

September 18, 2023

OC San Board of Directors' OC Sanitation District 10844 Ellis Avenue Fountain Valley, CA 92708

Dear OC San Board of Directors,

By submitting this letter, Legado at the MET LLC ("Legado") is seeking for OC San Board of Directors' approval of OC San Capacity Charges installment payment plan for the Legado at the MET, a 278- unit apartment project located at 200 East First American Way in the city of Santa Ana.

Over the past few years, Legado has been developing the project, and is planning to acquire a building permit to start construction on or before October 26<sup>th</sup>, 2023 when the plan check expires.

Due to current economic circumstances with rapidly increased construction loan interest along with vert high construction costs due to inflation for the past few years, overall project costs surged way beyond our projection. This situation forces us to seek relief from any upfront capital requirement.

Your approval of the payment plan for the OC Capacity Charges would be a great help to release capital pressure for this critically needed housing project in California.

We would like to request a 5-year payment program with no pre-payment penalty. Please consider the fact that the project will not generate any wastewater to increase capacity for more than four years, until after the construction is completed and the building is occupied.

Thank you for your consideration.

Edward Czukus

Sincerely,

Edward Czuker, Manager

LEGADO AT THE MET LLC