Tract; Por. Lot 3 of Tract No. 25 133; Parcel A, Parcel Map No. 473, P.M. 130-85; Lot 1, Tract 25133; Por. Lots 25 and 26 of Clark & Bryans Figueroa Street Tract; Lots 1,2, 4- 12, 29-31, University Addition Tract.

### Subarea 2

Lots 1 -9, Amended Map of the E.E. Thomas Home Tract, Lots 1 and 2, Tract 4196; Lots 1 -10 of the E.E. Thomas Home Tract 2; FR Lots 1- 11, Part of Milton Thomas Tract; Lots 1-3, Tract 23738.

### Subarea 3

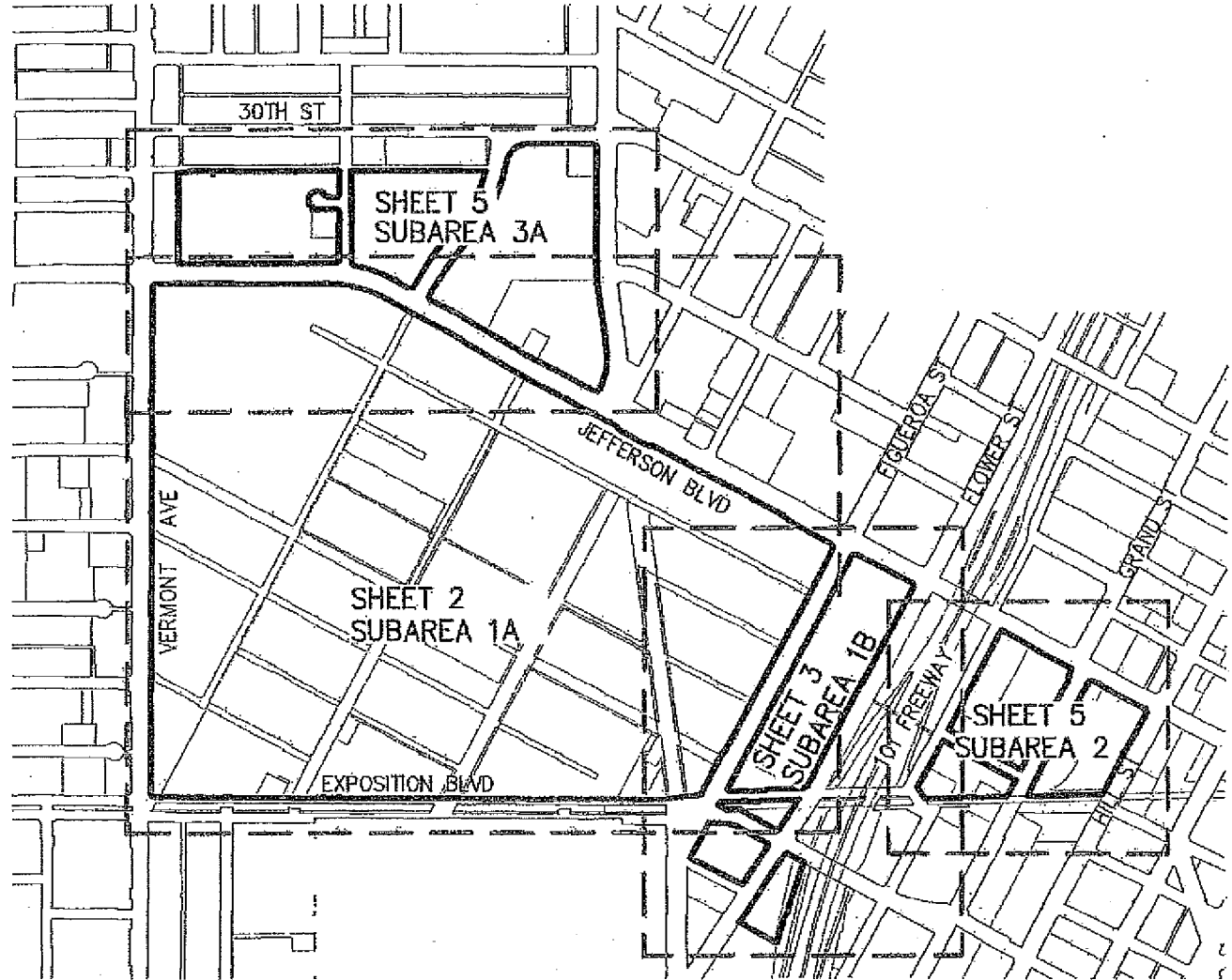
Lot 1, Tract 23109; Lots 1 - 4, Tract 28999; Lots 1 -3 and FR Lots 18 and 19 Tract 23107; Lots 1 and 2 Tract 27955; FR Lot 1 and Lot 2, Tract 28979, FR Lot 33 Lot 33 and 35, Hunt Tract.

SCALE: 1" = 800'

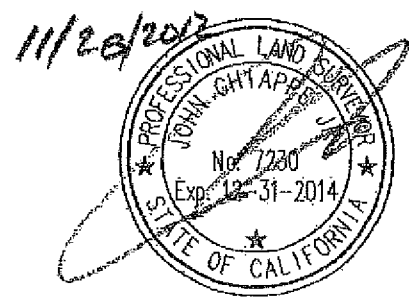
SHEET 1 OF 5 SHEETS

# EXHIBIT A

IN THE CITY OF LOS ANGELES  
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA



NOTE:  
1) BOUNDARY INFORMATION SHOWN  
HEREON TAKEN FROM CITY OF LOS  
ANGELES CADASTRAL MAPS



DATE: 11/27/2012  
JOB No: 1USC072800 T000



GRAPHIC SCALE  
SCALE: 1" = 800'

USC

PL-EX01

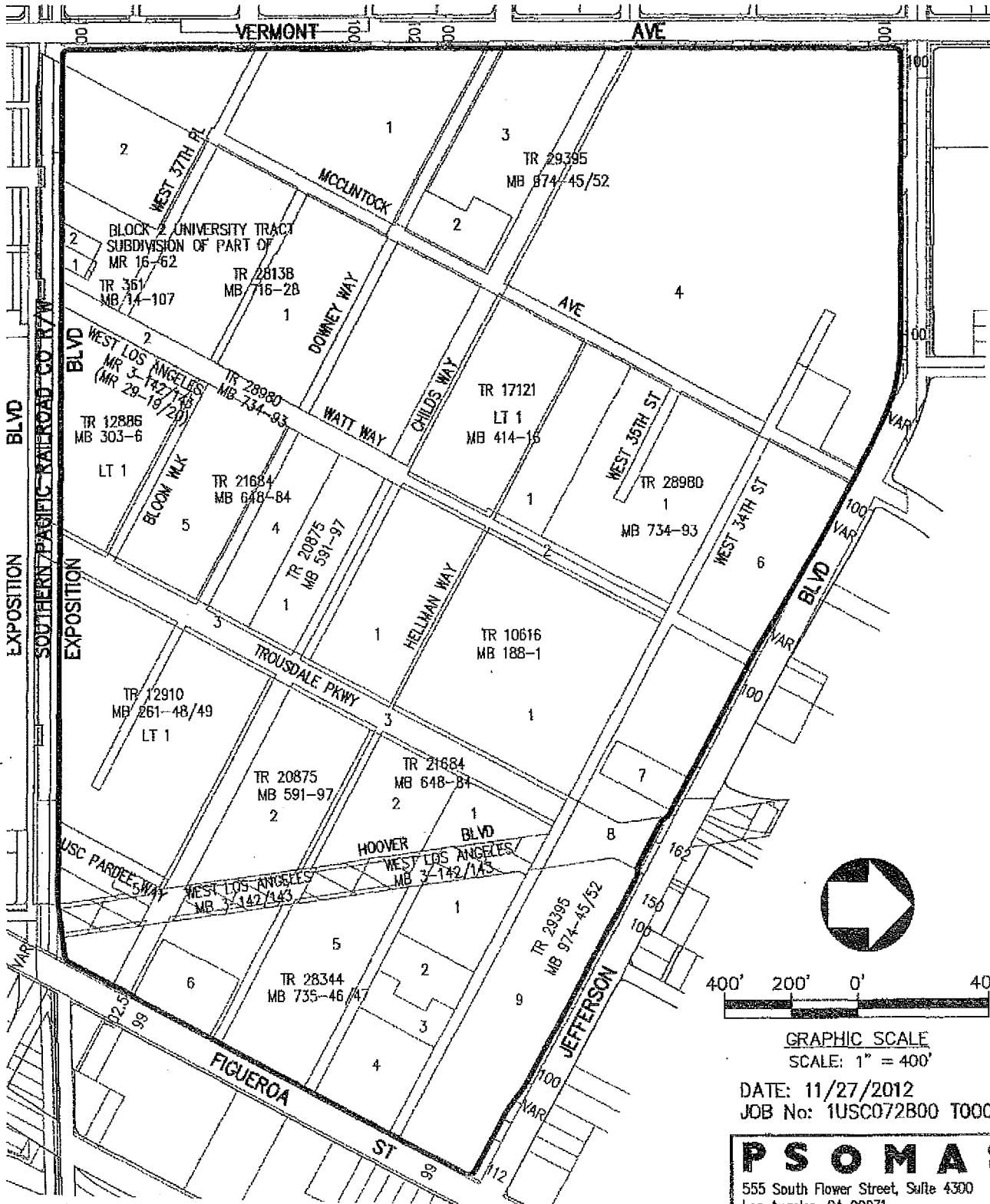
## PSOMAS

555 South Flower Street, Suite 4300  
Los Angeles, CA 90071  
(213)223-1400 (213)223-1444 (FAX)

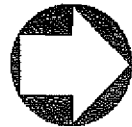
Nov. 28, 2012 -- 07:58:00 DWG Name: \\vsocial\projects\USC\CAMPUS\USC072800\SURVEY\LEGAL\PL-EX01.dwg Updated By: thomcs.mcdernott

# EXHIBIT A SUBAREA 1A

IN THE CITY OF LOS ANGELES  
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA



D:\projects\USC\CAMPUS\USC072800\SURVEY\LEGALS\PL-EX02.dwg Updated By: thomas.mcdormo.it  
 Nov. 28, 2012 -- DB: 08:07

  
 400' 200' 0' 400'  
**GRAPHIC SCALE**  
 SCALE: 1" = 400'  
 DATE: 11/27/2012  
 JOB No: 1USC072800 T000

**PSOMAS**  
 555 South Flower Street, Suite 4300  
 Los Angeles, CA 90071  
 (213)223-1400 (213)223-1444 (FAX)

USC  
 Y-8001-CADASTRAL | Y-EX01

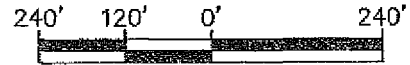
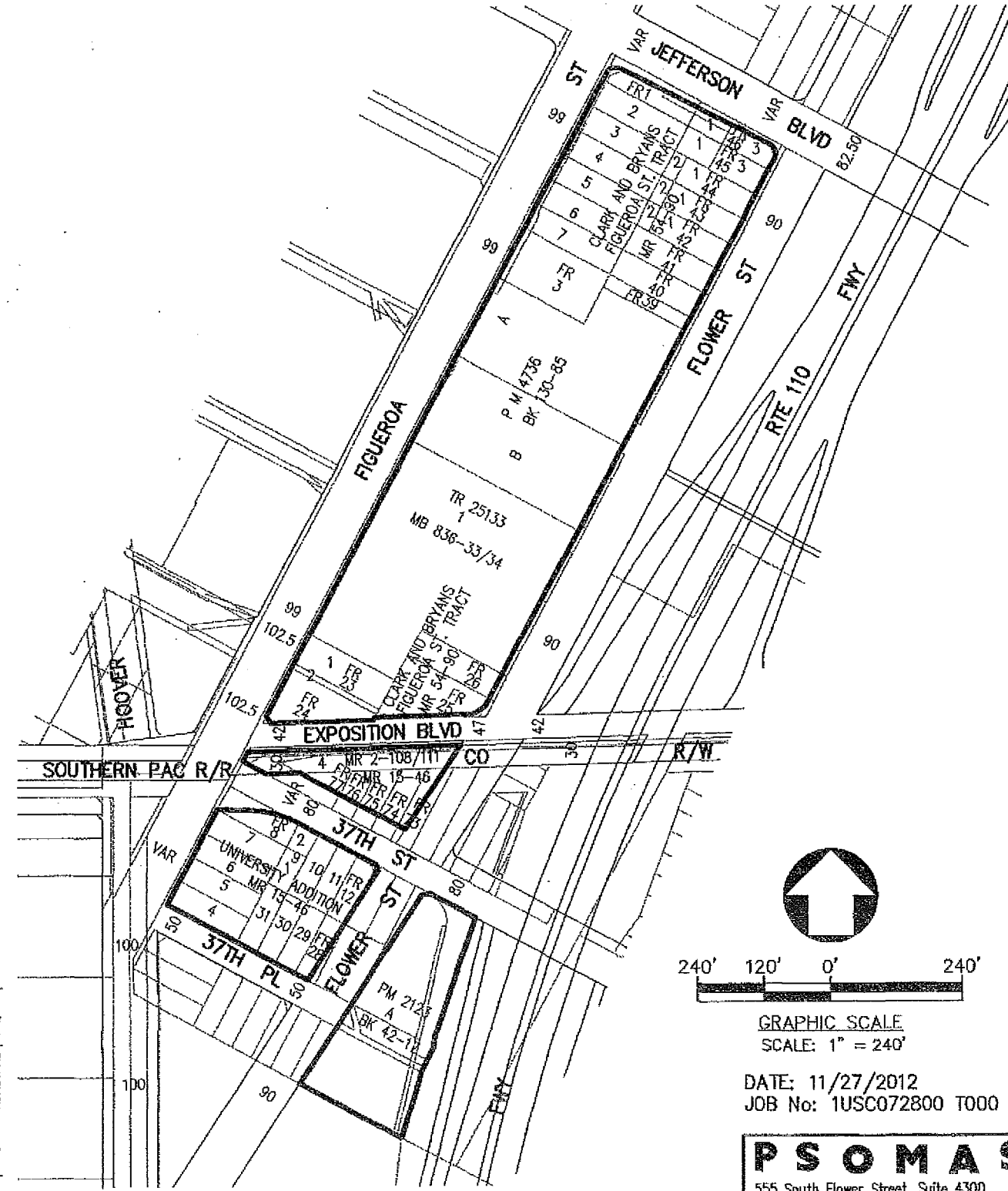
PL-EX02

SCALE: 1" = 240'

SHEET 3 OF 5 SHEETS

# EXHIBIT A SUBAREA 1B

IN THE CITY OF LOS ANGELES  
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA



GRAPHIC SCALE  
SCALE: 1" = 240'

DATE: 11/27/2012  
JOB No: 1USC072800 T000

**PSOMAS**  
555 South Flower Street, Suite 4300  
Los Angeles, CA 90071  
(213)223-1400 (213)223-1444 (FAX)

V-8501-CADASTRAL | V-EX01

Nov. 28, 2012 - 08:09:08 DWG Name: \\vesat\projects\USC\CAMPUS\1USC072800\SURVEY\LEGAL\PL-EX03.dwg Updated By: thomasa.mcdermott

USC

PL-EX03

SCALE: 1" = 200'

SHEET 4 OF 5 SHEETS

# EXHIBIT A SUBAREA 2

IN THE CITY OF LOS ANGELES  
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA



GRAPHIC SCALE  
SCALE: 1" = 200'

DATE: 11/27/2012  
JOB No: 1USC072800 T000

**PSOMAS**  
 555 South Flower Street, Suite 4300  
 Los Angeles, CA 90071  
 (213)223-1400 (213)223-1444 (FAX)

V:\BDO1-CADASTRAL\1-V-EX01

Nov. 28, 2012 - 08:09:59 DWG Name: \\vesitel\projects\USC\CAMPUS\USC072800\SURVEY\LEGALS\PL-EX04.dwg Updated By: thomasmodermitt

USC

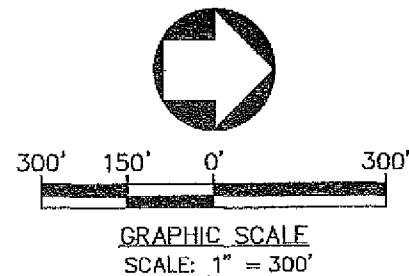
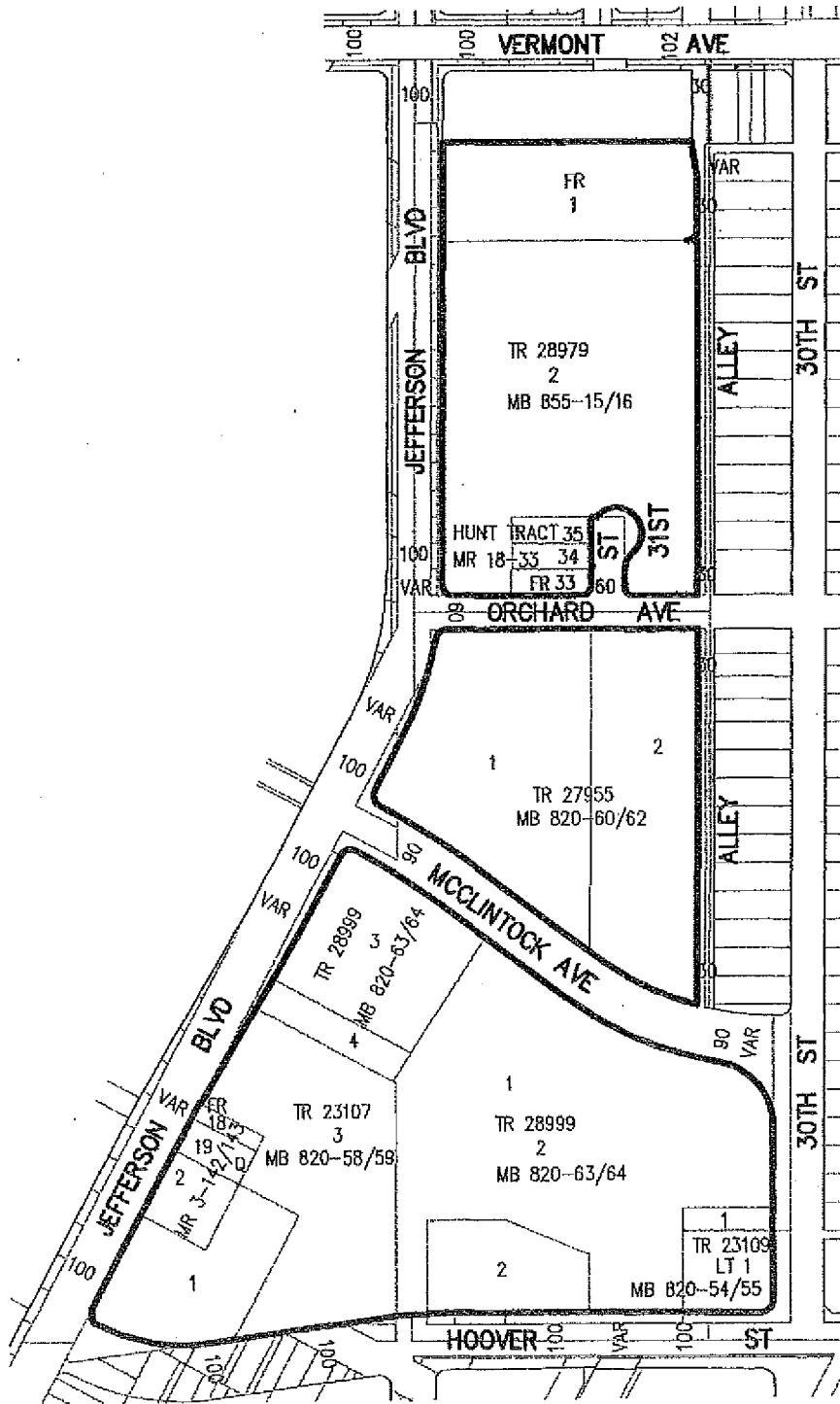
PL-EX04

SCALE: 1" = 300'

SHEET 5 OF 5 SHEETS

# EXHIBIT A SUBAREA 3A

IN THE CITY OF LOS ANGELES  
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA



DATE: 11/27/2012  
JOB No: 1USC072800 T000

**PSOMAS**  
555 South Flower Street, Suite 4300  
Los Angeles, CA 90071  
(213)223-1400 (213)223-1444 (FAX)

DWG Name: \\westco1\projects\USC\CAMPUS\1USC072800\SURVEY\LECAL\PL-EX05.dwg Updated By: thomas.mcdermott  
Nov. 28. 2012 - 06:21:37

V-8001-CADAstral | V-EX01 |

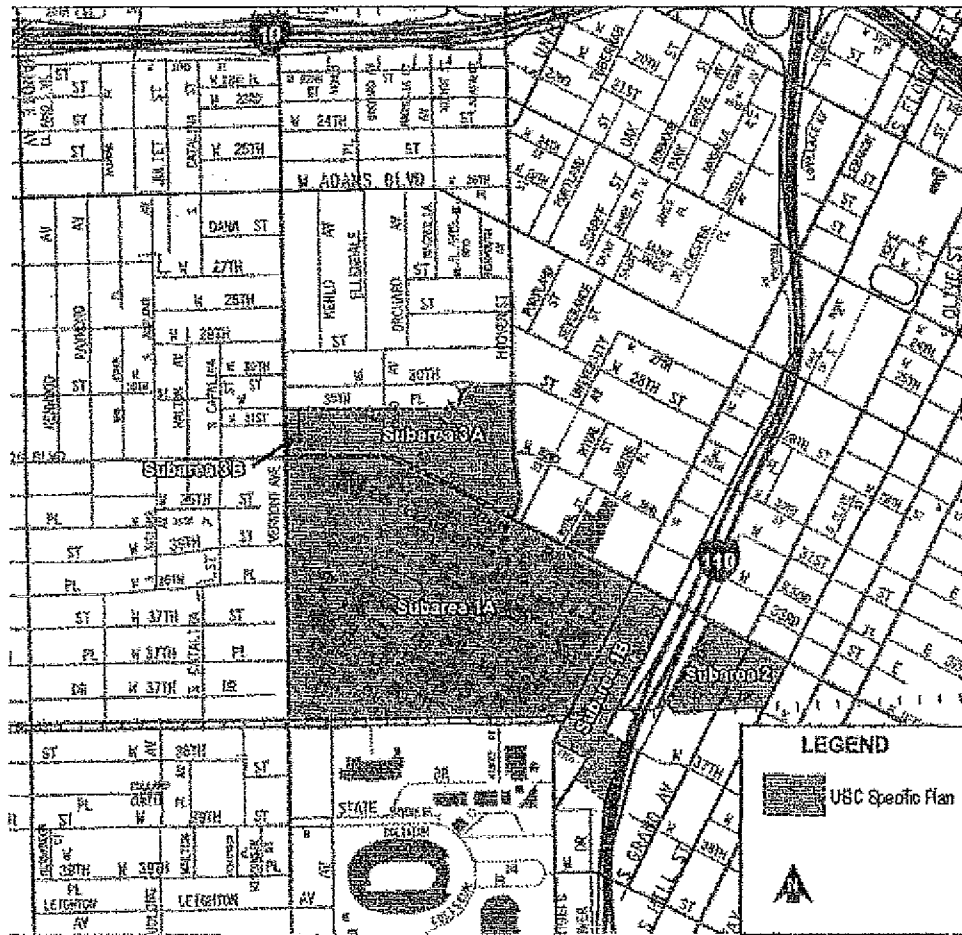
**USC**

PL-EX05

**Exhibit B:**

**Depiction of the Property**

The University Park Campus (UPC) of the University of Southern California. Approximately 207 net acres generally bounded by 30th Street and the alley south of 30th Street to the north, Jefferson Boulevard to the northeast, Exposition Boulevard to the south, Hoover Street and Flower Street to the east and Vermont Avenue to the west, as well as a small area to the south of Exposition Boulevard and a second area to the east of the Harbor Freeway (I-110), adjacent to Jefferson Boulevard between Hope and Hill Streets.

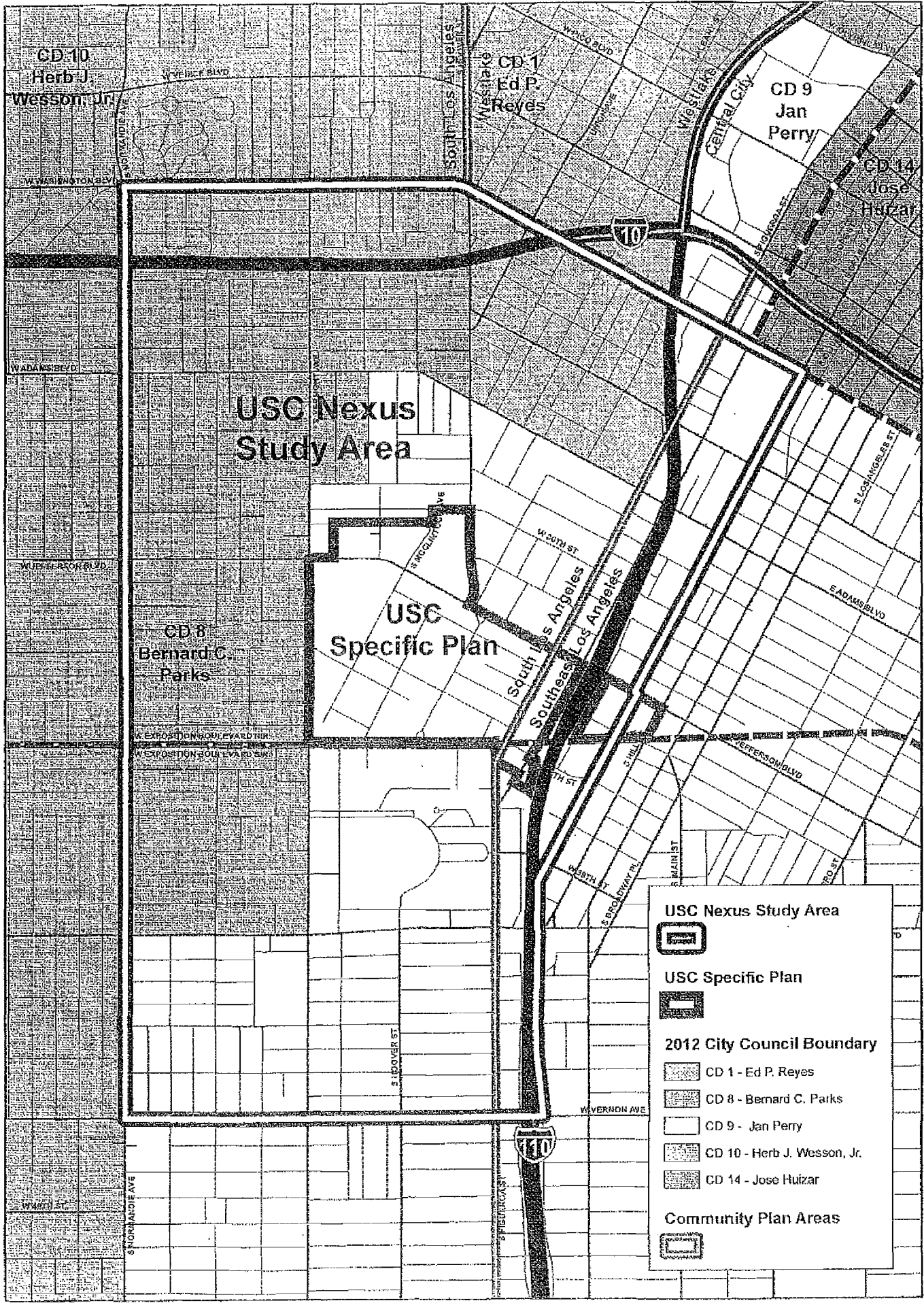




**Exhibit C:**

**Nexus Study Boundaries**

Attached.



**USC Nexus Study Area**

**USC Specific Plan**

**2012 City Council Boundary**

- CD 1 - Ed P. Reyes
- CD 8 - Bernard C. Parks
- CD 9 - Jan Perry
- CD 10 - Herb J. Wesson, Jr.
- CD 14 - Jose Huizar

**Community Plan Areas**

**Exhibit D:**

**Fire Station MOU**

Attached.

## FIRE STATION 15 MOU

### MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF LOS ANGELES AND THE UNIVERSITY OF SOUTHERN CALIFORNIA

This Memorandum of Understanding ("MOU") dated as of \_\_\_\_\_, 2012 is entered into by and between the City of Los Angeles ("City") and the University of Southern California ("University") to memorialize preliminary terms and provide a general framework for negotiations between the parties in relation to the exchange of land between the City and the University, and the design and construction of a new Fire Station 15 by the University. The City and the University are individually referred to as a "Party" and collectively referred to as the "Parties".

#### 1. STATEMENT OF INTENT

1.1 This MOU represents a statement of intent by the City and the University and it is not intended to nor does it create binding contractual obligations. The City and the University will negotiate definitive binding agreements and related documents ("**Transaction Documents**"), which may include various property exchange agreements, construction agreements and other legal documents, as necessary to implement the terms of this MOU. Any proposed design or proposed project developed by the University as a result of this MOU will be subject to all applicable environmental reviews, including CEQA compliance, code compliance and planning review.

#### 2. PROJECT OVERVIEW

2.1 The University has a desire to acquire City-owned land which houses the existing Fire Station 15 to use as part of the future University Village. In exchange, the University proposes to construct a new fire station on University-owned land as a community benefit per a pending Development Agreement.

2.2 The City owns real property comprised of approximately 0.33 acres located at 915 West Jefferson Boulevard, as detailed in Exhibit A ("**City Land**").

2.3 The Los Angeles Fire Department ("**LAFD**") operates Fire Station 15 on the City Land. Fire Station 15 is housed within a structure ("**Existing Fire Station Building**"). The Existing Fire Station Building is located on a site that is insufficient in size to house a new fire station that meets the requirements established by voters pursuant to Proposition "F" ("**Prop F Requirements**"). The current specifications for new stations require a one (1) acre site housing a six bay station of approximately 16,000 square feet, per Prop F Requirements.

2.4 The University is the owner of land comprised of approximately one acre at the southeast corner of West 30th Street and Hoover Street as detailed in Exhibit B ("**New Fire Station Land**"). The New Fire Station Land is currently occupied by a portion of McAlister Field, which is the location of the University's NCAA women's soccer and women's lacrosse playing field. The New Fire Station Land meets the Prop F Requirements of a one (1) acre site for new fire stations.

## FIRE STATION 15 MOU

2.5 The University has proposed to construct, as a community benefit per that certain Development Agreement proposed to be entered into by and between the City and the University pursuant to Government Code Section 65864 et seq. ("**Development Agreement**") and on the terms and conditions set forth in this MOU, a modern fire station that would meet the community and LAFD needs on the New Fire Station Land ("**New Fire Station**"), and to convey the New Fire Station and the New Fire Station Land (collectively, and with all improvements thereon, the "**New Fire Station Property**") to the City in exchange for the City Land and the Existing Fire Station Building ("**Exchange**").

### 3. GENERAL TERMS AND CONDITIONS

The City and the University agree to the following:

3.1 Good Faith and Exclusive Negotiations. The Parties shall negotiate diligently and in good faith to prepare the Transaction Documents. The City and the University agree to negotiate exclusively regarding the Exchange described in this MOU and shall not solicit or market to or negotiate with any other person or entity regarding the Exchange Properties or solicit or entertain bids or proposals to do so.

3.2 Not a Final Agreement. This MOU (including all exhibits) is solely an exclusive right to negotiate and it is not a final agreement. The Parties do not intend this agreement to be a Disposition and Development Agreement, Development Agreement, purchase agreement, option or similar contract, or to be bound in any way by this MOU.

3.3 Essential Terms and Transaction Documents. The Parties acknowledge that they have not agreed upon the essential terms of the subject matter of an agreed transaction and that such essential terms will be subject to further negotiations, which may result in Transaction Documents that could include essential terms such as: terms and timing of the Exchange, design and construction terms and specifications, warranty specifications, insurance/indemnification requirements, and others. Unless otherwise agreed by the Parties, the City shall maintain all landscaping on the New Fire Station Land.

3.4 Failure to Agree Upon Transaction Documents. Notwithstanding anything to the contrary in this MOU, provided that each Party has complied with the provisions of this MOU, the failure to reach agreement upon any of the Transaction Documents or complete any of the identified tasks set forth in this MOU shall not be deemed a default by either Party.

### 4. PROPERTY EXCHANGE AND CONVEYANCE

4.1 Exchange. The City desires to obtain, at no cost, a New Fire Station to be constructed on land meeting Prop F Requirements. The University desires to acquire the City Land together with the Existing Fire Station Building and all other improvements and fixtures located thereon (collectively, the "**City Property**") and to utilize such property for uses consistent with the University's ongoing campus operations. The City Property and the New Fire Station Property also are referred to individually as an "**Exchange Property**" and collectively as the "**Exchange Properties.**"

## FIRE STATION 15 MOU

4.2 Exchange and Construction of New Fire Station. The University has made an offer to acquire the City Property on the following terms:

(a) The City agrees to transfer the City Property to the University and to concurrently decommission the use of Fire Station 15. In exchange, the University will construct and transfer to the City a New Fire Station meeting Prop F Requirements and the specifications described in Exhibit C (collectively, "City Requirements").

(b) The transfer of each Exchange Property by the Party currently owning the land ("Transferor") shall be on an AS-IS BASIS, except as set forth in the environmental indemnities and provisions to be agreed upon by the Parties in the Transaction Documents.

(c) The transfer of each of the Exchange Properties shall take place simultaneously upon the date that is 30 days following the determination of Substantial Completion (defined below) of the New Fire Station.

(d) The University shall grant to the City, or the City shall reserve, an easement for an approximately 15' x 6' rectangular Automatic Traffic Surveillance and Control (ATSAC) box upon the portion of the City Property upon which such ATSAC box is currently located and for access in, on and across the City Property for maintenance of such system.

(e) All taxes, assessments, costs and fees associated with the transfer of the City Land and New Fire Station Land shall be paid by the University.

(f) The City acknowledges and agrees that the New Fire Station Land has a fair market value that is at least equal to or exceeds the fair market value of the City Land and that the New Fire Station Property has a fair market value that is at least equal to or exceeds the fair market value of the City Property.

## 5. TRANSACTION DOCUMENTS

5.1 Terms and Conditions to be Negotiated. The Parties shall negotiate and seek to agree upon the terms of Transaction Documents that will provide the mechanics and execution of the business terms, will define the legal and administrative mechanisms to implement the Exchange and will establish the essential terms and framework of the Exchange, including specifying in greater detail the scope of development, terms of the Exchange, schedule, and environmental clean-up responsibilities, if any, of the University and the City. The Transaction Documents may also include but will not be limited to property exchange agreements; design/construction agreements; performance guarantees; insurance, indemnity, default and termination provisions; and other legal documents.

5.2 Design. The Schematic Design for the New Fire Station is attached as Exhibit D ("Schematic Design") and the Information Technology Specifications are attached as Exhibit E (the "IT Specifications"; and collectively with the Schematic Design, the "Preliminary Design") and each has been approved by the Parties and has been agreed by the Parties to meet the City Requirements. Prior to approval of the Transaction Documents, the Schematic Design

## FIRE STATION 15 MOU

will be amended to include an allowance for furniture, fixtures and equipment to permit equipment of the station to standard City fire station specifications ("FFE Allowance") and an allowance for IT Specifications (the "IT Allowance"), which will be agreed upon by the Parties. Except as provided by the FFE Allowance, the IT Allowance and as set forth in the Preliminary Design, the University shall have no obligation to provide furniture, fixtures, equipment, utilities, information technology or other personal property. The City and the University acknowledge that the IT Specifications (Exhibit E) will have to be updated pending selection of a new fire station alerting system, provided however, that the cost of the IT Specifications shall not exceed the IT Allowance. Landscaping will be in accordance with City Requirements.

### 6. DESIGN AND CONSTRUCTION TERMS

6.1 Selection of Personnel. The University has retained WLC Architects, Inc. ("Architect") for design of the New Fire Station. The City hereby acknowledges and approves the retention of the Architect. The University shall have the right to terminate and replace the Architect at any time upon provision of prior notice to the City. Any replacement architect shall have experience in the design of fire stations meeting the Prop F Requirements and shall be acceptable to the City in its reasonable discretion. The University shall have the right to select consultants, engineers and contractors for the design and construction of the New Fire Station in its sole discretion. Selected consultants, engineers and contractors shall be licensed as required by State law.

6.2 Conformance Review with Applicable Design Guidelines. The Architect shall, to the extent feasible, incorporate the applicable Walkability Checklist and Citywide Design Guidelines for Commercial and Industrial Projects adopted by the City Planning Commission, and shall present the Schematic Design to the Department of City Planning for review in accordance with applicable City municipal code requirements prior to issuance of any building permit for the New Fire Station.

6.3 Construction Documents. The University shall cause the Architect and the University's engineering consultants to prepare a design narrative, plans and specifications, and working drawings in accordance with the Preliminary Plans and meeting City Requirements (collectively, the "Construction Documents") to further the design described by the Preliminary Design. The City shall have the right to review and provide comments on the Construction Documents at the 50% and 100% construction drawing phase in accordance with the following, and the University shall respond to the City in writing. The Preliminary Plans and Construction Documents approved in the Transaction Documents shall not be modified or amended except to the extent that such modifications and amendments represent a logical progression from previous approvals and a commercially reasonable implementation of the Preliminary Design and are consistent with the City Requirements, or with the written consent of both Parties and in accordance with the provisions of this Section 6.3.

(a) The University shall submit construction drawings to the City at the 50% and 100% construction drawing phase and shall submit the final Construction Documents to the City upon completion thereof. The City shall conclusively be deemed to have given its approval to the 50% and 100% construction drawings and the Construction Documents unless, within

## FIRE STATION 15 MOU

twenty-one (21) calendar days after the City's receipt of such materials, the City gives written notice of changes or additions to the University specifying in reasonable detail each item that the City wishes to change or add. The University shall make changes in response to the City's notice of changes or additions and resubmit such materials to the City for review and approval in accordance with the provisions of this Section (and in such case the City's review period shall be ten (10) calendar days.) The above approval timeline is applicable solely to review by City agencies (including BOE and LAFD) acting on behalf of the City in its proprietary capacity and does not include regulatory approvals from any of the City's permitting agencies. The Architect must submit those plans separately to the proper department(s) for regulatory approval in accordance with the requirements of the City Municipal Code.

(b) Notwithstanding any other provision of this MOU, the City shall have the right to disapprove the 50% or 100% construction drawings or the Construction Documents or any portion thereof only if: (i) the aspects of such drawings or documents disapproved have not previously been approved by the City or do not represent a logical progression from previous approvals, and (ii) such drawings (x) do not represent a commercially reasonable implementation of the Preliminary Design or (y) are not consistent with the City Requirements.

6.4 Conformance Review with Prop F Requirements. The LAFD, Department of Building and Safety, Bureau of Engineering and any other affected departments, shall review and certify that the Construction Documents meet all criteria of Prop F Requirements prior to issuance of any building permit, including grading permits, for the New Fire Station.

6.5 Approved Construction Documents. The New Fire Station shall be constructed in accordance with the Construction Documents, which shall be approved by the Parties as part of the Transaction Documents. Upon approval by the City of the Construction Documents such approved plans, specifications, drawings and other materials (collectively the "Approved Construction Documents") shall be attached to or referenced in the Transaction Documents and shall govern development of the New Fire Station and such attachment or reference shall constitute the City's acknowledgement that the Approved Construction Documents are consistent with the City Requirements and the other requirements, if any, of the Transaction Documents. The City shall not have the right to modify the Approved Construction Documents unless consented to by the University in its sole discretion. To the extent of any inconsistencies between the Approved Construction Documents and any of the Preliminary Design, the construction drawings or Construction Documents submitted by the University and/or the City Requirements, the Approved Construction Documents shall govern and control as to the development of the New Fire Station.

6.6 Commencement of Construction and Construction Terms. The City and the University will agree to a construction schedule and commencement period which will be detailed in the Transaction Documents. Construction of the New Fire Station will be at the sole cost and expense of the University in accordance with the Approved Construction Documents.

6.7 City's Right to Enter. The City and its contractors and agents shall have the right to enter upon the New Fire Station Land to determine compliance with the Approved



## FIRE STATION 15 MOU

Construction Documents. The University shall have the right to have a representative on site at any time the City desires to enter the New Fire Station Land.

6.8 Inspection. The City's Bureau of Contract Administration ("BCA") will provide one or more construction inspectors (each, a "BCA Inspector") approved by the University to the project to inspect the work and ensure compliance of the plans and specifications. The BCA will maintain each BCA Inspector available, as necessary, for the duration of the construction at the University's cost and expense.

(a) If any BCA Inspector determines that the materials and/or workmanship utilized by the contractor are not in compliance with the Approved Project Plans, it shall notify the City and the University in writing within one (1) business day. The University shall promptly investigate and shall cause its contractor to rectify any noncompliance with the foregoing. If the contractor shall fail to rectify any non-compliance, the University shall have the right to terminate the contractor and to select a replacement contractor.

(b) The University, acting reasonably and in good faith, shall have the right to request that any BCA Inspector be replaced with another BCA Inspector approved mutually by the University and the City.

6.9 Audits and Inspections. At any time during normal business hours, and as often as the University may deem necessary, the BCA shall make available for examination all of its records that support all matters covered by this MOU.

6.10 Permits. The University will be responsible for securing all inspections required from various City, County and State agencies (i.e. LADBS, AQMD, etc.).

6.11 Warranties. The Parties will negotiate warranty specifications in the Transaction Documents and, upon transfer of the Fire Station Property, the University will assign to the City its rights under any and all warranties provided by the contractor retained by it for construction of the New Fire Station.

6.12 Substantial Completion. Substantial Completion (defined below) of construction of the New Fire Station in accordance with the Approved Construction Documents shall be determined by the Architect. The City shall have the right to have representatives present to perform the inspection to determine substantial completion of the New Fire Station; provided, however, that the City shall designate only one (1) representative to communicate the City's issues and concerns to the University and the Architect at the final inspection. The University shall notify the City at least thirty (30) days in advance of such final inspection. The term "Substantial Completion" shall mean, with respect to the New Fire Station, that construction has been completed in accordance with the Approved Construction Documents such that (a) the City may enter upon and occupy such New Fire Station, subject only to punch list items and commissioning agent items that will be completed by the University within forty five (45) days of the determination by the Architect of Substantial Completion and (b) the City has issued a temporary certificate of occupancy for the New Fire Station.

FIRE STATION 15 MOU

7. COOPERATION

7.1 In connection with this MOU, the Parties shall reasonably cooperate with one another to achieve the objectives and purposes of this MOU, including cooperating with each other in preparing and negotiating the Transaction Documents. In so doing, the Parties shall each refrain from doing anything that would render its performance under this MOU impossible.

*[Signatures on following page]*

**FIRE STATION 15 MOU**

**CITY OF LOS ANGELES**

By: \_\_\_\_\_

Title: Councilwoman, 9<sup>th</sup> Council District

DATE: \_\_\_\_\_

**THE UNIVERSITY OF SOUTHERN CALIFORNIA**

By: \_\_\_\_\_

Title: \_\_\_\_\_

DATE: \_\_\_\_\_

EXHIBITS

EXHIBIT A: Legal Description of City Land

EXHIBIT B: Legal Description of New Fire Station Land

EXHIBIT C: Proposition F Specifications and Architectural Program

EXHIBIT D: Schematic Design

EXHIBIT E: Information Technology Specifications

Exhibit E:

Local Project Area

