

October 4, 2021

VIA EMAIL

Mr. Ken Rosenfield, P.E
City of Laguna Hills
Interim City Manager/Public Services Director
24035 El Toro Road
Laguna Hills, CA 92653

Re: Village at Laguna Hills Project ("Project") - Development Agreement Negotiations and Application Processing

Dear Mr. Rosenfield:

I write to inform you that Merlone Geier is growing increasingly concerned that the City of Laguna Hills ("City") is either unable or unwilling to commence the renegotiation of the draft Development Agreement for the Project in a timely manner. As you are aware, the applications for the Project were deemed complete in January, and the parties concluded negotiations on a complete Development Agreement shortly thereafter. Merlone Geier has endured months of undue delay caused entirely by the City. It is the City -- not Merlone Geier -- that wishes to renegotiate the terms of the Development Agreement. Under the circumstances, it is reasonable to expect the City to commit to a negotiation schedule and that its representatives will be empowered to negotiate on the City's behalf.

The Council selected December 14, 2021, as the date upon which it will resume the public hearing on the Project applications. That represents a continuance of more than five months just from the third continued hearing date. The last Council hearing on June 29th was more than three months ago, and the City has yet to communicate any of its proposed terms for negotiation. Our prior correspondence details our rights under State law and the consequences triggered by continued delay in City action on the applications, whether as a result of the City's failure to timely engage in the City-initiated effort to renegotiate the Development Agreement or otherwise.

We made clear in our letters of September 1st and September 13th that Merlone Geier is ready and willing to meet with the City in good faith to evaluate changes to the Development Agreement so long as that process will culminate in the Council taking action on our applications on December 14th. A delay in the first Development Agreement negotiation meeting, even by one week, causes us to believe that the December 14th hearing date is in jeopardy.

We respectfully urge you, in the strongest possible terms, to ensure that the City is prepared to meet with us on October 8th and as frequently as necessary thereafter so that negotiations will be concluded sufficiently in advance of the December 14th Council hearing.

Please call me at 858-259-9909 should you wish to discuss this matter further.

Sincerely,

Merlone Geier Partners

A handwritten signature in blue ink, appearing to be 'Stephen Logan', with a long horizontal flourish extending to the right.

Stephen Logan
VP, Development

Cc: Matt Gray, Perkins Coie LLP
Greg Simonian, Woodruff, Spradlin & Smart