

**SUPPLEMENT TO MEMORANDUM OF UNDERSTANDING
REGARDING AFFORDABLE HOUSING AND RELATED MATTERS
BETWEEN THE CITY OF IRVINE AND IRVINE COMPANY**

This Supplement to Memorandum of Understanding (this “Supplement”) is entered into this 5th day of May, 2025 (the “Effective Date”), by and between the City of Irvine, a California municipal corporation (hereinafter the “City”), and The Irvine Company LLC, a Delaware limited liability company, and The Irvine Land Company LLC, a Delaware limited liability company, each on behalf of itself and each applicable affiliate thereof that owns the land within the City of Irvine referenced herein (hereinafter “Irvine Company” or “Landowner”). The parties hereto may each individually be referred to as a “Party” and collectively as the “Parties.”

RECITALS

- A. The Parties entered into that certain Memorandum of Understanding Regarding Affordable Housing and Related Matters Between the City of Irvine and Irvine Company dated March 14, 2023 (the “MOU”). Capitalized terms that are not otherwise defined herein shall have their respective meanings as set forth in the MOU.
- B. Section 1 of the MOU provides that the City Manager and/or his or her designee shall have the authority to agree to add future projects to the scope of the MOU.
- C. One of the existing Projects under the MOU is located in the area identified in Exhibit 4 of the MOU (the “Discovery Park Site”), which Discovery Park Site was identified to include up to 1,459 “Total Units” (as defined below). As used herein, the term “Total Units” means the total number of residential units (inclusive of density bonus units) that may be developed on a site. Irvine Company is considering adding up to 399 more Total Units to the Discovery Park Site (the “Additional Discovery Park Units”). The Additional Discovery Park Units are more specifically detailed in Exhibit A attached hereto.
- D. Irvine Company owns undeveloped property and low-rise office buildings located at the southeast corner of the MacArthur Boulevard northbound off-ramp and University Drive as depicted on Exhibit B attached hereto (the “PA 25 Site”). Irvine Company is considering potential development, in multiple phases, of up to 2,500 Total Units at the PA 25 Site (the “PA 25 Units”). The PA 25 Units are more specifically detailed in Exhibit B attached hereto.
- E. The Parties have determined it is in their mutual best interests to add the Additional Discovery Park Units and the PA 25 Units as additional Projects to the MOU pursuant to the terms and conditions set forth below.

- F. City intends for this Supplement (a) to operate as an overarching concept for the development of the Discovery Park Site and the PA 25 Site, and (b) for applications related to the Additional Discovery Park Units and the PA 25 Units to incorporate the provisions of the MOU (excluding the dedication of the Technology Drive Site and the related affordability levels set forth in clauses ii. and iii. of subsection 4.4.1 of the MOU), as supplemented by this Supplement. As described in Section 4 of the MOU, neither the MOU nor this Supplement is a land use approval or grant of rights to develop any project, Irvine Company shall have no right to development pursuant to this Supplement, and Irvine Company shall have no right of development unless and until the projects have complied with the California Environmental Quality Act (CEQA) and the Irvine Company obtains any and all necessary entitlements from the City. This Supplement is not a Development Agreement as that term is defined and used in Government Code Sections 65864 et seq.
- G. City also intends for this Supplement to operate as an overarching concept for the provision of fifty (50) transitional housing vouchers (each a “Voucher”), effective as of the Effective Date, entitling a tenant selected and screened by City, pursuant to the terms and conditions of this Supplement, to discounted rent from certain Irvine Company apartment units as further described herein.

Now, therefore, the Parties agree as follows:

SUPPLEMENT

1. **ADDITIONAL PROJECTS.** Pursuant to Section 1 of the MOU and subject to the terms and conditions of this Supplement, the Parties hereby supplement the MOU to include the Additional Discovery Park Units and the PA 25 Units. For the avoidance of doubt, the Additional Discovery Park Units are in addition to the 1,459 Total Units contemplated in Exhibit 4 to the MOU, for a cumulative number of Total Units at the Discovery Park Site of 1,858. The Parties further agree that notwithstanding that the PA 25 Units are referred to herein as a singular “Project,” each of the phases contemplated for the PA 25 Units shall be documented by a separate State Density Bonus Law Agreement and by a separate Regulatory Agreement, both on the approved template as referenced in Section 4.8 of the MOU.
2. **ADDITIONAL AFFORDABLE HOUSING REQUIREMENT.** Because the dedication of a 1.65-acre portion of the Technology Drive Site was intended to satisfy the affordability levels set forth in clauses ii. and iii. of subsection 4.4.1 of the MOU for the five (5) Projects identified in the MOU in place prior to this Supplement, Irvine Company shall provide, in addition to the affordability levels set forth in clauses i, iv and v of said subsection 4.4.1 of the MOU, additional affordable housing for the Additional Discovery Park Units and the PA 25 Units as follows (the “Program”):

- 2.1. Landowner will provide fifty (50) Vouchers, with each Voucher entitling a tenant selected by City for participation in the Program (each such tenant, a “Program Participant”) to a discounted rent for two (2) one-year leases of an Irvine Company apartment unit selected by City from among available apartment units presented by Landowner consistent with the terms of this Supplement (each such apartment unit, a “Program Unit”), in which the Program Participant’s responsibility for the gross monthly rent during the term of the Voucher is limited to thirty-five percent (35%) of the gross monthly market rent for the Program Unit (the difference between the gross monthly market rent for the Program Unit and the gross monthly rent applicable under the Voucher being the “Discount”), which gross monthly market rent shall be determined as of the first day of occupancy for which a Voucher is used (the (“Voucher Start Date”) and the first anniversary thereafter if the term of the Voucher includes a second one-year lease. The Discount is limited to the Gross Monthly Rent, as defined in the lease, and shall not apply to any other financial obligations due under the lease.
- 2.2. City may, in its sole discretion, use multiple Vouchers for any particular Program Participant for residency in the same Program Unit (such that the term of occupancy for any particular Program Participant may extend beyond a two (2) year term if multiple Vouchers are used).
- 2.3. Vouchers are non-transferrable and cannot be split or divided among multiple Program Participants or multiple Program Units. Each Voucher shall expire on the earlier of (a) two (2) years after the Voucher Start Date, (b) at the termination of tenancy of the Program Participant for the Program Unit utilizing such Voucher, (c) at the termination of the Voucher as directed by City pursuant to Section 2.13 below or (d) thirty (30) years after the Effective Date (such 30-year date being the “Outside Program Expiration Date”). Expired Vouchers cannot be re-issued.
- 2.4. Market rent for a Program Unit on the Voucher Start Date, and the first anniversary thereafter, will be determined by Irvine Company based on comparable units (i.e., units with the same number of bedrooms and of comparable size) rented or available to rent on an unrestricted/conventional basis within the same community. Landowner will not increase rent for a Program Unit more often than annually.
- 2.5. City will identify and pre-qualify Program Participants using criteria established by the City and designed to accommodate the types of tenants that will use Vouchers (including without limitation no income limits and no disqualifications for prior evictions related solely to non-payment of rent) and approved by Landowner (provided that Landowner shall not unreasonably withhold its approval). City will notify Irvine Company of the same (which notification shall include all qualification information collected on the proposed Program Participant), including any preference of the proposed Program

Participant for a particular “Program Community” (as defined in Section 2.8 below). Irvine Company reserves the right to conduct additional non-financial screening, including without limitation, identity verification, prior to approving the proposed Program Participant for a Voucher. The applicable Landowner shall, within fourteen (14) days of such notice, notify City of available units within Program Communities and offer to lease an apartment unit selected by City (to the extent available) to the approved Program Participant with a bedroom count determined by City, consistent with the terms of this Supplement, which apartment unit shall thereafter become a Program Unit (or shall continue to be a Program Unit if it was already used as a Program Unit in the immediately prior tenancy). If, within said fourteen (14) day period, no apartment unit with a bedroom count appropriate for the Program Participant’s household is available within a Program Community, Irvine Company shall, subject to City’s written acceptance, promptly rent an available apartment unit at any Irvine Company apartment community selected by Irvine Company in its sole discretion, with a bedroom count appropriate for the Program Participant’s household.

- 2.6. Irvine Company will waive its application fee for Program Participants.
- 2.7. For each tenancy of a Program Participant, City will pay, and Landowner will accept, a reduced security deposit of Five Hundred Dollars and Zero Cents (\$500.00). At the expiration of the tenancy, the deposit will be handled in accordance with California law.
- 2.8. Vouchers may be used at the below apartment communities (each, a “Program Community”), with a maximum of five (5) Vouchers at any particular Program Community at a time, unless the use of more Vouchers at a time is authorized by Irvine Company in its sole discretion:

- Park West
- Rancho Alisal
- Cross Creek
- Cedar Creek
- Deerfield

City and Irvine Company shall meet and discuss potential options to provide each Program Participant with a Program Unit at a location with easy access to the schools attended by children in the Program Participant’s household.

- 2.9. Apartment unit types available for use with the Program shall include five (5) three-bedroom units (unless City designates a smaller number of three-bedroom units), with the

remainder two-bedroom, one-bedroom and studio units as determined by City based on the household size of the Program Participant.

- 2.10. Program Participants will enter into direct leases with the applicable Landowner for Program Units, with City executing an addendum to each lease guaranteeing all monetary obligations of such Program Participant for the term of the Voucher, including without limitation, the applicable security deposit, monthly rent and other financial obligations due under the lease, including the cost to repair property damage in the unit and damage within the community caused by such Program Participant. In the event of any default by a Program Participant under a direct lease, Irvine Company will promptly contact and coordinate with City to address such default in order to attempt to minimize the need for discipline and eviction.
- 2.11. Program Participants are responsible for the payment of rent and all other amounts due under the Program Participant's lease for which a Voucher is used. However, in the event that a Program Participant fails to pay any amounts due within any applicable grace period set forth in their respective direct lease, then within thirty (30) days of written demand from Irvine Company, City will reimburse the applicable Landowner for the unpaid balance of such amounts.
- 2.12. During the term of the Voucher, Program Participants may terminate their tenancy on at least 30-days prior written notice with no lease break fee or rent responsibility to either Program Participant or City accruing after such termination, and the Voucher being utilized by such Program Participant shall be deemed expired upon such termination. City may require Irvine Company to terminate a Program Participant's Voucher consistent with the following paragraph, to the extent permitted by law.
- 2.13. The applicable Landowner's form of direct lease with Program Participants shall include in an addendum the right of the City to terminate such Program Participant's Voucher (and the related Discount) due to a Program Participant's default of its obligations to the City pursuant to City's transitional and affordable housing supportive programs. Thirty (30) days after City notifies Landowner in writing of such default and City's election to terminate the Voucher, the Voucher shall terminate. From and after the Voucher termination date, the Program Participant shall be responsible for the full market rent under such Program Participant's lease, without any Discount, and Landlord will use reasonable efforts to pursue eviction of such former Program Participant for any existing or future lease violations by such former Program Participant. City shall be responsible for notifying Program Participant of the termination, and City shall remain responsible for any unpaid rent due under such lease (less the Discount that would have otherwise been provided to the Program Participant if City had not terminated the Voucher), plus any other unpaid amounts accruing thereunder, until the earlier of (a) the natural expiration

date of the Voucher if City had not terminated the Voucher, (b) six (6) months after termination of the Voucher, (c) Landowner enters into a replacement lease with the former Program Participant or (d) the former Program Participant vacates the Program Unit and Landowner has evaluated the Program Unit for any necessary cleaning or repair charges, which evaluation shall occur within ten (10) business days following Program Participant's vacation of the Program Unit. The addendum executed by City with each lease shall include an obligation for City to indemnify Irvine Company from and against any and all claims, liabilities, litigation, causes of action, damages, costs, expenses, attorneys' fees and judgments arising directly from any termination of the Voucher (and the related Discount) by City.

2.14. At City's direction, and subject to applicable law and affordable program requirements, Irvine Company shall offer to a Program Participant the next available affordable unit located in an Irvine Company apartment community reasonably acceptable to City that is restricted to occupancy at an income category for which the Program Participant qualifies (i.e., without the use of a Voucher). City and Irvine Company shall use reasonable efforts to collaborate and provide such units at a location with easy access to the schools attended by children in the Program Participant's household.

2.15. At the time a Program Participant's tenancy terminates (regardless of whether such termination is as the result of the expiration or termination of a direct lease), or at the time a tenant occupies a unit without the use of a Voucher pursuant to the preceding paragraph or otherwise, the tenant shall cease being a Program Participant for the purpose of this MOU, and, subject to the following paragraph, the unit occupied by said tenant shall cease being a Program Unit.

2.16. Voucher issuance by City is subject to the following supply controls:

- All fifty (50) Vouchers will be issued by Irvine Company within sixty (60) days of the Effective Date
- No more than 25 Vouchers may be active at any time
- Each Voucher expires pursuant to Section 2.3 above

2.17. The Parties acknowledge that as of the Effective Date, the Parties may enter into other memoranda or agreements which may include the provision of further transitional housing vouchers by Irvine Company subject to similar provisions as set forth herein (each a "Future MOU"). In the event the Parties enter into such Future MOU(s), the Vouchers shall be integrated into the transitional housing voucher program established in said Future MOU(s), and may be used, in City's discretion, consistent with the applicable terms of the Future MOU(s). For example, if transitional housing vouchers granted pursuant to the

Future MOU may be used at a different or expanded list of Irvine Company apartment communities, City may use the Vouchers at either or both the expanded list of Irvine Company apartment communities or at the Program Communities listed in Section 2.8.

2.18. The provisions of this Section 2 shall survive termination of the MOU.

3. **HOUSING INCENTIVES.** Nothing contained herein is intended to, or shall limit Irvine Company's ability to utilize density bonuses, incentives, concessions and waivers available under applicable provisions of State Density Bonus Law and other federal, state, local laws and regulations.
4. **MOU APPLICABILITY.** Except for the foregoing terms regarding the provision of Vouchers and the dedication of the Technology Drive Site and the related affordability levels set forth in clauses ii. and iii. of subsection 4.4.1 of the MOU, all other terms and conditions of the MOU shall apply to the Additional Discovery Park Units and the PA 25 Units as additional Projects under the MOU, except that the term of each Development Agreement applicable to the Discovery Park Site and the PA 25 Site will not expire prior to the Outside Program Expiration Date. For the avoidance of doubt, the Additional Discovery Park Units and the PA 25 Units must provide the affordable units required in clauses i, iv and v of said subsection 4.4.1 of the MOU, in addition to the provision of Vouchers pursuant to this Supplement.
5. **CHANGES IN AFFORDABLE HOUSING LAWS.** In the event that applicable State law requires modified or additional affordability requirements to those contained in or required by the MOU and/or this Supplement, the requirements in applicable State law shall control.
6. **CREDITS FOR NON-APPROVAL.** Because the Effective Date of this Supplement, and Irvine Company's obligations under Section 2 above, are not conditioned on Irvine Company's receipt of Land Use Approvals for the Additional Discovery Park Units or PA 25 Units, in the event final, non-appealable Land Use Approvals are not received for the Additional Discovery Park Units or PA 25 Units, then for all Vouchers issued under the Program, Irvine Company shall receive dollar-for-dollar credit for the amount of the Discount towards building permits and/or affordable housing in-lieu fees (as determined by Irvine Company) for Irvine Company to use toward its building permits and inclusionary housing requirements, as applicable, in association with other Irvine Company residential developments. The provisions of this Section 6 shall survive termination of the MOU.
7. **POTENTIAL CREDITS FOR COMPLETION OF LESS UNITS.** Because the issuance of Vouchers will commence prior to completion of any of the Additional Discovery Park Units or the PA 25 Units, in the event all of the Additional Discovery Park Units or PA 25 Units are not completed, then the Parties shall meet and confer to discuss in good faith the creation, calculation and allocation of potential building permit credits that could be applied to Irvine

Company's other new developments in the City of Irvine in exchange for the Vouchers granted hereunder.

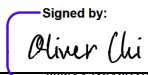
8. **MISCELLANEOUS.** The Recitals and Exhibits to this Supplement are incorporated by this reference. All terms of the MOU remain in full force and effect. This Supplement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

[signatures on following page]

Executed this 5th day of May, 2025.

“CITY”


CITY OF IRVINE,
a California municipal corporation

By: 
Name: Oliver C. Chi
Title: City Manager

ATTEST:

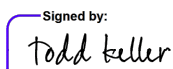

Carl Petersen, City Clerk

Approved as to Form:


Jeff Melching, City Attorney

“IRVINE COMPANY”

The Irvine Company LLC and
The Irvine Land Company LLC

By: 
Name: Todd Keller
Title: Division President

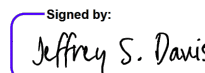
By: 
Name: Jeffrey S. Davis
Title: Senior Vice President

Exhibit A: PA 31 – Discovery Park (Additional Discovery Park Units)

Exhibit B: PA 25 – PA 25 Units

EXHIBIT A

PA 31 – Discovery Park (Additional Discovery Park Units)

- Up to 399 units in addition to the Total Units authorized by Exhibit 4 of MOU.
- Minimum onsite recreation requirement = 1.5 acres pursuant to Exhibit 7 of MOU

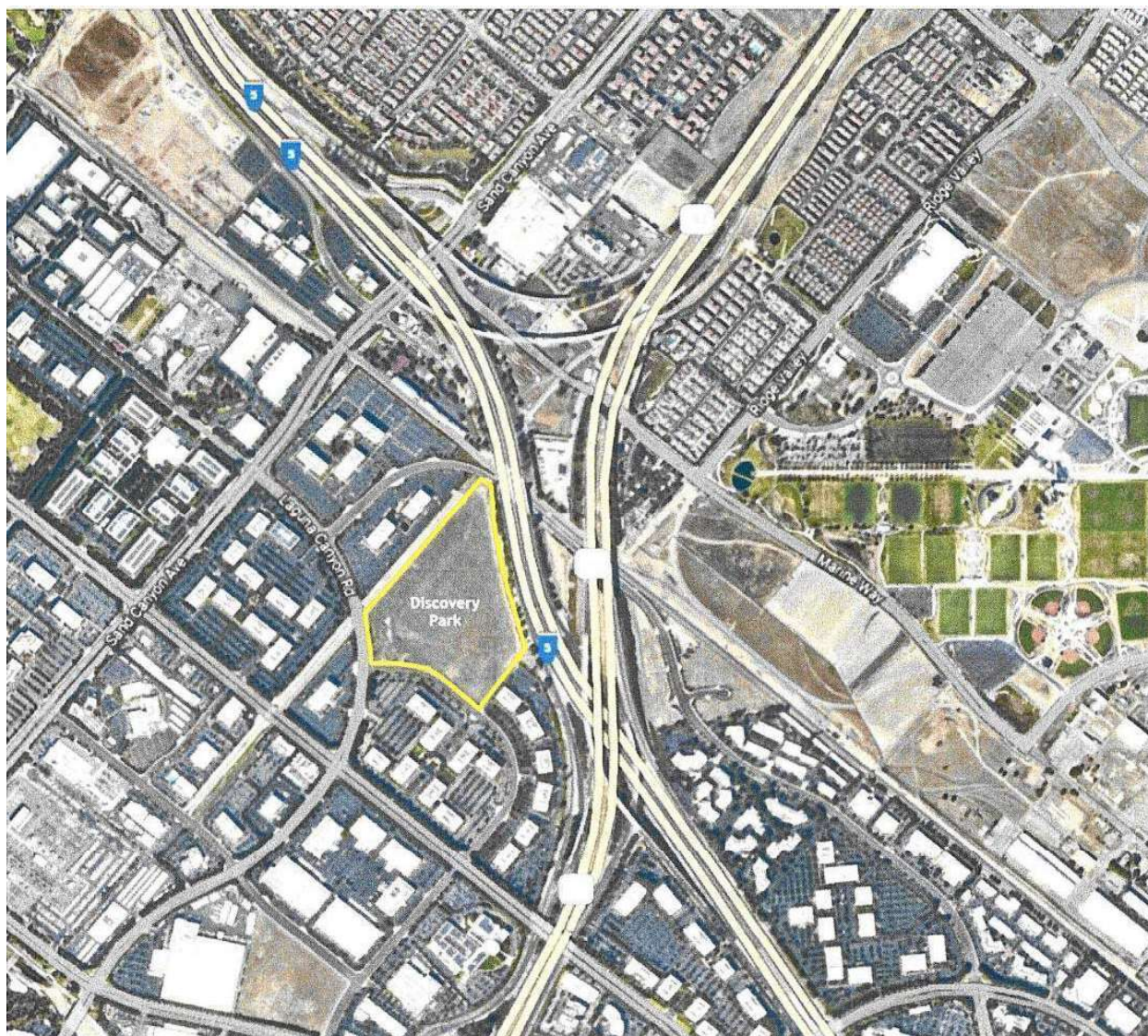


EXHIBIT A

EXHIBIT B

PA 25 - PA 25 Units

- Up to 2,500 Total Units (inclusive of density bonus units)

Minimum onsite recreation requirement = 1.75 acres pursuant to Exhibit 7 of MOU

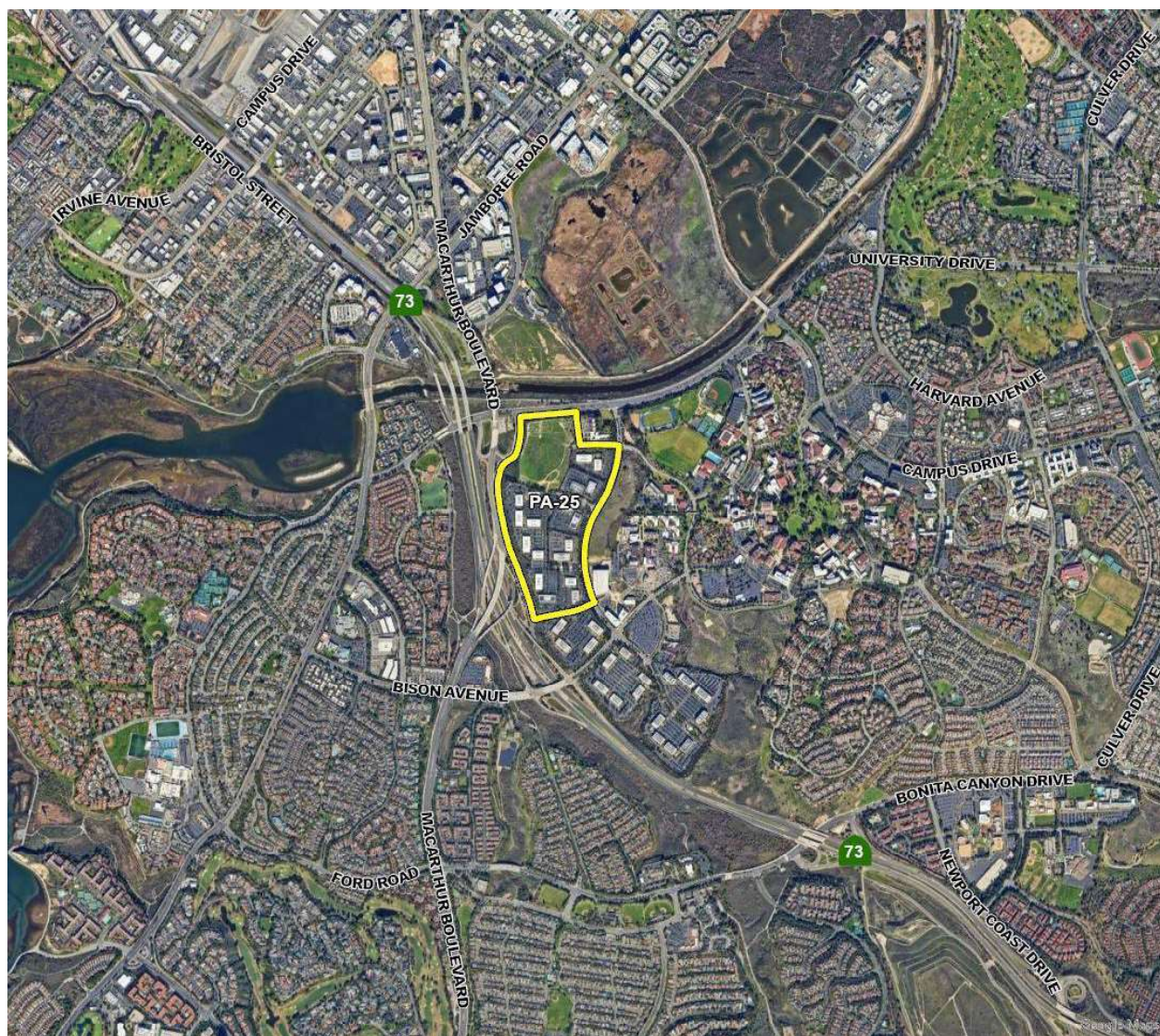


EXHIBIT B