



CITY OF NEWPORT BEACH

OFFICE OF THE CITY CLERK

Leilani I. Brown, MMC

December 20, 2012

The Irvine Company
Attn: Dan Miller, Vice President
550 Newport Center Drive
Newport Beach, CA 92660

Re: C-5285

Dear Mr. Miller:

Enclosed please find your executed original copy of the North Newport Center Planned Community Covenant between The Irvine Company, LLC and the City of Newport Beach Rendering Square Footage Non-Habitable in Block 100 and San Joaquin

If you have any questions or need additional information, please contact Administrative Analyst, Terresa Moritz at (949) 644-3239.

Sincerely,

A handwritten signature in black ink, appearing to read "Leilani I. Brown".

Leilani I. Brown, MMC
City Clerk

Enclosure

cc: Terresa Moritz, Community Development (via email only)

non-habitable upon receipt of a certificate of occupancy for the 650 Building. Following construction of the 650 Building, 47,264 square feet remained unbuilt in Block 600. Of this remaining unbuilt square footage in Block 600, 45,236 square feet originated from, and currently exists as constructed office buildings in Block 100 (TD 2010-1).

- G. On November 8, 2011, the City Council approved the transfer of the 47,264 unbuilt square feet from Block 600 to Block 500, and the transfer of 241,711 existing square feet from San Joaquin Plaza to Block 500 (TD 2011-1; Resolution No. 2011-102). Following this transfer, the available unbuilt entitlement in Block 500 is 288,975 square feet and there is no remaining unbuilt entitlement in Block 600.
- H. Irvine Company intends to construct an office building totaling 330,973 square feet in Block 500 ("520 Building").
- I. The 288,975 square feet of available unbuilt entitlement, combined with the planned demolition of 40,894 square feet and conversion of 1,224 square feet of existing development in Block 500 will provide sufficient square feet to allow construction of 330,973 square feet in the 520 Building.
- J. Based on the transfers approved in TD 2010-1 and TD 2011-1, and prior to the issuance of certificates of use and occupancy for the 520 Building, a total of 241,711 square feet of commercial office space in San Joaquin Plaza and 47,264 square feet of commercial office space in Block 100 must be rendered non-habitable.
- K. Following construction of the 330,973 square foot 520 Building, 120 square feet of unbuilt entitlement will remain in Block 500 and the entirety of entitlement within Block 100, totaling 121,114 square feet, will be rendered non-habitable.

NOW, THEREFORE, it is mutually agreed by and between the City and Irvine Company as follows:

1. Recitals.

The City and Irvine Company acknowledge that the Recitals set forth above are true and correct and are hereby incorporated by reference in this Covenant.

2. Non-Habitability and Maintenance of Buildings.

Irvine Company shall render 241,711 square feet of commercial office space in San Joaquin Plaza and 47,264 square feet of commercial office space in Block 100 non-habitable no later than the date a certificate of occupancy is issued for the 520 Building. Irvine Company shall ensure that no persons occupy or access the space, except as set forth in this Covenant, and shall maintain the existing space as follows:

- a. Neither Irvine Company, nor any tenants or any other third parties shall occupy the space;
- b. Irvine Company shall provide access to the buildings only for the purpose of maintenance or security;
- c. Electricity in the buildings shall be continued to preserve the appearance that the buildings have not been abandoned and to provide security lighting at night;
- d. Water service shall be continued to preserve the existing landscaping;
- e. Building exteriors, landscaping and irrigation systems, and parking lots shall be maintained to ensure continued aesthetic compatibility with surrounding properties; and
- f. Security personnel shall continue to patrol building grounds.
- g. Where any portion of square footage from a specific building must be rendered non-habitable, the entire building shall be non-habitable. No portions of buildings shall be allowed to remain habitable.

3. Reoccupation of Square Footage.

The square footage rendered non-habitable may be reoccupied by Irvine Company upon the approval of a transfer of development rights consistent with Section IV.C of the PC Text and Policy LU 6.14.3 of the City's General Plan or by rendering a commensurate amount of other existing square footage within the NNCPD non-habitable. This Covenant shall be modified or terminated upon the approval of such a transfer and/or rendering of other square footage non-habitable.

4. Tracking of Square Footage.

The City shall determine the best method of tracking square footage within the NNCPD that has been rendered non-habitable, as well as reoccupation of such square footage, in the City's building permit database. The City and Irvine Company agree to track each occurrence related to square footage rendered non-habitable or reoccupation of such square footage within the NNCPD.

5. Future Transactions.

Any future transfer of development rights within NNCPD that requires rendering square footage non-habitable shall conform to Section 2, Section 3, and Section 4 of this Covenant.

[SIGNATURES ON NEXT PAGE]

AGREED TO AND ACCEPTED:

THE IRVINE COMPANY LLC,
a California limited liability company

Date: 12/6/12
By: [Signature]
Its S.R.V.P.

Date: 12/10/12
By: [Signature]
Its Vice President, Senior Counsel

CITY OF NEWPORT BEACH,
a California municipal corporation

Date: December 12, 2012
By: [Signature]
Kimberly Brandt, AICP
Community Development Director

ATTEST:
Date: 12.20.12
[Signature]
Leilani I. Brown
City Clerk



APPROVED AS TO FORM:
Date: 11/27/12
[Signature]
Aaron C. Harp
City Attorney