

CONTRACTS SCAN SHEET

CONTRACT NUMBER: 6896

CONTRACT TYPE: DEVELOPMENT AGREEMENT

DEPARTMENT: COMMUNITY DEVELOPMENT
Department initiating contract

CONTRACT DATE: 12/27/2010
As stated in Terms section of Contract

EXPIRATION DATE:
As stated in Terms section of Contract

MEETING DATE: 9/8/2009
Date of meeting where contract was approved

ITEM NUMBER: 3.12
Item number of meeting where contract was approved

CONTRACT AMOUNT:
As stated in Budget section of Contract

CONTRACT NAME: HERITAGE FIELDS EL TORO, LLC
As stated in 1st paragraph of contract

CONTRACT SUBJECT: AMENDED AND RESTATED
As stated in Description of Services section of contract DEVELOPMENT AGREEMENT
BETWEEN THE CITY OF IRVINE AND
THE IRVINE REDEVELOPMENT
AGENCY AND HERITAGE FIELDS EL
TORO, LLC; ARDA; DEEDS: 1211,
1212, 1213, 1214; AGREEMENTS:
6893, 6894, 6895, 6897, 6898, 6320

3.12 ORDINANCE 09-08 APPROVING CITY-INITIATED ZONE CHANGE, AND ORDINANCE 09-09 APPROVING ORANGE COUNTY GREAT PARK DEVELOPMENT AGREEMENT AMENDMENT FOR THE CITY OF IRVINE AND HERITAGE FIELDS EL TORO LLC, LOCATED IN PLANNING AREAS 30 AND 51

ACTION:

- 1) Read by title only, second reading and adoption of ORDINANCE NO. 09-08- AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IRVINE APPROVING CITY-INITIATED ZONE CHANGE 00470039-PZC TO MODIFY DEVELOPMENT STANDARDS IN SECTION 3-37-39 AND TEXT AND THE STATISTICAL ANALYSIS IN CHAPTERS 2-9, 9-30, AND 9-51 OF THE ZONING ORDINANCE FOR PLANNING AREAS 30 AND 51
- 2) Read by title only, second reading and adoption of ORDINANCE NO. 09-09 - AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IRVINE APPROVING A CITY-INITIATED AMENDMENT TO ORANGE COUNTY GREAT PARK DEVELOPMENT AGREEMENT 00470035-PDA BETWEEN THE CITY OF IRVINE AND HERITAGE FIELDS EL TORO LLC; PERTAINING TO PROPERTY IN PLANNING AREAS 30 AND 51

3.13 2009 RECOVERY ACT EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT

ACTION:

- 1) Accepted a 2009 Edward Byrne Memorial Justice Assistance Grant award in the amount of \$66,563 as a subgrantee of the County of Orange.
- 2) Authorized the City Manager to approve and execute, and the City Clerk to attest to an Agreement to Transfer Funds associated with the 2009 Recovery Act Edward Byrne Memorial Justice Assistance Grant Program between the County of Orange and the City of Irvine.
- 3) Authorized \$12,647 of the Edward Byrne Memorial Justice Assistance Grant to be utilized by the County of Orange to provide partial funding of the Pro-Active Methamphetamine Laboratory Investigative Team and to administer the grant.
- 4) Approved a budget adjustment request in the amount of \$53,916 for revenues and appropriations.

Recorded in Official Records, Orange County
Tom Daly, Clerk-Recorder

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:



NO FEE

2010000700065 03:57pm 12/27/10

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CITY OF IRVINE
One Civic Center Plaza
P.O. Box 19575
Irvine, CA 92623-9575
Attention: City Clerk

(Space Above For Recorder's Use Only)

This Development Agreement is recorded at the request
and for the benefit of the City of Irvine and is exempt
from the payment of a recording fee pursuant to
Government Code § 27383

AMENDED AND RESTATED DEVELOPMENT AGREEMENT

Between

THE CITY OF IRVINE AND THE IRVINE REDEVELOPMENT AGENCY

And

HERITAGE FIELDS EL TORO, LLC

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AMENDED AND RESTATED DEVELOPMENT AGREEMENT

This AMENDED AND RESTATED DEVELOPMENT AGREEMENT (“**Amended and Restated Development Agreement**”) is entered into this 22 day of December, 2010, by and between the CITY OF IRVINE, a California charter city (the “**City**”) and Heritage Fields El Toro LLC, a Delaware limited liability company (“**Heritage Fields**”). This AGREEMENT (“**RDA Agreement**”) is also entered into by and between the Irvine Redevelopment Agency, a redevelopment agency formed pursuant to Health and Safety Code Sections 33000 *et seq.* (“**RDA**”) and Heritage Fields. This Amended and Restated Development Agreement and RDA Agreement are collectively referred to as the “**Amended and Restated Agreement.**” The City, Heritage Fields and RDA are collectively referred to herein as the “**Parties**” and individually as a “**Party.**”

RECITALS

All capitalized terms used in the Recitals shall have the meanings given to such terms in Section 1 of this Amended and Restated Agreement.

A. 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 Statute,**” Sections 65864 *et seq.*, of the California Government Code. The Development Agreement Statute authorizes the City to enter into an agreement with any person having a legal or equitable interest in real property, to provide for the development of such property and to vest certain development rights therein. Pursuant to the authorization set forth in the Development Agreement Statute, the City adopted its Resolution No. 82-68 on July 13, 1982, establishing procedures for the consideration and approval of development agreements (“**City Development Agreement Regulations**”).

B. In accordance with the Development Agreement Statute, the City Development Agreement Regulations and applicable law, on July 8, 2003, the City Council of the City of Irvine (“**City Council**”) adopted Ordinance No. 03-19 approving a draft version of a development agreement (the “**2003 Agreement Draft Version**”) in anticipation of entering into an actual development agreement with the eventual purchaser(s) of the former Marine Corps Air Station, El Toro (“**MCAS El Toro**”).

C. On July 1, 2004, the City’s Planning Commission held a public hearing on the 2003 Agreement Draft Version, made certain findings and determinations with respect thereto and recommended to the City Council that such version be approved. On October 12, 2004, the City Council also held a public hearing on a revised draft version of a development agreement, considered the recommendations of the Planning Commission, found that the revised draft version of a development agreement (the “**2004 Agreement Draft Version**”) was consistent with the City’s General Plan, and adopted Ordinance No. 04-13 approving the 2004 Agreement Draft Version. The City again

prepared the 2004 Agreement Draft Version in anticipation of entering into a development agreement with the eventual purchaser(s) of the former MCAS El Toro.

D. Subsequently, the City determined to further revise the 2004 Agreement Draft Version to address, among other issues, completion of the bidding process for the acquisition of the former MCAS El Toro by a single bidder. On May 5, 2005, the City's Planning Commission held a public hearing on the proposed development, made certain findings and determinations with respect thereto, and recommended to the City Council that a further revised draft of a development agreement ("**Original Development Agreement**") be approved. On May 10, 2005, the City Council also held a public hearing on the Original Development Agreement, considered the recommendations of the Planning Commission, and found that the Original Development Agreement was consistent with the General Plan. In accordance with the Development Agreement Statute, the City Development Agreement Regulations, and applicable law, on May 24, 2005, the City Council adopted Ordinance No. 05-10 approving the Original Development Agreement.

E. On or about July 12, 2005, Heritage Fields LLC ("**HF**") purchased, or leased with a right to future conveyance, approximately 3,705 acres from the United States Department of the Navy ("**DON**"), which constituted a significant portion of the former MCAS El Toro ("**Property**"). The Property is depicted on Exhibit "A" attached hereto.

F. Concurrently with HF's acquisition of the Property and pursuant to the Development Agreement Statute and the City Development Agreement Regulations, the City and HF executed the Original Development Agreement dated July 12, 2005, substantially as approved by Ordinance No. 05-10, and as adopted by the City Council on May 24, 2005, which became effective on July 12, 2005 and was recorded with the Orange County Recorder's office as Document No. 2005000538136 on July 12, 2005.

G. On or about July 12, 2005, HF transferred certain real property consisting of approximately 1,117 acres in fee title or as a lease in expectation of a fee title (as described below) to the City for purposes of creating a great metropolitan park known as the Orange County Great Park (the "**Great Park**"). The portion of the Property initially conveyed to the City in July 2005 (either in fee title or as a lease in furtherance of conveyance of fee title) is hereinafter referred to as the "**Initial City Park Property**" and is depicted on Exhibit "B" attached hereto. Since July 12, 2005, the Parties have agreed to consider, pursuant to Section 8.1.4 of the Original Development Agreement, certain boundary adjustments to the properties conveyed and retained, to account for, among other things, changes in rights of way configurations, which will result in some portions of the Property currently owned by the City being re-conveyed to Heritage Fields (the "**Initial Heritage Fields Exchange Properties**") and other portions of the Property currently owned by Heritage Fields being conveyed to the City (the "**Initial City Exchange Properties**"). The Initial Heritage Fields Exchange Properties contains not less than 44 acres and are shown as Property Identification Areas ("**PIAs**") 7, 8, 31, 34, and 36 on Exhibit "I." The Initial City Exchange Properties contain approximately not less than 44 acres and are shown as PIAs 9, 32, 33 and 35 on Exhibit "I." The Initial Heritage Fields Exchange Properties and the Initial City Exchange Properties are

collectively referred to as the “**Exchange Properties**,” as further depicted on Exhibit “C.” The Parties acknowledge that some portions of the Initial City Park Property and Exchange Properties are currently held by the Parties as a lease in furtherance of conveyance (“**LIFOC**”), as depicted on Exhibit “N.” and that fee title to such portions of the Initial City Park Property and Exchange Properties will be conveyed ultimately to the Party by the DON. The Parties will execute appropriate property exchange documents and approvals necessary to effectuate such adjustments. The Initial City Park Property, the Initial City Exchange Properties and, upon the conveyance of the same to the City, the ARDA Transfer Site (as defined below) are collectively referred to herein as the “**Great Park Property.**”

H. On or about July 12, 2005, HF also conveyed approximately 294 acres to the City for non-Great Park purposes (the “**Original Non-Park Property**”), as depicted on Exhibit “D.” Heritage Fields has also promised to convey to the City approximately five and one-half (5 ½) acres (the “**Police Site**”), as generally depicted on Exhibit “F.” The Original Non-Park Property and the Police Site shall be collectively referred to herein as the “**Non-Park Property**”).

I. In consideration of the covenants and agreements of the City set forth in this Amended and Restated Agreement, Heritage Fields has also agreed to commit to and execute the transfer of approximately 130.5 acres to the City, as more fully described and subject to the conditions in Section 9.2 below (hereinafter, the “**ARDA Transfer**”). The real property to be transferred to the City pursuant to the ARDA Transfer is hereinafter referred to as the “**ARDA Transfer Site**” and such property is generally depicted on Exhibit “G.” and is more fully described as PIAs 28 and 30 on Exhibit “I.” but may be subject to adjustment in accordance with Section 9.2 below. Upon transfer, the ARDA Transfer Site will become a part of the Great Park Property.

J. The Great Park Property and the Non-Park Property are collectively referred to as the “**City Property.**”

K. The portions of the Property which have been or will be retained by Heritage Fields or conveyed to Heritage Fields as part of the Initial Heritage Fields Exchange Properties will contain approximately 2,157 acres, in the aggregate, and are collectively referred to as the “**Heritage Fields Property**” as depicted on Exhibits “H,” “H-1” and “H-2,” and more fully described as PIAs 1, 5, 7, 8, 16, 21, 22, 23, 26, 27, 31, 34, 36, 38, 39, 41, 42, 45, and 48 on Exhibit “I.”

L. On or about December 22, 2005, HF conveyed all of the Property it owned at that time to Heritage Fields. Heritage Fields is the successor-in-interest to HF for all purposes under the Original Development Agreement.

M. Subsequent to the Parties’ execution of the Original Development Agreement: (i) Heritage Fields and the City entered into that certain Master Implementation Agreement dated June 27, 2006 (the “**MIA**”); (ii) the City initiated, and on October 24, 2006 approved, a General Plan Amendment and Zone Change Ordinance No. 06-18 (the “**2006 GPA/ZC**”); (iii) the City approved Tentative Parcel Map No. 2006-271, which

when recorded will constitute a Financing and Conveyance Map; (iv) Heritage Fields sought and obtained certain Agency Permits; (v) the City initiated, and on April 10, 2007 adopted, an amendment to its Affordable Housing Ordinance (Section 2-3 of the Zoning Code) pursuant to which the City updated such ordinance so that it is in compliance with the State of California's density bonus law; (vi) Heritage Fields prepared and the City approved on May 17, 2007 a Master Subdivision Map, Vesting Tentative Tract Map No. 17008, (as amended, the "MSM"); (vii) Heritage Fields timely paid to the City the aggregate amount of \$200,000,000.00 in Development Agreement Fees, which payments satisfy Heritage Fields Development Agreement Fee obligations; (viii) Heritage Fields prepared, and the City approved certain amendments to Tentative Parcel Map No. 2006-271; (ix) the City approved on September 27, 2007 Orange County Great Park Master Plan 00434337-PMP (the "**Great Park Master Plan**"); (x) Heritage Fields prepared and the City approved on October 16, 2008 certain amendments to the MSM, together with a Master Landscape and Trails Plan, certain modifications to the Orange County Great Park Master Streetscape Design Guidelines approved by City's Planning Commission on October 16, 2008 (including subsequent refinements mutually approved by Heritage Fields and the Director of Community Development and as further supplemented and/or amended from time to time mutually by Heritage Fields and the City, the "**Streetscape Guidelines**"), Vesting Tentative Tract Map No. 17283, and Master Plan No. 00470483-PMP; (xi) the County approved that certain San Diego Creek Flood Control Master Plan Update dated October 2, 2008 and designated County case number EC29320 (City case number 00457521-EMC); (xii) the County approved that certain Planning Area 51 Marshburn Watershed Update dated October 2, 2008 and designated County case number ED 29320 (City case number 00464843-EMC); (xiii) Heritage Fields prepared and the City's Planning Commission approved on November 6, 2008 the Master Affordable Housing Plan ("**MAHP**") for the Heritage Fields Property; (xiv) the IRWD SAMP dated March 17, 2009 was approved; and (xv) the County approved the Conceptual Project Water Quality Management Plan (WCMP), Updating the Integrated Master Plan of Drainage, Water Quality and Habitat Mitigation dated April 23, 2009.

N. The City and Heritage Fields have agreed to amend the Original Development Agreement and enter into this Amended and Restated Agreement to address, among other things, changing the assumptions and conditions for development of the Heritage Fields Property and the Parties' desire to revise development plans for the Heritage Fields Property to benefit Heritage Fields and the City and the desire to add the RDA as a Party. The Original Development Agreement and this Amended and Restated Agreement are intended to be, and shall be construed as, a development agreement within the meaning of the Development Agreement Statute. This Amended and Restated Agreement will eliminate uncertainty in planning for and secure the orderly development of the Heritage Fields Property, ensure a desirable and functional community environment, provide effective and efficient development of public facilities, infrastructure, and services appropriate for the development of the Heritage Fields Property, assure attainment of the maximum effective utilization of resources within the City, and provide other significant public benefits to the City and its residents by otherwise achieving the goals and purposes of the Development Agreement Statute. In exchange for these benefits to the City, Heritage Fields desires to receive, or if vested by the Original Development Agreement, continue to receive, the assurance that it may proceed with the development of the

Heritage Fields Property in accordance with the terms and conditions of this Amended and Restated Agreement, the Existing Land Use Regulations (defined below), and the ARDA Overlay Plan (defined below).

O. The City and Heritage Fields have agreed to amend both the MIA and that certain Agreement Regarding Hardscape Recycling dated May 3, 2006 (“**Tri-Party Agreement**”), and to memorialize said amendments in a single agreement, of near or even date herewith, entitled “Amended and Restated Master Implementation Agreement” (“**Amended MIA**”).

P. The City has determined that the development described in the ARDA Overlay Plan (defined below), the Existing Land Use Regulations (defined below) and this Amended and Restated Agreement is consistent with the goals and policies of the City’s General Plan and that the ARDA Overlay Plan imposes appropriate standards and requirements with respect to the development of the Heritage Fields Property to maintain the overall quality of life and the environment within the City.

Q. On July 3, 2008, the City’s Planning Commission held a public hearing on this Amended and Restated Agreement, made certain findings and determinations with respect thereto, and recommended to the City Council that the Amended and Restated Agreement be approved. On September 8, 2009, the RDA made certain findings and determinations with respect thereto and adopted Resolution No. 09-02 approving this Amended and Restated Agreement. The RDA has considered the environmental impacts of the ARDA Overlay Plan and completed its environmental review of the development approved in this Amended and Restated Agreement. On August 11, 2009, the City Council held a public hearing on the Amended and Restated Agreement, considered the recommendations of the Planning Commission and found that the Amended and Restated Agreement is consistent with the General Plan. In accordance with the Development Agreement Statute, the City Development Agreement Regulations, and applicable law, on August 11, 2009, the City Council adopted for first reading Ordinance No. 09-09 approving this Amended and Restated Agreement. The second reading and adoption of Ordinance No. 09-09 occurred on August 11, 2009. The City has considered the environmental impacts of the ARDA Overlay Plan and completed its environmental review of the development approved in this Amended and Restated Agreement.

A G R E E M E N T

Based upon the foregoing Recitals, which are incorporated herein by this reference, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and Heritage Fields hereby agree as follows:

1. DEFINITIONS.

The following terms when used in this Amended and Restated Agreement shall have the meanings set forth below:

The term “**1602 Agreement**” shall have the meaning set forth in Section 8.2.1.

The term “**2003 Agreement Draft Version**” shall have the meaning set forth in Recital “B.”

The term “**2003 Project Approvals**” refers to those approvals made by the City Council in Resolution No. 03-60, Ordinance No. 03-18, Ordinance No. 03-19 and implementing approvals.

The term “**2004 Agreement Draft Version**” shall have the meaning set forth in Recital “C.”

The term “**2006 GPA/ZC**” shall have the meaning set forth in Recital “M.”

The term “**401 Certification**” shall have the meaning set forth in Section 8.2.1.

The term “**404 Permit**” shall have the meaning set forth in Section 8.2.1.

The term “**Action**” shall have the meaning set forth in Section 20.3.

The term “**Additional Backbone Infrastructure**” means those items or actions, in addition to the Backbone Infrastructure, that the City and Heritage Fields may mutually agree to pay for in the manner set forth in Section 7.

The term “**Administrative Expenses**” shall have the meaning set forth in the RMA.

The term “**ADT**” shall have the meaning specified in Section 1-2-1 of the Irvine Zoning Code; namely “The total bi-directional volume of traffic passing through a given point during a given period of time in whole days greater than one day and less than one year, excluding Saturdays, Sundays, and holidays, divided by the number of days in that time period, excluding Saturdays, Sundays, and holidays.”

The term “**Agency Permits**” shall have the meaning set forth in Section 8.2.1.

The term “**Amended and Restated Agreement**” shall have the meaning assigned to it in the initial paragraph of this document.

The term “**Amended MIA**” shall have the meaning set forth in Recital “O.”

The term “**Annual Review**” shall have the meaning set forth in Section 15.1.

The term “**ARDA Overlay Plan**” shall have the meaning as set forth in Section 4.1.

The term “**ARDA Traffic Study**” shall have the meaning set forth in Section 3.12.1.

The term “**ARDA Transfer**” shall have the meaning set forth in Recital “I.”

The term “**ARDA Transfer Site**” shall have the meaning set forth in Recital “I.”

The term “**Assumed IRWD Assessment**” shall have the meaning set forth in Section 7.5.2.

The term “**Authorized Facilities**” means Group A Facilities, Group B Facilities, and Group C Facilities.

The term “**Authorized Services – On Park**” means work performed by the City, the OCGP Corporation, or designee, to maintain, to manage, to operate, to provide services for, or to rehabilitate the facets of the Great Park Property to the extent the work is generally consistent with the Great Park plan as it existed in 2005. Work includes but is not limited to: landscape, grass and turf, open space, agriculture, water features, buildings and facilities, parking, and drainage facilities. Work may be performed on a sports park and other sports fields and athletic facilities; on lands comprising a museum district; on utilities for the Great Park Property (to the extent not paid for directly by users/vendors/operators of improvements on the Great Park Property); on public safety and other security services for the Great Park Property; on the Agua Chinon; on the Wildlife Corridor; and on administrative costs including allocated overhead. The totality of administrative costs, overhead or other similar management costs each Fiscal Year shall not, in the aggregate, exceed the amount allocated toward overhead expense in the Full Cost Allocation Plan prepared by the City on a city-wide basis and applicable to such Fiscal Year.

The term “**Authorized Services – Off Park**” means work performed by the City, the OCGP Corporation, or designee, to provide public property maintenance, management, operations, rehabilitation, services, and utilities in the CFD Area and those areas adjacent to the CFD Area that are part of the Property (excluding the Great Park Property and County Property), including but not limited to: neighborhood parks, buildings and facilities within such parks; a fly-away remote airport terminal; street right-of-way including, public roads, bike trails, parking lots, curbs and gutters, sidewalks, drainage facilities, street lighting, street sweeping and other right-of-way care; landscape median, parkway and open space maintenance operations and rehabilitation; traffic signal operations, maintenance, rehabilitation and coordination; public safety and other safety and security services; and, administrative costs including allocated overhead. The totality of administrative costs, overhead or other similar management costs each Fiscal Year shall not, in the aggregate, exceed the amount allocated toward overhead expense in the Full Cost Allocation Plan prepared by the City on a city-wide basis and applicable to such Fiscal Year. Further, the totality of the Authorized Services – Off Park each year shall not exceed seventeen percent (17%) of the Indexed GA for each particular year.

The term “**Authorized Services**” means “**Authorized Services – On Park**” and “**Authorized Services – Off Park**,” but does not include (i) work to maintain, manage, or operate either a lake or a balloon ride feature at the Orange County Great Park, (ii) work to maintain, manage, and operate a canyon feature to the extent the costs of such work exceed the costs of landscaping and maintaining the land area consumed by said canyon feature if that feature had not been constructed, or (iii) work or costs for or related to special events on the Great Park Property.

The term “**Backbone Infrastructure**” or “**Proposed Project Facilities**” shall collectively mean the Group A Facilities, and the Group B Facilities as described, respectively, in Exhibits E-1 and E-2.

The term “**Bond Costs**” means for (i) any Non-Subordinate Bond issue and (ii) all Subordinate Bonds, all debt service payments, administrative expenses, and amounts required to establish or replenish any reserve funds, or any other use of Special Taxes for such bond issue, as required by the indenture, fiscal agent agreement, or other agreement governing the terms of such bond issue.

The term “**Bosque Site**” shall mean that site identified as PIA 11a in Exhibit “I.”

The term “**CC&Rs**” shall have the meaning set forth in Section 12.

The term “**CEQA**” or “**California Environmental Quality Act**” means the California Environmental Quality Act (California Public Resources Code Section 21000 *et seq.*), as may be amended from time to time.

The term “**CFD**” shall mean the Community Facilities District allowed to be formed pursuant to the CFD Act by a Local Agency.

The term “**CFD Act**” shall mean the Mello-Roos Community Facilities Act of 1982 (California Government Code Section 53311 *et seq.*), as may be amended from time to time.

The term “**CFD Area**” shall mean the area within the geographic boundaries of the CFD.

The term “**CFD Administrator**” means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement, and providing for the levy and collection of the Special Taxes.

The term “**CFD Bonds**” shall mean one or more series of bonds issued by a CFD on behalf of an Improvement Area, including Non-Subordinate Bonds and Subordinate Bonds.

The term “**CFD Petition**” shall have the meaning set forth in Section 7.7.1.

The term “**Change Proceedings**” shall have the meaning set forth in Section 7.7.7.

The term “**City**” shall have the meaning set forth in the opening paragraph of this Amended and Restated Development Agreement.

The term “**City Council**” shall have the meaning set forth in Recital “B.”

The term “**City Development Agreement Regulations**” shall mean the regulations establishing procedures and requirements for the consideration of

development agreements set forth in City's Resolution No. 82-68 and adopted by the City Council on July 13, 1982.

The term "**City's Designee**" shall mean: (i) the OCGP Corporation; or (ii) Heritage Fields, with regard to the performance of one or more of the responsibilities, obligations or undertakings of the City pursuant to this Amended and Restated Agreement and/or the Amended MIA; or (iii) the governmental or non-profit entity(ies) that the City in its sole and absolute discretion designates to receive all or some portion of City Property, or that the City in its sole and absolute discretion assigns to perform any one or more of the responsibilities, obligations or undertakings of the City under this Amended and Restated Agreement.

The term "**City Property**" shall have the meaning set forth in Recital "J."

The term "**Conceptual Overlay Plan**" shall mean the conceptual plan attached to the Original Development Agreement as Exhibit "B" for the development of the Property in accordance with the Overlay Plan (as defined in Exhibit "C" of the Original Development Agreement).

The term "**Construction Manager**" shall have the meaning set forth in Section 7.1.1.

The term "**County**" shall mean the County of Orange, a political subdivision of the State of California.

The term "**County Agreement**" shall mean that certain "Property Tax Transfer and Pre-Annexation Agreement Among the City of Irvine, the Irvine Redevelopment Agency, and the County of Orange, Regarding the Annexation and Reuse of Former MCAS El Toro", dated March 4, 2003.

The term "**Defaulting Party**" shall have the meaning set forth in Section 14.1.

The term "**Density Bonus Units**" shall have the meaning set forth in Section 3.11.1.

The term "**Development Agreement Fee**" or "**Development Agreement Fees**" shall mean the fees paid to the City by Heritage Fields pursuant to Section 4.2 of the Original Development Agreement.

The term "**Development Agreement Statute**" refers to Sections 65864 through 65869.5 of the California Government Code, as such sections may have been amended from time to time prior to the Second Effective Date.

The term "**Development Fees**" shall mean the monetary consideration charged by the City in connection with mitigating the Project-specific impacts of the Project and development of the public facilities related to development of the Project. Development Fees shall not include (i) the City's normal fees for processing, environmental assessment/review, tentative tracts/parcel map review, plan checking, site review, site

approval, administrative review, building permit (plumbing, mechanical, electrical, building), inspection and similar fees imposed to recover the City's costs associated with processing, review and inspection of applications, plans, specifications, etc. (except for the original approval of the Master Subdivision Map); (ii) fees and charges levied by any other public agency, utility, district or joint powers authority whether or not such fees are collected by the City; or (iii) any mitigation charges or public facilities included in the Proposed Project Facilities.

The term "**DON**" shall have the meaning set forth in Recital "E."

The term "**EIR**" shall mean the Orange County Great Park Environmental Impact Report certified by the City Council on May 27, 2003 (SCH No. 2002101020; Irvine City Council Resolution No. 03-60), and any and all addenda thereto.

The term "**Excess Special Tax Capacity**" shall have the meaning set forth in Section 7.5.8.

The term "**Exchange Properties**" shall have the meaning set forth in Recital "G."

The term "**Existing Land Use Regulations**" shall mean the City's General Plan, Zoning Code and all other ordinances, resolutions, rules and regulations and written adopted policies of the City governing the development and use of the Heritage Fields Property in effect as of July 12, 2005, except that the Existing Land Use Regulations shall include: (i) those entitlements and approvals issued by the City and described in Recital "M," including all conditions and requirements imposed by the City therein, as such conditions may from time to time be amended by mutual agreement of the City and Heritage Fields (other than the Great Park Master Plan and Streetscape Guidelines), (ii) amendments approved subsequently to comply with state law in effect as of July 12, 2005 (Section 2-3 of the Zoning Code); (iii) General Plan Amendment/Zone Change No. 09-89 approved concurrently with this Amended and Restated Agreement; and (iv) amendments to the General Plan approved in Ordinance No. 08-09 (Marine/Bake intersection). The Existing Land Use Regulations shall include without limitation the permitted uses of the Heritage Fields Property, the density and intensity of use, maximum height and size of proposed buildings, development fee requirements, provisions for the reservation and dedication of land for public purposes and construction standards and specifications (not including the Uniform Construction Codes pertaining to construction adopted for general application in the City).

The term "**Financing and Conveyance Map**" shall mean any final subdivision map pursuant to the Subdivision Map Act, Government Code Sections 66410 *et seq.* which divides the Heritage Fields Property into parcels or lots for financing and conveyance purposes only and which does not authorize development of any kind.

The term "**Fiscal Year**" shall mean the period starting July 1 and ending on the following June 30.

The term "**Force Majeure**" shall have the meaning set forth in Section 14.5.

The term “**General Plan**” shall mean the General Plan of the City as it existed on the Initial Effective Date, and as expressly amended by (i) the 2006 GPA/ZC (ii) General Plan Amendment/Zone Change No. 09-89 approved concurrently with this Amended and Restated Agreement; (iii) amendments approved in Ordinance No. 08-09 (Marine/Bake intersection); and (iv) amendments applicable to the Heritage Fields Property, as approved by Heritage Fields in the manner specified in Section 3.6,

The term “**Great Park**” shall have the meaning set forth in Recital “G.”

The term “**Great Park Master Plan**” shall have the meaning set forth in Recital “M.”

The term “**Great Park Property**” shall have the meaning set forth in Recital “G.”

The term “**Group A Facilities**” shall mean those certain off-property facilities described in Exhibit “E-1,” as such list of facilities may be amended by the mutual consent of the City and Heritage Fields. A narrative description of the Group A and Group B Facilities is attached hereto as Exhibit “E-3”.

The term “**Group B Facilities**” shall mean those certain on-property facilities described in Exhibit “E-2,” as such list of facilities may be amended by the mutual consent of the City and Heritage Fields. A narrative description of the Group A and Group B Facilities is attached hereto as Exhibit “E-3”.

The term “**Group C Facilities**” shall mean those facilities depicted and/or described in the approved Master Plan for the Orange County Great Park, as that master plan may be amended from time to time.

The term “**Guaranteed Amount**” shall have the meaning set forth in the RMA.

The term “**Heritage Fields**” shall have the meaning set forth in the opening paragraph of this Amended and Restated Agreement.

The term “**Heritage Fields Property**” shall have the meaning set forth in Recital “K.”

The term “**HF**” shall have the meaning set forth in Recital “E.”

The term “**Improvement Areas**” shall have the meaning set forth in Section 7.7.

The term “**Indenture**” shall have the meaning set forth in Section 7.8.5.

The term “**Index Delta**” shall have the meaning set forth in Section 7.5.5.

The term “**Indexed GA**” shall mean the annual amount set forth on Exhibit “R-1.”

The term “**Indexed SA**” means Twenty-Six Million Dollars (\$26,000,000), which amount shall increase annually by three percent (3%), commencing as of the same Fiscal Year in which the Indexed GA commences to increase as set forth on Exhibit "R-1".

The term “**Initial City Exchange Properties**” shall have the meaning set forth in Recital “G.”

The term “**Initial City Park Property**” shall have the meaning set forth in Recital “G.”

The term “**Initial Effective Date**” shall mean July 12, 2005, the date that the Original Development Agreement was recorded in the Official Records of Orange County, California.

The term “**Initial Heritage Fields Exchange Properties**” shall have the meaning set forth in Recital “G.”

The term “**Institutional Uses**” means the following uses: agriculture, information center, outdoor vendors, parks, public park facilities, pushcarts, public schools and clubs, wireless communications facilities, child care centers, community facilities, cemeteries, funeral homes/mortuaries, government facilities, conference/convention facilities, and utility buildings and facilities.

The term “**IRWD**” means the Irvine Ranch Water District.

The term “**IRWD Bonds**” shall mean bonds issued by IRWD secured by the ad valorem assessments against the Property.

The term “**IUSD**” shall mean Irvine Unified School District.

The term “**JAMS**” shall mean the commercial service dispute resolution service known as JAMS.

The term “**JCFA**” shall mean a Joint Community Facilities Agreement, as provided in Section 53316.2 of the CFD Act.

The term “**LIFO**” shall have the meaning set forth in Recital “G.”

The term “**List of NITM Improvements**” shall have the same meaning as provided in the NITM Ordinance.

The term “**Local Agency**” shall mean any public agency authorized to levy, create or issue any form of land secured financing over all or any part of the Project, including, but not limited to, the City, the RDA and IRWD.

The term “**Lot**” shall mean any of the parcels legally created as a result of any approved final subdivision parcel or tract map or recordation of a condominium plan

pursuant to the California Civil Code Section 1352 for the Property pursuant to the Subdivision Map Act, Government Code Sections 66410 *et seq.*

The term “**Lower Priority Disbursement**” shall have the meaning set forth in Section 7.6.4.

The term “**Master Subdivision Map**” or “**MSM**” shall mean Vesting Tentative Tract Map No. 17008 approved by the City on May 17, 2007, and as amended by the City on October 16, 2008, and as more fully described in Recital “M.”

The term “**Master SWPPP**” shall have the meaning set forth in Section 8.2.1.

The term “**Maximum Special Tax**” means the maximum Special Tax that can be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

The term “**MCAS El Toro**” shall have the meaning set forth in Recital “B.”

The term “**MIA**” shall have the meaning set forth in Recital “M.”

The term “**Mortgage**” shall mean a mortgage, deed of trust, sale and leaseback arrangement, or any other form of conveyance in which the Heritage Fields Property, or a portion thereof or interest therein, is pledged as security, and contracted for in good faith and for fair value.

The term “**Mortgagee**” shall mean the holder of a beneficial interest under a Mortgage, or any successor or assignee of any such Mortgagee.

The term “**Mortgagee Successor**” shall mean a Mortgagee or any third party who acquires fee title or any rights or interest in or with respect to the Property or any portion thereof through foreclosure, trustee’s sale, deed in lieu of foreclosure, lease termination, or otherwise from or through a Mortgagee. If a Mortgagee acquires fee title or any right or interest in or with respect to the Property or any portion thereof through foreclosure or trustee’s sale or by deed in lieu of foreclosure or trustee’s sale and such Mortgagee subsequently conveys fee title to such portion of the Property to a third party, then such third party shall be deemed a Mortgagee Successor.

The term “**Municipal Code**” shall refer to the City of Irvine Municipal Code, as the same existed as of July 12, 2005 or may be further amended from time to time consistent with this Amended and Restated Agreement, or as applicable, with the Original Development Agreement, including, but not limited to, any Zoning Code amendments referenced in Recital “M.”

The term “**NITM**” or “**NITM Program**” shall mean the North Irvine Transportation Mitigation program as set forth in Section 6.1, as the same may be amended from time to time.

The term “**NITM Account**” refers to the account in which all NITM Program funds will be deposited.

The term “**NITM Ordinance**” meaning the Ordinance found at Section 6-3-701 *et seq.* of the Irvine Municipal Code.

The term “**NITM Program Implementing Agreement**” shall have the meaning set forth in Section 6.2.

The term “**Non-Defaulting Party**” shall have the meaning set forth in Section 14.1.

The term “**Non-Park Property**” shall have the meaning set forth in Recital “H.”

The term “**Non-Participating Properties**” shall have the meaning set forth in Section 6.11.

The term “**Non-Residential Value Limitation**” shall have the meaning set forth in Section 7.4.

The term “**Non-Subordinate Bonds**” means CFD Bonds that are senior to the Subordinate Bonds in priority to the Special Taxes and that are used to finance the Proposed Project Facilities and Additional Backbone Infrastructure, if any.

The term “**North Irvine Adjacent Lands**” shall mean the lands included within City Planning Areas 1, 5, 6, 8, 9 and 40, and subject to the NITM Program.

The term “**OCGP Corporation**” shall mean the Orange County Great Park Corporation, a California non-profit corporation and division of the City.

The term “**Original Development Agreement**” shall have the meaning set forth in Recital “D.”

The term “**Original Non-Park Property**” shall have the meaning set forth in Recital “H.”

The term “**Overlapping Liens**” shall mean projected ad valorem property taxes and all direct and overlapping assessments, taxes, special taxes, and charges on the secured tax-roll of the County for each parcel/unit of Taxable Property at the time of CFD formation, excluding however, the Special Taxes assessed or levied pursuant to the CFD.

The term “**Overlay Plan**” shall mean the land use development entitlements for the Property as set forth in the column entitled “**Overlay Plan**” in the Original Development Agreement and depicted on the Conceptual Overlay Plan. The Overlay Plan and Existing Land Use Regulations governed development of the Heritage Fields Property from the Initial Effective Date to the Second Effective Date.

The terms “**Party**” or “**Parties**” shall have the meaning set forth in the opening paragraph of this Amended and Restated Development Agreement.

The term “**PIA**” shall mean the Property Identification Areas delineated by the various lettered or numbered areas appearing on the PIM and intended solely for identification of properties referenced in this Amended and Restated Agreement.

The term “**Police Site**” shall mean a site of approximately five and one-half (5½) acres, to be used primarily as a police facility, but which may permit additional accessory City personnel, devoted to public service functions, as generally shown on Exhibit “F.”

The term “**Project**” shall mean the development of the Heritage Fields Property pursuant to this Amended and Restated Agreement, the Existing Land Use Regulations and the ARDA Overlay Plan, as depicted on Exhibit “L.”

The term “**Property**” shall mean the City Property and the Heritage Fields Property collectively.

The term “**Property Identification Map**” or “**PIM**” shall mean the map showing PIAs (as defined above), as delineated by the various lettered or numbered areas, attached hereto as Exhibit “L.” intended to be used solely to define and describe the properties referenced in this Amended and Restated Agreement.

The term “**Property Owner’s Association**” or “**POA**” shall mean an Association formed among the owners of real estate located within the Heritage Fields Property, including but not limited to industrial, residential, commercial, educational and retail property.

The term “**Proposed Project Facilities**” or “**Backbone Infrastructure**” shall collectively mean the Group A Facilities and the Group B Facilities.

The term “**Pro Rata Share**” shall have the meaning set forth in the RMA.

The term “**Public Benefit Fee**” shall have the meaning set forth in Section 10.1.

The term “**Purchaser/User**” shall have the meaning set forth in Section 2.4.

The term “**RDA**” shall mean the Irvine Redevelopment Agency.

The term “**RDA Agreement**” shall have the meaning set forth in the opening paragraph of this Amended and Restated Development Agreement.

The term “**Residential Value Limitation**” shall have the meaning set forth in Section 7.4.

The term “**RMA**” shall refer to a Rate and Method of Apportionment for each Improvement Area, the form of which is set forth in Exhibit “S” attached hereto.

The term “**Roadway Capacity Utilization**” shall have the meaning set forth in Section 3.12.1.

The term “**School Site**” refers to approximately 13 acres of land area within Parcel 2 on Exhibit “A,” the precise location and boundaries of which shall be determined in accordance with Section 9.4.

The term “**Second Effective Date**” shall mean the date that is the later of (i) forty-five (45) days after the date on which the Parties execute this Amended and Restated Agreement, or (ii) the date upon which the Parties have entered into the Amended MIA.

The term “**Secondary Amount**” means the projected amount of Special Taxes needed in the next Fiscal Year to finance Authorized Services, to the extent not prohibited by the CFD Act or applicable federal law, in excess of the Guaranteed Amount up to an annual maximum of the Indexed SA, less any and all amounts collected by any Landscape and Lighting Maintenance District from the Heritage Field’s Property utilized to fund Authorized Services.

The term “**Special Tax(es)**” means the sum of the special taxes to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property within each Improvement Area of the CFD to fund the Special Tax Requirement.

The term “**Special Tax Requirement**” shall have the meaning set forth in the RMA for each Improvement Area.

The term “**Sports Park Site**” shall mean that site identified as PIA 49 and 50 in Exhibit “I.”

The term “**Streetscape Guidelines**” shall have the meaning set forth in Recital “M.”

The term “**Subordinate Bonds**” shall have the meaning set forth in Section 7.8.8.

The term “**Tax Zones**” shall mean the different zones of taxation within each Improvement Area.

The term “**Taxable Property**” means all of the Assessor’s Parcels within the boundaries of the CFD which are not exempt from the Special Tax pursuant to applicable law or the RMA.

The term “**Teeter Plan**” shall mean an alternative method for the distribution of secured property taxes to local agencies as set forth in the Teeter Plan Bond Law of 1994, California Government Code Sections 54773 *et seq.*, and California Revenue & Taxation Code Sections 4701 *et seq.*

The term “**Term**” shall have the meaning set forth in Section 2.3.

The term “**Third-Party Legal Challenge**” shall have the meaning set forth in Section 2.2.2.

The term “**Traffic Generation**” shall have the meaning set forth in Section 3.12.1.

The term “**Tri-Party Agreement**” shall have the meaning set forth in Recital “O.”

The term “**Uniform Construction Codes**” shall have the meaning set forth in Section 3.8.4.

The term "**Value Limitation**" shall have the meaning set forth in Section 7.4.

The term “**Wildlife Corridor**” shall mean that site identified as PIAs 20, 40, 43 and 47 in Exhibit “I.”

The term “**Zoning Code**” shall refer to the City of Irvine Zoning Code, as the same existed as of July 12, 2005, (i) as amended by the 2006 GPA/ZC and (ii) as amended by any zone change relating to the Property approved concurrently with the approval of this Amended and Restated Agreement, and (iii) as may be further amended from time to time consistent with this Amended and Restated Agreement.

2. EFFECT OF AGREEMENTS.

2.1 Effect Of Amended And Restated Development. The Parties intend and direct that this Amended and Restated Agreement be the full understanding between the Parties as to their respective rights and obligations with respect to development of its portion of the Property, and that any interpretation of or dispute with respect to such rights and responsibilities be resolved by reference to this Amended and Restated Agreement.

2.2 Effect Of Original Development Agreement.

2.2.1 Lack of Enforceability; Reinstatement. Because the Parties may not be able to anticipate or expressly provide for every future contingency, the Parties hereby state their general intention that should this Amended and Restated Agreement not be effective or become ineffective, the Original Development Agreement shall govern the Parties’ relationship, and that this Amended and Restated Agreement shall be construed to effectuate that intention.

2.2.2 Effect of a Challenge. If a referendum or third-party action or legal action is instituted which might affect or challenge the validity or enforceability of the enacting ordinance or this Amended and Restated Agreement including its Exhibits, or any provision thereof, or any document implementing the provisions contained in this Amended and Restated Agreement including its Exhibits (“**Third-Party Legal Challenge**”), this Amended and Restated Agreement shall remain in full force and effect subject to (i) any injunction issued by a court of competent jurisdiction, and/or (ii) the legal effect of any voter initiated legislative action. If a Third-Party Legal Challenge results in a temporary or preliminary order enjoining the enforcement of or performance of all or any provision under this Amended and Restated Agreement, or an adverse final

adjudication or legislative action concerning the validity or enforceability of all or any portion of this Amended and Restated Agreement, and such portion of this Amended and Restated Agreement is not severable under Section 20.7, the Original Development Agreement shall remain in full force and effect, and nothing shall impair the rights accorded and vested by the Original Development Agreement.

2.2.3 City Release As To Actions Prior To Second Effective Date. The City forever discharges, releases and expressly waives as against Heritage Fields and its partners, members, attorneys and employees any and all claims, liens, demands, causes of action, excuses for nonperformance (including but not limited to claims and/or defenses of unenforceability, lack of consideration, and/or violation of public policy), losses, damages, and liabilities, known or unknown, suspected or unsuspected, liquidated or unliquidated, fixed or contingent, based in contract, tort, or other theories of direct and/or of agency liability (including but not limited to principles of *respondeat superior*) that it has now or has had in the past, arising out of or relating to the Original Development Agreement, the MIA, the Tri-Party Agreement and the currently existing and approved land use plans for the Property or any portion thereof.

2.2.4 Heritage Fields Release As To Actions Prior To Second Effective Date. Heritage Fields forever discharges, releases and expressly waives as against the City, the RDA, the OCGP Corporation, and their respective councils, boards, commissions, officers, attorneys and employees any and all claims, liens, demands, causes of action, excuses for nonperformance (including but not limited to claims and/or defenses of unenforceability, lack of consideration, and/or violation of public policy), losses, damages, and liabilities, known or unknown, suspected or unsuspected, liquidated or unliquidated, fixed or contingent, based in contract, tort or other theories of direct and/or of agency liability (including but not limited to principles of *respondeat superior*) that they have now or have had in the past, arising out of or relating to the Original Development Agreement, the MIA, the Tri-Party Agreement and the currently existing and approved land use plans for the Property or any portion thereof.

2.3 Term. The term of this Amended and Restated Agreement (as extended, the “**Term**”) shall commence on the Second Effective Date and, except for those provisions in this Amended and Restated Agreement or the Amended MIA that expressly survive the expiration of this Amended and Restated Agreement, shall continue thereafter for a period of twenty-five (25) years from and after the Second Effective Date, with two (2) additional optional extensions of five (5) years at the sole discretion of any Party, unless this Amended and Restated Agreement is terminated, modified or extended by circumstances set forth in this Amended and Restated Agreement or by mutual written consent of the Parties.

2.4 Termination Upon Sale Of Individual Lots To Public And Completion Of Construction. Notwithstanding Section 2.3, the provisions of this Amended and Restated Agreement shall terminate with respect to any individual Lot and such Lot shall be released from and shall no longer be subject to this Amended and Restated Agreement (without the execution or recordation of any further document or the taking of any further action) upon the satisfaction of both of the following conditions: (i) the Lot has been

finally subdivided and sold, leased (for a period longer than one (1) year as evidenced by a lease) or otherwise conveyed to a member of the public or any other ultimate purchaser or user (collectively, a “**Purchaser/User**”) which is not Heritage Fields; and (ii) a certificate of occupancy has been issued for the building or buildings on the Lot or a final inspection of the building(s) has been approved by the City authorizing occupancy. The City shall cooperate with Heritage Fields, at no cost to the City, in executing in recordable form any document that Heritage Fields (including any successor to the title of Heritage Fields in and to any of the previously-described Lots) may submit to confirm the termination of this Amended and Restated Agreement as to any such Lot.

3. DEVELOPMENT OF THE PROPERTY.

3.1 Applicable Regulations; Vested Right To Develop. Other than as expressly set forth herein in Section 3.8, during the Term of this Amended and Restated Agreement, the terms and conditions of development applicable to the Heritage Fields Property, including but not limited to the permitted uses of the Heritage Fields Property, the density and intensity of use, maximum height and size of proposed buildings and provisions for the reservation and dedication of land for public purposes, shall be those set forth in the Existing Land Use Regulations and the ARDA Overlay Plan.

3.1.1 Vested Right To Develop. Subject to the terms and conditions of this Amended and Restated Agreement, Heritage Fields shall have the vested right to carry out and develop the Heritage Fields Property in accordance with the Existing Land Use Regulations and the ARDA Overlay Plan. In furtherance of the foregoing, Heritage Fields retains the right to apportion the uses, intensities and densities, and ADT between itself and any subsequent owners, upon the sale, transfer, or assignment of any portion of the Heritage Fields Property, so long as such apportionment is consistent with the ARDA Overlay Plan and the Existing Land Use Regulations, and so long as the City is provided with written notice of such apportionment within ninety (90) days following any such apportionment.

3.1.2 Right To Future Approvals. Subject to the City’s exercise of its police power authority as specified in Section 3.8.5, Heritage Fields shall have a vested right: (i) to receive from the City all future development approvals for the Heritage Fields Property that are consistent with, and implement, the Existing Land Use Regulations, the ARDA Overlay Plan and this Amended and Restated Agreement; (ii) not to have such approvals be conditioned or delayed for reasons which are inconsistent with the Existing Land Use Regulations, the ARDA Overlay Plan or this Amended and Restated Agreement; and (iii) to develop the Heritage Fields Property in a manner consistent with such approvals in accordance with the Existing Land Use Regulations, the ARDA Overlay Plan and this Amended and Restated Agreement.

3.1.3 Vesting of Future Approvals. Subject to Section 3.6 below, any future development approvals for the Heritage Fields Property, including without limitation general plan amendments, zone changes, or parcel maps or tract maps (except vesting maps), shall upon approval by the City be vested in the same manner as provided

in this Amended and Restated Agreement for the Existing Land Use Regulations and the ARDA Overlay Plan.

3.1.4 Relationship of Vested Rights to Traffic Estimates. The development of the Property is estimated to create 148,910 ADT, of which 117,020 ADT is controlled by the Heritage Fields Property (including 812 ADT for the School Site). The vested rights to develop the Heritage Fields Property for the uses, densities and intensities set forth in the Overlay Plan are estimated to generate 117,020 ADT or fewer overall trips. The vested rights to develop the Heritage Fields Property for the uses, densities and intensities set forth in the ARDA Overlay Plan are also estimated to generate 117,020 ADT or fewer overall trips. The transfer or other conveyance of the Police Site, the ARDA Transfer Site or other real property conveyed or transferred to the City pursuant to this Amended and Restated Agreement shall not include the conveyance of any ADT to the City, or the re-allocation of ADT between the Heritage Fields Property and the City Property. In the event Heritage Fields proposes any significant discretionary changes that would increase the uses, densities or intensities in the ARDA Overlay Plan, Heritage Fields shall provide (i) a study demonstrating that, evaluating the proposed changes under the traffic model and appropriate trip generation, capture and reduction calculations and proposed mitigation, the proposed changes will not result in overall traffic generation exceeding 117,020 ADT, or (ii) an application for a zone change to accommodate any increased traffic above 117,020 ADT.

3.2 Tentative Subdivision Maps. With respect to applications by Heritage Fields for tentative subdivision maps for all or portions of Heritage Fields Property, the City agrees that Heritage Fields may file and process vesting tentative maps in accordance with Chapter 4.5 (commencing with Section 66498.1) of Division 2 of Title 7 of the California Government Code and the applicable provisions of the City's subdivision ordinance, as the same may be amended from time to time. The term of such tentative map(s) and the tentative maps which Heritage Fields has previously filed shall be extended automatically for the Term of this Amended and Restated Agreement.

3.3 Financing And Conveyance Maps. Heritage Fields may file one or more tentative tract maps or tentative parcel maps dividing the Heritage Fields Property into separate legal lots or parcels for financing and conveyance purposes only ("**Financing and Conveyance Map**"). A Financing and Conveyance Map shall not authorize any development, and shall not be subject to any condition, exactions, or restrictions other than monument and other conditions which the City commonly imposes on financing and conveyance maps.

3.4 Processing Of Applications And Permits. Upon satisfactory completion by Heritage Fields of all required preliminary actions and payment of appropriate processing fees, if any, the City shall promptly proceed to process, check, and make a determination on all applications for development and building approvals within the times set forth in the Permit Streamlining Act (Chapter 4.5 (Section 65920) of Division 1 of Title 7 of the California Government Code), the Subdivision Map Act (Division 2 (commencing with Section 66410) of Title 7 of the California Government Code) and other applicable provisions of law, as the same may be amended from time to time.

3.5 Other Governmental Permits. Provided that Heritage Fields pays the reasonable cost of such cooperation, the City shall cooperate with Heritage Fields in its efforts to obtain such additional permits and approvals as may be required by any other governmental or quasi-governmental agencies having jurisdiction over the applicable portion of the Property for which such permit or approval is sought, provided that such permits and approvals are consistent with the Existing Land Use Regulations, the ARDA Overlay Plan and other City approvals for development of the Property; and provided further that such approvals are consistent with applicable regulatory requirements. The City does not warrant or represent that any other governmental or quasi-governmental permits or approvals will be granted.

3.6 Subsequent General Plan Amendments And Zone Changes. Given Heritage Fields' vesting of its right to the development of the Heritage Fields Property in accordance with the Existing Land Use Regulations and the ARDA Overlay Plan, any General Plan amendments or zone changes or any other regulatory approvals (including the MAHP) with respect to development of the Property will not become effective as to the Heritage Fields Property unless consented to in writing by Heritage Fields or its successors-in-interest as to their respective portions of the Heritage Fields Property. By this paragraph the City does not represent that it will accept, process or approve any General Plan, zone change or other regulatory action; provided, however, that the City shall, subject to and consistent with its police power authority, accept, process and approve all regulatory actions required in order to effectuate the vested rights and benefits to Heritage Fields contained herein.

3.7 Assurances To Heritage Fields. The Parties acknowledge that the substantial public benefits to be provided by Heritage Fields to the City pursuant to this Amended and Restated Agreement are in consideration for and reliance upon assurances that the City will permit development of the Heritage Fields Property in accordance with the terms of this Amended and Restated Agreement. Accordingly, the City agrees that it will not attempt to restrict or limit the development of the Heritage Fields Property in conflict with the provisions of this Amended and Restated Agreement. The City acknowledges that Heritage Fields cannot at this time predict the timing or rate at which the Heritage Fields Property will be developed. The timing and rate of development depend on numerous factors such as market demand, interest rates, absorption, completion schedules and other factors which are not within the control of Heritage Fields or the City. In *Pardee Construction Co. v. City of Camarillo* (1984) 37 Cal. 3d 465, the California Supreme Court held that a construction company was not exempt from a city's growth control ordinance notwithstanding that the construction company and the city had entered into a consent judgment (tantamount to a contract under California law) establishing the company's vested rights to develop its property in accordance with the zoning. The California Supreme Court reached this result on the basis that the consent judgment failed to address the timing of development. It is the intent of the Parties to avoid the result of the *Pardee* case by acknowledging and providing in this Amended and Restated Agreement that Heritage Fields shall have the vested right to develop the Heritage Fields Property in such order and at such rate and at such time as Heritage Fields deems appropriate within the exercise of Heritage Fields' sole subjective business judgment, notwithstanding the adoption of an initiative after the

Second Effective Date by the City's electorate to the contrary. In addition to and not in limitation of the foregoing, but except as set forth in the following sentence, it is the intent of the Parties that no City moratorium or other similar limitation relating to the rate or timing of the development of the Heritage Fields Property or any portion thereof, whether adopted by initiative, referendum or otherwise, shall apply to the Heritage Fields Property to the extent that such moratorium, referendum or other similar limitation is in conflict with the express provisions of this Amended and Restated Agreement. Notwithstanding the foregoing, Heritage Fields acknowledges and agrees that nothing herein is intended or shall be construed as (i) overriding any provision set forth in this Amended and Restated Agreement and/or the Amended MIA relating to the phasing of development of the Proposed Project Facilities; (ii) overriding any provision of the Existing Land Use Regulations or the ARDA Overlay Plan relating to the phasing of development of the Project; or (iii) restricting the City from exercising the powers described in Section 3.8 of this Amended and Restated Agreement to regulate development of the Heritage Fields Property. Nothing in this Section 3.7 is intended to excuse or release Heritage Fields from any obligation set forth in this Amended and Restated Agreement and/or the Amended MIA which is required to be performed on or before a specified calendar date or event without regard to whether or not Heritage Fields proceeds with the Project.

3.8 Reservations Of Authority. Notwithstanding any provision set forth in this Amended and Restated Agreement to the contrary, the laws, rules, regulations, official policies and conditions of approval set forth in this Section 3.8 shall apply to and govern development of the Heritage Fields Property:

3.8.1 Consistent Future City Regulations. City ordinances, resolutions, regulations and official policies adopted or approved after July 12, 2005 pursuant to procedures provided by law which do not conflict with the Existing Land Use Regulations, the ARDA Overlay Plan, and this Amended and Restated Agreement shall apply to and govern development of the Property. Without limitation, any future City regulations, whether adopted by voter initiative or City Council action or otherwise, which materially increase the cost of development (except future fees adopted on a city-wide basis as referenced in Section 5.1 below), reduce the density or intensity of the Project below that permitted by the Existing Land Use Regulations and the ARDA Overlay Plan or materially limit the rate, timing or sequencing of development of the Heritage Fields Property, or otherwise materially restrict any of the permitted uses, density, improvements, and construction shall be deemed inconsistent with this Amended and Restated Agreement and shall not be applicable to the development of the Heritage Fields Property, unless Heritage Fields expressly so consents. The parties understand and agree that this Section 3.8.1 applies to the City's future adoption of ordinances, resolutions, regulations and official policies, but not to the imposition of conditions on future subdivision maps, conditional use permits, master plans, or similar discretionary approvals. The extent to which the City may impose conditions in connection with the evaluation of such subordinate discretionary applications is governed by the standards set forth in Section 3.8.5, below.

3.8.2 Overriding State And Federal Laws And Regulations. State and federal laws and regulations which override Heritage Fields' vested rights set forth in this Amended and Restated Agreement shall apply to the Property, together with any City ordinances, resolutions, regulations and official policies which are necessary to enable the City to comply with such overriding State and federal laws and regulations; provided, however, that (i) Heritage Fields does not waive its right to challenge or contest the validity of any such State, federal or local laws, regulations or official policies; and (ii) in the event that any such State or federal law or regulation (or City ordinance, resolution, regulation or official policy undertaken pursuant thereto) prevents or precludes compliance with one or more provisions of this Amended and Restated Agreement, the Parties agree to consider in good faith amending or suspending such provisions of this Amended and Restated Agreement as may be necessary to comply with such State or federal laws, provided that no Party shall be bound to approve any amendment to this Amended and Restated Agreement unless this Amended and Restated Agreement is amended in accordance with the procedures applicable to the adoption and amendment of development agreements as set forth in the Development Agreement Statute and each Party retains full discretion with respect thereto.

3.8.3 Public Health And Safety. Any City ordinance, resolution, regulation, or official policy, which is necessary to protect persons on the Heritage Fields Property in the immediate community, or both, from conditions dangerous to their health, safety, or both, shall apply to the Property notwithstanding that the application of such ordinance, resolution, regulation, or official policy or other similar limitation would result in the impairment of Heritage Fields' vested rights under this Amended and Restated Agreement. To the extent possible, any such regulations shall be applied and construed consistent with this Amended and Restated Agreement so as to provide Heritage Fields with the rights and assurances provided under this Amended and Restated Agreement.

3.8.4 Uniform Construction Codes. Provisions of the building standards set forth in the Uniform Construction Codes shall apply to the Heritage Fields Property. As used herein, the term "**Uniform Construction Codes**" collectively refers to the 2007 California Building Codes, the 2007 California Electric Code, the 2007 California Plumbing Code, the 2007 California Mechanical Code, the 2006 Uniform Solar Energy Code, the 2006 Uniform Swimming Pool, Spa and Hot Tub Code, the 1997 Uniform Housing Code, the Uniform Administrative Code and the 2007 California Fire Code (including amendments thereto by the Orange County Fire Authority), as modified and amended by official action of the City, and any modifications or amendments to any such Code adopted in the future by the City.

3.8.5 Police Power. In all respects not provided for in this Amended and Restated Agreement, the City shall retain full rights to exercise its police power to regulate the development of the Property, and any uses or developments requiring a site plan, tentative tract map, master plan, or other discretionary permit or approval as required pursuant to the Existing Land Use Regulations shall require a permit or approval pursuant to this Amended and Restated Agreement, provided, however, that the City's discretion with respect to such actions shall be exercised consistent with Heritage Fields' vested rights under this Amended and Restated Agreement as set forth in Section 3.1, and

the City acknowledges pursuant to Government Code Section 65865.2 that the conditions, terms, restrictions, and requirements for subsequent discretionary actions or permits shall not prevent development of the Heritage Fields Property for the uses and to the density or intensity of development set forth in this Amended and Restated Agreement. Nothing in this provision shall preclude the City from attaching usual and customary conditions to such discretionary approvals provided such conditions (i) are applied in the same or substantially equivalent form to other similar approvals throughout the City; (ii) do not affect the use, density, or intensity of development previously approved for the Project; (iii) are not materially inconsistent with this Amended and Restated Agreement or the MSM; and (iv) do not require Heritage Fields to intensify or build or cause to be intensified or built additional joint Backbone Infrastructure.

3.9 Uses of City Property.

3.9.1 PIAs 2, 3, 4, 6, 14, 19, 24, 25, 37 and 44. The Parties understand and acknowledge that the land in PIAs 2, 3, 4, 6, 24 and 25, and approximately 100 acres of PIA 14 (collectively, the “**County Parcels**”) will be conveyed by the City to the County pursuant to the County Agreement. As long as the City owns the County Parcels, City may use the County Parcels only for Great Park uses and uses ancillary to park uses (e.g., ancillary food uses), provided that the foregoing is not intended to modify the provisions of Section 7.9 below. The City may use the land in PIAs 19, 37 and 44 in any manner it deems appropriate and consistent with the General Plan and Zoning Code, as those documents may be amended from time to time in the City’s sole and absolute discretion, subject to the rights granted to Heritage Fields in Section 3.9.7 below.

3.9.1.1 The City agrees to cooperate and coordinate in good faith with Heritage Fields in the design of any uses on PIA 19, PIA 37 and/or PIA 44, so as to ensure consistency and compatibility with the design of the Heritage Fields Property that is adjacent to those PIAs.

3.9.2 ARDA Transfer Site. If, when, and to the extent the City develops a use or uses on the ARDA Transfer Site, the City shall, for a period of seven (7) years from and following the Second Effective Date (the “**7-Year Period**”), limit such use or uses to Great Park uses and uses ancillary to Great Park uses (e.g. ancillary food uses), public primary, intermediate and secondary school uses. Following the expiration of the 7-Year Period, the City shall, if, when, and to the extent the City develops a use or uses on the ARDA Transfer Site, limit such uses to Great Park uses and uses ancillary to Great Park uses (e.g. ancillary food uses), which, for this purpose, also includes the following ancillary uses the City may elect, in its sole and absolute discretion, to undertake: no more than one (1) hotel (provided that there are no other hotels on any portion of the Great Park Property, the parties acknowledging and agreeing that there shall be no more than one hotel, collectively, on the ARDA Transfer Site and the remaining portion of the Great Park Property), restaurants that are of the type and nature one would find in a metropolitan park (such as Balboa Park in San Diego, California), small scale retail that is of the type and nature one would find in a metropolitan park (such as Balboa Park in San Diego, California), Institutional Uses, and cemetery/mortuary/funeral homes uses. Notwithstanding the foregoing, this Section 3.9.2 is not intended to affirmatively grant

the right to the ancillary uses described herein (the City acknowledging that the City must first comply with applicable legal processes, if any, and requirements in order to entitle or otherwise implement such uses). In addition, following the expiration of the 7-Year Period, City may also use the ARDA Transfer Site for a maximum of 250 residential units, which units may, in the City's sole and absolute discretion, be all or partially affordable and shall be no more than three (3) stories in height, but this provision is not intended to affirmatively grant the right to the foregoing use (the City acknowledging that the City must first comply with applicable legal processes and requirements, if any, in order to entitle or otherwise implement such use). Affordable units, if any, constructed on the ARDA Transfer Site shall be credited toward the City's and/or the RDA's fulfillment of its affordable housing requirements under the State Redevelopment Law, but shall not count toward Heritage Fields' obligations under the (i) City's Affordable Housing Ordinance (Section 2-3 of the Zoning Code) as amended from time to time, (ii) the affordable housing plan for the Heritage Fields Property, and/or (iii) any agreement entered into between the City and Heritage Fields pursuant to Section 2-3 of the Zoning Code. Nor shall the construction of such affordable housing units, if any, on the ARDA Transfer Site contribute to or constitute a basis for granting any right to construct additional market rate units pursuant to Government Code Section 65915 *et seq.* and/or Section 2-3 of the Zoning Code. The City agrees to cooperate and coordinate in good faith with Heritage Fields in the design of any uses on ARDA Transfer Site, so as to ensure consistency and compatibility with the design of the development the "Park District" portion and the northern part of the Lifelong Learning District of the Heritage Fields Property.

3.9.3 Remaining Great Park Property. If, when, and to the extent the City develops a use or uses on that portion of the Great Park Property that does not include the ARDA Transfer Site, the City shall limit such use or uses to Great Park uses and uses ancillary to Great Park uses (e.g. ancillary food uses), which, for this purpose, also includes the following ancillary uses the City may elect, in its sole and absolute discretion, to undertake: no more than one (1) hotel (provided that there are no other hotels on any portion of the ARDA Transfer Site, the Parties acknowledging and agreeing that there shall be no more than one hotel, collectively, on the ARDA Transfer Site and the remaining portion of the Great Park Property), restaurants that are of the type and nature one would find in a metropolitan park (such as Balboa Park in San Diego, California), small scale retail that is of the type and nature one would find in a metropolitan park (such as Balboa Park in San Diego, California), and Institutional Uses; provided, however, that the City shall not allow any private educational uses (other than public primary, intermediate and/or secondary school uses) or community facilities for non-park-like uses on the Great Park Property for a period of four (4) years following the Second Effective Date (the Parties acknowledging that educational uses, other than public primary, intermediate and secondary school uses, are not permitted on the ARDA Transfer Site until after the expiration of the 7-Year Period). Notwithstanding the foregoing, this Section 3.9.3 is not intended to affirmatively grant the right to the ancillary uses described herein (the City acknowledging that the city must first comply with applicable legal processes and requirements, if any, in order to entitle or otherwise implement such uses).

3.9.4 Construction of a Park. The City acknowledges and agrees that it will construct a park on the Great Park Property substantially in compliance with the Great Park Master Plan, as it may be amended from time to time.

3.9.5 Police Site. The City agrees to restrict the use of the Police Site as specified in Section 9.1. The City agrees to cooperate and coordinate in good faith with Heritage Fields in the design of the Police Site so as to ensure consistency and compatibility with the design of the Heritage Fields Property that is adjacent to the Police Site.

3.9.6 Construction of Specific Park Features. The City shall construct all or some portion of the Sports Park Site and the Bosque Site, and make all or some portion of the Sports Park Site and Bosque Site available to the public, prior to making any other feature on the Great Park Property available to the public. Except for those portions of the Wildlife Corridor and Agua Chinon that are described as Backbone Infrastructure on Exhibits E-1 and E-2 for which Heritage Fields is responsible to construction pursuant to Section 7 below, the City shall further construct the Wildlife Corridor and the Agua Chinon features substantially as depicted on the Great Park Master Plan, in a manner that does not materially interfere with and is calculated to meet the joint infrastructure needs inherent in those features, and City shall continue to retain the land comprising the Wildlife Corridor and Agua Chinon for such uses and purposes during the Term of this Amended and Restated Agreement. The City agrees to continue to meet and confer with Heritage Fields regarding the design of the Wildlife Corridor (including the timing, duration and amount of storm water flows designed to be diverted into the Wildlife Corridor). Nothing in this paragraph is intended to (i) limit the City's ability to build or utilize City funds for the construction of non-Backbone Infrastructure within or around the City Property or any portion thereof; or (ii) release Heritage Fields from any Backbone Infrastructure funding and/or construction obligations it may have under Section 7. Further, the Parties agree to meet and confer in good faith on applicable setbacks or other development limitations from the edge of the Wildlife Corridor prior to the imposition of any such setbacks or other development limitations, provided that such setbacks or limitations shall not in any case prevent Heritage Fields from developing to the density and intensity of use described in the ARDA Overlay Plan.

3.9.7 Right of First Negotiation for Uses on City Property. Until such time as Heritage Fields has completed development and/or sale of all of the Heritage Fields Property, if and when the City intends to sell or enter into a long term ground lease for a use or uses on the City Property other than (a) Great Park uses, (b) uses ancillary to Great Park uses (the Parties acknowledging that uses ancillary to Great Park uses would not, for example, include industrial, office, medical office, large-scale retail, hotel, educational uses except as described in clause (c) below, research and development, and/or residential developments whether for rent or for sale, and hence all such uses would be subject to the right of first negotiation granted in this Section 3.9.7), and/or (c) primary, intermediate, or secondary public school uses, then the City shall (i) present the material terms of the proposed real estate transaction to Heritage Fields, (ii) provide Heritage Fields a reasonable period of time to respond to the proposed material terms, and (iii) if Heritage Fields promptly accepts the proposed material terms, the City will

continue in a negotiation with Heritage Fields until such time as those negotiations are successful, are no longer being diligently and actively pursued by Heritage Fields, or are affirmatively abandoned by Heritage Fields. If Heritage Fields does not accept the proposed material terms or if Heritage Fields affirmatively abandons or ceases to diligently and actively pursue negotiations, the City thereafter may elect to pursue said sale or long term ground lease to conclusion, through direct negotiations with any other potential purchaser(s) or user(s) of the portion of the City Property at issue or a through a public, competitive bidding process for the portion of the City Property at issue, without having to commit and/or continue to negotiate exclusively with Heritage Fields with respect to the City Property at issue; provided, however, that if the transaction is not the subject of a public competitive bidding process and the terms negotiated with a potential purchaser or user materially change from those proposed to Heritage Fields, City shall provide Heritage Fields an additional opportunity to promptly accept or refuse the negotiated terms proposed to such other purchaser or user. In the case of a public competitive bidding process (i.e., where Heritage Fields did not accept the initially proposed material terms or where Heritage Fields affirmatively abandoned or ceased to diligently and actively pursue negotiations with respect to the initially proposed material terms), (i) Heritage Fields shall be permitted to participate as a bidding party, and (ii) the City shall utilize substantially the same terms as were presented to Heritage Fields, but need not include those terms in the public competitive bidding process that are not normally and customarily included in a competitive bidding process (e.g., price). Nothing in this Section 3.9.7 is intended to limit or waive the restrictions on the ARDA Transfer Site as specified in Section 3.9.2 and/or on that portion of the Great Park Property that does not include the ARDA Transfer Site as specified in Section 3.9.3.

3.9.7.1 Limitations on Assignability. The right of first negotiation created by Section 3.9.7 (i) is assignable under this Amended and Restated Agreement only to a successor to Heritage Fields that acts as master developer of the Heritage Fields Property, and (ii) cannot be assigned by the City to more than one entity at any one time.

3.9.8 Development of City Property. City acknowledges that if pursuant to this Section 3.9, or any other means, the City or its successor in interest propose to develop (i) the Great Park Property for any uses, densities, or intensities beyond that contemplated, studied, and approved in the Great Park Master Plan and/or (ii) the remaining City Property for any uses, densities, or intensities beyond those contemplated and studied in the EIR, the City or its successor in interest shall be responsible for the additional mitigation, if any, or increment of such mitigation, if any, required by such increased development, City shall not impose such additional mitigation, on Heritage Fields, either as project mitigation or as part of the Backbone Infrastructure for which Heritage Fields is obligated to pay pursuant to Section 7 of this Amended and Restated Agreement, nor shall City deny or delay approval of any Heritage Field project application for failure to provide such additional mitigation or increment of mitigation. Notwithstanding the foregoing, if the City pays for the additional incremental cost of increasing the size of Backbone Infrastructure facilities necessary to meet its mitigation obligations pursuant to this paragraph, Heritage Fields shall construct that modified/enlarged infrastructure in the time and manner specified in the Amended MIA.

3.10 Homeless Assistance Provider Accommodations. In order to facilitate a cooperative project between Heritage Fields and the providers of lower income and transitional housing (ETHIC), the City agrees to act expeditiously and in good faith to initiate and process for City Council consideration any amendments to the General Plan and to the Zoning Code, if necessary, to expressly authorize up to 166 residential dwelling units on an appropriate location within the Heritage Fields Property. Upon approval, such amendment to the General Plan or the Zoning Code shall be deemed vested by this Amended and Restated Agreement.

3.11 Density Bonus.

3.11.1 Vested Bonus Calculation. The City agrees that because Heritage Fields has committed that 15% (544) of the total of 3,625 residential units in the ARDA Overlay Plan will be affordable housing and that 11% (399) of the total of 3,625 residential units will be classified as Very Low Income and that Heritage Fields will otherwise comply with the provisions of 2-3-10 of the Zoning Code as it existed as of April 10, 2007, Heritage Fields is and shall be, unless otherwise determined by a court of competent jurisdiction, entitled to a density bonus calculated pursuant to state law as it existed as of April 10, 2007, which calculation yields a density bonus of 1,269 market rate units (35%) (“**Density Bonus Units**”).

3.11.2 Location and Mitigation. It is understood that the location of any Density Bonus Units generally described in the MAHP will be determined during the subdivision process for any tentative map that is proposed to include the Density Bonus Units. The Density Bonus Units shall be treated as a change in the intensity of development in the relevant Future Development Areas (as defined in the NITM Ordinance) pursuant to Section 6-3-706(A) of the NITM Ordinance and may result in a change in fee allocations between the parties to the NITM Agreement. To the extent the Density Bonus Units require traffic improvements not contemplated in NITM, such mitigation improvements shall be project features. Further, at such time as a location is specified for any of the Density Bonus Units in connection with a future discretionary action, an environmental analysis that fully complies with the requirements of the California Environmental Quality Act shall be conducted, and mitigation (if any) shall be imposed in a manner consistent with the requirements and limitations of the State Density Bonus Law, California Government Code Section 65915 *et seq.*

3.11.3 Affordable Housing Obligations Under the Redevelopment Law. The City understands that, because Heritage Fields is entering into this Amended and Restated Agreement on the expectation that it will have the benefit of the Density Bonus Units as market-rate units, the City agrees it will grant Heritage Fields the full density bonus as provided in Section 3.11.1 as market rate units and that any obligations to construct additional affordable units as a result will be fulfilled by the City or the RDA.

3.12 Traffic.

3.12.1 Incorporation of Project Traffic Generation in City Traffic Model and Traffic Study. The Parties acknowledge that this Amended and Restated Agreement

contains a detailed traffic study (“**ARDA Traffic Study**”), which analyzes the future traffic that will be generated by the Project other than the Density Bonus Units (“**Traffic Generation**”), and which describes the extent to which such future Traffic Generation will utilize the capacity of existing and planned future roads, freeways/tollway mainlines, freeway/tollway ramps, and intersections in the City and the surrounding area (“**Roadway Capacity Utilization**”). The City agrees that it will incorporate this Traffic Generation based on the trip generation rates utilized in ARDA Traffic Study and Roadway Capacity Utilization by the ARDA Overlay Plan as part of the City’s current ITAM traffic model and future ITAM updates, and the City will include these same items in future traffic studies which it may prepare regarding future development or roadway planning projects. At such time as the Density Bonus Units (or portions thereof) are located by Heritage Fields and an environmental analysis conducted and mitigation (if any) imposed as set forth in Section 3.11.2 above, the traffic generated from such Density Bonus Units shall be deemed to be part of the "Traffic Generation" and "Roadway Capacity Utilization" for all purposes under this Amended and Restated Agreement.

3.12.2 Reservation of Roadway Capacity Utilization by the City. The City agrees that it shall, in the manner specified in this Section 3.12, reserve the Roadway Capacity Utilization for the implementation of the ARDA Overlay Plan except as set forth in the following sentence. After construction and occupancy of each housing unit on the Heritage Fields Property, the City may reduce the Traffic Generation attributable to such unit if the City determines that actual trip generation from such unit is less than the projected trip generation used in the ARDA Traffic Study. The City agrees that Heritage Fields has, through the ownership of existing roadways in the City it acquired and the construction of improvements specified in the project design features and mitigation measures adopted as part of the ARDA Overlay Plan, fully mitigated for the impacts of the Traffic Generation of the ARDA Overlay Plan, except as specifically noted in the ARDA Traffic Study and any findings adopted by the City therewith. The City also agrees that as part of the approval of future tentative subdivision maps or subsequent discretionary actions and permits for the ARDA Overlay Plan that it will not require Heritage Fields to provide, construct, fully fund or fair-share fund additional roadway right-of-way, capacity, or improvements, except as expressly provided in Section 3.12.5 below. In addition, Heritage Fields will not be required to lower the Traffic Generation of the ARDA Overlay Plan, based upon the trip-generation rates included in the ARDA Traffic Study, in order to reduce impacts on the surrounding roadway system.

3.12.3 Future Unanticipated Changes in Traffic Generation Rates. The ARDA Traffic Study utilized the best available information to estimate the traffic generation rate and the amount of traffic that will be generated by each residential dwelling unit of and the non-residential building entitlement for the Project. The Parties acknowledge that the City may determine that a subsequent discretionary action or permit required for the Project will require additional or supplemental environmental analysis under CEQA and such analysis may determine that the City must use different traffic generation rates to accurately reflect the Project’s traffic impact to comply with CEQA. Such analysis shall not result in any reduction or increase in the Project’s traffic mitigation requirements. Notwithstanding the above, nothing in this section shall require

the City to grant any subsequent discretionary action or permit, or make any determination under CEQA, that would result in conditions dangerous to health or safety as defined in Section 3.8.3 of this Amended and Restated Agreement.

3.12.4 Future Unanticipated Traffic from Additional Development and Unanticipated Changes in Roadways; Trip Obligations. The ARDA Traffic Study includes all of the anticipated traffic from existing and anticipated future development, including development which is authorized by the general plans and zoning codes adopted by the City and other jurisdictions. The Parties acknowledge that in the future it is possible that unanticipated new projects and changes in approved development could generate new traffic not included in the ARDA Traffic Study, which could result in an unanticipated significant adverse impact caused by those projects. Mitigation for such unanticipated traffic or traffic congestion is the responsibility of those other projects, and not the responsibility of Heritage Fields as part of the implementation and construction of the ARDA Overlay Plan. The Parties also acknowledge that as a result, in this situation the Project would not be contributing to any cumulative significant adverse impact as defined under CEQA, because the Project's contribution has already been fully mitigated, and such new adverse traffic impacts would be completely caused by such unanticipated traffic, and there would be no relationship or nexus between the ARDA Overlay Plan and any other further traffic mitigation or traffic improvements beyond those provided for in Project, the ARDA Overlay Plan, or the EIR. To the extent either Heritage Fields, the City or any other entity seeks approvals for any portion of the Property that involve a volume or distribution of traffic on the Property that (i) are not contemplated in, and exceed, those contemplated in the ARDA Traffic Study; or (ii) would modify traffic mitigation measures approved for the Property, such a modification of mitigation or change in use by one Party shall not increase the mitigation or affect the uses allocated and available to the other Party. Accordingly, if Heritage Fields or the City (or other user) were to apply for a use that would generate more traffic than is currently allocated or credited to the particular property (as initially allocated pursuant to Section 3.1.4 above and as allocated further in accordance with Section 3.1.1), it would be required to provide appropriate additional mitigation over and above the Project traffic mitigations to allow for such additional trips, notwithstanding the fact that total Project traffic trips allocated to some other source (*e.g.*, Heritage Fields) have not yet been utilized.

3.12.5 Additional Mitigation Measures. The Parties agree that if there is future unanticipated traffic from additional unanticipated development, unanticipated changes in roadways, and/or future unanticipated changes in traffic generation rates or other changed conditions, the City must approve the Subsequent Discretionary Approvals under the ARDA Overlay Plan for the Property without imposing any additional mitigation measures, conditions, or requirements relating to traffic circulation, unless future litigation determines that portions of the Amended and Restated Agreement are invalid. The Parties intend and determine that NITM, as more particularly set forth in Section 6 below, is full mitigation for transportation and traffic impacts of Heritage Fields' planned development of the Project, reserving to the City only the right to require in-tract, *i.e.*, on the Heritage Fields Property, traffic improvements at the time of submittal of future tentative subdivision maps or subsequent discretionary actions. However, if, despite the Parties' agreement under NITM and their vigorous mutual

defense of any Third-Party Challenge, a final, non-appealable determination is made by a court of competent jurisdiction that the City can and must impose additional off-site traffic mitigation before approving future tentative subdivision maps or subsequent discretionary actions for the Project, and the City in good faith and pursuit of due diligence cannot obtain other funding for such additional mitigation, Heritage Fields and the City each agree to pay one-half of the remaining unfunded cost of such additional mitigation as and when the same becomes due and payable.

3.12.6 Allocation of Cumulative Mitigation for Traffic. The Parties recognize that additional traffic may cause cumulative impacts on Project traffic mitigation which go beyond those resulting from a particular use or increase in density. For example, one Party may increase traffic at a particular intersection from .87 to .89, and then a second Party will propose an increase from .89 to .91. The second Party may be subject to increased mitigation, in addition to the .02 increase from its proposal, because the combined traffic pushes the intersection into a new level of service. The Parties agree that to the extent such additional mitigation is caused by the cumulative effects of several Parties' traffic impacts, the Parties will share such additional mitigation costs in a proportionate manner.

3.13 RDA Obligations. To the extent relevant, now or in the future, the obligations of the RDA with respect to Heritage Fields' vested rights, regulation of the Property, transfers of property, designation of uses and all other provisions of this Amended and Restated Agreement shall be the same as the City. The RDA acknowledges and agrees that the obligations set forth under this Amended and Restated Agreement are consistent with the RDA's adopted Redevelopment Plan.

3.14 Cooperation in Land Use Planning For Edge Conditions. The Parties agree to meet and confer with each other from time to time to ensure consistency in their respective land use planning efforts, particularly with respect to those areas where the City Property and the Heritage Fields Property share common boundaries.

4. ARDA Overlay Plan.

4.1 ARDA Overlay Plan. Land use and development on the Heritage Fields Property shall be governed by the "**ARDA Overlay Plan**", attached hereto as Exhibit "L" and adopted as part of the approval of this Amended and Restated Agreement. The ARDA Overlay Plan supersedes the Conceptual Overlay Plan and the Overlay Plan (Table A-5) in the Original Development Agreement. Notwithstanding any other provision of this Amended and Restated Agreement, Heritage Fields shall have the right but not the obligation to build the uses specified in the ARDA Overlay Plan at the locations specified in the ARDA Overlay Plan.

4.2 Priority Of ARDA Overlay Plan. The City has determined that the ARDA Overlay Plan is consistent with the General Plan and Zoning Code. As such, the ARDA Overlay Plan shall be the primary document governing the use and development of the Heritage Fields Property. In the event of any conflict or inconsistency between the

ARDA Overlay Plan and the compliance activities required by the Agency Permits, the Agency Permits shall control.

4.3 Changes in Land Use, Circulation Access and Mitigation Requirements. The City and Heritage Fields may agree on changes to the mitigation requirements or project design features in writing without amending this Amended and Restated Agreement.

5. FEES.

5.1 Development Fees. During the Term of this Amended and Restated Agreement, the City shall not levy or require with respect to development of the Heritage Fields Property any site-specific Development Fees that are not of general application and are imposed, expressly or effectively, only on the Heritage Fields Property, except those set forth in this Amended and Restated Agreement (including but not limited to the NITM Program fees described in Section 6 and the Public Benefit Fee described in Section 10) and those in effect on July 12, 2005. It is understood that the preceding limitation on the City's imposition of Development Fees shall not limit the City from levying against the Heritage Fields Property additional Development Fees to the extent such development fees are imposed by the City on a city-wide basis and are actually applicable to and paid by a significant portion of other properties in the City.

5.2 Other Fees And Charges. Except as specifically set forth in Section 5.1, nothing set forth in this Amended and Restated Agreement is intended or shall be construed to limit or restrict the City's authority to impose new processing fees or charges, assessments, or taxes for development of the Heritage Fields Property or to increase any existing processing fees or charges which may apply to the Property, assessments or taxes, and nothing set forth herein is intended or shall be construed to limit or restrict whatever rights Heritage Fields might otherwise have to challenge any processing fee or charge either not set forth in this Amended and Restated Agreement or not in effect as of the Second Effective Date. In connection therewith, Heritage Fields agrees that it must comply with and is subject to the payment of school impact fees in accordance with Government Code §§ 65995, *et seq.* In furtherance of the foregoing, the City shall not, subsequent to the Effective Date of this Amended and Restated Agreement, impose any new fee or requirement upon the Project for the purpose of raising revenue for the provision of affordable housing not otherwise set forth in the Affordable Housing Ordinance as vested in this Agreement.

6. NORTH IRVINE TRANSPORTATION INFRASTRUCTURE.

6.1 NITM Ordinance. On or about June 10, 2003, the City adopted the NITM Ordinance establishing a fee program to be paid on all construction within the northern portion of the City (including the Property and the North Irvine Adjacent Lands) for the coordinated and phased installation of required traffic and transportation improvements (the "NITM Program"). The NITM Program is incorporated by reference and shall be considered part of this Amended and Restated Agreement. The NITM Ordinance and NITM Program as adopted by the City are included in the Existing Land Use Regulations

under the terms of this Amended and Restated Agreement. The City and Heritage Fields shall implement the NITM Program.

6.2 Concurrent Agreement(s) With North Irvine Adjacent Lands Owner. On or about June 10, 2003, the City adopted its Ordinance No. 03-20, approving the “**NITM Program Implementing Agreement**” by and between (i) the City and (ii) The Irvine Company and The Irvine Community Development Company LLC. The NITM Program Implementing Agreement is an agreement governed by the Development Agreement Statute, and provides that the owners and developers of the North Irvine Adjacent Lands will participate in the NITM Program.

6.3 Waiver Of Objections Due To Allocation And Apportionment Of NITM Fees. Heritage Fields acknowledges that the Property is subject to the terms and conditions of the NITM Program and that Heritage Fields shall participate in the NITM Program and perform the obligations required of it thereunder. Heritage Fields acknowledges that no NITM Program fees or costs are assessed or imposed upon (i) PIA 19, (ii) PIA 37, (iii) PIA 44, and (iv) the Great Park Property, excepting that portion of the Great Park Property that is the ARDA Transfer Site. Heritage Fields further acknowledges and agrees that the fees associated with each of these areas under the NITM Program will be paid by Heritage Fields in connection with the Parcel (as defined in the NITM Ordinance) in which the exempted area is located. Such fees have been reallocated to the various allowable uses on the Parcels, and shall be payable at such time as the fees for development of the various uses on the Parcels are otherwise due under the NITM Program, and Heritage Fields shall have the right to pay the fees imposed by the NITM Program under any of the alternative payment procedures set forth in the NITM Program. By the execution of this Amended and Restated Agreement, Heritage Fields waives any objection to, and covenants not to sue the City with respect to, any issue in any way relating to the adopted allocation of costs, expenses and fees contained in the NITM Program as of the Second Effective Date, by and among the various areas, including any and all portions of the Property. Heritage Fields does not waive any objection or make any covenant not to sue as to any subsequent allocations by the City that are inconsistent with the NITM Program.

6.4 Limitation On Heritage Fields’ Obligation To Pay NITM Fees For City Property. Notwithstanding any other provision of this Amended and Restated Agreement, Heritage Fields’ obligation to pay NITM fees for that portion of the City Property described in Section 6.3 is limited to the amount of NITM fees that would be payable for those portions of the City Property, had those portions of the City Property been developed in accordance with the assumptions in the 2003 Project Approvals. If, and to the extent, the amount of fees attributable to those portions of the City Property exceeds the fees that would have been payable for those portions of the City Property had those portions of the City Property been developed in accordance with the assumptions in the 2003 Project Approvals, the City shall be responsible for the resulting additional NITM fee increment at the time the same is due under the NITM Ordinance. The City agrees that it will process all NITM traffic studies and fee allocation plans required under NITM.

6.5 Commitment Regarding Payment Of NITM Fee Established For Each Future Development Area. Heritage Fields agrees that, except as set forth in Section 6.3 and Section 6.4, it shall pay the NITM fees as provided in the NITM Ordinance, including without limitation the fees required to be paid for each Future Development Area within the property owned by Heritage Fields under the terms and conditions of the NITM Ordinance. Pursuant to the NITM Ordinance, the Parties agree that Heritage Fields shall be regarded by the City as having remaining “developable land” within its Future Development Area so long as there is vacant land remaining (for which no building permit has been applied for and issued to Heritage Fields) which has been subdivided or which is reasonably likely to be subdivided and used for the construction of new buildings under the provisions of the Existing Land Use Regulations, and the ARDA Overlay Plan, regardless of whether or not Heritage Fields has applied for or the City has permitted such development.

6.6 Notice Of NITM Program To Heritage Fields And Purchasers Of The Property. Heritage Fields shall include notice of the NITM Program obligations pursuant to this Amended and Restated Agreement in each instrument conveying any portion of the Heritage Fields Property to a developer, merchant builder or corporate or institutional purchaser of a portion of the Heritage Fields Property.

6.7 Commitment Regarding Sale Price For Right-Of-Way Land Owned By Heritage Fields Specified In NITM Program. The NITM Program, as adopted by the City, specifies and refers to certain real property which is contemplated to be acquired by the City to construct the specified NITM traffic improvements. The City has indicated to Heritage Fields that if the City cannot acquire such real property through a voluntary sale from Heritage Fields at a price acceptable to the City, the City’s management would recommend to the City Council the adoption of a resolution of necessity for the acquisition of such real property by eminent domain, and pursuit of an action in eminent domain. Under this threat of condemnation by the City, Heritage Fields agrees to sell this specified land to the City upon reasonable terms and conditions at a sale price specified in the NITM Program, with the 5% escalation factor in the sale price as defined in the NITM Program.

6.8 NITM Account. The City shall maintain a separate account (the “**NITM Account**”) under its custody and control to hold all fees collected in trust for the benefit of the participants in the NITM Program. All fees collected under the NITM Program, all fees collected as conditions of approval or other fair share fees from Non-Participating Properties under Section 6.11 below, and all fair share fees collected from landowners and developers in the North Irvine Adjacent Lands under Section 6.10 below, shall be deposited in the NITM Account. All interest or other income earned by the funds in the NITM Account shall accrue and be deposited in such account. As set forth in the NITM Program, the City shall be reimbursed its reasonable costs for administering and maintaining this NITM Account.

6.9 Independent Nature Of Obligations. The obligations of Heritage Fields, the City, and the developers and landowners in the North Irvine Adjacent Lands are independent.

6.10 City Covenant To Obtain NITM Or Fair Share Fees From North Irvine Adjacent Lands. As of the date of this Amended and Restated Agreement, the City has already entered into the NITM Program Implementing Agreement referenced in Section 6.2 with The Irvine Company and the Irvine Community Development Company LLC to obtain from them the fees and improvements contemplated in the NITM Program. The failure of the City to obtain, enforce or otherwise implement such agreement shall not invalidate this Amended and Restated Agreement or the NITM Program, which shall remain in effect, and such failure shall not operate to increase or decrease the obligations of Heritage Fields under the NITM Program or under this Amended and Restated Agreement. The City covenants that, to the extent permitted by law, it shall make a good faith effort to approve and implement such NITM Program Implementing Agreement. Should such NITM Program Implementing Agreement not be implemented in whole or in part for the North Irvine Adjacent Lands, to the extent permitted by law, the City shall require the landowners and developers of the North Irvine Adjacent Lands to pay fees representing the fair share of such North Irvine Adjacent Lands for the traffic improvements that will be utilized by uses in the North Irvine Adjacent Lands, including any of the List of NITM Improvements that will be constructed or fully or partially financed under the NITM Program, and as specified by the NITM Ordinance, including without limitation the fees established by the NITM Ordinance for such property. The City further covenants that any fees collected from the North Irvine Adjacent Lands for NITM Program traffic improvements will be deposited in the NITM Account.

6.11 City Covenant To Obtain NITM Or Fair Share Fees From All Property Owners In The North Irvine Adjacent Lands. Certain properties in the North Irvine Adjacent Lands are not included in the NITM Program Implementing Agreement (“**Non-Participating Properties**”). Should any of these Non-Participating Properties seek to develop in a manner which will increase traffic from those properties, the City covenants that it shall, to the extent permitted by law, require the payment of fees representing such Non-Participating Properties’ fair share of the traffic improvements which will be used by this traffic, including any NITM Program traffic improvements. The City further covenants that any fees collected from Non-Participating Properties for NITM Program traffic improvements shall be deposited in the NITM Account.

6.12 City Covenant To Use NITM Fees And NITM Account For NITM Program. The City shall use the funds in the NITM Account, and all fees collected under the NITM Program, solely for the purposes authorized in the NITM Program. As set forth in the NITM Program, no funds may be used by the City for traffic improvements or other purposes which are not NITM Program traffic improvements, without the consent of Heritage Fields and the owner(s) of the North Irvine Adjacent Lands.

6.13 Certificate of NITM Compliance. Upon written request from Heritage Fields with respect to an identified legal parcel or lot, or parcels or lots, the City shall deliver within twenty (20) days a certificate confirming that this Amended and Restated Agreement is in full force and effect and whether or not NITM fees have been paid, or if there are any outstanding or future NITM fee obligations with respect to such parcel or parcels.

6.14 Satisfaction Of Mitigation Obligations Or Other Traffic Conditions. The City has adopted certain mitigation measures and conditions of approval for the transportation and traffic impacts of the development of the Property pursuant to the Existing Land Use Regulations and the ARDA Overlay Plan. The City has determined based upon a nexus fee study that the costs of the NITM Program are fairly apportioned to the Property included within the NITM Program as set forth in the NITM Ordinance, based upon calculations of average daily trips in a manner which has a nexus to, and is proportional to, the traffic which will be generated by all of the development contemplated in the ARDA Overlay Plan. The City hereby agrees that this Amended and Restated Agreement and the obligations to participate in the NITM Program contained in this Amended and Restated Agreement fully satisfy each and every existing mitigation and condition of approval set forth in the Master Subdivision Map. For future mitigation measures and conditions of approval for transportation and traffic impacts of Heritage Fields' planned development of the Project, the City has determined that the NITM Program will fully satisfy such obligations. The City intends to utilize the following mitigation measure and condition of approval for all development within the Property, including any future discretionary approvals adopted for the Property which the City intends to be applicable to the Property under this Amended and Restated Agreement: "Applicant (or property owner or developer) shall mitigate its traffic and transportation impacts by participation in the NITM Program established by Ordinance No. 03-20 and the Amended and Restated Development Agreement recorded on 12/27/2010, against the Property." Notwithstanding any other provision of the Amended and Restated Agreement, the Parties agree that in addition to this mitigation measure and condition of approval, the City may also add conditions to the approval of a subdivision tentative tract map for development of the Heritage Fields Property for site specific in-tract, i.e., on the Heritage Fields Property, traffic improvements that provide Project access drives, internal streets and traffic control measures within the area to be subdivided. Heritage Fields acknowledges that the City retains the discretion to judge the adequacy of traffic improvements and mitigation in the future, and that the City may exercise that discretion to update the NITM Program through future "Comprehensive Traffic Studies" as defined in and pursuant to the NITM Ordinance.

6.15 Independence Of Obligations. Heritage Fields shall be responsible for traffic mitigation, including payment of NITM fees, in connection with the development of the City Property, so long as development of that property remains within the overall traffic mitigation and ADT allocation assigned to the City. If, however, the City exceeds its mitigation measures (e.g., by substituting a use with higher peak hour generation) or its overall trip allocation, Heritage Fields will not be responsible for the additional increment of mitigation (if any) caused thereby, nor will it be responsible for the additional increment of NITM fees (if any) resulting therefrom.

7. CONSTRUCTION AND MAINTENANCE OF PUBLIC IMPROVEMENTS;
FINANCING OF SAME

7.1 Heritage Fields' Obligations to Construct and Fund Construction. Heritage Fields has the obligation to construct or cause to be constructed, and to pay for the construction of, the Proposed Project Facilities, which shall not be conditioned upon

(i) the formation of the CFD, or (ii) issuance of Non-Subordinate Bonds; provided, however, (a) the obligation to construct and/or pay for the Proposed Project Facilities shall not commence to accrue until the Second Effective Date, unless a Third Party Legal Challenge has been brought before that date, in which case such obligations shall commence to accrue ten (10) days after a final adjudication or legislative action rejecting such Third-Party Legal Challenge; and (b) the status of the issuance of Non-Subordinate Bonds shall continue to be part of the Quarterly Infrastructure Meeting Items (as defined in the Amended MIA) discussed and considered as part of the meet and confer process pursuant to Section 4.2 of the Amended MIA. Construction of the Proposed Project Facilities shall be completed in accordance with the phasing and timing requirements and processes set forth in the Amended MIA. The Proposed Project Facilities shall be financed by the levy of Special Taxes, the issuance of Non-Subordinate Bonds, payments by the County to the City under Section 2.2.5 of the County Agreement toward infrastructure components that are part of the Proposed Project Facilities, contributions by Heritage Fields, as described in Sections 7.5, 7.6, 7.7, and 7.8, and possibly other sources or contributions the Parties may obtain to pay for the design and construction of the Proposed Project Facilities (for example, but without limitation, federal, state or local grants); provided, however, that, Heritage Fields shall be responsible for any costs of the Proposed Project Facilities not financed by the Special Taxes, by the Non-Subordinate Bonds, by payments from the County to the City under Section 2.2.5 of the County Agreement toward infrastructure components that are part of the Proposed Project Facilities, or by such other sources or contributions.

7.1.1 Delegation of Construction. The City acknowledges that Heritage Fields intends to delegate its duties to construct the Proposed Project Facilities to its affiliate that holds a California contractors' license ("**Construction Manager**"), and/or to delegate to IRWD, Southern California Edison ("**SCE**") or the County (or contractors engaged by, through or for IRWD, SCE or the County) construction of those portions of the Proposed Project Facilities that may be conveyed, maintained or ultimately constructed by IRWD, SCE or the County, and the City approves such delegation of duties, as more particularly described in the Amended MIA.

7.1.2 Quality Of Construction of Proposed Project Facilities. Heritage Fields agrees that it shall construct or cause the construction of the Proposed Project Facilities and the Additional Backbone Infrastructure (if any) at a level of quality, as reasonably determined by the City, that is at least equivalent to the quality of construction on similar sized master-planned projects that have been approved and/or built within the City since 2001. Such Proposed Project Facilities and Additional Backbone Infrastructure (if any) shall also be constructed in a manner consistent with the Streetscape Guidelines approved by the City's Planning Commission, and which include "green streets" standards as set forth in the Streetscape Guidelines.

7.1.3 Potential Construction of Backbone Infrastructure Initially Funded By City In Event of Third Party Legal Challenge. By mutual agreement, the Parties may elect to proceed with the construction of Backbone Infrastructure during the pendency of a Third Party Legal Challenge; provided, however, that nothing in this Section 7.1.3 shall require that Heritage Fields initially fund such Backbone Infrastructure prior to final

adjudication or legislative action rejecting such Third Party Legal Challenge; the Parties understanding that funding for such Backbone Infrastructure would not be provided by Heritage Fields and/or through Special Taxes assessed or levied through a CFD until such time as the Third Party Legal Challenge is resolved.

7.2 Authorized Services. On an annual basis, the City shall establish a budget, in its sole discretion, for the Authorized Services for the applicable Fiscal Year. The entirety of or portions of the Authorized Services, up to but not to exceed the Indexed GA, shall be paid by Heritage Fields until such time as the CFD is formed. After the formation of the CFD, the entirety of or portions of the Authorized Services shall be paid solely from the Special Taxes in accordance with the provisions of Section 7.6 below. Accordingly, after the CFD is formed, Heritage Fields shall have no obligation to pay the Indexed GA for Authorized Services separately under this Amended and Restated Agreement and rather only through its payment of Special Taxes as a landowner pursuant to the CFD. The Authorized Services shall be funded, in part, by the Indexed GA and the Secondary Amount. The City shall make available to Heritage Fields the annual budget for the Authorized Services. Prior to approval of the budget by the City, at Heritage Fields' request, the City and Heritage Fields shall meet and review the proposed budget. Until such time that the CFD is formed, the Guaranteed Amount shall be paid in two equal installments for each Fiscal Year on or before the date on which real property taxes would otherwise be delinquent (i.e., December 10 and April 10 of each Fiscal Year). The obligation of Heritage Fields to pay the Indexed GA for Authorized Services shall commence to accrue as of the Second Effective Date, unless a Third Party Legal Challenge has been brought before that date, in which case the obligation to pay shall commence to accrue ten (10) days after a final adjudication or legislative action rejecting such Third-Party Legal Challenge (as applicable, the "**Payment Commencement Date**"); provided, however, that if the City elects in its sole and absolute discretion to incur Authorized Services costs during the period between the Second Effective Date and the Payment Commencement Date ("Advanced Authorized Services"), once there has been final adjudication or legislative action rejecting any Third Party Legal Challenge, then the City may demand, and Heritage Fields shall pay to the City the amount of the Advanced Authorized Services up to the Indexed GA due, which payment shall be due on the later of (i) the Payment Commencement Date or (ii) 30 days after the delivery of such demand to Heritage Fields. The obligation of Heritage Fields to pay the Guaranteed Amount for Authorized Services for the Fiscal Year in which the CFD is formed shall be apportioned between the payment obligation under this Amended and Restated Agreement and the payment obligation from the Special Taxes such that there is no overpayment for that particular Fiscal Year.

7.3 Additional Backbone Infrastructure. If the Parties, after a good faith meet and confer process, mutually determine in writing to fund the construction of all or any part of Additional Backbone Infrastructure through the proceeds of Non-Subordinate Bonds and Special Taxes, then Heritage Fields shall have the obligation to construct or cause to be constructed such Additional Backbone Infrastructure.

7.4 Value Limitation. For each Improvement Area, the amount of the Maximum Special Taxes for the portion of the Heritage Fields Property intended to be

developed with residential units shall be established at the time of formation of the CFD in amounts determined by the City, but the amount of the Maximum Special Taxes plus the Overlapping Liens plus the Assumed IRWD Assessment shall collectively not exceed two percent (2%) of the expected base sales price (i.e. the base sale price without any optional upgrades included) of the lowest priced residential unit within each residential Land Use Class (as defined in Table 1 of the RMA) in such Improvement Area at the time of formation of the CFD, as projected in a market study prepared by a third party consultant selected by the City that assumes completion of the residential units (the “**Residential Value Limitation**”). For each Improvement Area, the amount of the Maximum Special Taxes for the portion of the Heritage Fields Property intended to be developed with non-residential improvements shall be the amount set forth in the RMA (the “**Non-Residential Value Limitation**”). The Residential Value Limitation and the Non-Residential Value Limitation are hereinafter collectively referred to as the “**Value Limitation**.” Both the Residential Value Limitation and the Non-Residential Value Limitation shall be recalculated at the time and in the manner set forth in the RMA for each Improvement Area, and, if necessary, the Maximum Special Taxes in the RMA shall be reduced so that such amounts do not exceed the respective Residential Value Limitation and Non-Residential Value Limitation, in the manner specified in the RMA.

7.5 Capacity Allocation on the Project. The Parties hereto agree and recognize that the ability to fund various capital facilities, fees, and/or the GA and the Indexed SA, through the CFD is limited by, among other things, the Value Limitation. In terms of allocating and prioritizing the leverage and/or payment of Special Taxes upon Taxable Property, the overall debt capacity of the Project up to the Value Limitation shall be allocated during the Term in the following order of priority:

7.5.1 Priority 1. Overlapping Liens at the time that the CFD is established;

7.5.2 Priority 2. A sufficient amount to pay the tax supporting IRWD Bonds based upon an assumed amount equal to 10% of the Value Limitation for the Improvement Area (“**Assumed IRWD Assessment**”).

7.5.3 Priority 3. Special Tax levy sufficient to provide the maximum annual amounts set forth on Exhibit "R-2" attached hereto.

7.5.4 Priority 4. Special Tax levy sufficient to pay debt service on one or more series of current and future Non-Subordinate Bonds and Administrative Expenses, the proceeds of which will be used to finance the Proposed Project Facilities and Additional Backbone Infrastructure, if any.

7.5.5 Priority 5. The difference between the (i) the Indexed GA set forth in Exhibit “R-1” and (ii) Guaranteed Amount set forth in Exhibit “R-2” (the difference being the “**Index Delta**”).

7.5.6 Priority 6. Special Tax levy sufficient to pay, or to reimburse amounts previously paid by Heritage Fields, for the construction of Proposed Project Facilities and Additional Backbone Infrastructure, if any.

7.5.7 Priority 7. Special Tax levy sufficient to pay the Authorized Services in excess of the Indexed GA up to a maximum of the Secondary Amount per year.

7.5.8 Priority 8. Any remaining Special Tax revenues which have not been allocated to one or more of the activities, services, or categories described above (the “**Excess Special Tax Capacity**”), shall be divided so that Heritage Fields possesses the ability to designate and/or leverage two-thirds (2/3) of said Excess Special Tax Capacity upon any and all Authorized Facilities and the City shall possess the ability to use and/or leverage one-third (1/3) of the Excess Special Tax Capacity upon any and all Authorized Facilities and all services within the CFD Area and/or those areas adjacent to the CFD Area that are part of the Property otherwise authorized under applicable law to be funded from Special Tax revenues.

7.6 Application of Special Taxes. The Parties hereto agree and recognize that all Special Taxes collected in any Fiscal Year in an Improvement Area (by payment or foreclosure), and any penalties and interest on delinquent amounts collected by foreclosure or otherwise, in any Fiscal Year, not owed to or held by the County, shall be pledged to the payment of (A) debt service on all outstanding Non-Subordinate Bonds issued for such Improvement Area due on (i) any payment dates prior to the date of collection of such Special Taxes and (ii) the next payment dates, in the calendar year commencing in such Fiscal Year, and (B) Bond Costs associated with any outstanding bonds issued for another Improvement Area of the CFD, but only if the Special Taxes were pledged to pay the Bond Costs associated with bonds issued in another Improvement Area of the CFD pursuant to the Indenture, and only in the manner, to the extent, and for the duration set forth in the Indenture, in each case only to the extent that there are insufficient funds on deposit under the Indenture to pay such debt service. After satisfying the payment of debt service on the Non-Subordinate Bonds for which the Special Taxes in such Improvement Area were pledged as set forth in (A) and (B) above in the foregoing manner, the remaining Special Taxes may be applied to finance the Authorized Facilities and Authorized Services, including Subordinate Bonds, in the priority set forth below (with all items of a higher priority being satisfied before application to items of lower priority):

7.6.1 To restore or establish any Non-Subordinate Bond reserve fund for which Special Taxes were levied.

7.6.2 To pay outstanding Administrative Expenses and to fund an account to pay for any Administrative Expenses for Non-Subordinate Bonds in the next Fiscal Year in the amount calculated as part of the Special Tax Requirement.

7.6.3 To pay the Guaranteed Amount for such Improvement Areas. The Guaranteed Amount may be used to finance the Authorized Services and debt service and related expenses on the Subordinate Bonds.

7.6.4 Subject to the City's priority of use of Special Taxes following the City's exercise of its self-help rights under Article XIII of the Amended MIA, and so long as Heritage Fields is not in material breach of this Amended and Restated Agreement or the Amended MIA beyond applicable notice and cure periods, to fund and pay for the Proposed Project Facilities in accordance with Section 7.1 either directly or in reimbursement of costs advanced by Heritage Fields, it being understood that Special Taxes may accumulate in the appropriate fund or account created for each Improvement Area (hereinafter, the "pay-as-you-go fund") to pay such Proposed Project Facilities that have not yet been constructed until actual costs of all Proposed Project Facilities are paid in full. Any shortfalls, current or past, in the payment of the Guaranteed Amount and replenishments of any bond reserve fund under any Indenture relating to the applicable Improvement Area shall be paid from the pay-as-you-go fund upon the deposit of sufficient monies. At such time that (i) the balance in the pay-as-you-go fund for all Improvement Areas, when combined with the remaining net proceeds of any bonds issued by the CFD for the financing of Proposed Project Facilities and any mutually agreed upon Additional Backbone Infrastructure, is at least as much as the projected costs of the Proposed Project Facilities and any mutually agreed upon Additional Backbone Infrastructure that have not yet been constructed (as such projected costs are determined by an independent engineer mutually selected by Heritage Fields and the City, which estimate shall include a twenty-five percent (25%) contingency), and (ii) such projected costs are equal to or less than Twenty Million Dollars (\$20,000,000), then in such Fiscal Year, the City may direct that the amount of Special Taxes collected by the City in such Improvement Area in such Fiscal Year that are not needed to be reserved to cover the projected costs be allocated, in an amount and for items specified by the City, to the lower priority set forth in Section 7.6.5 and 7.6.6 below. Because the pay-as-you-go fund in an Improvement Area may be utilized to make up delinquencies in the payment of the Guaranteed Amount or for any deficiencies in the reserve fund for such Improvement Area, the calculation in the preceding sentence shall be conducted annually, and in each subsequent year, to the extent that there is a shortfall in the amounts available to pay the Proposed Project Facilities and any mutually agreed upon Additional Backbone Infrastructure, the Special Taxes shall be deposited in the pay-as-you-go fund before allocating any Special Taxes pursuant to Section 7.6.5 and 7.6.6, below. The City shall pay amounts from the pay-as-you-go fund for Proposed Project Facilities or any mutually agreed upon Additional Backbone Infrastructure upon request by Heritage Fields, in accordance with the payment requisition procedures set forth in the Amended MIA. If the City directs that Special Taxes be allocated to a lower priority level in accordance with the preceding sentence (a "**Lower Priority Disbursement**") and if Heritage Fields is not reimbursed in full for the reimbursable costs of Proposed Project Facilities and any mutually agreed upon Additional Backbone Infrastructure in the time required under the Amended MIA, City shall remit to Heritage Fields within sixty (60) days of written demand the amount of funds disbursed for a Lower Priority Disbursement that were not paid to or for the benefit of Heritage Fields pursuant to Section 7.6.6 below, in accordance with the payment requisition procedures set forth in the Amended MIA, from

Special Taxes allocated pursuant to Section 7.6.3, Section 7.6.5, and the City's portion of Special Taxes allocated pursuant to Section 7.6.6, or other funds.

7.6.5 To City to pay the Secondary Amount.

7.6.6 For Authorized Facilities and Authorized Services as provided pursuant to Section 7.5.8.

7.7 Formation of the CFD. Subject to the provisions of this Section 7, the Authorized Facilities and Authorized Services shall be funded through the City's formation of a single CFD. Within the CFD, the City and Heritage Fields shall agree on the designation of multiple improvement areas ("**Improvement Areas**"), which may include two or more Tax Zones within each Improvement Area. The RMA for each Improvement Area shall be in the form of the RMA attached hereto as Exhibit "S", except that the following information, at a minimum, in an RMA for an Improvement Area shall be altered (by mutual written agreement of the City and Heritage Fields) to reflect Improvement Area specific information: (a) the identity of the Improvement Area; (b) the Maximum Special Taxes identified in Section C of the RMA, (c) the data identified in Table 2; (d) the amount of exempt acreage in Sections F and I of the RMA; (e) the Prepayment Portion of the Special Tax for both Residential Property and Non-Residential Property set forth in Section I of the RMA; (f) the percentages set forth in Section I; and (g) the percentages in Section J of the RMA. In addition, the City and Heritage Fields may, at any time prior to formation of the CFD, alter any terms of the RMA by mutual written agreement. Nothing in this Section 7.7 shall prevent an amendment of any RMA for an Improvement Area pursuant to the Change Proceedings, as set forth in Section 7.7.7. The City shall not form a CFD for the Property that has an RMA in form or substance different from the RMA attached hereto as Exhibit "S" (as amended in each case as set forth above).

7.7.1 Heritage Fields shall execute and deliver to the City a petition as described in Section 53318(c) of the California Government Code (the "**CFD Petition**") within ninety (90) days after the Second Effective Date, unless a Third Party Legal Challenge has been brought before that date, in which case Heritage Fields shall execute and deliver the CFD Petition to the City within ten (10) days after a final adjudication or legislative action rejecting such Third-Party Legal Challenge. Upon the delivery of the CFD Petition, the City shall conduct the required proceedings as set forth in Government Code Section 53311 *et seq.*, including but not limited to, the City adopting a Resolution of Intention to establish the CFD within ninety (90) days from the submission of the CFD Petition and the payment of any applicable deposit, and then the City holding a public hearing on the establishment of the CFD within thirty (30) days to sixty (60) days after the adoption of the Resolution of Intention.

7.7.2 Subject to the limitations set forth in this Amended and Restated Agreement (including, without limitation, Sections 7.4 and 7.5), Heritage Fields agrees to cooperate with the City and take all reasonable actions to accomplish the formation of the CFD, the designation of the Improvement Areas, the imposition of Special Taxes within each Improvement Area, and the authorization of bonded indebtedness within each

Improvement Area necessary in conjunction with the bonded indebtedness authorized in all other Improvement Areas to finance the Authorized Facilities and Authorized Services, including without limitation, if required by the City as to the CFD and each and every Improvement Area, the submission of a ballot to the City in favor of the formation of the CFD, the designation of Improvement Areas, the levying of such Special Taxes, and the authorization of bonded indebtedness within each Improvement Area necessary in conjunction with the bonded indebtedness authorized in all other Improvement Areas to finance the Authorized Facilities and Authorized Services, and to require any purchaser, other than a Purchaser/User, of Heritage Fields Property to vote accordingly. While it is acknowledged that this Amended and Restated Agreement cannot require the City or the City Council to form the CFD, the City represents that it can, and does hereby, agree that it shall not refuse Heritage Fields' requests to form the CFD, except for good and reasonable cause. Good and reasonable cause includes, without limitation, an adopted City-wide policy, enacted after reasonable notice to Heritage Fields, that does not allow for or discourages the formation of a CFD.

7.7.3 Each Improvement Area shall be authorized to finance any or all of the Authorized Facilities, irrespective of the geographical location of the Authorized Facilities or the phase in which the Authorized Facilities are constructed. Each Improvement Area shall be authorized to finance any or all of the Authorized Services irrespective of the geographic location of the Authorized Services.

7.7.4 The Special Taxes set forth in an RMA shall be secured by recordation in the Official Records of the County of Orange of continuing liens against all or portions of the property included within the boundaries of the respective Improvement Area.

7.7.5 The Maximum Special Tax for each Improvement Area on all users of the Taxable Property within the CFD shall escalate as set forth in the RMA. Subject to sound municipal financing practices, market conditions, and findings of compliance with applicable law, the debt service on the CFD Bonds in such Improvement Area shall also escalate by the same percentage as the Special Taxes.

7.7.6 The City may approve one or more JCFA's with other political entities to allow the CFD or any Improvement Area to finance facilities owned and/or maintained by Local Agencies other than the City.

7.7.7 At the request of Heritage Fields, but subject to the limitations contained in this Amended and Restated Agreement, the City agrees that it shall conduct Change Proceedings pursuant to the CFD Act to (i) make any changes to an RMA for an Improvement Area, including amending the rates (either increase or decrease) and method of apportionment of special taxes, (ii) increase or decrease the authorized bonded indebtedness within an Improvement Area, (iii) annex or remove property from an Improvement Area, or (iv) to take such other actions as authorized by the CFD Act ("Change Proceedings"), provided, however, the City makes no commitment as to the outcome of said Change Proceedings.

7.7.8 No bonds, notes, certificates of participation or other evidence of bonded indebtedness (other than the IRWD Bonds) shall be issued by any Local Agency, other than the City, at the request of Heritage Fields, or with its affirmative vote and/or consent, secured, in whole or part, by Taxable Property, and/or taxes or other assessments thereupon, without the advance written consent of the City, except in the event the City elects not to form the CFD and issue CFD Bonds in accordance with the terms of this Amended and Restated Agreement.

7.7.9 Upon formation of the CFD, or shortly thereafter, the City and Heritage Fields shall enter a "Protocol Agreement" whereby the City Council, as the legislative body of the CFD, agrees that the requirements of Sections 7.4 through 7.8 shall bind the CFD for the Term of the Agreement.

7.7.10 The City Property shall neither be subject to the levy of the Special Taxes nor be included in the capacity analyses set forth in Section 7.5 except in the event any portion of the ARDA Transfer Site is sold or leased pursuant to a long term lease to a private third-party (other than the City, RDA, OCGP Corporation, or any public entity) for a use that is neither a Great Park use nor a use ancillary to a Great Park use (as such ancillary uses are specified further in Section 3.9.7 above), in which case such portions of the ARDA Transfer Site shall be subject to the levy of the Special Taxes as identified in the RMA and included in the capacity analyses.

7.8 Issuance of Non-Subordinate Bonds. While it is acknowledged that this Amended and Restated Agreement cannot require the City or the City Council to issue and sell Non-Subordinate Bonds, the City represents that it can, and does hereby, agree that it shall not refuse Heritage Fields' requests to issue and sell Non-Subordinate Bonds from time to time in each Improvement Area consistent with the priorities set forth in Section 7.5 above, except for good and reasonable cause. Good and reasonable cause includes, without limitation, an adopted City-wide policy, enacted after reasonable notice to Heritage Fields, that does not allow for or discourages the formation of a CFD. The issuance of the Non-Subordinate Bonds shall, in general, be subject to the following parameters:

7.8.1 Unless the City determines otherwise, for fixed rate bonds, the amount of the reserve fund for each federal tax-exempt Non-Subordinate Bond issue shall equal the lesser of (i) 10% of the bond amount, (ii) the maximum annual debt service on such bonds, or (iii) 125% of the average annual debt service on such bonds. The City may authorize that a surety bond, letter of credit, or other credit facility may be used in lieu of all or a part of a reserve fund funded by bond proceeds.

7.8.2 The minimum appraised value-to-lien ratio required for each Non-Subordinate Bond issue shall be 3:1, unless otherwise required by the CFD Act.

7.8.3 Non-Subordinate Bonds may be issued as fixed or variable rate bonds. If Heritage Fields requests that variable rate bonds be issued, Heritage Fields shall obtain appropriate credit enhancement at its sole expense.

7.8.4 The term of the Non-Subordinate Bonds for each Improvement Area shall be determined by the City.

7.8.5 Non-Subordinate Bonds for each Improvement Area shall be issued and administered pursuant to a bond indenture, fiscal agent agreement, resolution of issuance, Charter City Resolution, or similar document relating to the pledge of Special Taxes for that Improvement Area (the “**Indenture**”).

7.8.6 All statements and material related to the sale of Non-Subordinate Bonds shall state that neither the faith, credit, nor the taxing power of the City is pledged to the repayment of the Non-Subordinate Bonds, nor that there is an obligation of the City to replenish the reserve fund from revenue sources other than Special Taxes or proceeds from foreclosure proceedings. The City shall have no monetary liability, contingent or otherwise, for the debt services related to any Non-Subordinate Bonds.

7.8.7 The Special Taxes shall continue to be levied and collected in accordance with the RMA and utilized to fund Authorized Facilities and Authorized Services as determined by the City, except that upon final payment of all Non-Subordinate Bonds and the financing of all Proposed Project Facilities and any mutually agreed upon Additional Backbone Infrastructure, the City Council may, in its sole discretion determine to reduce or discontinue the collection of the Special Taxes.

7.8.8 Subject to Section 7.5, the City shall neither issue any CFD Bonds, nor any other bonds, certificates or other forms of indebtedness, secured by the Special Taxes to finance any Authorized Facilities or Authorized Services other than the Proposed Project Facilities and any Additional Backbone Infrastructure, except on a subordinated basis (the “**Subordinated Bonds**”) to any CFD Bonds issued or which may be issued in the future to fund Authorized Services or Authorized Facilities provided, however; that (i) Subordinate Bonds shall not be included in the calculation of the minimum value to lien ratio for the purpose of issuing Non-Subordinate Bonds; (ii) The Special Taxes that secure the Subordinate Bonds are subordinate to the pledge or use of the Special Taxes for any of the purposes of higher priority set forth in Section 7.6; (iii) That until all Proposed Project Facilities and any Additional Backbone Infrastructure have been financed by the CFD, the City shall be limited to pledging, on a subordinated basis, the Special Taxes not in excess of the Indexed GA for such Improvement Area, unless a supplemental levy is required as a result of Special Tax delinquencies, as denoted in Section E.2. of the RMA; (iv) Special Taxes used to pay debt service or other costs associated with the Subordinate Bonds will be derived from the Indexed GA payable to the City to the effect that amounts expended on debt service and other costs for the Subordinate Bonds when combined with amounts received will not exceed the Pro Rata Share of the Indexed GA for such Improvement Areas; (v) At Heritage Fields’ request the City and Heritage Fields shall meet and review any Subordinated Bond issue prior to public dissemination of disclosure documents, provided however, that Heritage Fields’ shall not possess a right of consent in relation to the issuance of Subordinated Bonds; and (vi) the documentation for the Subordinated Bonds explicitly allows for the issuance of Non-Subordinate Bonds in any number of series and amounts that will be secured by the Special Taxes on a basis senior to that of Subordinate Bonds.

7.9 Apportionment; Application to County Property. The City covenants to request in writing that the County honor its obligations pursuant to Section 2.2.5 of the County Agreement, and to actively pursue enforcement of that provision, which provides as follows:

"The parties acknowledge that the City seeks to create a funding mechanism whereby all Base users pay their fair share of the costs of developing the necessary infrastructure and related improvements. The County agrees to participate in such a funding mechanism and pay its fair share of the costs that are limited to infrastructure improvements directly related to servicing the properties County is to receive referenced in 2.2.3 above. Infrastructure improvements shall refer to utilities, roadways, sewer lines and other types of infrastructure needs that are necessary to service each County parcel, if any. The County will not be required to contribute, through assessments or other funding or financing methods, to the development or maintenance costs or expenses for any park or open space that will be developed and maintained on the Base under the Irvine 'Great Park Plan'. Furthermore, to the extent they qualify, County shall have the option to pay any portion of its share of infrastructure costs and expenses with Road Funds or other non-General Fund revenues."

In this regard, the City agrees to meet and confer in good faith with Heritage Fields concerning the City's efforts to secure compliance with Section 2.2.5 of the County Agreement. The City shall not enter into any agreement with the County (or other parties, including OCTA) or a modification to the terms of the County Agreement that creates a material and adverse impact on the cost of the Backbone Infrastructure and/or a material and adverse impact on the timing of construction of the Backbone Infrastructure, as that timing is specified in the Master Phasing Plan and Schedule provided as Exhibit B to the MIA, as that schedule may be modified from time to time in accordance with the MIA. Nothing in this Section 7.9 requires that the City commence any litigation action against the County to enforce the terms of the County Agreement, provided that nothing contained herein shall be deemed to be a waiver by Heritage Fields of any rights Heritage Fields may have as against the County with respect to the County Agreement.

7.10 Waiver of Challenge to Special Tax Requirement. (A) Heritage Fields hereby waives and forever relinquishes any ability it may possess to challenge, judicially, administratively, or otherwise, the imposition of the Special Tax, or any portion thereof, the levy of the Special Tax, or any portion thereof, and/or the collection of the Special Tax, or any portion thereof, on any property which it/they own and/or control. The foregoing covenant shall not prevent Heritage Fields from bringing any challenge, judicially, administratively, or otherwise to specifically enforce the obligations of the City or the CFD under the Indenture, the RMA, Amended MIA, the Protocol Agreement, this Amended and Restated Agreement or any other agreement between the City and

Heritage Fields which reasonably relates to the Special Taxes. In addition, and without limitation, Heritage Fields hereby agrees not to file, and forebears and relinquishes the right to file, a petition, of any sort, whether by way of ballot proposition, initiative, referendum, or similar device, to amend, modify, reduce or otherwise negatively affect the collection of Special Taxes or any portion thereof, contemplated by this Amended and Restated Agreement and/or the RMA, except that this covenant shall not be construed to prohibit Heritage Fields from petitioning the City or the CFD to process, or participate in, any Change Proceedings in accordance with Section 7.7.7 above. Heritage Fields shall protect and indemnify the City from any loss of Special Tax revenue based upon its breach of one or more of the covenants set forth in this Section 7.7.10 or Section 7.7.2. (B) No person or entity, other than Heritage Fields and/or a Purchaser/User, shall claim any right, entitlement, or any other benefit under this Amended and Restated Agreement unless and until it has executed a document, approved as to form and content by the City Attorney, accepting and agreeing to the waivers, releases, and covenants set forth in Subsection 7.10(A) above.

8. PROPERTY-WIDE ACTIVITIES.

8.1 Master Subdivision Map. Heritage Fields shall not record any final subdivision map for all or any portion of the Heritage Fields Property (a “Subsequent Map”) unless and until it has filed a final Master Subdivision Map for that portion of the Property that is subject to the Subsequent Map, and has complied with all Master Subdivision Map conditions specified by the City to be applicable to that final Master Subdivision Map.

8.2 Property-Wide Permits.

8.2.1 Agency Permits. The development of the Property will require various permits and entitlements from state and federal agencies including without limitation a Section 404 Permit from the U.S. Army Corps of Engineers, a Section 401 Water Quality Certification from the California Regional Water Quality Control Board, a Fish and Game Section 1602 Permit from the California Department of Fish and Game, an Irvine Ranch Water District Subarea Master Plan, and a National Pollution Discharge Elimination System Permit (the “**Agency Permits**”). Heritage Fields shall process such Agency Permits in consultation and coordination with the City. Heritage Fields has obtained the following Agency Permits in connection with development of the Property, under which each of Heritage Fields, the City and OCGP Corporation are co-permittees: (i) Clean Water Act Section 404 Permit No. SPL-2006-1452-CJF, effective date April 30, 2007, issued by the United States Army Corps of Engineers (the “**404 Permit**”); (ii) California Fish and Game Code Section 1602 Streambed Alteration Agreement No. 1600-2006-0258-R5, effective date February 28, 2007 issued by the California Department of Fish and Game (the “**1602 Agreement**”); (iii) Section 401 Water Quality Standards Certification for the Heritage Fields and the Great Park Improvement Projects, the City of Irvine (ACOE Reference No. 200601452-CJF), effective date February 21, 2007, issued by the Santa Ana Regional Water Quality Control Board (the “**401 Certification**”). In addition, Heritage Fields has in place a Master Storm Water Pollution Prevention Plan, dated [March 2007] (the “**Master SWPPP**”) required by the 401

Certification. The City and OCGP Corporation are not co-permittees for purposes of the Master SWPPP. Instead, the City and OCGP Corporation are required to maintain separate storm water pollution prevention plans in compliance with the 401 Certification to cover any construction activity the City or OCGP Corporation undertake on the Property, and shall be separately responsible and liable for performance for their respective SWPPP.

8.2.2 Responsibility for Implementation. If either the City or Heritage Fields fails to implement its obligations under any of the Agency Permits and does not cure such failure pursuant to Section 14 of this Amended and Restated Agreement (“**Defaulting Party**”), and such failure would prevent the other Party from proceeding with its development of its property (“**Affected Party**”), the Affected Party may obtain an order for specific performance from a court providing that if such implementation is not timely commenced and diligently pursued by the Defaulting Party, the Affected Party may take responsibility for implementation of such obligations. The order may provide that the Defaulting Party shall grant the Affected Party all rights of access, construction easements, and other permits or licenses necessary to perform such work. The Affected Party shall have the right to recover the costs of performing such work from the Defaulting Party.

8.2.3 Indemnification. Each Party agrees to indemnify and defend any other Party for any violations of the Agency Permits a Party may cause, whether on that Party’s property or the other Party’s property.

8.3 City Cooperation. The City will cooperate with Heritage Fields, and assist Heritage Fields, as requested by Heritage Fields, in its efforts to obtain additional Agency Permits or to amend previously obtained Agency Permits. The City shall use reasonable efforts to provide to Heritage Fields, as soon as reasonably possible after a request for such additional information and materials reasonably needed by Heritage Fields to file sufficient applications or amendments for all applicable Agency Permits.

9. DEDICATIONS AND CONVEYANCES OF PROPERTY INTERESTS.

9.1 Police Site. Following the Second Effective Date and the City’s determination of its final detailed site plan that shows its proposed improvements and sets the precise boundaries upon which a metes and bounds legal description can be prepared, Heritage Fields shall execute, acknowledge, and deliver to City a grant deed in the form substantially the same as the form attached hereto as Exhibit P, conveying to City, for no additional consideration, fee title to the Police Site in consideration of the City’s performance of its obligations set forth in this Amended and Restated Agreement, unless a Third-Party Legal Challenge has been brought before that date, in which case the conveyance shall occur no earlier than ninety (90) days after a final adjudication or legislative action rejecting such Third-Party Legal Challenge. The City shall not be required to pay any fee or purchase price for the Police Site. The Police Site shall be used primarily as a public police facility, which may permit additional accessory City personnel, but not including any jail or other detention facilities except for temporary holding facilities. The City shall be responsible for any traffic mitigation, NITM fees or

other traffic fees related to such use, including any cumulative traffic obligation as provided in Section 3.12.1. The conveyance of the Police Site shall not affect Heritage Fields' approved character, density or intensity of uses of its property or of the traffic mitigation required for such uses. The conveyance shall be subject to deed restrictions, effective for a twenty (20) year period, limiting the use of the Police Site to its defined uses. Conveyance of the Police Site shall be subject to Section 9.9 with respect to LIFOCs.

9.1.1 Boundary Adjustments To Police Site. The Parties agree and understand that if any boundary adjustments that reduce the size of the Police Site are necessary under Section 9.6, Heritage Fields shall convey to the City, at no cost, such additional land adjacent to the Police Site as is necessary to fully offset said reduction.

9.1.2 Condition of Title; Title Insurance Policy. Heritage Fields shall cause the Police Site to be conveyed free and clear of all recorded and unrecorded monetary liens and all recorded and unrecorded non-monetary liens, encumbrances, easements, leases, covenants, conditions, restrictions, and other exceptions to or defects in title, excepting only the exceptions listed on Exhibit T. Heritage Fields shall pay all costs required to place title in the condition described in this Section 9.2. A condition to City's acceptance of the Police Site shall be the irrevocable commitment of the Title Company to deliver to, at City's direction, City upon the transfer of title to the Police Site, an ALTA standard or, at City's election, an extended coverage owner's policy of title insurance showing title vested in City in the condition described in this Section 9.2 with insurance coverage in the amount of the fair market value of the Police Site as determined by City, and with such title insurance to be paid by the City.

9.2 ARDA Transfer Site and Exchange Properties.

9.2.1 Conveyance of ARDA Transfer Site. Heritage Fields shall, within ninety (90) days of the Second Effective Date, convey to the City the ARDA Transfer Site and deliver to City a grant deed in the form substantially the same as the form attached hereto as Exhibit Q, unless a Third-Party Legal Challenge has been brought before that date, in which case the conveyance shall occur within ninety (90) days after a final adjudication or legislative action rejecting such Third-Party Legal Challenge. The City shall not be required to pay any fee or purchase price for the ARDA Transfer Site. Notwithstanding the 90-day time periods referenced above, the timing of the conveyance of the ARDA Transfer Site shall be subject to Section 9.9 with respect to LIFOCs, the final determination of the location of "Q" Street and the preparation of a metes and bounds legal description that correspondingly shows the precise boundaries of the ARDA Transfer Site.

9.2.1.1 Condition of Title of ARDA Transfer Site. Subject to Section 9.9, Heritage Fields shall cause the ARDA Transfer Site to be conveyed free and clear of all recorded and unrecorded monetary liens and all recorded and unrecorded non-monetary liens, encumbrances, easements, leases (other than the existing FAA lease), covenants, conditions, restrictions, and other exceptions to or defects in title, excepting only the exceptions listed on Exhibit U. Heritage Fields shall pay all costs required to

place title in the condition described in this Section 9.2. A condition to City's acceptance of the ARDA Transfer Site shall be the irrevocable commitment of the Title Company to deliver to, at City's direction, City upon the transfer of title to the ARDA Transfer Site an ALTA standard or, at City's election, an extended coverage owner's policy of title insurance showing title vested in City in the condition described in this Section 9.2 with insurance coverage in the amount of the fair market value of the ARDA Transfer Site as determined by City.

9.2.1.2 Adjustments to ARDA Transfer Site. Heritage Fields and the City may mutually agree in writing to modify or adjust the precise location and/or area or the land that comprises the ARDA Transfer Site so long as the replacement land is approximately the same acreage as that portion of the original ARDA Transfer Site as generally depicted on Exhibit "G," and more fully described as PIAs 28 and 30 on Exhibit "I."

9.2.2 Traffic Mitigation For ARDA Transfer Site. Conveyance of the ARDA Transfer Site shall not affect the character, density or intensity of uses approved for the Heritage Fields Property or the traffic mitigation required for such uses. The City shall be responsible for all maintenance of the ARDA Transfer Site and for any traffic mitigation, NITM payments or other traffic fees related to use of the ARDA Transfer Site.

9.2.3 Exchange of Exchange Properties. Subject to Section 9.9, the Parties shall, within ninety (90) days following the Second Effective Date or such later date as the Parties may mutually agree to, enter into a "land swap agreement" pursuant to which they shall convey the Exchange Properties to one another as follows: (i) Heritage Fields shall convey to City the Initial City Exchange Properties, and (ii) City shall convey to Heritage Fields the Initial Heritage Fields Exchange Properties. The failure to consummate the transaction contemplated by the land swap agreement shall not limit the effectiveness of this Amended and Restated Agreement, nor render it void or unenforceable.

9.3 Park Dedications.

9.3.1 Dedication Of Neighborhood Parks. Heritage Fields shall improve and offer to dedicate to the City on the subdivision maps for the Heritage Fields Property neighborhood parks, based on the rate of 3 acres/1,000 residential population of market rate housing units, and 2 acres/1,000 residential population of affordable housing units, which shall fully satisfy Heritage Fields' obligations to the City with respect to neighborhood parks.

9.3.2 Satisfaction Of Community Park Obligations. Heritage Fields' conveyance of the Great Park Property to the City shall be deemed to satisfy any requirement imposed upon Heritage Fields for the dedication or development of community parks pursuant to the City's General Plan and Municipal Code in connection with the development of the Heritage Fields Property consistent with the ARDA Overlay Plan or any development density which the City may approve for the Heritage Fields

Property in the future calculated at 2 acres/1,000 residential population or such other community parks requirement ratio the City may impose in the future.

9.4 Dedication Of School Site To IUSD. Heritage Fields acknowledges that it will be required to dedicate to IUSD fee title to the School Site at no cost to IUSD. The precise location and boundaries of the School Site shall be as determined by IUSD. From and after the Second Effective Date, Heritage Fields shall cooperate with IUSD in an effort to determine the terms for the timing and conveyance of the School Site to IUSD.

9.5 Dedication Of Streets To City. Heritage Fields acknowledges that it has offered to dedicate to the City on the Master Subdivision Map, and may offer to dedicate on subsequent subdivision maps for portions of the Heritage Fields Property, all arterials and major thoroughfares, and other secondary, collector and local roads. The City agrees that if such offers to dedicate are not accepted, the cost of maintaining such streets through a POA shall be an assessment or fee which shall be included in the calculation of the 2% Value Limitation, notwithstanding Section 7.

9.6 Modifications To Property Boundaries. The Parties acknowledge that it may be necessary to adjust the boundaries of the City Property and the Heritage Fields Property to accommodate roadway design standards, traffic mitigation requirements, and/or refinements in engineering data as it becomes available. The City and Heritage Fields shall cooperate with each other, and promptly perform such acts and execute such documents as necessary to effectuate such adjustments. The Parties agree that such adjustments may result in an uncompensated reduction of a Party's gross acreage.

9.7 Administrative Changes To Reflect Property Ownership Changes. If and to the extent the parties agree in the future to adjust the ownership of any portion of their respective properties, the Director of Community Development, with the concurrence of an authorized representative from Heritage Fields, shall have the authority to make such administrative changes to the exhibits to this Amended and Restated Agreement as may be necessary to accurately reflect the updated property ownership configuration. Nothing in this Section is intended to, nor shall it, create any amendment to the Existing Land Use Regulations and/or the ARDA Overlay Plan.

9.8 Rights of Way Reservation. With respect to any parcels conveyed by Heritage Fields to the City and including those which may be subsequently conveyed by the City to third parties (including the County), the City shall, to the extent consistent with the City's existing legal obligations, reserve all rights-of-way and easements shown on Exhibit "O."

9.9 Assignment Of LIFOCs. Notwithstanding any provision of this Amended and Restated Agreement to the contrary, with respect to those portions of the City Property which were or are to be transferred by Heritage Fields pursuant to any provision in this Amended and Restated Agreement (including, without limitation, the Police Site, and the ARDA Transfer Site and the Initial City Exchange Properties) that are covered in whole or in part by one or more LIFOCs, the Parties recognize that Heritage Fields cannot convey title to such property until the LIFOC property is transferred from the

DON. Heritage Fields shall execute and deliver to the City a proposed assignment and/or sublease of such LIFOCs in the form attached hereto as Exhibit "M" covering each LIFOC affecting the City Property within each Parcel. The City understands that such proposed assignment cannot be effective without the consent of the DON and that Heritage Fields does not and cannot guarantee such consent or its timing. In such event, Heritage Fields and the City shall mutually approve (in each Party's reasonable discretion) the form of, and shall each execute and deliver, a proposed sublease of such LIFOC.

9.10 Recordation of Restrictive Covenant. The Agency Permits require in perpetuity, protection of mitigation property as described in certain Agency Permits. The Parties will work with the appropriate federal and state agencies to finalize a restrictive covenant for the mitigation property as specified in the Agency Permits. The City shall execute and record the final restrictive covenant over such mitigation property as required under the 404 Permit and the 1602 Agreement.

10. PUBLIC BENEFIT FEE.

10.1 Public Benefit Fee. Heritage Fields shall pay to City a monthly public benefit fee ("**Public Benefit Fee**") as follows: (i) Twenty-Five Thousand Dollars (\$25,000.00) per month, commencing the month in which the Second Effective Date occurs to the month in which the third anniversary of the Second Effective Date occurs; (ii) One Hundred Thousand Dollars (\$100,000.00) per month, commencing the month in which the third anniversary of the Second Effective Date occurs to the month in which the sixth anniversary of the Second Effective Date occurs; and (iii) One Hundred Twenty-Five Thousand Dollars (\$125,000.00) per month, commencing the month in which the sixth anniversary of the Second Effective Date occurs to the month in which the ninth anniversary of the Second Effective Date occurs. The monthly Public Benefit Fee shall terminate and no longer be due or payable as of the ninth anniversary of the Second Effective Date. The City shall have the discretion as to the precise manner in which the Public Benefit Fees shall be used and allocated for such public benefit purposes.

10.2 Waivers Regarding Public Benefit Fee. Heritage Fields hereby consents to and waives any right of protest with regard to the establishment and enforcement of the fee described above. Heritage Fields further agrees that the Public Benefit Fee established by City pursuant to this Amended and Restated Agreement does not constitute a tax subject to the voter approval requirements of Article XIII A of the California Constitution, Article XIII C of the California Constitution or California Government Code Section 53720, *et seq.*, and, in addition, that the Public Benefit Fee is not a fee imposed "as an incident of property ownership" within the meaning of Article XIII D of the California Constitution.

11. UTILITIES.

11.1 Utility Easements. The Parties acknowledge that the existing utility system for the Property is rudimentary. Heritage Fields and the City shall work

cooperatively, including if necessary granting reciprocal non-exclusive easements along reasonable alignments over each Party's lands for the benefit of the other, to ensure that each Party may feasibly access all utilities needed to serve such Party's lands.

11.2 Water Rights. The City shall use the water rights that accrue to or from the Property for, in order of priority, (i) a source of water supply for the City Property, and (ii) provided the parties negotiate in good faith and agree upon acceptable terms and conditions for such use, a source of water supply for the Heritage Fields Property.

12. CC&Rs.

The Parties agree that the Declaration of Covenants, Conditions and Restrictions ("CC&Rs") recorded on the Property on July 12, 2005 as Instrument No. 2005-0538145 shall be of no force and effect on the Property and the Parties shall concurrently with the Second Effective Date take actions as are necessary to remove them.

13. RUNWAY HARDSCAPE.

Heritage Fields shall complete the demolition and facilitate the recycling of the runway hardscape on the Property in the manner, and to the extent, specified in the Amended MIA.

14. DEFAULT, REMEDIES, AND TERMINATION.

14.1 Notice And Opportunity To Cure. Before this Amended and Restated Agreement may be terminated or action may be taken to obtain relief in a manner consistent with this Amended and Restated Agreement, the Party seeking relief ("**Non-Defaulting Party**") shall comply with the notice and cure provisions of this Section 14.1. A Non-Defaulting Party in its discretion may elect to declare a default under this Amended and Restated Agreement in accordance with the procedures hereinafter set forth for any failure or breach of any other Party ("**Defaulting Party**") to perform any material duty or obligation of said Defaulting Party in accordance with the terms of this Amended and Restated Agreement. However, the Non-Defaulting Party must provide written notice ("**Default Notice**") to the Defaulting Party setting forth the nature of the breach or failure and the actions, if any, required by the Non-Defaulting Party to cure such breach or failure. The Defaulting Party shall be deemed in "default" of its obligations set forth in this Amended and Restated Agreement if the Defaulting Party has failed to take action and cured the default within ten (10) days after the date of such Default Notice (for monetary defaults), within thirty (30) days after the date of such Default Notice (for non-monetary defaults), or within such lesser time as may be specifically provided in this Amended and Restated Agreement. If, however, a non-monetary default cannot be cured within such thirty (30) day period, as long as the Defaulting Party does each of the following, then the Defaulting Party shall not be deemed in breach of this Amended and Restated Agreement:

- (i) within ten (10) days of the Default Notice, notifies the Non-Defaulting Party in writing with a reasonable explanation as to the reasons the asserted default is not curable within the thirty (30) day period;

(ii) within ten (10) days of the Default Notice, notifies the Non-Defaulting Party of the Defaulting Party's proposed course of action to cure the default;

(iii) promptly commences to cure the default within the thirty (30) day period;

(iv) makes periodic reports to the Non-Defaulting Party as to the progress of the program of cure; and

(v) diligently prosecutes such cure to completion,

14.2 Default Remedies.

14.2.1 Default Procedures. Subject to Section 14.3 and Section 14.4, in the event of a default, the Non-Defaulting Party, at its option, may institute an action pursuant to Section 14.6 to cure, correct, or remedy such default, enjoin any threatened or attempted violation, enforce the terms of this Amended and Restated Agreement by specific performance (including injunctive relief), or pursue any other remedy otherwise permissible under this Amended and Restated Agreement. Furthermore, the City, in addition to or as an alternative to exercising the remedies set forth in this Section 14.2, in the event of a material default by Heritage Fields, may (i) give notice of its intent to terminate or modify this Amended and Restated Agreement, and may carry through on that notice and intent to terminate, pursuant to the City Development Agreement Regulations and/or the Development Agreement Statute, in which event the matter shall be scheduled for consideration and review by the City Council in the manner set forth in the City Development Agreement Regulations and/or the Development Agreement Statute, and/or (ii) give notice of its intent to terminate any and all restrictions on the use of City Property specified in Section 3.9 of this Amended and Restated Agreement, and to carry through on that termination.

14.3 Limitations on Defaults. Notwithstanding any provision in this Amended and Restated Agreement to the contrary, a default by Heritage Fields (or any other fee title owner of another Lot within the Project) shall not constitute a default by a Purchaser/User. Likewise, a default by a Purchaser/User with respect to a Lot (or group of Lots) it owns or leases shall not constitute a default by Heritage Fields (or any other fee title owner of another Lot within the Heritage Fields Property). Therefore, if Heritage Fields has conveyed a Lot (or group of Lots) to a Purchaser/User and this Amended and Restated Agreement has not yet been terminated as to any Lot (or group of Lots) in accordance with the provisions of Section 2.4 above, (i) no Purchaser/User shall have any liability to the City (or otherwise) for or with respect to any default of Heritage Fields or any default of any other Purchaser/User, (ii) Heritage Fields shall have no liability to the City (or otherwise) for or with respect to any default by any Purchaser/User, and (iii) the City's election to terminate this Amended and Restated Agreement as a result of a default by Heritage Fields or any such Purchaser/User shall not effect a termination of this Amended and Restated Agreement with respect to those Lots owned or leased by a Non-

Defaulting Party until such time that this Amended and Restated Agreement would otherwise terminate in accordance with its terms.

14.4 Parties' Exclusive Remedies.

14.4.1 Limitation on Remedies. The Parties acknowledge that they would not have entered into this Amended and Restated Agreement if either Party were to be liable in damages under or with respect to this Amended and Restated Agreement, the Existing Land Use Regulations, or the application thereof, or any permit or approval sought by City or Heritage Fields in accordance with the Existing Land Use Regulations, except as provided in this section. Accordingly, Heritage Fields covenants on behalf of itself and its successors and assigns, not to sue the City, and the City on behalf of itself and its successors and assigns, not to sue Heritage Fields, for damages or monetary relief for any breach of this Amended and Restated Agreement or arising out of or connected with any dispute, controversy or issue regarding the application, interpretation or effect of this Amended and Restated Agreement, the Existing Land Use Regulations, or any land use permit or approval sought in connection with the development or use of the Heritage Fields Property or any portion thereof, the Parties agreeing that declaratory and injunctive relief, mandate, and specific performance shall be their sole and exclusive judicial remedies, except as provided in Section 14.4.2 below.

14.4.2 Recovery of Out-of-Pocket Losses and Damages. Notwithstanding Section 14.4.1 above, the Parties may pursue and obtain the additional remedies set forth below:

(i) Enforcement of Monetary Obligations. In the case of a breach of an obligation to pay money or to allocate funding in the manner specified in Section 7.6, or to indemnify and defend a Party as provided in Section 8.2.3, a Party may sue to compel monetary relief to the extent such relief involves enforcement of the other Party's obligations under this Amended and Restated Agreement and not damages or other monetary penalty over and above such obligations. For example, and without limitation, a Party may seek and recover the following monetary damages: (1) the amount of any overpayments to, or improper fees levied by, the City in excess of those fees established and permitted under the NITM Program or this Amended and Restated Agreement; (2) the amount of any NITM funds which the City may apply to other uses beyond those authorized by the NITM Program; (3) the amount of interest on NITM funds not credited by the City to NITM Program accounts as provided for in the NITM Program; and (4) the amount of funds owed by Heritage Fields toward the construction of the Proposed Project Facilities in accordance with Article XIII of the Amended MIA.

(ii) Additional Costs and Measures. In the event additional mitigation measures, conditions, requirements, or affordable housing obligations are imposed on Heritage Fields or the Heritage Fields Property by the City (i.e., in addition to those provided for in the MAHP and the ARDA Overlay Plan) in

violation of this Amended and Restated Agreement (“Objectionable Conditions”), the matter shall be submitted directly to binding arbitration pursuant to Section 14.7 for resolution as a non-monetary default (the Parties acknowledging and agreeing that any disputes arising under this sub-paragraph need not comply with the requirements of Section 14.6).

(iii) Restitution of Improper Development Fees. In the event any Development Fees or taxes are imposed on Development of the Property other than those authorized pursuant to this Amended and Restated Agreement, Heritage Fields shall be entitled to recover from City restitution of all such improperly assessed fees or taxes, together with interest thereon at the rate of specified in Article XV, Section 1 of the California Constitution from the date such sums were paid to City to the date of restitution.

(iv) Restitution Arising from Other Agreements. Heritage Fields may seek and recover monetary damages arising from agreements and/or approvals granted or entered into by the City and any third parties that materially and adversely affect the rights or obligations of Heritage Fields under this Amended and Restated Agreement (“Objectionable Agreements”) subject to the following qualifications and limitations: Heritage Fields shall have no right to recover any amounts under this sub-paragraph unless and until (a) the matter shall be submitted directly to binding arbitration pursuant to Section 14.7 (the Parties acknowledging and agreeing that any disputes arising under this sub-paragraph need not comply with the requirements of Section 14.6), and (b) if the award is adverse to the City, the City fails or refuses to refrain from entering into or rescind, as the case may be, the Objectionable Agreement (the Parties acknowledging and agreeing that if the City refrains from entering into or rescinds the Objectionable Agreement, it shall not be required to pay any monetary damages under this Amended and Restated Agreement).

14.5 Force Majeure/Supervening Events. The obligations by any Party hereunder shall not be deemed to be in default, and the Term of this Amended and Restated Agreement shall not be deemed to run, where delays or failures to perform are due to any cause without the fault and beyond the reasonable control of such Party, including to the extent applicable, the following: war; insurrection; strikes; walk-outs; the unavailability or shortage of labor, material, or equipment; riots; floods; earthquakes; the discovery and resolution of hazardous waste or significant geologic, hydrologic, archaeological, paleontological, or endangered species problems on the Property; fires; casualties; acts of God; governmental restrictions imposed or mandated by other governmental entities; with regard to delays of Heritage Fields’ performance, delays caused by the City’s failure to act or timely perform its obligations set forth herein; with regard to delays of the City’s performance, delays caused by Heritage Fields’ failure to act or timely perform its obligations set forth herein; inability to obtain necessary permits or approvals from City, County, RDA, or other governmental entities; enactment of conflicting state or federal statutes or regulations; judicial decisions; or litigation not commenced by such Party (collectively, “**Force Majeure**”). Notwithstanding the

foregoing, any delay caused by the failure of the City or any agency, division, or office of the City to timely issue a license, permit, or approval required pursuant to this Amended and Restated Agreement shall not constitute an event of Force Majeure extending the time for the City's performance hereunder. If written notice of such delay or impossibility of performance is provided to the other Parties within a reasonable time after the commencement of such delay or condition of impossibility, 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 by the Parties in writing, or the performance rendered impossible may be excused in writing by the Party so notified. In no event shall adverse market or financial conditions constitute an event of Force Majeure extending the time for such Party's performance hereunder.

14.6 Dispute Resolution. EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED HEREIN, IF ANY CLAIM OR CONTROVERSY THAT ARISES OUT OF OR RELATES TO, DIRECTLY OR INDIRECTLY, THIS AMENDED AND RESTATED AGREEMENT OR ANY DEALINGS BETWEEN THE PARTIES CANNOT BE SETTLED BY THE PARTIES WITHIN THIRTY (30) DAYS AFTER EITHER PARTY IS FIRST PROVIDED WRITTEN NOTICE OF THE CLAIM OR CONTROVERSY BY THE OTHER, THE MATTER SHALL BE DETERMINED BY JUDICIAL REFERENCE PURSUANT TO THE PROVISIONS OF CALIFORNIA CODE OF CIVIL PROCEDURE SECTIONS 638 THROUGH 645.1, EXCEPT AS OTHERWISE MODIFIED HEREIN. THE PARTIES SHALL COOPERATE IN GOOD FAITH TO ENSURE THAT ALL NECESSARY AND APPROPRIATE PARTIES ARE INCLUDED IN THE JUDICIAL REFERENCE PROCEEDING. IN THE EVENT THAT A LEGAL PROCEEDING IS INITIATED BASED ON ANY SUCH DISPUTE, THE FOLLOWING SHALL APPLY: 1) THE PROCEEDING SHALL BE BROUGHT AND HELD IN THE COUNTY IN WHICH THE PROPERTY IS LOCATED UNLESS THE PARTIES AGREE TO A DIFFERENT VENUE; 2) THE PARTIES SHALL USE THE PROCEDURES ADOPTED BY JAMS FOR JUDICIAL REFERENCE AND SELECTION OF A REFEREE (OR ANY OTHER ENTITY OFFERING JUDICIAL REFERENCE DISPUTE RESOLUTION PROCEDURES AS MAY BE MUTUALLY ACCEPTABLE TO THE PARTIES); 3) THE REFEREE MUST BE A RETIRED JUDGE OR LICENSED ATTORNEY WITH SUBSTANTIAL EXPERIENCE IN RELEVANT REAL ESTATE MATTERS; 4) THE PARTIES TO THE JUDICIAL REFERENCE PROCEDURE SHALL AGREE UPON A SINGLE REFEREE WHO SHALL HAVE THE POWER TO TRY AND DECIDE ANY AND ALL OF THE ISSUES RAISED, WHETHER OF FACT OR OF LAW, WHICH MAY BE PERTINENT TO THE MATTERS IN DISPUTE, AND TO ISSUE A STATEMENT OF DECISION THEREON. ANY DISPUTE REGARDING THE SELECTION OF THE REFEREE SHALL BE RESOLVED BY JAMS OR THE ENTITY PROVIDING THE REFERENCE SERVICES, OR, IF NO ENTITY IS INVOLVED, BY THE COURT IN ACCORDANCE WITH CALIFORNIA CODE OF CIVIL PROCEDURE SECTIONS 638 AND 640; 5) THE REFEREE SHALL BE AUTHORIZED TO PROVIDE ALL REMEDIES AVAILABLE IN LAW OR EQUITY APPROPRIATE UNDER THE CIRCUMSTANCES OF THE CONTROVERSY; 6) THE REFEREE MAY REQUIRE ONE OR MORE PRE-HEARING CONFERENCES; 7) THE PARTIES SHALL BE ENTITLED TO DISCOVERY, AND THE REFEREE SHALL OVERSEE

DISCOVERY AND MAY ENFORCE ALL DISCOVERY ORDERS IN THE SAME MANNER AS ANY TRIAL COURT JUDGE; 8) A STENOGRAPHIC RECORD OF THE REFERENCE PROCEEDINGS SHALL BE MADE; 9) THE REFEREE'S STATEMENT OF DECISION SHALL CONTAIN FINDINGS OF FACT AND CONCLUSIONS OF LAW TO THE EXTENT APPLICABLE; 10) THE REFEREE SHALL HAVE THE AUTHORITY TO RULE ON ALL POST-HEARING MOTIONS IN THE SAME MANNER AS A TRIAL JUDGE; 11) THE PARTIES SHALL PROMPTLY AND DILIGENTLY COOPERATE WITH EACH OTHER AND THE REFEREE AND PERFORM SUCH ACTS AS MAY BE NECESSARY FOR AN EXPEDITIOUS RESOLUTION OF THE DISPUTE; 12) SUBJECT TO SECTION 20.3, EACH PARTY TO THE JUDICIAL REFERENCE PROCEEDING SHALL BEAR ITS OWN ATTORNEYS' FEES AND COSTS IN CONNECTION WITH SUCH PROCEEDING; AND 13) THE STATEMENT OF DECISION OF THE REFEREE UPON ALL OF THE ISSUES CONSIDERED BY THE REFEREE SHALL BE BINDING UPON THE PARTIES, AND UPON FILING OF THE STATEMENT OF DECISION WITH THE CLERK OF THE COURT, OR WITH THE JUDGE WHERE THERE IS NO CLERK, JUDGMENT MAY BE ENTERED THEREON. THE DECISION OF THE REFEREE SHALL BE APPEALABLE AS IF RENDERED BY THE COURT. THIS PROVISION SHALL IN NO WAY BE CONSTRUED TO LIMIT ANY VALID CAUSE OF ACTION, WHICH MAY BE BROUGHT BY ANY OF THE PARTIES. THE PARTIES ACKNOWLEDGE AND ACCEPT THAT BY EMPLOYING THIS JUDICIAL REFERENCE PROCEDURE THEY ARE WAIVING THEIR RIGHT TO A JURY TRIAL.

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14.7 Arbitration of Disputes. RECOGNIZING THAT TIMELY AND EFFECTIVE ENFORCEMENT OF THIS AGREEMENT IS CRITICAL TO THE PARTIES, IF FOR ANY REASON THE JUDICIAL REFERENCE PROCEDURES IN SECTION 14.6 ARE LEGALLY UNAVAILABLE AT THE TIME A DISPUTE WOULD OTHERWISE BE REFERRED TO JUDICIAL REFERENCE (OR DO NOT APPLY BY THE EXPRESS TERMS OF THIS AGREEMENT), THEN, UPON THE WRITTEN DEMAND OF EITHER PARTY, THE DISPUTE SHALL BE RESOLVED BY BINDING ARBITRATION IN ACCORDANCE WITH THE AMERICAN ARBITRATION ASSOCIATION'S COMMERCIAL ARBITRATION RULES, EXCEPT AS FOLLOWS. THE ARBITRATION SHALL BE CONDUCTED BY ONE ARBITRATOR WHO IS A RETIRED SUPERIOR, APPELLATE OR FEDERAL COURT JUDGE OR AN ATTORNEY WITH NOT LESS THAN FIFTEEN (15) YEARS EXPERIENCE IN REAL ESTATE MATTERS; A LIST OF POTENTIAL ARBITRATORS WHO CAN ENSURE THAT ANY DISPUTE CONCERNING A NON-MONETARY DEFAULT CAN BE HEARD AND DETERMINED WITHIN

NINETY (90) DAYS OF NOTICE OF ARBITRATION SHALL BE APPROVED BY THE PARTIES AS OF THE SECOND EFFECTIVE DATE. TO THE EXTENT THE RELIEF REQUESTED IN THE ARBITRATION SEEKS TO COMPEL THE PERFORMANCE OF A LEGISLATIVE ACT AND/OR THE ISSUANCE OF A WRIT OF MANDATE NOT PROPERLY THE SUBJECT OF AN ARBITRATION AWARD, THE PARTY SEEKING SUCH RELIEF MAY PROCEED BY JUDICIAL ACTION. THE ARBITRATION AWARD SHALL BE FINAL AND BINDING UPON THE PARTIES (EXCEPT IN CASE OF FRAUD OR UNDISCLOSED CONFLICT OF INTEREST ON THE PART OF THE ARBITRATOR) AND MAY BE ENTERED IN ANY COURT HAVING JURISDICTION THEREOF. THE ARBITRATOR SHALL BE EMPOWERED HEREBY TO ENTER SPECIFIC PERFORMANCE ORDERS AS SHALL, IN ITS DISCRETION, BE NECESSARY TO ENSURE THE TIMELY PERFORMANCE OF THE OBLIGATIONS OF THIS AGREEMENT BY EITHER OR BOTH OF THE PARTIES, SO AS TO AVOID THE DELAYS ASSOCIATED WITH OBTAINING SUCH RELIEF PURSUANT TO COURT ACTION. THE ARBITRATOR MAY ALLOCATE THE FEES AND COSTS OF ARBITRATION BETWEEN THE PARTIES AND MAY AWARD COSTS, INCLUDING REASONABLE ATTORNEYS' FEES, TO THE PREVAILING PARTY IN ACCORDANCE WITH SECTION 20.3. IN THE ABSENCE OF A DETERMINATION BY THE ARBITRATOR, EACH PARTY SHALL BEAR ITS PROPORTIONATE SHARE OF THE COSTS OF THE ARBITRATION AND THE ARBITRATOR AND ALL OF ITS OWN COSTS. NOTHING CONTAINED IN THIS SECTION SHALL RESTRICT ANY PARTY FROM SEEKING PRELIMINARY EQUITABLE RELIEF FROM THE COURT SYSTEM PENDING RESOLUTION OF THE ARBITRATION.

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15. ANNUAL REVIEW.

15.1 Timing Of Annual Review. During the Term of this Amended and Restated Agreement, at least once during every twelve (12) month period from the Second Effective Date, the City shall review the good faith compliance of Heritage Fields with the terms of this Amended and Restated Agreement ("**Annual Review**"). The Annual Review shall be conducted by the City Council or its designee in accordance with the City Development Agreement Regulations.

15.2 Standards For Annual Review. During the Annual Review, Heritage Fields shall be required to demonstrate good faith compliance with the terms of this Amended and Restated Agreement. If the City or its designee finds and determines that Heritage Fields has not complied with any of the terms or conditions of this Amended

and Restated Agreement, then the City may declare a default by Heritage Fields in accordance with Section 14 herein. The City may exercise its rights and remedies relating to any such event of default only after the period for curing a default as set forth in Section 14 has expired without cure of the default. The costs incurred by the City in connection with the Annual Review process shall be paid by Heritage Fields. Nothing in this paragraph shall be construed to prohibit the City from declaring a default in accordance with Section 14 herein, without first proceeding through an Annual Review.

15.3 Certificate Of Compliance. With respect to each year in which the City approves Heritage Fields' compliance with this Amended and Restated Agreement, the City shall, upon written request by Heritage Fields, provide Heritage Fields with a written certificate of good faith compliance within thirty (30) days of the City's receipt of Heritage Fields' request for same.

16. MORTGAGEE RIGHTS.

16.1 Encumbrances On The Property. The Parties hereto agree that this Amended and Restated Agreement shall not prevent or limit Heritage Fields, in any manner, from encumbering the Property or any portion thereof or any improvements thereon with any Mortgage securing financing with respect to the construction, development, use, or operation of the Heritage Fields Property.

16.2 Mortgagee Protection. This Amended and Restated Agreement shall be superior and senior to the lien of any Mortgage. Notwithstanding the foregoing, no breach of this Amended and Restated Agreement shall defeat, render invalid, diminish, or impair the lien of any Mortgage made in good faith and for value, and a Mortgagee Successor shall have the rights, benefits and remedies of Heritage Fields under this Amended and Restated Agreement and shall be subject to all of the terms and conditions of this Amended and Restated Agreement.

16.3 Mortgagee Not Obligated. Notwithstanding the provisions of this Section 16, a Mortgagee and a Mortgagee Successor will not have any obligation or duty pursuant to the terms set forth in this Amended and Restated Agreement to perform the obligations of Heritage Fields or other affirmative covenants of Heritage Fields hereunder, or to guarantee such performance, except that (i) the Mortgagee or Mortgagee Successor shall have the right to develop the Property under the Existing Land Use Regulations and/or the ARDA Overlay Plan provided that the Mortgagee or Mortgagee successor complies with the terms of this Amended and Restated Agreement and (ii) to the extent that any covenant to be performed by Heritage Fields is a condition to the performance of a covenant by the City, the performance thereof shall continue to be a condition precedent to the City's performance hereunder. If a Mortgagee or Mortgagee Successor obtains ownership of less than the entirety of the Heritage Fields Property, said Mortgagee or Mortgagee Successor may request, and the City shall not unreasonably refuse, an apportionment of obligations under this Amended and Restated Agreement that assigns to said Mortgagee or Mortgagee Successor (i) all of the obligations of Heritage Fields that are applicable solely to that portion of the Heritage Fields Property obtained by the Mortgagee or Mortgagee Successor plus (ii) a pro-rata share of those obligations

of Heritage Fields under this Amended and Restated Agreement that are not assigned to a specific portion of the Heritage Fields Property.

16.4 Notice Of Default To Mortgagee; Right Of Mortgagee To Cure. Each Mortgagee shall, upon written request to the City, be entitled to receive written notice from the City of the results of the Annual Review and of any default by Heritage Fields of its obligations set forth in this Amended and Restated Agreement. Each Mortgagee shall have a further right, but not an obligation, to cure such default within ten (10) days after receipt of such notice (for monetary defaults), within thirty (30) days after receipt of such notice (for non-monetary defaults) or, if such default can only be remedied or cured by such Mortgagee upon obtaining possession of the Property, such Mortgagee shall have the right to seek to obtain possession with diligence and continuity through a receiver or otherwise, and to remedy or cure such default within thirty (30) days after obtaining possession, and, except in case of emergency or to protect the public health or safety, the City may not exercise any of its judicial remedies set forth in this Amended and Restated Agreement until expiration of such thirty (30) day period; provided, however, that in the case of a default which cannot with diligence be remedied or cured within such thirty (30) day period, the Mortgagee shall have such additional time as is reasonably necessary to remedy or cure such default provided Mortgagee promptly commences to cure the default within the thirty (30) day period and diligently prosecutes such cure to completion.

17. ASSIGNMENT.

17.1 Right To Assign. Subject to the City's consent pursuant to Section 17.3, Heritage Fields shall have the right to assign its rights and obligations under this Amended and Restated Agreement in connection with a transfer of all or any portion of Heritage Fields' interest in the Heritage Fields Property. In the event of any such assignment, the assignee shall be liable for the performance of the designated obligations of Heritage Fields after the date of the assignment solely with respect to the portion of the Heritage Fields Property so transferred.

17.2 Assignee Subject To Terms Of Agreement. Following an assignment or transfer of any of the rights and interests of Heritage Fields set forth in this Amended and Restated Agreement in accordance with Section 17.3, the assignee's exercise, use, and enjoyment of that portion of the Heritage Fields Property so transferred shall be subject to the terms of this Amended and Restated Agreement to the same extent as if the assignee or transferee were Heritage Fields, subject to the limitations set forth in Section 14.2 above.

17.3 Release Upon Transfer. Upon the written consent of the City to the partial or complete assignment of this Amended and Restated Agreement (which consent shall not be unreasonably withheld) and the express written assumption in a form approved by the City of such assigned obligations of Heritage Fields under this Amended and Restated Agreement by the assignee, Heritage Fields shall be relieved of its legal duty to perform the assigned obligations set forth in this Amended and Restated Agreement, except to the extent Heritage Fields is in default hereunder with respect to the particular assigned

obligations prior to said transfer. In connection with its exercise of reasonable approval rights over proposed assignments, the City may consider, among other things, the extent of remaining Backbone Infrastructure construction obligations under the Amended MIA and the ability of Heritage Fields to perform said construction obligations, taking into account the remaining portion of the Heritage Fields Property owned by Heritage Fields and all funding sources for the remaining Backbone Infrastructure (including, without limitation, Special Tax revenues, CFD Bonds, and Heritage Fields' equity and debt sources).

18. INSURANCE AND INDEMNITY.

18.1 Insurance. Heritage Fields shall procure and maintain, commencing as of the Second Effective Date and thereafter at all times during the Term of this Amended and Restated Agreement when actual work on the Project is being performed by Heritage Fields, the following policies of insurance:

(i) Comprehensive General Liability Insurance. A policy of comprehensive general liability insurance written on a per occurrence basis in an amount not less than \$5,000,000 combined single limits.

(ii) Automobile Insurance. A policy of comprehensive automobile liability insurance written on a per occurrence basis in an amount not less than either (A) bodily insurance liability limits of \$2,000,000 per person and \$2,000,000 per occurrence and property damage liability limits of Five Hundred Thousand Dollars \$500,000 per occurrence and \$500,000 in the aggregate or (B) combined single limit liability of \$2,000,000. Said policy shall include coverage for owned, non-owned, leased, and hired cars.

(iii) Workers' Compensation Insurance. A policy of workers' compensation insurance in such amount as will fully comply with the laws of the State of California.

The policies of insurance required by this Amended and Restated Agreement shall be satisfactory only if issued by companies qualified to do business in California and rated "A: VII" or better in the most recent edition of Best's Insurance Guide. All of the aforescribed policies of insurance shall be primary insurance and shall name the City, City's Designee(s), and each of their respective officers, officials and employees as additional insureds. The insurer shall waive all rights of subrogation and contribution it may have against the City, the City's Designee, and their respective insurers. All of said policies of insurance shall provide that said insurance may not be amended or cancelled without providing thirty (30) days' prior written notice to the City. In the event any of said policies of insurance are cancelled, Heritage Fields shall, prior to the cancellation date, submit new evidence of insurance in conformance with this Section 18.1. No work to be performed by Heritage Fields pursuant to this Amended and Restated Agreement shall commence until Heritage Fields has provided the City with certificates of insurance or appropriate insurance binders evidencing the above insurance coverage and said certificates or binders are approved by the City.

18.2 Indemnity By Heritage Fields. Heritage Fields agrees to indemnify, defend, and hold harmless the City, the City's Designee, and their respective elected and appointed councils, boards, commissions, officers, agents, contractors and employees from and against any and all actions, suits, claims, liabilities, losses, damages, penalties, obligations, and expenses (including but not limited to attorneys' fees and costs) which may arise, directly or indirectly, from the acts, omissions, or operations of Heritage Fields or Heritage Fields' agents, contractors, subcontractors, or employees pursuant to this Amended and Restated Agreement, but excluding any loss resulting from the intentional or active negligence of the City, the City's Designee, or each of their respective elected and appointed councils, boards, commissions, officers, agents, contractors and employees. Notwithstanding the foregoing, City shall have the right to select and retain counsel to defend any such action or actions and Heritage Fields shall pay the cost thereof. The indemnity provisions set forth in this Amended and Restated Agreement shall survive termination of this Amended and Restated Agreement.

18.3 Indemnity By City. The City agrees to indemnify, defend, and hold harmless Heritage Fields, and its respective partners, members, agents, contractors and employees from and against any and all actions, suits, claims, liabilities, losses, damages, penalties, obligations, and expenses (including but not limited to attorneys' fees and costs) which may arise, directly or indirectly, from the acts, omissions, or operations of the City or the City's Designee, or either of their respective officers, officials, agents, contractors, subcontractors or employees pursuant to this Amended and Restated Agreement, but excluding any loss resulting from the intentional or active negligence of Heritage Fields, its agents, contractors or employees. Notwithstanding the foregoing, Heritage Fields shall have the right to select and retain counsel to defend any such action or actions and City shall pay the cost thereof. The indemnity provisions set forth in this Amended and Restated Agreement shall survive termination of this Amended and Restated Agreement.

19. THIRD-PARTY LEGAL CHALLENGE.

In the event of any Third Party Legal Challenge, City shall have the right but not the obligation to defend such Third Party Legal Challenge and Heritage Fields shall be responsible for the legal expenses incurred by City in connection therewith. Heritage Fields also shall have the right but not the obligation to defend any Third Party Legal Challenge. If Heritage Fields defends any such Third Party Legal Challenge, so long as Heritage Fields is not in default hereunder, City shall not allow any default or judgment to be taken against it or compromise the defense of the action without Heritage Field's prior written approval. The Parties shall act jointly in filing motions, briefs, trial statements, and other appropriate court documents, and in approving settlement of such action. Nothing herein shall obligate a Party to settle such Third Party Legal Challenge on terms that would constitute an amendment or modification of this Amended and Restated Agreement, the Existing Land Use Regulations, the ARDA Overlay Plan, or which would materially impact the beneficial uses of that Party's property.

In the event City elects to defend the Third Party Legal Challenge, Heritage Fields shall indemnify and hold harmless City and its officials and employees from and against

any claims, losses, or liabilities, including any award of attorneys' fees against the City, assessed or awarded against City by way of judgment, settlement, or stipulation. If Heritage Fields defends any such Third Party Legal Challenge, Heritage Fields shall indemnify and hold harmless City and its officials and employees from and against any claims, losses, or liabilities assessed or awarded, including any award of attorneys' fees, against City by way of judgment, settlement, or stipulation

20. MISCELLANEOUS.

20.1 Covenants. The provisions of this Amended and Restated Agreement shall constitute covenants and restrictions 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 each of the Parties hereto and all successors in interest to the Parties hereto.

20.2 Entire Agreement, Waivers And Amendments. This Amended and Restated Agreement, together with the other documents and agreements attached hereto, constitutes the entire understanding and agreement of the Parties and supersedes all previous negotiations, discussions, and agreements among the Parties with respect to all or part of the subject matter hereof. No parole evidence of any prior or other agreement shall be permitted to contradict or vary the terms of this Amended and Restated Agreement. Failure by a Party to insist upon the strict performance of any of the provisions of this Amended and Restated Agreement by any other Party, or the failure by a Party to exercise its rights upon the default of the other Party, shall not constitute a waiver of such Party's right to insist and demand strict compliance by the other Parties with the terms of this Amended and Restated Agreement thereafter. Any amendments or modifications to this Amended and Restated Agreement must be in writing, signed by duly authorized representatives of each of the Parties hereto, and recorded in the Official Records of Orange County, California.

20.3 Legal Expenses. In any judicial proceeding, arbitration, or mediation between the City and Heritage Fields seeking enforcement of any of the terms and provisions of this Amended and Restated Agreement (collectively, "**Action**"), the prevailing Party in such Action shall recover all of its actual and reasonable costs and expenses (whether or not the same would be recoverable pursuant to Code of Civil Procedure Section 1033.5 or Civil Code Section 1717 in the absence of this Amended and Restated Agreement), including expert witness fees, attorney's fees, and costs of investigation and preparation prior to the commencement of the Action. However, such recovery shall not exceed the dollar amount of the actual costs and expenses of the Party from whom such recovery is sought for such same Action ("Non-Prevailing Party's Expenses"), and such prevailing Party shall not recover any costs and expenses in excess of the Non-Prevailing Party's Expenses. The right to recover such costs and expenses shall accrue upon commencement of the Action, regardless of whether the Action is prosecuted to a final judgment or decision.

20.4 Constructive Notice And Acceptance. Every person who now or hereafter owns or acquires any right, title, or interest in or to any portion of the Project or 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 Amended and Restated Agreement is contained in the instrument by which such person acquired an interest in the Project or the Property.

20.5 No Third-Party Beneficiaries. This Amended and Restated Agreement and all of its terms, conditions, and provisions are entered into only for the benefit of the Parties executing this Amended and Restated Agreement (and any successors in interest), and not for the benefit of any other individual or entity.

20.6 Relationship Of Parties. The City and Heritage Fields hereby renounce the existence of any form of joint venture or partnership between them and agree that nothing contained herein or in any document executed in connection herewith shall be construed as making the City and Heritage Fields joint venturers or partners.

20.7 Severability. If any term, provision, covenant, or condition of this Amended and Restated Agreement is invalidated by a timely referendum, determined by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of this Amended and Restated Agreement shall continue in full force and effect, unless and to the extent the rights and obligations or the benefits of the bargain of any Party have been materially altered or abridged by such holding or action, as determined by the Party who would have benefited, in which case, in accordance with the provisions of Section 2.2, the Original Development Agreement shall govern.

20.8 Further Actions And Instruments. Each of the Parties shall cooperate with and provide reasonable assistance to the other Parties to the extent necessary to implement this Amended and Restated Agreement. Upon the request of a Party at any time, the other Parties shall promptly execute, with acknowledgement or affidavit if reasonably required, and file or record such required instruments and writings and take any actions as may be reasonably necessary to implement this Amended and Restated Agreement or to evidence or consummate the transactions contemplated by this Amended and Restated Agreement.

20.9 Estoppel Certificate. Any Party hereunder may, at any time, deliver written notice to any other Party requesting such Party to certify in writing that, to the best knowledge of the certifying Party (i) this Amended and Restated Agreement is in full force and effect and a binding obligation of the Party; (ii) this Amended and Restated Agreement has not been amended or modified either orally or in writing, or if so amended, identifying the amendments; and (iii) the requesting Party is not in default in the performance of its obligations set forth in this Amended and Restated Agreement or, if in default, to describe therein the nature and amount of any such defaults. A Party receiving a request hereunder shall execute and return such certificate within thirty (30) days following the receipt thereof. Any third-party including a Mortgagee shall be entitled to rely on the certificate.

20.10 Applicable Law; Venue. This Amended and Restated Agreement shall be construed and enforced in accordance with the internal laws of the State of California.

Any action at law or in equity arising under this Amended and Restated Agreement or brought by any Party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Amended and Restated Agreement shall be filed and tried in the Superior Court of the County of Orange, State of California or the United States District Court for the Central District of California, Santa Ana Division, and the Parties hereto waive all provisions of law providing for the removal or change of venue to any other court.

20.11 Non-Liability Of Officers, Employees and Other Parties. Notwithstanding anything in this Amended and Restated Agreement to the contrary, (1) no official, officer, or employee of the City shall be personally liable to Heritage Fields or its respective predecessors, successors and assigns for any loss arising out of or connected with this Amended and Restated Agreement or the Existing Land Use Regulations, and (2) no partner, member or affiliate of Heritage Fields, nor any such partner's, member's or affiliate's separate property shall be personally liable for any claim arising out of or related to this Amended and Restated Agreement. Further, the liability of Heritage Fields under this Amended and Restated Agreement shall be limited solely to the interest of Heritage Fields in the Heritage Fields Property.

20.12 Notices. Any notice or communication required hereunder between the City and a Heritage Fields Party must be in writing and may be given either personally, by registered or certified mail, return receipt requested, or by facsimile transmission. If given by registered or certified mail, the same shall be deemed to have been given and received on the date of actual receipt by the addressee designated herein below as the Party to whom the notice is sent. If personally delivered, a notice shall be deemed to have been given when delivered to the Party to whom it is addressed. Notices delivered by facsimile transmission shall be deemed to have been given on the first business day following the date of transmission to the facsimile number. A Party hereto may at any time, by giving ten (10) days' written notice to the other Parties hereto, designate any other address in substitution of the 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 City:

City of Irvine
City Hall
One Civic Center Plaza
Irvine, CA 92623-9575
Attn: Director of Community Development
Telephone: (949) 724-6451
Telecopy: (949) 724-6440

With a copy to: Rutan & Tucker, LLP
611 Anton Blvd., Suite 1400
Costa Mesa, CA 92626
Attn: Irvine City Attorney
Telephone: (714) 641-3422
Telecopy: (714) 546-9035

If to Heritage Fields: Heritage Fields El Toro LLC
7130 Trabuco Road
Irvine, CA 92618
Attn: Lynn Jochim, Division President
Telephone: (949) 784-4229
Telecopy: (949) 784-4270

With a copy to: c/o Lennar Homes of California, Inc.
25 Enterprise
Aliso Viejo, CA 92646
Attn: Legal Notices
Telephone: (949) 349-8000
Telecopy: (949) 349-0782

With a copy to: Robert I. McMurry, Esq.
Paul, Hastings, Janofsky & Walker LLP
515 South Flower Street, 25th Floor
Los Angeles, CA 90071
Telephone: (213) 683-6255
Telecopy: (213) 627-0705

20.13 Representation As To Ownership. Subject to the provision in this Amended and Restated Agreement concerning LIFOs and the Initial Heritage Fields Exchange Properties, Heritage Fields represents and warrants to the City that it is the owner in fee of the Heritage Fields Property.

20.14 Authority To Execute. Heritage Fields warrants and represents that (i) it is duly organized and existing, (ii) it is duly authorized to execute and deliver this Amended and Restated Agreement, (iii) by so executing this Amended and Restated Agreement, Heritage Fields is formally bound to the provisions of this Amended and Restated Agreement, (iv) Heritage Fields' entering into and performance of its obligations set forth in this Amended and Restated Agreement does not violate any provision of any other agreement to which Heritage Fields is bound, and (v) there is no existing or threatened litigation or legal proceeding of which Heritage Fields is aware which could prevent Heritage Fields from entering into or performing its obligations set forth in this Amended and Restated Agreement.

20.15 Execution Of Agreement; Counterparts. This Amended and Restated Agreement may be executed by the Parties in counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute

one and the same agreement. This Amended and Restated Agreement shall constitute a valid and enforceable agreement between the City and Heritage Fields.

20.16 Exhibits. This Amended and Restated Agreement contains exhibits, attached hereto and made a part hereof by this reference. Said exhibits are identified as follows:

- A The Property
- B Initial City Park Property
- C Exchange Properties
- D Original Non-Park Property
- E-1 Group A Facilities
- E-2 Group B Facilities
- E-3 Narrative Description of Group A and Group B Facilities
- F Police Site
- G ARDA Transfer Site
- H Heritage Fields Property
- H-1 Heritage Fields Property
- H-2 Heritage Fields Property
- I Property Identification Map
- J [RESERVED]
- K [RESERVED]
- L ARDA Overlay Plan
- M Form LIFO Conveyance
- N Map of LIFO Properties
- O Rights-of-way and Easements
- P Deed for Police Site
- Q Deed for ARDA Transfer Site
- R Index for Guaranteed Amount
- S Rate and Method of Apportionment
- T Police Site Title Exceptions
- U ARDA Transfer Site Title Exceptions

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]


CITY:

CITY OF IRVINE
a municipal corporation

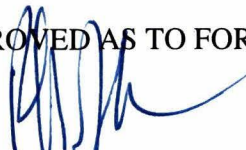
By: 
Mayor Sukhee Kang

Dated: 12/27, 2010

ATTEST:


Deputy City Clerk

APPROVED AS TO FORM


Philip D. Kohn
City Attorney


HERITAGE FIELDS:

HERITAGE FIELDS EL TORO, LLC,
a Delaware limited liability company

By: Heritage Fields LLC,
a Delaware limited liability company

By: Lennar-LNR Heritage Fields, LLC,
a Delaware limited liability company

By: Lennar Homes Of California, Inc.,
a California corporation

By: 
Name:

Erik R. Higgins
Vice President

Title: _____

Dated: _____, 2010

APPROVED AS TO FORM

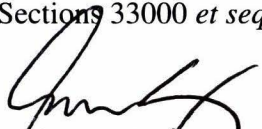
PAUL, HASTINGS, JANOFSKY & WALKER LLP

By: _____
Robert I. McMurry, Esq.


Dated: _____, 2010

RDA:

IRVINE REDEVELOPMENT AGENCY,
a redevelopment agency formed pursuant to Health
and Safety Code Sections 33000 *et seq.*

By: 
Name: Sukhee Khand
Title: Chair, Redevelopment Agency
Dated: 12/27, 2010

ATTEST:


Deputy Secretary of the Irvine
Redevelopment Agency

APPROVED AS TO FORM


Redevelopment Agency Counsel

STATE OF CALIFORNIA)
) ss
COUNTY OF ORANGE)

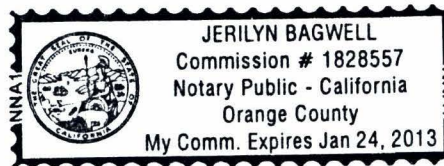
On DECEMBER 27, 2010, before me JERILYN BAGWELL, personally appeared ERIK R. HIGGINS, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/~~she~~-executed the same in his/~~her~~ authorized capacity, and that by his/~~her~~ signature on the instrument, the person or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Jerylyn Bagwell

Signature of Notary Public



(SEAL)

STATE OF CALIFORNIA)
) ss
COUNTY OF Orange)

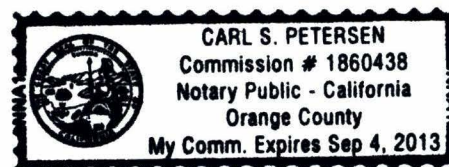
On December 27, 2010, before me Carl S. Petersen, Notary Public, personally appeared Sukhee Kang, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/~~she~~-executed the same in his/~~her~~ authorized capacity, and that by his/~~her~~ signature on the instrument, the person or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Carl S. Petersen

Signature of Notary Public



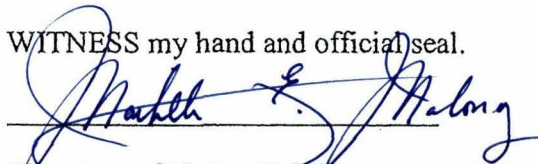
(SEAL)

STATE OF CALIFORNIA)
) ss
COUNTY OF Los Angeles)

On December 23, 2010, before me Marichelle E. Maloney Notary Public personally appeared Robert I. McHurry, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument, the person or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.


Signature of Notary Public



(SEAL)

CONSENT OF LIENHOLDER AND SUBORDINATION OF LIEN

EL TORO LLC, a Delaware limited liability company (individually and as lead arranger and administrative agent for itself and certain co-lenders), as beneficiary or assignee of certain property, rights, interests, and estates granted by Owner, as more specifically described in the following instruments: (a) That certain Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Financing Statement, dated December 21, 2005 and recorded in the Official Records for Orange County, California, on December 22, 2005 as Instrument No. 2005001023684; (b) That certain Substitution of Trustee and Deed of Partial Reconveyance, dated February 9, 2006, and recorded in the Official Records for Orange County, California, on March 2, 2006 as Instrument No. 2006000141834; (c) That certain Substitution of Trustee and Deed of Partial Reconveyance, dated February 9, 2006, and recorded in the Official Records for Orange County, California, on August 24, 2006 as Instrument No. 2006000565634; (d) That certain First Amendment to Deed of Trust, dated August 10, 2006, and recorded in the Official Records for Orange County, California, on August 24, 2006 as Instrument No. 2006000565861; (e) That certain Second Amendment to Deed of Trust, dated June 26, 2007, and recorded in the Official Records for Orange County, California, on June 26, 2007 as Instrument No. 2007000405167; (f) That certain Third Amendment to Deed of Trust, dated July 15, 2008, and recorded in the Official Records for Orange County, California, on July 15, 2008 as Instrument No. 2008000338318; (g) That certain Absolute Assignment of Leases and Rents, dated December 21, 2005, and recorded in the Official Records for Orange County, California, on December 22, 2005 as Instrument No. 2005001023685; (h) That certain Amendment to Absolute Assignment of Leases and Rents, dated June 26, 2007, and recorded in the Official Records for Orange County, California, on June 26, 2007 as Instrument No. 2007000405168; (i) That certain Second Amendment to Absolute Assignment of Leases and Rents, dated July 15, 2008, and recorded in the Official Records for Orange County, California, on July 15, 2008 as Instrument No. 2008000338317; and (j) that certain Fourth Amendment to Deed of Trust, dated June 24, 2009, and recorded November 3, 2009 as Instrument No. 2009000596966 (collectively (a)-(j) above are herein referred to as the "Lienholder Deeds of Trust and Assignments"), hereby consents to the foregoing Amended and Restated Development Agreement by and between the City of Irvine and Heritage Fields El Toro, LLC (and further between Heritage Fields El Toro, LLC and the Irvine Redevelopment Agency) to which this Consent of Lienholder and Subordination of Lien is attached (the "Amended and Restated Agreement") and hereby subordinates the lien and charge of the Lienholder Deeds of Trust and Assignments to the Amended and Restated Agreement and agrees further that said Amended and Restated Agreement shall, upon its recordation in the Official Records for Orange County, California, constitute a lien on the real property affected thereby and be prior and superior to the liens imposed by the Lienholder Deeds of Trust and Assignments on said real property.

[signature follows on next page]

SIGNATURE PAGE TO

**CONSENT OF LIENHOLDER AND
SUBORDINATION OF LIEN**

Dated: _____

EL TORO LLC,
a Delaware limited liability company

By: 
Name: Nicholas V. Colonna

Its: Authorized Signatory

By: 
Name: _____

Its: William R. Lindsay
Authorized Signatory

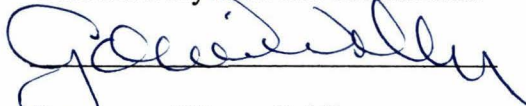
Its: _____

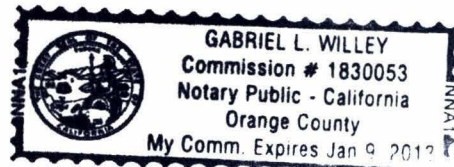
STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On NOVEMBER 1, 2010, before me, GABRIEL L. WILLEY, personally appeared NICHOLAS V. COLOMBA, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument, the person or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.


Signature of Notary Public



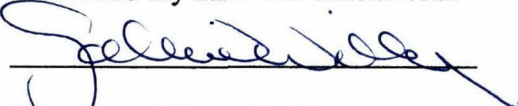
(SEAL)

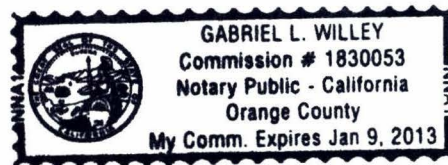
STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On NOVEMBER 1, 2010, before me, GABRIEL L. WILLEY, personally appeared WILLIAM R. LINDSAY, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument, the person or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.


Signature of Notary Public



(SEAL)

EXHIBIT 'A'

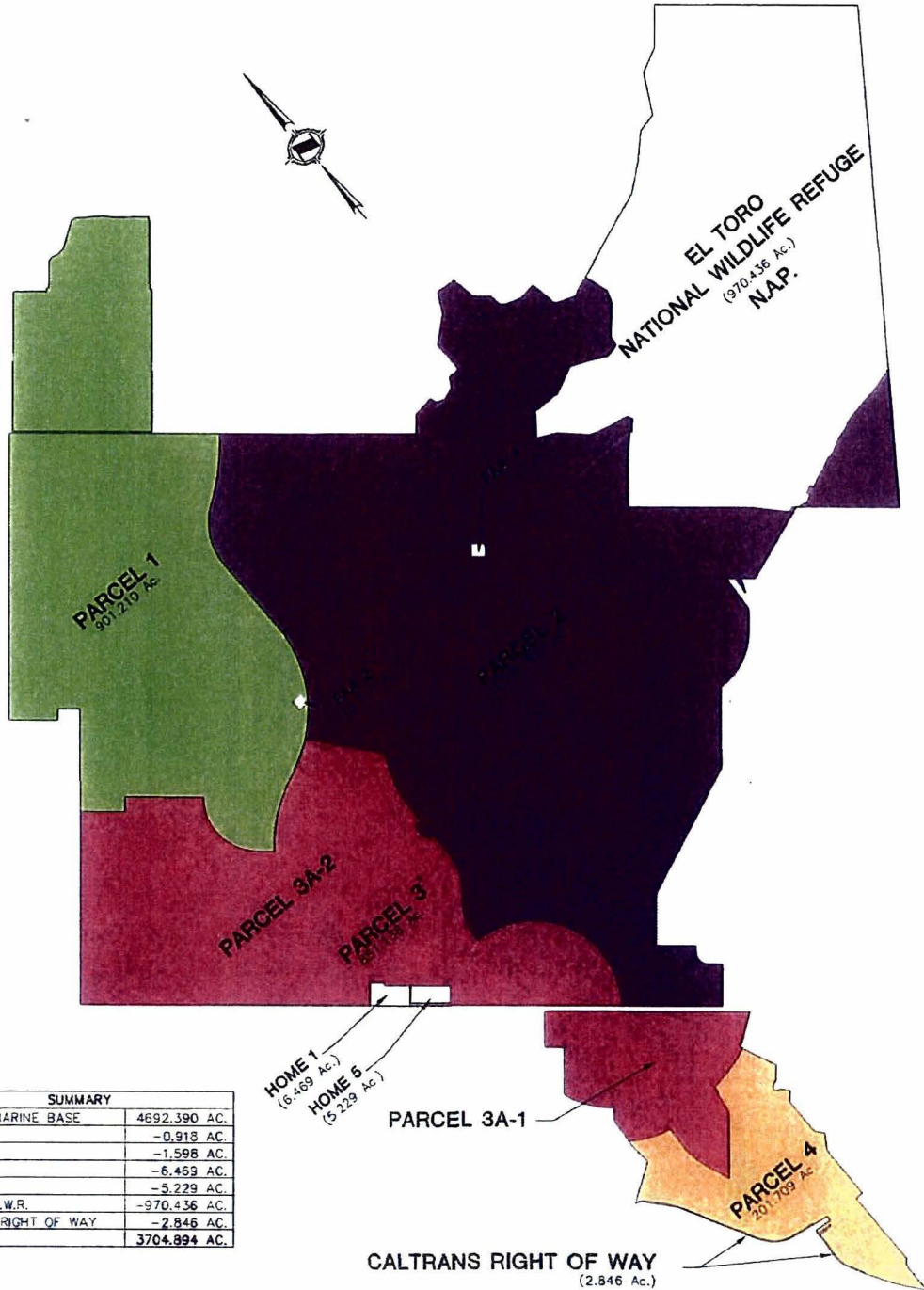
ACREAGE SUMMARY
 TOTAL ACREAGE TO BE SOLD: 3,704.894 Ac.
 TOTAL ACREAGE TO BE OWNED BY USA, CALTRANS, FAA, AND WILDLIFE
 REFUGE AND HOMELESS ASSISTANCE PROVIDERS: 987.496 Ac.
 TOTAL ACREAGE: 4,692.390 Ac.

EXHIBIT EXPLANATION:
 THE ACREAGES SHOWN HEREON ARE BASED ON PARCELS 1, 2, 3A-1, 3A-2, AND 4 DESCRIBED IN THE QUITCLAIM DEEDS FROM THE USA TO HERITAGE FIELDS IGNORING THE EFFECTS OF LIFO, AS DEPICTED IN THE BID DOCUMENTS. THESE BID PARCELS HAD EXCEPTIONS NETTING OUT THE ACREAGES OF FAA AND HOME SITE PARCELS SHOWN HEREON.

LEGEND

- PARCEL 1
- PARCEL 2
- PARCEL 3*
- PARCEL 4

NOTE:
 ALL ACREAGES LISTED HEREON ARE THE TOTAL ACREAGES FOR THE PARCELS AS DEPICTED BY SEPARATE COLORS. ACREAGES IN PARENTHESES () INDICATE ACREAGE OF THE PARCEL INDICATED SHOWN FOR INFORMATIONAL PURPOSES ONLY.



SUMMARY	
EL TORO MARINE BASE	4692.390 AC.
FAA 2	-0.918 AC.
FAA 4	-1.598 AC.
HOME 1	-6.469 AC.
HOME 5	-5.229 AC.
EL TORO N.W.R.	-970.436 AC.
CALTRANS RIGHT OF WAY	-2.846 AC.
TOTAL	3704.894 AC.

* PARCEL 3 IS COMPRISED OF PARCEL 3A-1 AND PARCEL 3A-2

HUNSAKER & ASSOCIATES
 IRVINE, INC.
 PLANNING • ENGINEERING • SURVEYING
 Three Highways • Irvine, CA 92618 • P: (949) 583-7070 • F: (949) 583-4799

DATE: 9-19-07 REV. DATE: 3-06-09 DWG. BY: R. WHEELER OK'D BY: R. WILLIAMS

FORMER EL TORO MCAS PROPERTY

IN THE CITY OF IRVINE, COUNTY OF ORANGE, STATE OF CALIFORNIA

SCALE: 1"=2000' W.O. 1855-80X

I:\HeritageFields\Exhibits\DA\0903-revised\EXH-A.dwg

PSOMAS

LEGAL DESCRIPTION

Exhibit "A"

Parcel 1

In the City of Irvine, County of Orange, State of California, being those portions of Lots 359 and 370 of Block 120, Lots 360 and 369 of Block 142, Lots 241 and 242 of Block 121, Lots 271, 272, 277 and 278 of Block 141, and Lots 279 and 280 of Block 140, of Irvine's Subdivision, as shown on the map filed in Book 1, Page 88, of Miscellaneous Maps, lying within the U.S. M.C.A.S.-El Toro property, and as shown on Record of Survey 97-1038 filed in Book 171, Pages 1 through 49 inclusive, all of the above documents and maps on file in the Recorders Office of said County, lying northerly, northwesterly, and westerly of the following described line:

Commencing at the southwest quarter corner of said Block 142; thence along the northeasterly line of said Lot 271, said line being also the former centerline of Irvine Boulevard as shown on said Record of Survey, North 49°21'16" West 49.00 feet to the centerline of Lambert Road as shown on said Record of Survey; thence continuing North 49°21'16" West 17.14 feet along said former centerline of Irvine Boulevard to the **True Point of Beginning**; thence leaving said centerline South 40°12'23" West 208.48 feet to the beginning of a curve concave northwesterly having a radius of 3776.61 feet; thence southwesterly along said curve 1107.25 feet through a central angle of 16°47'54" to the beginning of a reverse curve concave southeasterly having a radius of 1200.00 feet, a radial line to the beginning of said curve bears South 32°59'43" East; thence southwesterly along said curve 1193.90 feet through a central angle of 57°00'17"; thence South 00°00'00" West 1456.34 feet to the beginning of a curve concave northwesterly having a radius of 2400.00 feet; thence southwesterly along said curve 2768.42 feet through a central angle of 66°05'28"; thence South 66°05'28" West 353.80 feet to the beginning of a curve concave southeasterly having a radius of 2500.00 feet; thence southwesterly along said curve 1038.99 feet through a central angle 23°48'43"; thence South 42°16'45" West 235.22 feet; thence North 49°51'20" West 281.26 feet to the beginning of a curve concave easterly having a radius of 1000.00 feet; thence northwesterly,

PSOMAS

1 northerly and northeasterly along said curve 1574.20 feet through a central angle of
2 90°11'43"; thence North 49°14'49" West 1446.32 feet; thence South 41°14'17" West
3 275.57 feet; thence North 49°21'34" West 817.62 feet to a point on the northwesterly line
4 of said Lot 279, said point lying distant thereon South 40°39'31" West 1675.66 feet from
5 the most northerly corner of said Lot 279.

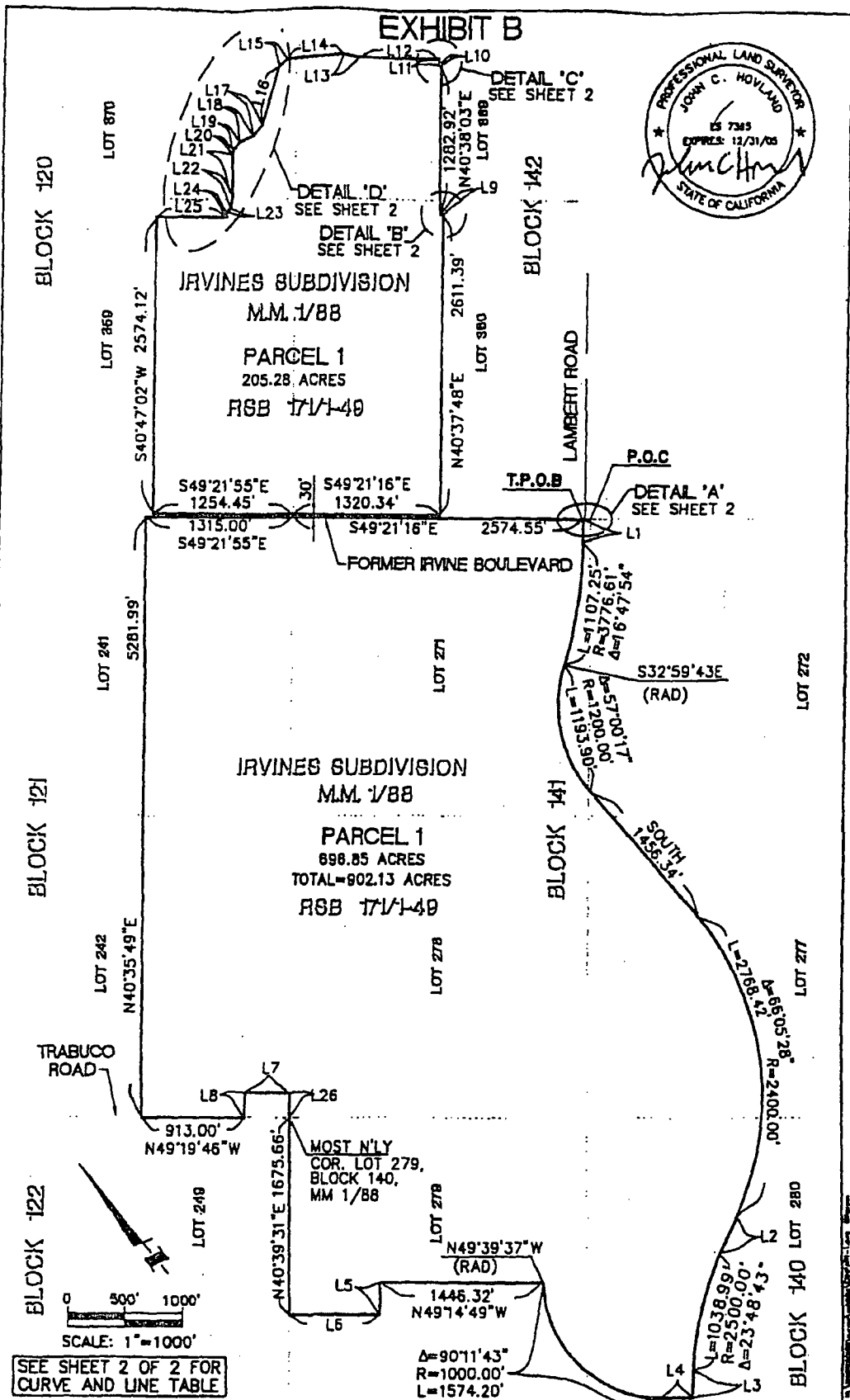
6
7 Excepting therefrom that 30.00 foot wide strip of land known as former Irvine Boulevard
8 as shown on said Record of Survey.

9
10 Containing 902.13 acres, more or less.

11
12 Subject to covenants, conditions, restrictions, rights-of-way and easements of record, if
13 any.

14
15 As shown on Exhibit "B" attached hereto and made a part hereof.
16
17
18
19
20
21
22
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27
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30
31

EXHIBIT B

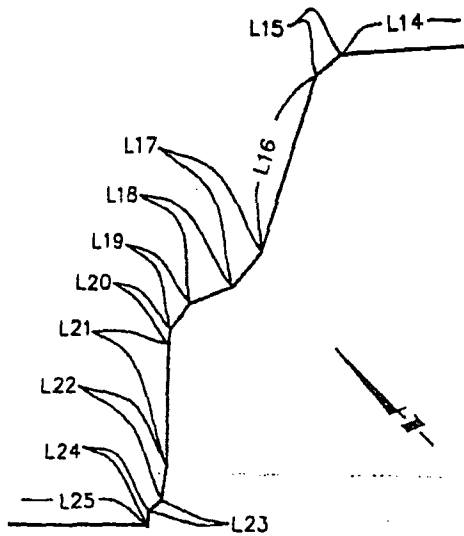


SEE SHEET 2 OF 2 FOR CURVE AND LINE TABLE

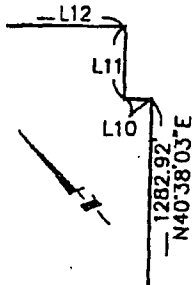
<p>DESCRIPTION: Those portions of Lots 359 and 370 of Block 120, Lots 320 and 349 of Block 142, Lots 241 and 242 of Block 121, Lots 271, 272, 277 and 278 of Block 141, Lots 279 and 280 of Block 140, in the unincorporated territory of the County of Orange, State of California, shown on the Irvines Subdivision Map in Book 1, Page 88, in the Office of said County.</p> <p>MCAS-EL TORO</p>	<p>SHEET 1 OF 2</p> <p>PSOMAS</p> <p>287 1st St Suite 200 Costa Mesa, CA 92626 (949) 261-1233 Fax (949) 261-0202</p>	<p>SCALE 1" = 1000'</p> <p>DRAFTED CH</p> <p>CHECKED JCH</p> <p>DATE APRIL 2003</p> <p>JCS</p> <p>NUMBER 240R030100 13</p>
--	--	--

EXHIBIT A-I

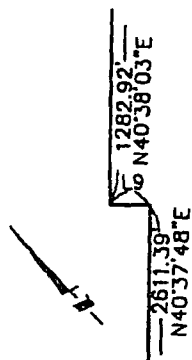
EXHIBIT B



DETAIL 'D'
SCALE 1"=400'



DETAIL 'C'
SCALE 1"=100'



DETAIL 'B'
SCALE 1"=100'

LINE TABLE		
NO.	LENGTH	BEARING
L1	208.48	S40°12'23"W
L2	353.80	S66°05'28"W
L3	235.22	S42°16'45"W
L4	281.26	N49°51'20"W
L5	275.57	S41°14'17"W
L6	817.62	N49°21'34"W
L7	400.00	N49°19'46"W
L8	217.80	S40°36'53"W
L9	30.00	N49°20'54"W
L10	20.01	N49°13'29"W
L11	53.18	N40°37'45"E
L12	690.50	N49°30'48"W
L13	151.34	N40°59'05"W
L14	512.76	N53°35'30"W
L15	95.00	N86°29'26"W
L16	525.89	S56°43'54"W
L17	127.13	S80°10'23"W
L18	134.50	N71°34'21"W
L19	91.30	S78°06'29"W
L20	45.20	S47°19'54"W
L21	351.20	S40°17'49"W
L22	100.00	S50°17'49"W
L23	48.20	S89°45'29"W
L24	41.81	S40°38'46"W
L25	627.28	N49°42'16"W
L26	217.80	N40°36'53"E

FORMER Q. IRVINE BLVD.

NWLY LINE
LOT 271
BLOCK 141,
MM 1/88

T.P.O.B

2574.55'
S49°21'16"E

N49°21'16"W
17.14'

Q. LAMBERT ROAD

N49°21'16"W
49.00'

P.O.C
SW 1/4 COR.
BLOCK 142
M.M. 1/88

DETAIL 'A'
SCALE 1"=50'



DESCRIPTION: These portions of Lots 359 and 370 of Block 120, Lots 390 and 399 of Block 142, Lots 244 and 242 of Block 121, Lots 271, 272, 277 and 278 of Block 141, Lots 279 and 280 of Block 140, in the unincorporated territory of the County of Orange, State of California, shown on the Irvine's Subdivision Cled in Book 1, Page 86, in the Office of said County.

MCAS-EL TORO

SHEET 2 OF 2

SCALE 1"=50'

PSOMAS

307 1st St. Suite 200
Costa Mesa, CA 92626
(949) 261-2273 Fax: (949) 261-2283

DRAFTED CN

CHECKED JCH

DATE APRIL 2003

JOB NUMBER 2NCR060100 T3

EXHIBIT A-I

PSOMAS

LEGAL DESCRIPTION

Exhibit "A"

Parcel 2

In the City of Irvine, County of Orange, State of California, being those portions of Lots 303 and 306 of Block 173, Lots 281 through 284 inclusive, of Block 155, Lot 280 of Block 140, Lots 271, 272 and 277 of Block 141, Lots 273 through 276 inclusive, of Block 154, Lots 299, 300 and 302 of Block 174, Lots 362, 363, 366 and 367 of Block 153, and Lot 313 of Block 175 of Irvine's Subdivision, as shown on map filed in Book 1, Page 88, of Miscellaneous Maps, lying within the U.S. M.C.A.S. El Toro property, as shown on Record of Survey 97-1038, filed in Book 171, Pages 1 through 49 inclusive, all of the above maps on file in the Recorder's Office of said County, lying easterly of the following described line:

Commencing at the southwest quarter corner of Block 142 of said Irvine's Subdivision, said quarter corner being shown on said Record of Survey; thence along the northeasterly line of said Lot 271, said line being also along the former centerline of Irvine Boulevard, as shown on said Record of Survey, North 49°21'16" West 49.00 feet to the centerline of Lambert Road as shown on said Record of Survey; thence continuing North 49°21'16" West 17.14 feet along said former centerline of Irvine Boulevard to the **True Point of Beginning**; thence leaving said centerline South 40°12'23" West 208.48 feet to the beginning of a curve concave northwesterly having a radius of 3776.61 feet; thence southwesterly along said curve 1107.25 feet through a central angle of 16°47'54" to beginning of a reverse curve concave southeasterly having a radius of 1200.00 feet, a radial line to the beginning of said curve bears North 32°59'43" West; thence southwesterly along said curve 1193.90 feet through a central angle of 57°00'17"; thence South 00°00'00" West 1456.34 feet to the beginning of a curve concave northwesterly having a radius of 2400.00 feet; thence southerly along said curve 2226.96 feet through a central angle of 53°09'53"; thence non-tangent to said curve South 39°16'19" East 1519.69 feet to the beginning of a non-tangent curve concave southeasterly having a radius of 2100.00 feet, a radial line to the beginning of said curve

PSOMAS

1 bears North 58°27'48" West; thence southerly along said curve 1155.88 feet through a
2 central angle of 31°32'12"; thence non-tangent to said curve South 00°57'09" West
3 276.56 feet; thence North 89°02'51" West 141.47 feet; thence South 00°57'09" West
4 221.51 feet to the beginning of a curve concave northeasterly having a radius of
5 120.00 feet; thence southerly, southeasterly and easterly along said curve 188.50 feet
6 through a central angle of 90°00'00"; thence South 89°02'51" East 38.00 feet; thence
7 South 00°57'09" West 396.66 feet to the beginning of a curve concave westerly having a
8 radius of 1200.00 feet; thence southerly along said curve 813.74 feet through a central
9 angle of 38°51'11"; thence South 39°48'20" West 226.79 feet to the beginning of a curve
10 concave easterly having a radius of 900.00 feet; thence southerly along said curve
11 605.19 feet through a central angle of 38°31'40"; thence South 01°16'40" West
12 129.84 feet to the beginning of a non-tangent curve concave southwesterly having a
13 radius of 1600.00 feet, a radial line to the beginning of said curve bears
14 North 01°09'46" East; thence easterly, southeasterly, southerly and southwesterly along
15 said curve 3582.01 feet through a central angle of 128°16'17" to a point on a line parallel
16 with and distant 50.00 feet northeasterly from the southwesterly line of said Block 155,
17 said point lying distant along said parallel line North 49°20'21" West 616.16 feet from
18 the southeasterly line of said Lot 283; thence along said parallel line
19 South 49°20'21" East 616.16 feet to said southeasterly line; thence along a line that is
20 parallel with and distant 50.00 feet northeasterly from the southwesterly line of said
21 Block 173, South 49°20'18" East 1220.06 feet to the terminus of the herein described
22 line.

23

24 **Excepting** therefrom the 970.435 acre parcel shown on Record of Survey 98-1077, filed
25 in Book 173, Pages 28 through 31, inclusive, in the office of the County Recorder of said
26 County.

27

28 Containing 1752.43 acres, more or less.

29

30 Subject to covenants, conditions, restrictions, rights-of-way and easements of record, if
31 any.

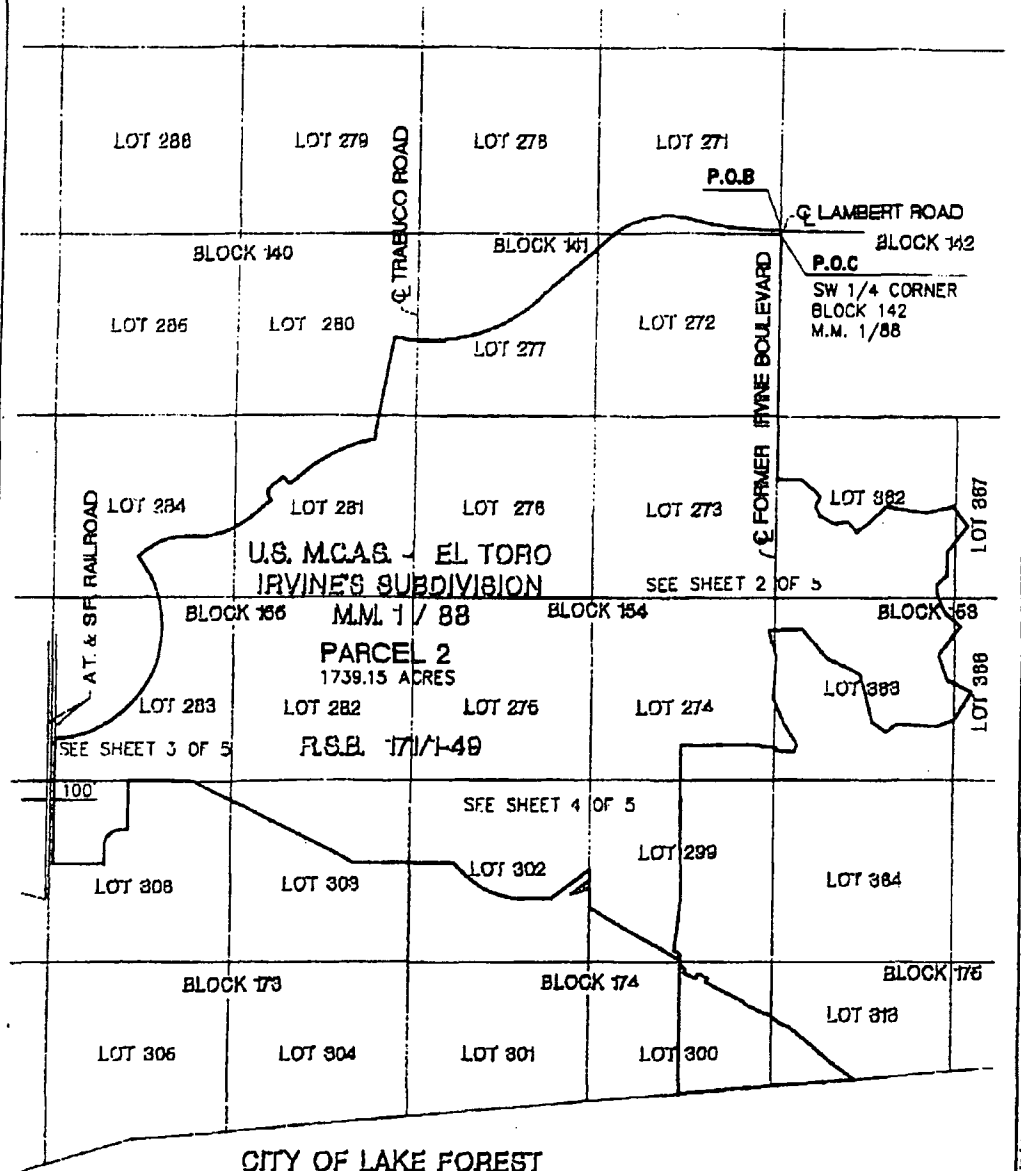
PSOMAS

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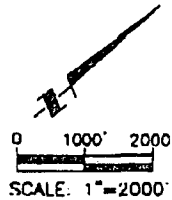
The distances shown hereon are ground distances.

As shown on Exhibit "B" attached hereto and made a part hereof.

EXHIBIT B



CITY OF LAKE FOREST
 RANCHO CANADA DE LOS ALISOS
 M.F.L.A. CO 3/290-291



SEE SHEET 5 OF 5 FOR
 CURVE AND LINE TABLE

DESCRIPTION: That portion of Lots 306 & 303 of Block 173, Lots 281 thru 284 of Block 166, Lot 280 of Block 140, Lots 271, 272 & 277 of Block 141, Lots 273 thru 276 of Block 154, Lots 299 & 302 of Block 174, Lots 303, 304, & 307 of Block 183, Lots 313, 314, 304, & 305 of Block 175, Lots 315 & 390 of Block 178, Lot of Block 380, and Lot 369 of Block 182, in the City of Irvine, County of Orange, State of California, as shown the Irvine's Subdivision, filed in Book 1, Page 88.

SHEET 1 OF 5

SCALE 1" = 2000'

PSOMAS

DRAFTED CH

CHECKED JCH

DATE APRIL 2003

JOB NUMBER ZNOR060100 13

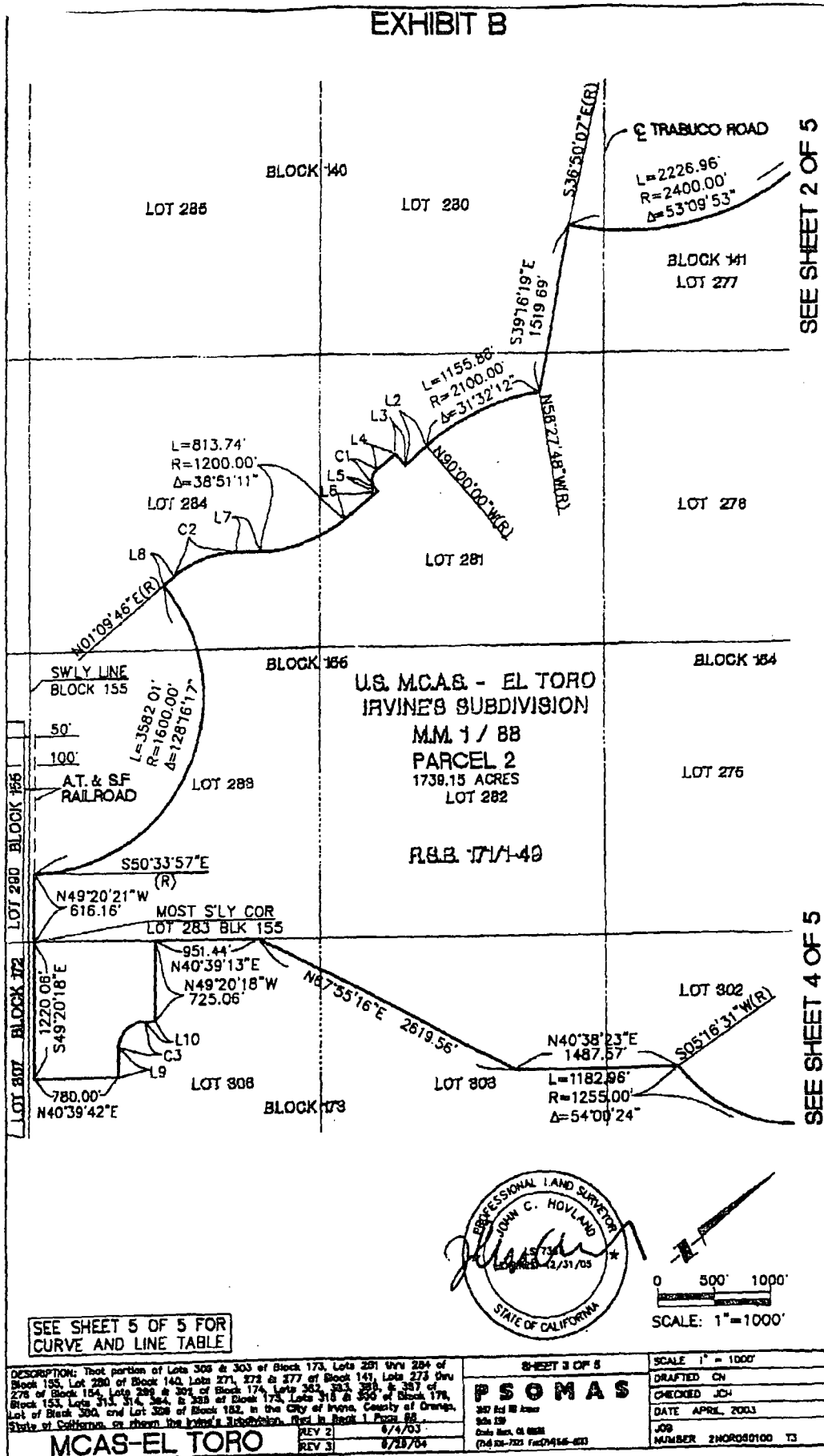
MCAS-EL TORO

REV 2 6/4/03
 REV 3 6/28/04

287 Red Hill Avenue
 Suite 200
 Costa Mesa, CA 92626
 (714) 261-7272 Fax (714) 446-8823

EXHIBIT A-II

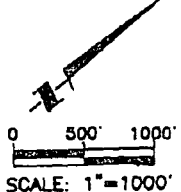
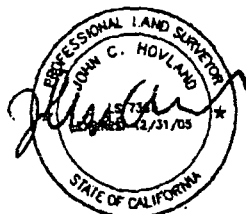
EXHIBIT B



SEE SHEET 2 OF 5

SEE SHEET 4 OF 5

SEE SHEET 5 OF 5 FOR CURVE AND LINE TABLE



DESCRIPTION: That portion of Lots 308 & 309 of Block 173, Lots 291 thru 294 of Block 155, Lot 280 of Block 140, Lots 271, 272 & 277 of Block 141, Lots 273 thru 276 of Block 154, Lots 289 & 301 of Block 174, Lots 362, 363, 368 & 367 of Block 153, Lots 313, 314, 364, & 328 of Block 175, Lots 318 & 350 of Block 176, Lot of Block 300, and Lot 308 of Block 182, in the City of Irvine, County of Orange, State of California, as shown the Irvine's Subdivision, filed in Book 1 Page 88.

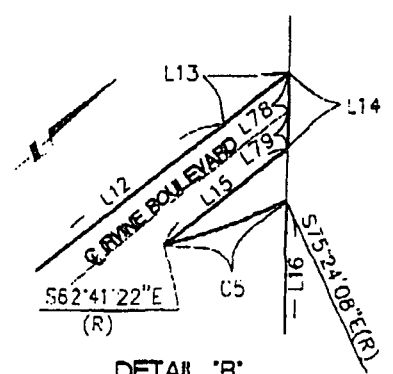
PSOMAS
 357 Red Hill Avenue
 Suite 129
 Costa Mesa, CA 92626
 (714) 441-7021 Fax (714) 441-6003

SHEET 3 OF 5	SCALE 1" = 1000'
DRAFTED CH	
CHECKED JCH	
DATE APRIL 2003	
JOB NUMBER 2NOR080100 T3	

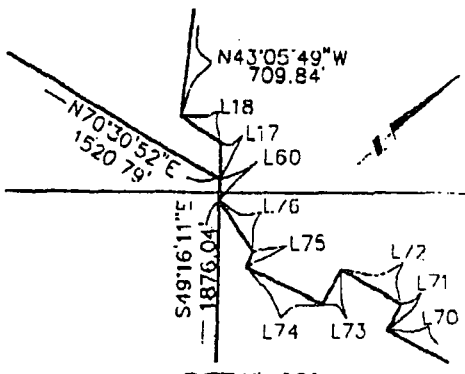
MCAS-EL TORO

EXHIBIT A-II

EXHIBIT B

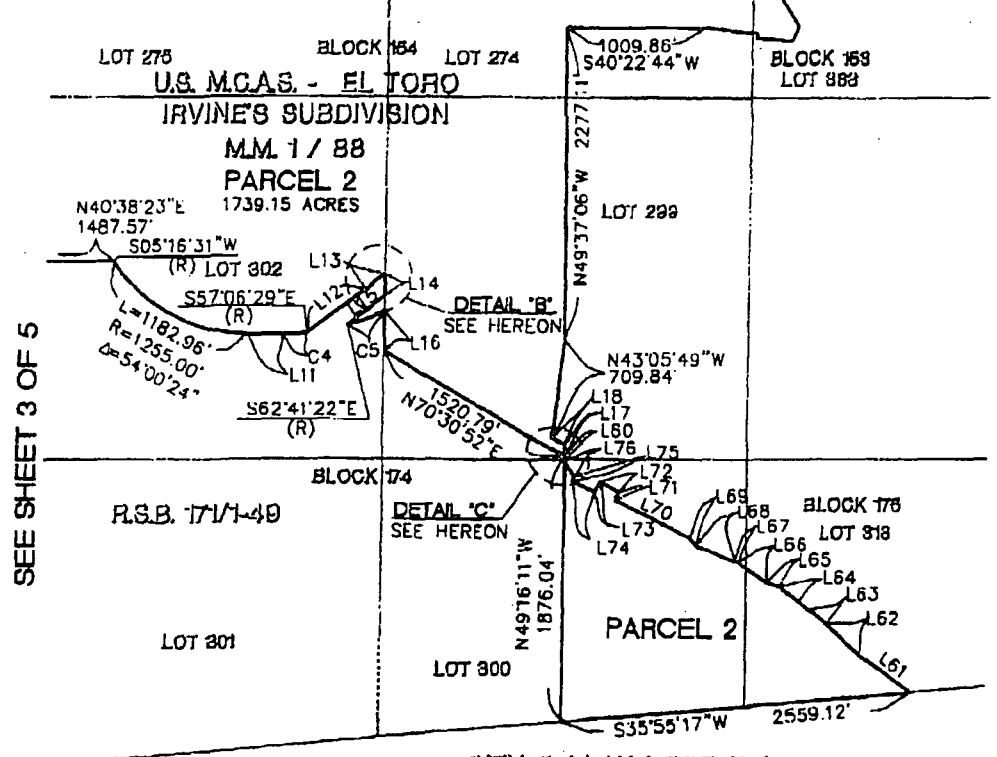


DETAIL 'B'
SCALE 1" = 300'



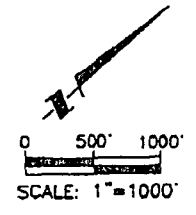
DETAIL 'C'
SCALE 1" = 300'

SEE SHEET 2 OF 5



SEE SHEET 3 OF 5

CITY OF LAKE FOREST
RANCHO CANADA DE LOS ALISOS
M.F.L.A. CO 3/290-201



SEE SHEET 5 OF 5 FOR
CURVE AND LINE TABLE

DESCRIPTION: That portion of Lots 308 & 309 of Block 173, Lots 201 thru 204 of Block 155, Lot 280 of Block 140, Lots 271, 272 & 277 of Block 141, Lots 273 thru 278 of Block 154, Lots 299 & 302 of Block 174, Lots 352, 353, 354, & 357 of Block 153, Lots 313, 314, 354, & 365 of Block 175, Lots 315 & 390 of Block 178, Lot of Block 390, and Lot 369 of Block 152, in the City of Irvine, County of Orange, State of California, as shown the Irvine's Subdivision, filed in Book 1, Page 88.	SHEET 4 OF 6	SCALE 1" = 1000'
	PSOMAS 2441 East 28th Avenue Suite 200 Costa Mesa, CA 92626 949-261-7273 Fax 949-446-4250	DRAFTED CH CHECKED JCH DATE APRIL, 2003 JOB NUMBER 2NCR080100 T3
MCAS-EL TORO	REV 2 6/4/03 REV 3 8/29/04	

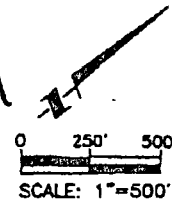
EXHIBIT A-II

EXHIBIT B

LINE TABLE		
NO.	LENGTH(FT)	BEARING
L1	208.48	S40°12'23"W
L2	276.58	S00°57'09"W
L3	141.47	N89°02'51"W
L4	221.51	S00°57'09"W
L5	38.00	S89°02'51"E
L6	396.66	S00°57'09"W
L7	226.79	S39°48'20"W
L8	129.84	S01°16'40"W
L9	265.16	N49°20'18"W
L10	100.00	N40°39'42"E
L11	249.30	N41°16'07"E
L12	516.75	N03°38'44"E
L13	176.68	N02°41'27"E
L14	159.99	S49°15'52"E
L15	332.04	S02°41'27"W
L16	282.44	S49°15'52"E
L17	77.98	N49°16'11"W
L18	103.60	S74°22'29"W
L19	378.73	N47°00'59"E
L20	36.97	S43°46'25"E
L21	253.88	N44°10'35"E
L22	114.34	N27°39'45"W
L23	358.80	N80°16'46"W
L24	395.26	N73°37'35"W
L25	600.49	N46°14'31"W
L26	386.94	N84°33'36"W
L27	485.85	N37°18'55"E
L28	542.47	S89°00'03"E
L29	542.88	N65°05'59"E
L30	292.98	S87°02'19"E
L31	419.52	S84°00'47"E
L32	250.57	N77°23'57"E
L33	202.52	N08°37'42"E
L34	602.13	N43°04'22"E
L35	245.79	N19°58'15"E
L36	469.87	N17°07'55"W
L37	284.78	S89°29'32"W
L38	103.05	S58°28'51"W
L39	400.68	N69°03'15"W
L40	525.37	N09°57'17"W
L41	290.35	S81°17'11"W
L42	124.67	N78°49'46"W
L43	203.08	N88°35'40"W
L44	104.09	N56°18'27"W
L45	216.34	N06°22'01"W
L46	325.40	N49°05'35"W
L47	477.81	N11°45'54"W
L48	360.00	N84°51'40"W
L49	417.78	S27°40'18"W
L50	598.73	S48°36'32"W
L51	344.48	S02°59'41"E
L52	228.32	S03°00'59"W
L53	220.14	S87°55'12"W
L54	186.94	S28°01'09"W
L55	255.62	S69°51'58"W
L56	156.90	N72°56'54"W

CURVE TABLE			
NO.	LENGTH(FT)	RADIUS	DELTA
C1	188.50	120.00	90°00'00"
C2	605.19	900.00	38°31'40"
C3	361.28	230.00	90°00'00"
C4	183.48	1255.00	08°22'36"
C5	278.46	1255.00	12°42'46"
C6	457.83	955.00	27°28'04"
C7	506.24	845.00	34°19'33"
C8	133.34	211.96	36°02'33"
C9	603.27	646.25	53°29'05"

LINE TABLE		
NO.	LENGTH(FT)	BEARING
L57	151.70	N24°32'07"W
L58	367.42	S83°17'33"W
L59	358.95	S40°40'32"W
L60	45.06	S49°16'11"E
L61	476.64	N76°05'15"E
L62	320.43	N82°25'15"E
L63	185.87	N78°20'15"E
L64	265.63	N79°45'15"E
L65	103.32	N55°15'15"E
L66	257.59	N75°55'15"E
L67	34.25	N44°40'15"E
L68	290.62	N84°40'15"E
L69	78.87	N88°45'15"E
L70	612.07	N67°20'15"E
L71	65.00	S21°00'30"E
L72	155.00	N88°59'30"E
L73	83.12	N21°00'30"W
L74	184.71	N65°30'27"E
L75	37.00	S23°59'33"E
L76	132.97	S84°39'33"E
L77	438.55	S19°46'09"E
L78	79.99	S49°15'52"E
L79	80.00	S49°15'52"E



DESCRIPTION: That portion of Lots 308 & 303 of Block 173, Lots 281 thru 284 of Block 155, Lot 280 of Block 140, Lots 271, 272 & 277 of Block 141, Lots 273 thru 276 of Block 134, Lots 278 & 302 of Block 174, Lots 312, 313, 314, & 317 of Block 153, Lots 315, 316, & 318 of Block 176, Lots 319 & 320 of Block 178, Lot of Block 390, and Lot 388 of Block 182, in the City of Irvine, County of Orange, State of California, as shown on the Irwin's Subdivision, filed in Book 1 Page 85.	SHEET 6 OF 6	SCALE 1" = 500'	
	PSOMAS 227 East 88 Avenue Suite 200 Irvine, CA 92618 (714) 261-2222 Fax (714) 261-2221	DRAFTED JH CHECKED JH DATE APRIL, 2003 JOB NUMBER 2NOR030100 TJ	
	MCAS-EL TORO REV 1 5/27/03 REV 2 6/4/03		

EXHIBIT A-II

PSOMAS

LEGAL DESCRIPTION

Exhibit "A"

Parcel 3A-1

In the City of Irvine, County of Orange, State of California, being those portions of Lots 290 of Block 156, and Lots 307 and 310 of Block 172 of Irvine's Subdivision, as shown on the map filed in Book 1, Page 88 of Miscellaneous Maps, and also those portions of Parcels 1A and 2, described in the deed recorded in Book 11831, Page 1062 and Book 11253, Page 959 of Official Records, lying within the U.S. M.C.A.S. El Toro property, all as shown on Record of Survey 97-1038, filed in Book 171, Pages 1 through 49 inclusive, all of the above documents and maps on file in the Recorders Office of said County, lying northerly of the following described line:

Beginning at the intersection of the centerline of Alton Parkway with the westerly line of said Parcel 2, said intersection being also the beginning of a non-tangent curve concave northeasterly having a radius of 1800.00 feet, a radial line to the beginning of said curve bears South 37°36'19" West, (shown as South 37°36'05" West on said Record of Survey); thence southeasterly along said curve and said centerline 815.37 feet through a central angle of 25°57'15"; thence leaving said centerline South 04°46'49" West 323.29 feet to the beginning of a curve concave easterly having a radius of 1400.00 feet; thence southerly along said curve 616.04 feet through a central angle of 25°12'42"; thence South 20°25'53" East 490.17 feet; thence North 40°26'55" East 1130.96 feet to the beginning of a curve concave northwesterly having a radius of 417.00 feet; thence northeasterly along said curve 299.22 feet through a central angle of 41°06'48" to the beginning of a reverse curve concave southeasterly having a radius of 518.00 feet, a radial line to the beginning of said curve bears South 89°20'07" West; thence northeasterly along said curve 265.18 feet through a central angle of 29°19'55"; thence non-tangent to said curve North 09°24'49" West 60.00 feet to a point on said centerline; thence North 80°35'11" East 399.69 feet along said centerline to the beginning of a non-tangent curve concave northerly having a radius of 1800.00 feet, a radial line to the

PSOMAS

1 beginning of said curve, bears South 08°31'46" East; thence easterly along said curve
2 496.71 through a central angle of 15°48'39" to the easterly line of said Parcel 2.

3

4 Together with the following described parcel:

5

6 Parcel 3A-2

7 In the City of Irvine, County of Orange, State of California, being those portions of Lots
8 279, 280, 285, and 286 of Block 140, and Lots 281, 283, and 284 of Block 155 of Irvine's
9 Subdivision, as shown on a map filed in Book 1 Page 88, of Miscellaneous Maps, lying
10 within the U.S. M.C.A.S. El Toro property, and as shown on Record of Survey 97-1038,
11 filed in Book 171, Pages 1 through 49, inclusive, all of the records of said County,
12 described as follows:

13

14 Commencing at the southwest quarter corner of Block 142 said quarter corner being
15 shown on said Record of Survey; thence along the northeasterly line of said Lot 271, said
16 line being also the former centerline of Irvine Boulevard, as shown on said Record of
17 Survey, North 49°21'16" West 49.00 feet to the centerline of Lambert Road as shown on
18 said Record of Survey; thence continuing North 49°21'16" West 17.14 feet along said
19 former centerline of Irvine Boulevard; thence leaving said former centerline
20 South 40°12'23" West 208.48 feet to the beginning of a curve concave northwesterly
21 having a radius of 3776.61 feet; thence southwesterly along said curve 1107.25 feet
22 through a central angle of 16°47'54" to beginning of a reverse curve concave
23 southeasterly having a radius of 1200.00 feet, a radial line to the beginning of said curve
24 bears South 32°59'43" East; thence southwesterly along said curve 1193.90 feet through
25 a central angle of 57°00'17"; thence South 00°00'00" West 1456.34 feet to the beginning
26 of a curve concave northwesterly having a radius of 2400.00 feet; thence southwesterly
27 along said curve 2226.96 feet through a central angle of 53°09'53" to the **True Point of**
28 **Beginning**; thence South 39°16'19" East 1519.69 feet to the beginning of a non-tangent
29 curve concave southeasterly having a radius of 2100.00 feet, a radial line to the beginning

PSOMAS

1 of said curve bears North 58°27'48" West; thence southerly along said curve 1155.88 feet
2 through a central angle of 31°32'12"; thence non-tangent to said curve
3 South 00°57'09" West 276.56 feet; thence North 89°02'51" West 141.47 feet; thence
4 South 00°57'09" West 221.51 feet to the beginning of a curve concave northeasterly
5 having a radius of 120.00 feet; thence southeasterly along said curve 188.50 feet through
6 a central angle of 90°00'00"; thence South 89°02'51" East 38.00 feet; thence South
7 00°57'09" West 396.66 feet to the beginning of a curve concave westerly having a radius
8 of 1200.00 feet; thence southerly along said curve 813.74 feet through a central angle of
9 38°51'11"; thence South 39°48'20" West 226.79 feet to the beginning of a curve concave
10 easterly having a radius of 900.00 feet; thence southerly along said curve 605.19 feet
11 through a central angle of 38°31'40"; thence South 01°16'40" West 129.84 feet to the
12 beginning of a non-tangent curve concave southwesterly having a radius of 1600.00 feet,
13 a radial line to the beginning of said curve bears North 01°09'46" East; thence easterly,
14 southeasterly, southerly and southwesterly along said curve 3582.01 feet through a
15 central angle of 128°16'17" to a point on a line parallel with and distant 50.00 feet
16 northeasterly from the southwesterly line of said Blocks 155 and 140, said point lying
17 distant along said parallel line North 49°20'21" West 616.16 feet from the southeasterly
18 line of said Lot 283; thence North 49°20'21" West 9954.02 feet along said parallel line to
19 a point on the northwesterly line of said Lot 286; thence North 40°39'31" East 3554.68
20 feet along the northwesterly line of said Lots 286 and 279 to a point lying distant thereon
21 South 49°39'31" West 1675.66 feet from the most northerly corner of said Lot 279;
22 thence South 49°21'34 East 817.62 feet; thence North 41°14'17" East 275.57 feet; thence
23 South 49°14'49" East 1446.32 feet to the beginning of a non-tangent curve concave
24 easterly having a radius of 1000.00 feet, a radial line to the beginning of said curve bears
25 North 49°39'37" West; thence southwesterly, southerly, and southeasterly along said
26 curve 1574.20 feet through a central angle of 90°11'43"; thence South 49°51'20" East
27 281.26 feet; thence North 42°16'45" East 235.22 feet to the beginning of a curve concave
28 southeasterly having a radius of 2500.00 feet; thence northeasterly along said curve
29 1038.99 feet through a central angle of 23°48'43"; thence North 66°05'28" East
30 353.80 feet to the beginning of a curve concave northwesterly having a radius of

PSOMAS

1 2400 feet; thence northeasterly along said curve 541.46 feet through a central angle of
2 12°55'35" to the **True Point of Beginning**.

3
4 Containing 862.84 acres, more or less.

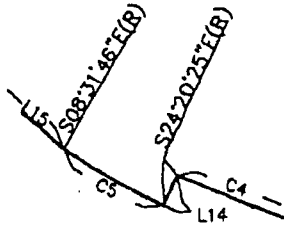
5
6 Subject to covenants, conditions, restrictions, rights-of-way and easements of record, if
7 any.

8
9 As shown on Exhibit "B" attached hereto and made a part hereof.

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EXHIBIT B

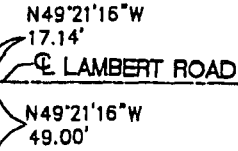
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SCALE: 1"=1000'



DETAIL 'A'
NO SCALE

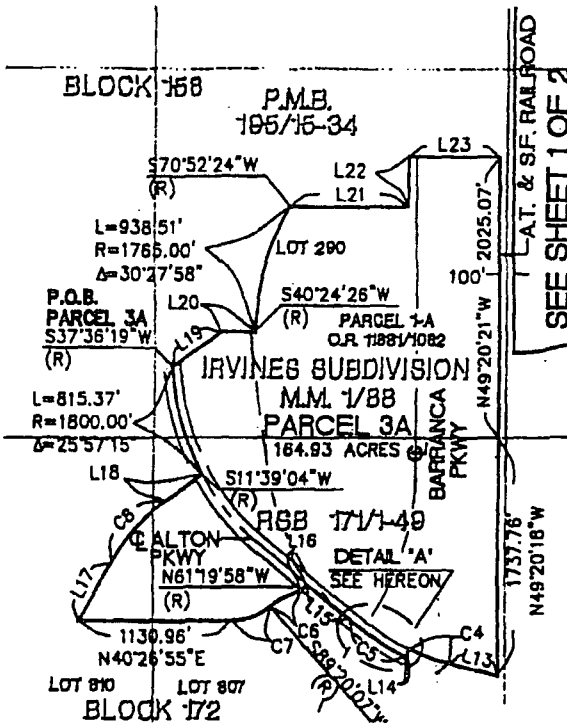
SEE DETAIL 'C'

P.O.C.
SW 1/4 COR.
BLOCK 142
M.M. 1/88

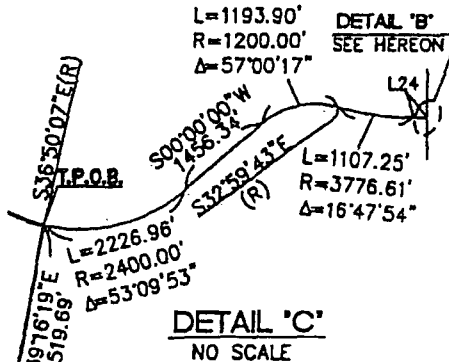


DETAIL 'B'
NO SCALE

LINE TABLE		
NO.	LENGTH (FT)	BEARING
L1	276.58	S00°57'09"W
L2	141.47	N89°02'51"W
L3	221.51	S00°57'09"W
L4	38.00	S89°02'51"E
L5	396.86	S00°57'09"W
L6	226.78	S39°48'20"W
L7	129.84	S01°16'40"W
L8	817.62	S49°21'34"E
L9	275.57	N41°14'17"E
L10	281.26	S49°51'20"E
L11	235.22	N42°16'45"E
L12	353.80	N66°05'28"E
L13	363.30	N55°30'00"E
L14	60.00	N24°20'25"W
L15	399.69	N80°35'11"E
L16	60.00	N09°24'49"W
L17	490.17	S20°25'53"E
L18	323.29	S04°46'49"W
L19	444.45	S05°38'08"W
L20	245.00	S40°24'26"W
L21	871.70	S40°39'39"W
L22	359.93	S49°20'21"E
L23	665.29	S40°39'39"W
L24	208.48	S40°12'23"W



SEE SHEET 1 OF 2



DETAIL 'C'
NO SCALE

CURVE TABLE			
NO.	LENGTH	RADIUS	DELTA
C1	188.50	120.00	90°00'00"
C2	605.19	900.00	38°31'40"
C3	541.46	2400.00	12°55'35"
C4	308.54	1740.00	10°09'35"
C5	496.71	1800.00	15°48'39"
C6	265.18	518.00	29°19'55"
C7	299.22	417.00	41°06'48"
C8	616.04	1400.00	25°12'42"

DESCRIPTION: That portion of Lots 290 and 291 of Block 168, Lots 307 through 310 of Block 172, Lots 271, 280, 283, and 284 of Block 140, Lots 281, 283, and 284 of Block 153, in the unincorporated territory of the County of Orange, State of California, as shown on Irvine's Subdivision Map in Book 1 Page 84.

MCAS-EL TORO

SHEET 2 OF 2

SCALE 1" = 1000'

PSOMAS

DRAFTED CH

300 1st St
Suite 30
Costa Mesa, CA 92626
(949) 261-1111 Fax: (949) 440-4880

CHECKED JCH

DATE APRIL 2003

JCD

NUMBER 2406060100 T3

PSOMAS

LEGAL DESCRIPTION

Exhibit A

Parcel 4

In the City of Irvine, County of Orange, State of California, being those portions of Lots 290 and 291 of Block 156, and Lots 307 through 310 inclusive of Block 172 of Irvine's Subdivision, as shown on the map filed in Book 1, Page 88 of Miscellaneous Maps, and also those portions of Parcels 2 and 3, described in the deed recorded in Book 11831, Page 1062, of Official Records, all lying within the U.S. M.C.A.S. El Toro property, as shown on Record of Survey 97-1038, filed in Book 171, Pages 1 through 49 inclusive, all of the above documents and maps on file in the Recorders Office of said County, lying southerly of the following described line:

Beginning at the intersection of the centerline of Alton Parkway with the westerly line of said Parcel 2, said intersection being also the beginning of a non-tangent curve concave northeasterly having a radius of 1800.00 feet, a radial line to the beginning of said curve bears South 37°36'19" West; thence southeasterly along said curve and said centerline 815.37 feet through a central angle of 25°57'15"; thence leaving said centerline South 04°46'49" West 323.29 feet to the beginning of a curve concave easterly having a radius of 1400.00 feet; thence southerly along said curve 616.04 feet through a central angle of 25°12'42"; thence South 20°25'53" East 490.17 feet; thence North 40°26'55" East 1130.96 feet to the beginning of a curve concave northwesterly having a radius of 417.00 feet; thence northeasterly along said curve 299.22 feet through a central angle of 41°06'48" to the beginning of a reverse curve concave southeasterly having a radius of 518.00 feet, a radial line to the beginning of said curve bears South 89°20'07" West; thence northeasterly along said curve 265.18 feet through a central angle of 29°19'55"; thence non-tangent to said curve North 09°24'49" West 60.00 feet to a point on said centerline; thence North 80°35'11" East 399.69 feet along said centerline to the beginning of a non-tangent curve concave northerly having a radius of 1800.00 feet, a radial line to the beginning of said curve bears South 08°31'46" East;

PSOMAS

1 | thence easterly along said curve 496.71 feet through a central angle of 15°48'39" to the
2 | easterly line of said Parcel 2.

3 |

4 | Containing 201.71 acres, more or less.

5 |

6 | Subject to covenants, conditions, restrictions, rights-of-way and easements of record, if
7 | any.

8 |

9 | As shown on Exhibit "B" attached hereto and made a part hereof.

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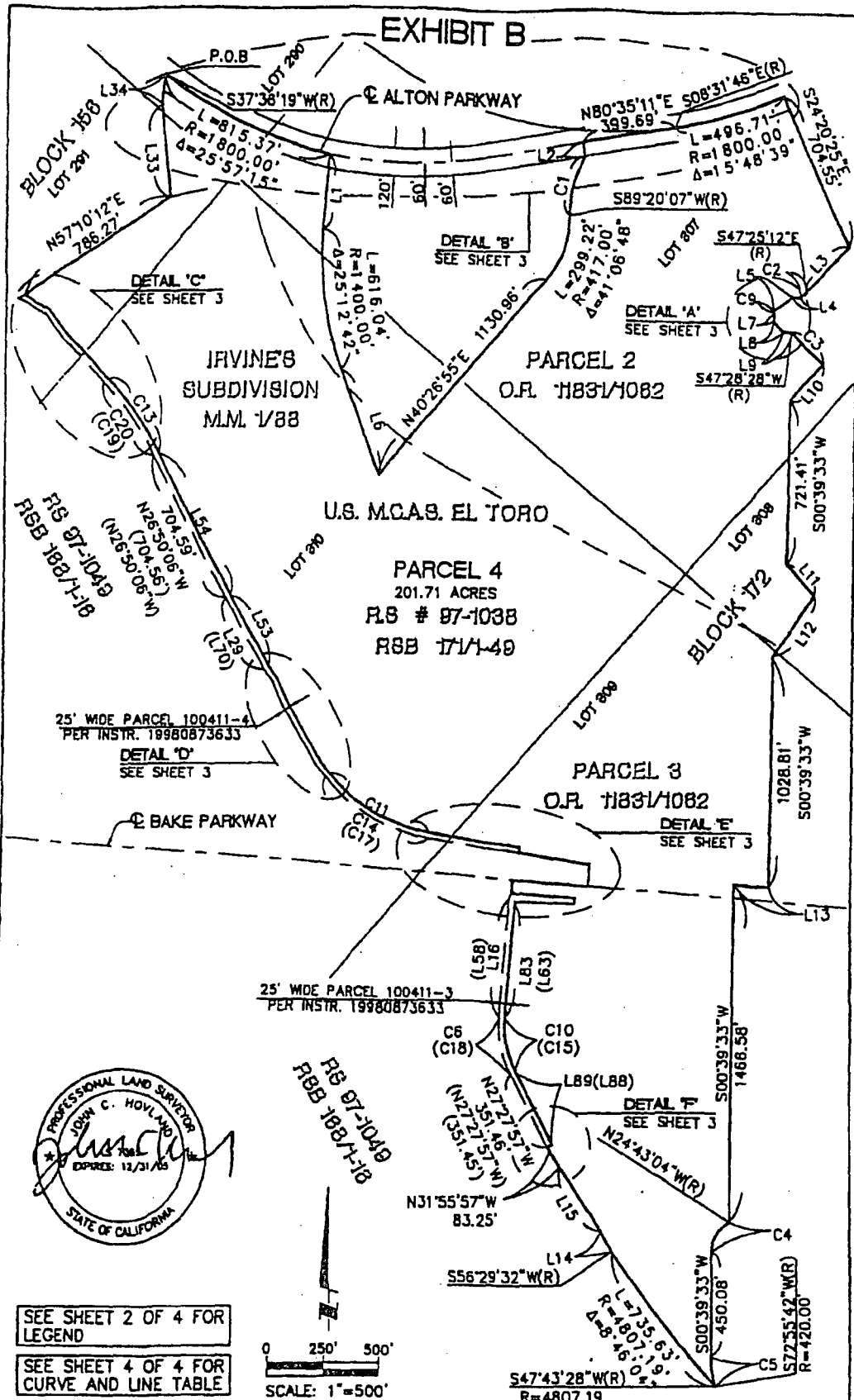
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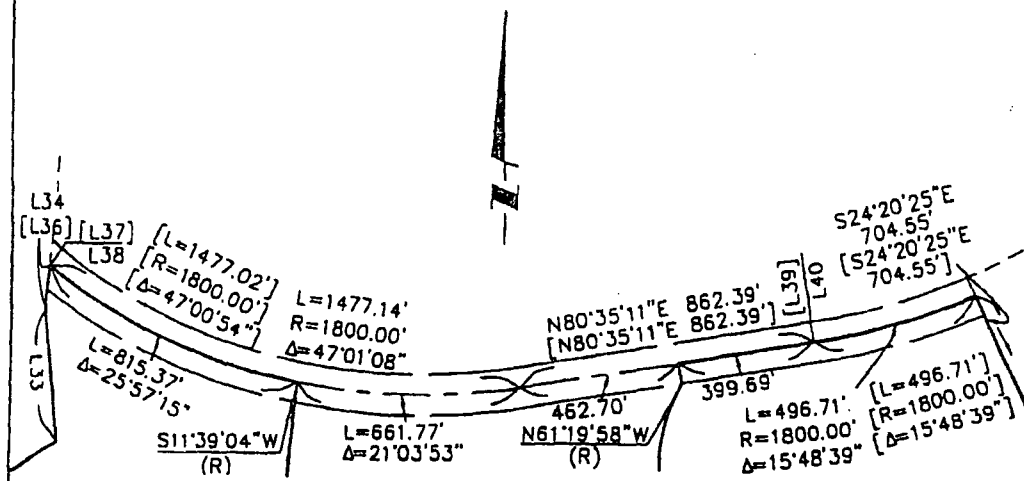


SEE SHEET 2 OF 4 FOR LEGEND
 SEE SHEET 4 OF 4 FOR CURVE AND LINE TABLE

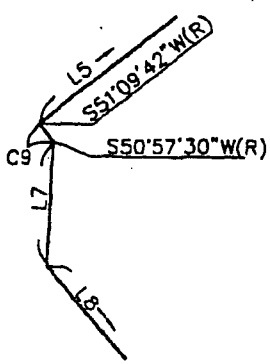
DESCRIPTION: Portions of Parcels 2 and 3, unincorporated territory of the County of Orange, State of California, per O.R. Book 11831, Page 1082.	SHEET 1 OF 4		SCALE 1" = 500'
	PSOMAS <small>200 Red Hill Avenue Suite 200 Costa Mesa, CA 92626 (714) 261-7373 Fax (714) 946-8282</small>		DRAFTED CH CHECKED JCH DATE APRIL 2003 JOB NUMBER 2NOR060100 TJ
MCAS-EL TORO	REV 1 5/20/03 REV 2		

EXHIBIT A-IV

EXHIBIT B



DETAIL 'B'
SCALE 1" = 400'



DETAIL 'A'
SCALE 1" = 40'

LEGEND

- () Record Per Record of Survey 97-1038 RSB 171/1-49.
- () Record Per Quitclaim Deed Recorded December 17, 1998, Instrument No. 19980873633, O.R. and Record of Survey 97-1049, RSB 168/1-16.



SEE SHEET 4 OF 4 FOR CURVE AND LINE TABLE

DESCRIPTION: Portions of Parcels 2 and 3, unincorporated territory of the County of Orange, State of California, per C.L.R. Book 11831, Page 1082.	SHEET 2 OF 4		SCALE 1" = 500'
	PSOMAS		
MCAS-EL TORO	REV 1 5/20/03	REV 2	CHECKED JCH DATE APRIL 2003 JOB MANAGER ZNOR00100 T3

EXHIBIT A-IV

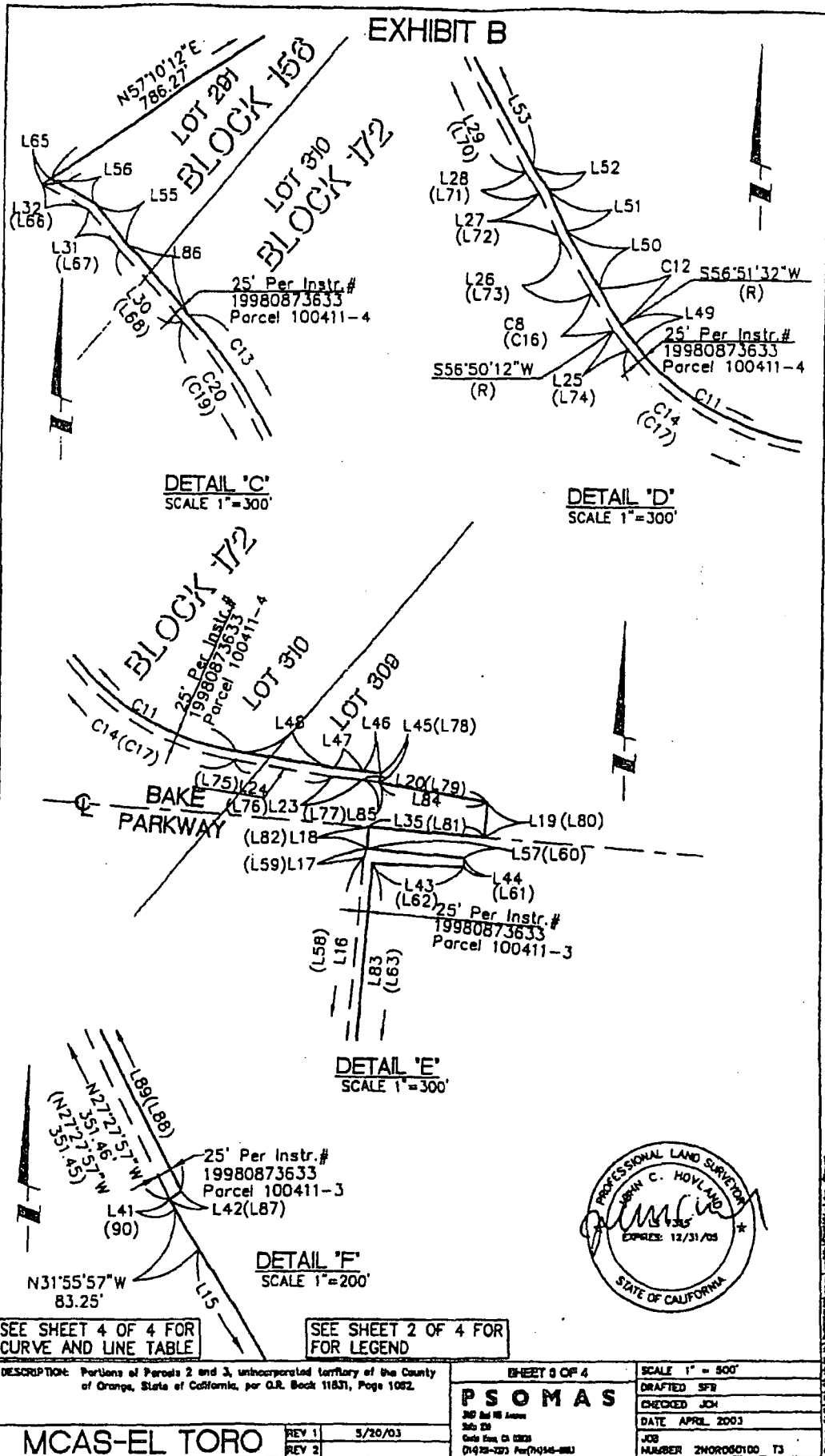


EXHIBIT A-IV



EXHIBIT B

SEE SHEET 2 OF 4 FOR FOR LEGEND

LINE TABLE		
NO.	LENGTH(FT)	BEARING
L1	323.29	S04°46'49"W
L2	60.00	N09°24'49"W
L3	269.60	S42°34'48"W
L4	38.56	N84°39'47"W
L5	100.00	S51°09'42"W
L6	490.17	S20°25'53"E
L7	36.23	S02°49'08"W
L8	60.00	S40°47'01"E
L9	36.23	S84°23'22"E
L10	216.54	S41°25'05"W
L11	185.84	S41°30'00"E
L12	325.00	S33°11'01"W
L13	150.37	N85°20'42"W
L14	98.64	N28°16'11"W
L15	319.56	N32°20'05"W
L16	517.15	N04°39'03"E
L17	27.92	N18°31'06"E
L18	57.50	N04°38'58"E
L19	95.79	N04°38'58"E
L20	356.12	N80°29'02"W
L23	81.08	N84°45'40"W
L24	275.40	N80°28'49"W
L25	63.38	N38°20'00"W
L26	180.06	N30°52'21"W
L27	120.81	N24°13'05"W
L28	68.69	N33°52'58"W
L29	360.05	N28°55'06"W
L30	259.71	N42°50'00"W
L31	135.82	N39°25'00"W
L32	147.34	N62°43'34"W
L33	395.85	N05°37'01"W
L34	128.46	N05°36'08"E
L35	325.78	S85°21'02"E
L36	[128.17]	[N05°36'08"E]
L37	RADIAL	[S37°36'09"W]
L38	RADIAL	S37°38'19"W
L39	RADIAL	[S08°31'46"E]
L40	RADIAL	S08°31'46"E
L41	20.64	N27°27'57"W
L42	25.06	S58°37'33"W
L43	257.70	N88°21'06"W
L44	25.00	N04°38'58"E
L45	25.09	N04°38'50"E
L46	46.02	N80°29'02"W
L47	81.08	N84°45'40"W
L48	274.47	N80°28'49"W
L49	62.25	N38°20'00"W
L50	178.58	N30°52'21"W
L51	121.47	N24°13'05"W

LINE TABLE		
NO.	LENGTH(FT)	BEARING
L52	69.72	N33°52'58"W
L53	358.51	N28°55'06"W
L54	704.13	N26°50'06"W
L55	140.23	N39°25'00"W
L56	138.12	N62°43'34"W
L57	275.50	N85°21'02"W
L58	(517.13)	(N04°39'03"E)
L59	(27.89)	(N19°11'07"E)
L60	(275.50)	(S85°20'57"E)
L61	(25.00)	(S04°39'03"W)
L62	(257.85)	(N88°21'01"W)
L63	(505.63)	(S04°39'03"W)
L65	28.84	N57°10'12"E
L66	(147.46)	(S82°43'34"E)
L67	(135.82)	(S39°25'00"E)
L68	(259.70)	(S42°50'00"E)
L70	(360.04)	(S28°55'06"E)
L71	(68.69)	(S33°52'58"E)
L72	(120.81)	(S24°13'05"E)
L73	(180.05)	(S30°52'21"E)
L74	(63.38)	(S38°20'00"E)
L75	(275.39)	(S80°28'49"E)
L76	(81.05)	(S84°43'32"E)
L77	(47.21)	(S80°28'49"E)
L78	(25.09)	(N04°39'03"E)
L79	(356.11)	(S80°28'49"E)
L80	(95.79)	(S04°39'03"W)
L81	(325.78)	(S85°20'57"E)
L82	(57.50)	(S04°39'03"W)
L83	505.72	N04°39'03"E
L84	308.91	N80°29'02"W
L85	47.21	N80°29'02"W
L86	258.97	N42°50'00"W
L87	(25.06)	(S58°37'33"W)
L88	(349.74)	(S27°27'57"E)
L89	349.74	N27°27'57"W
L90	(20.64)	(N27°27'57"W)

CURVE TABLE			
NO.	LENGTH(FT)	RADIUS(FT)	DELTA
C1	265.18	518.00	29°19'55"
C2	39.42	770.00	02°56'00"
C3	195.55	1850.00	06°03'23"
C4	157.90	140.00	64°37'23"
C5	129.97	420.00	17°43'51"
C6	260.10	464.02	32°07'00"
C8	117.55	2940.11	02°17'27"
C9	6.57	1850.00	00°12'12"
C10	246.09	439.02	32°07'00"
C11	533.33	725.03	42°08'49"
C12	115.44	2915.11	02°16'08"
C13	397.91	1425.05	15°59'54"
C14	551.72	750.03	42°08'49"
C15	(246.08)	(439.00)	(32°07'00")
C16	(117.55)	(2940.00)	(02°17'27")
C17	(551.70)	(750.00)	(42°08'49")
C18	(260.09)	(464.00)	(32°07'00")
C19	(390.91)	(1400.00)	(15°59'54")
C20	390.93	1400.05	15°59'54"

DESCRIPTION: Portions of Parcels 2 and 3, unincorporated territory of the County of Orange, State of California, per O.R. Book 11831, Page 1032.

SHEET 4 OF 4

SCALE 1" = 500'

PSOMAS

207 Red Hill Avenue
Suite 201
Costa Mesa, CA 92626
(714) 761-7271 Fax: (714) 946-8883

DRAFTED SFB

CHECKED JCH

DATE APRIL 2003

JOB

NUMBER 2N09080100 T3

MCAS-EL TORO

REV 1 5/25/03
REV 2

EXHIBIT "B"

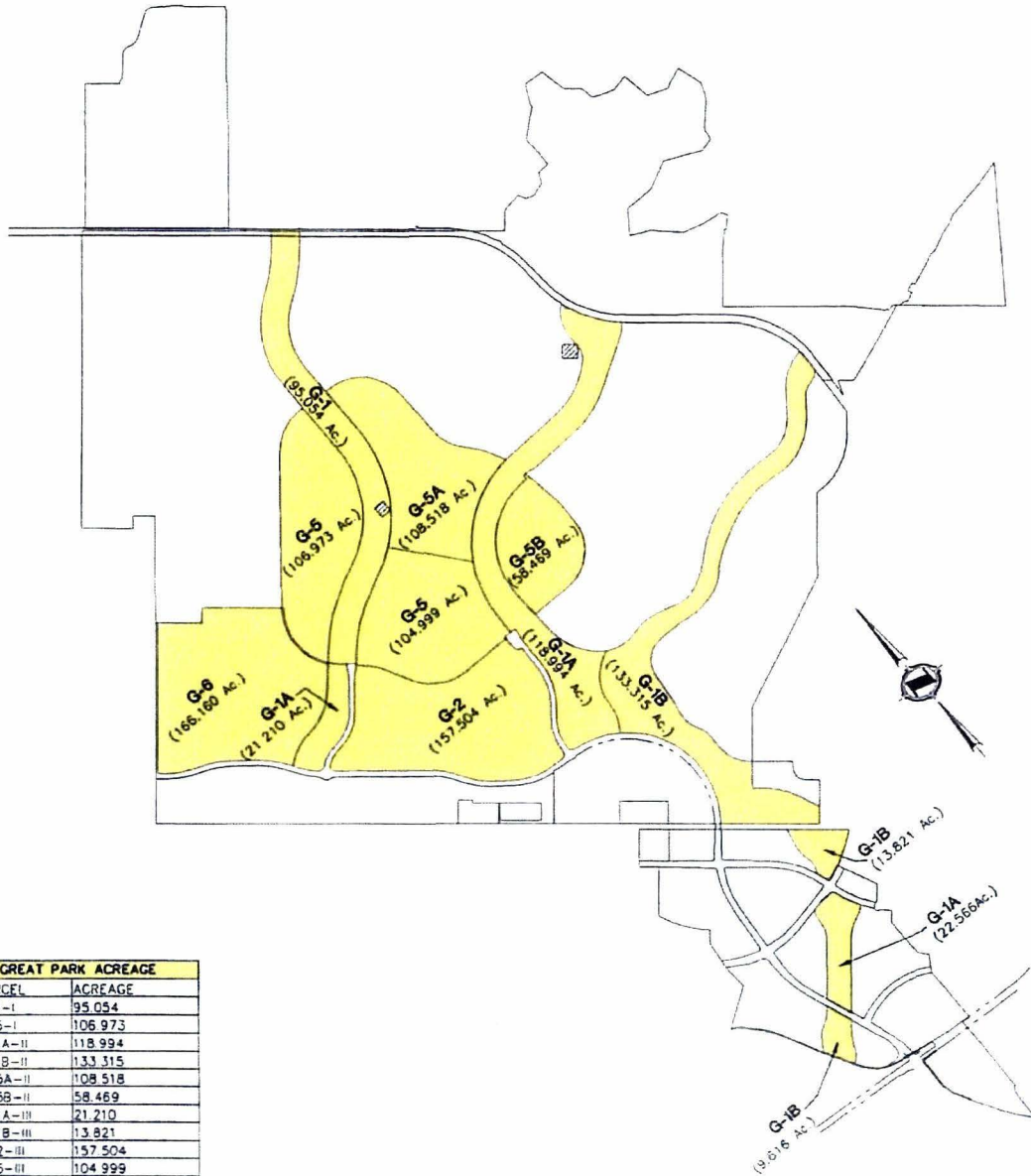
ACREAGE SUMMARY
 TOTAL ACREAGE OF THE GREAT PARK: 1,117,199 Ac.

EXHIBIT EXPLANATION:
 THE PARCELS SHOWN HEREON REPRESENT THE GREAT PARK PARCELS AS DESCRIBED IN THE DEVELOPMENT AGREEMENT RECORDED 7/12/05 AS INSTRUMENT NO. 2005000538135 OF OFFICIAL RECORDS.

THE ACREAGES SHOWN HEREON DO NOT INCLUDE FAA PARCELS WHICH ARE NOT A PART OF THE SUBJECT PROPERTY.

LEGEND

- GREAT PARK CITY PARCELS
- INDICATES FAA PARCELS



GREAT PARK ACREAGE	
PARCEL	ACREAGE
G-1-I	95,054
G-5-I	106,973
G-1A-II	118,994
G-1B-II	133,315
G-5A-II	108,518
G-5B-II	58,469
G-1A-III	21,210
G-1B-III	13,821
G-2-III	157,504
G-5-III	104,999
G-6-III	166,160
G-1A-IV	22,565
G-1B-IV	9,516
SUM	1117,199

HUNSAKER & ASSOCIATES
 IRVINE, INC.
 PLANNING • ENGINEERING • SURVEYING
 Three Hedges • Irvine, CA 92618 • PH: (949) 263-9870 • FX: (949) 263-0759

DATE: 2/28/08 REV: DATE 7-29-09 DWP: BY: K. LYNCH

INITIAL CITY PARK PROPERTY
ORANGE COUNTY GREAT PARK
 IN THE CITY OF IRVINE, COUNTY OF ORANGE, STATE OF CALIFORNIA

SCALE: W.O. 1855-80X

EXHIBIT 'C'

ACREAGE SUMMARY

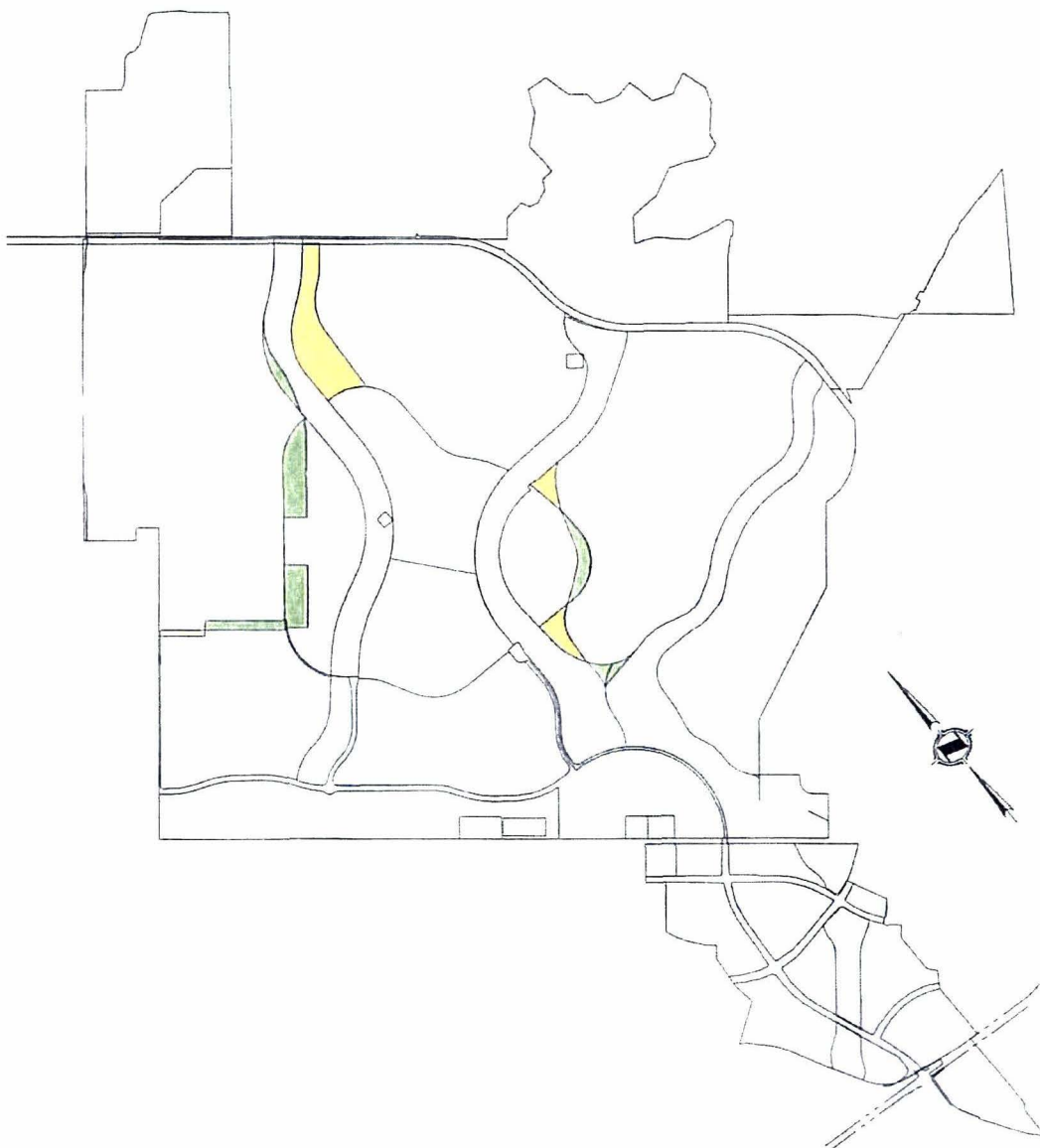
TOTAL ACREAGE TO BE GRANTED TO HERITAGE FIELDS: **44.971 Ac.**
 TOTAL ACREAGE TO BE GRANTED TO CITY: **44.971 Ac.**

LEGEND

- PARCELS TO BE TRANSFERRED TO HERITAGE FIELDS.
- PARCELS TO BE TRANSFERRED TO THE CITY OF IRVINE.

EXHIBIT EXPLANATION:

THE PARCELS SHOWN HEREON REPRESENT A PROPOSED EXCHANGE OF PROPERTY BASED ON THE APPROVED OCTOBER, 2006, GENERAL PLAN AMENDMENT AND ZONE CHANGE, PARCEL MAP 2006-271 AND THE AGREEMENT FOR EXCHANGE OF PROPERTY.



HUNSAKER & ASSOCIATES IRVINE, INC. PLANNING • ENGINEERING • SURVEYING Three Hughes • Irvine, CA 92618 • P: (949) 583-1010 • F: (949) 583-0759		EXCHANGE PROPERTIES IN THE CITY OF IRVINE, COUNTY OF ORANGE, STATE OF CALIFORNIA	
DATE	REV. DATE	DWC BY	CHK'D BY
2/28/08	03/06/09	R. WHEELER	R. WILLIAMS
SCALE: 1" = 2000'			W.O. 1855-80X
I:\HeritageFields\Exhibits\DA\0903-revised\EXH-C.dwg			

EXHIBIT 'D'

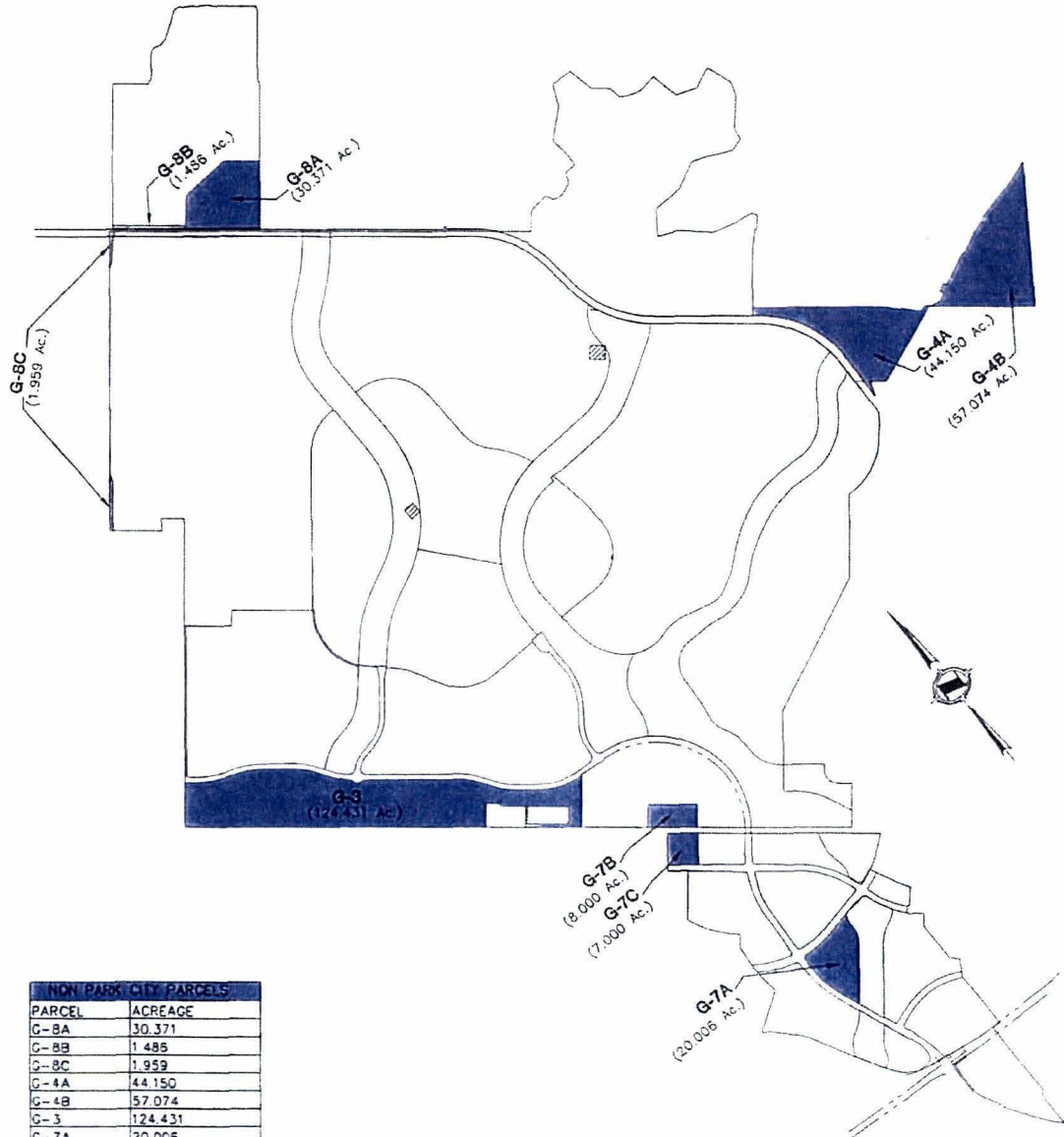
ACREAGE SUMMARY
 TOTAL ACREAGE OF NON-GREAT PARK CITY PROPERTY: 294.477 Ac.

LEGEND

- NON-PARK CITY PROPERTY
- INDICATES FAA PARCELS

EXHIBIT EXPLANATION:
 THE PARCELS SHOWN HEREON REPRESENT THE CITY PARCELS AS DESCRIBED IN THE DEVELOPMENT AGREEMENT RECORDED 7/12/05 AS INSTRUMENT NO. 2005000538136 OF OFFICIAL RECORDS NOT ASSOCIATED WITH THE GREAT PARK PROPERTY. THE ACREAGES REPRESENT THESE PARCELS AS DESCRIBED EXCLUDING ANY PORTION OF SAID PARCELS LYING WITHIN FAA PARCELS 2 AND 4 AND HOME PARCELS 1 AND 5. PARCEL G-8C IS SHOWN HEREON AS DESCRIBED IN CORRECTION GRANT DEED RECORDED 3/2/06 AS INSTRUMENT NO. 2006000141853 O.R.

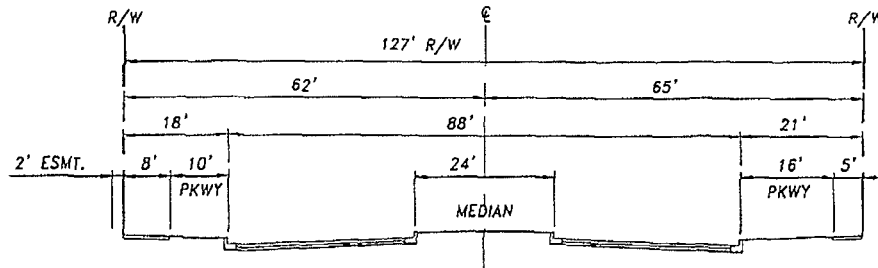
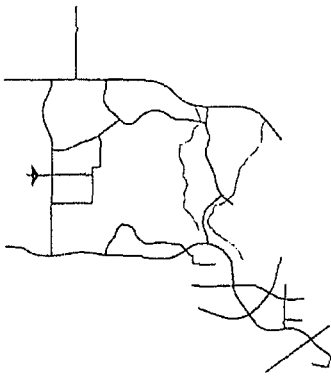
THE ACREAGES SHOWN HEREON DO NOT INCLUDE HOME PARCELS WHICH ARE NOT A PART OF THE SUBJECT PROPERTY.



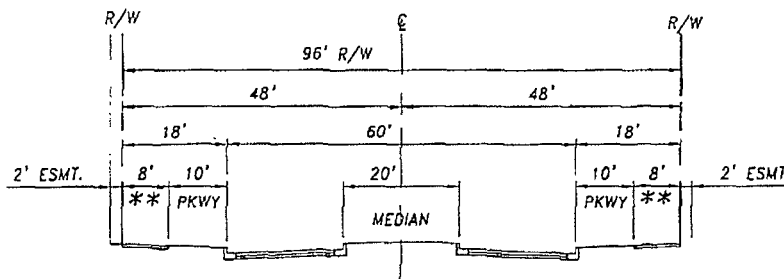
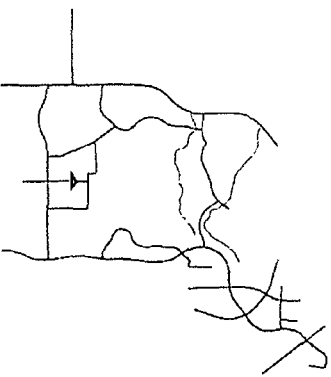
NON-PARK CITY PARCELS	
PARCEL	ACREAGE
G-8A	30.371
G-8B	1.485
G-8C	1.959
G-4A	44.150
G-4B	57.074
G-3	124.431
G-7A	20.006
G-7B	8.000
G-7C	7.000
SUM	294.477

	HUNSAKER & ASSOCIATES IRVINE, INC.		ORIGINAL NON-PARK PROPERTY	
	PLANNING • ENGINEERING • SURVEYING Three Hights • Irvine, CA 92618 • P.O. Box 583-1010 • P.O. Box 583-0729		IN THE CITY OF IRVINE, COUNTY OF ORANGE, STATE OF CALIFORNIA	
DATE: 2/28/08	REV: DATE: 3/06/09	DWG: R. WHEELER	CHK: R. WILLIAMS	SCALE: 1"=2000'
I:\HeritageFields\Exhibits\DA\0903-revised\EXH-D.dwg			W.O. 1856-80X	

*HERITAGE FIELDS / ORANGE COUNTY GREAT PARK
GROUP A AND GROUP B FACILITIES CROSS SECTIONS
JULY 2009*



TRABUCO ROAD



TRABUCO ROAD

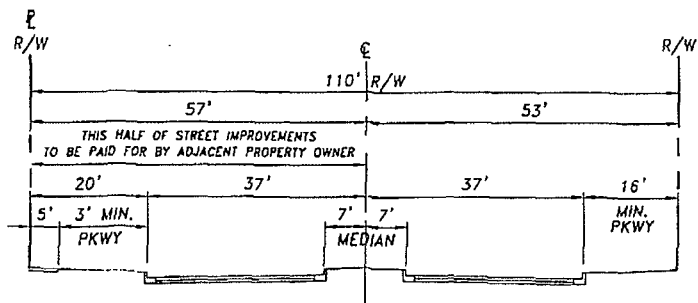
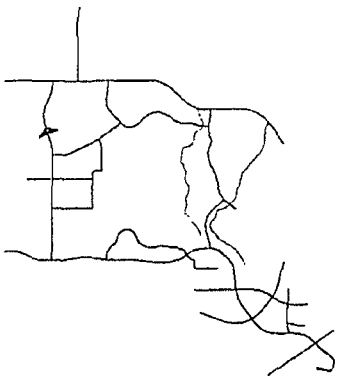
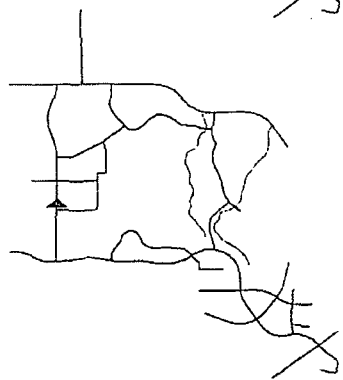
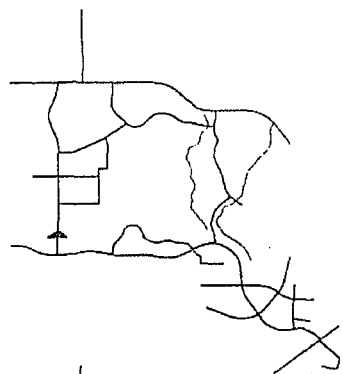
** TRAIL TRANSITIONS FROM PARKWAY ADJACENT TO CURB
ADJACENT AS REQUIRED TO PRESERVE EXISTING TREES

HUNSAKER & ASSOCIATES
P L A N N I N G • E N G I N E E R I N G • S U R V E Y I N G
Three Heights • Irvine, CA 92618 • TEL (949) 261-1010 • FAX (949) 261-0737

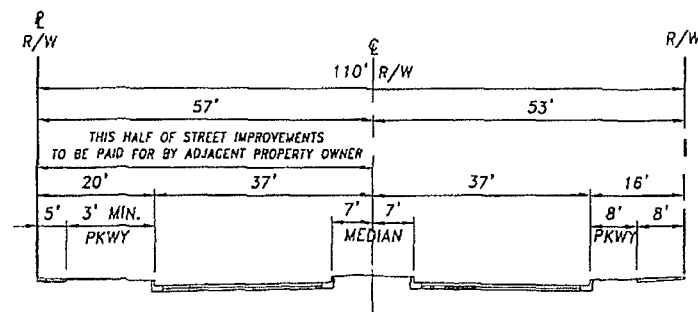
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SCALE: 1" = 30'
PROJECT NO.: 03729701

HORIZONTAL SCALE: 1" = 30'

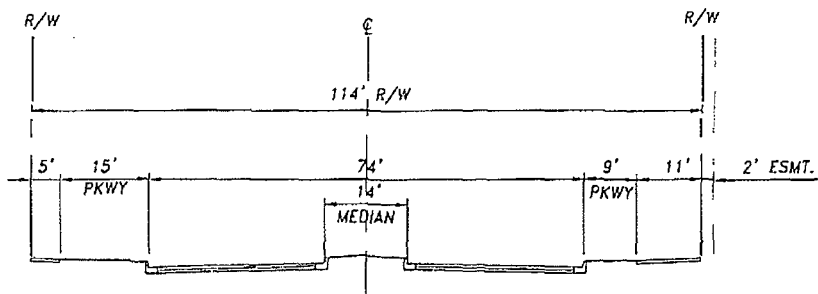
BACKBONE STREETS	PREPARED FOR
TRABUCO ROAD	Great Park NEIGHBORHOODS



"O" STREET



"O" STREET



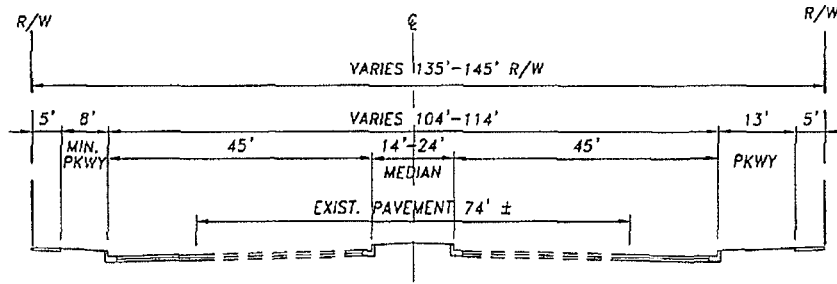
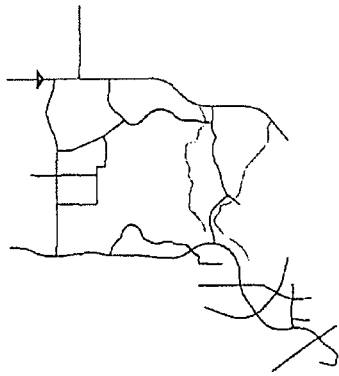
"O" STREET

HUNSAKER & ASSOCIATES
IRVINE, INC.
PLANNING • ENGINEERING • SURVEYING
Three Flights • Irvine, CA 92618 • Tel: 949 263-1070 • Fax: 949 263-1071

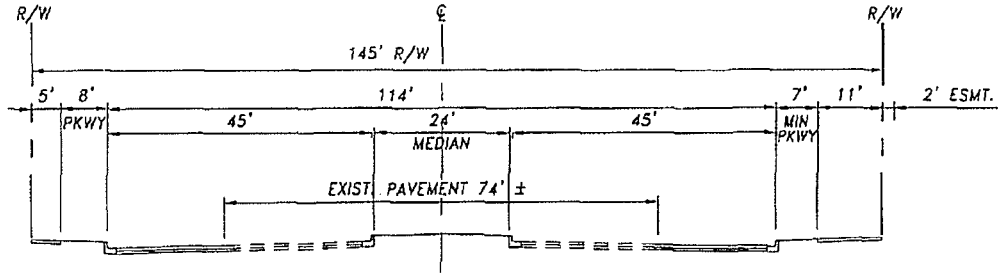
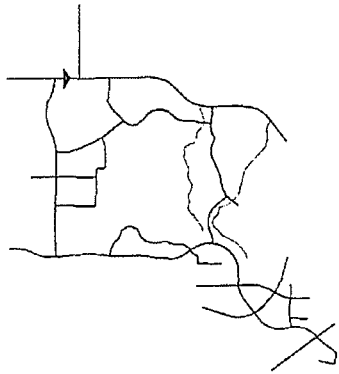
MAP DATE: 03/23/09
DATE: 03/23/09
ENGINEER: [Signature]

HORIZONTAL SCALE: 1" = 30'

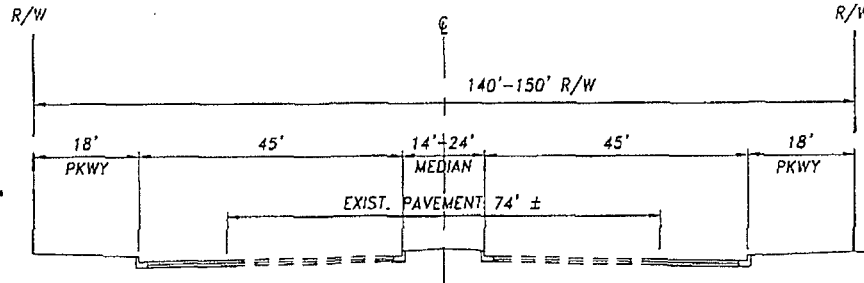
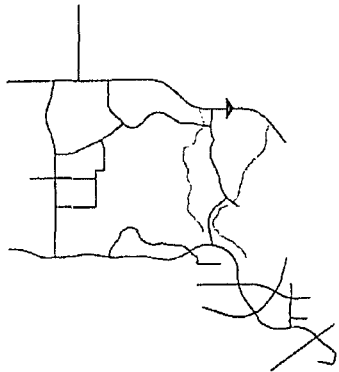
BACKBONE STREETS	PREPARED FOR
"O" STREET	Great Park NEIGHBORHOODS



IRVINE BOULEVARD



IRVINE BOULEVARD



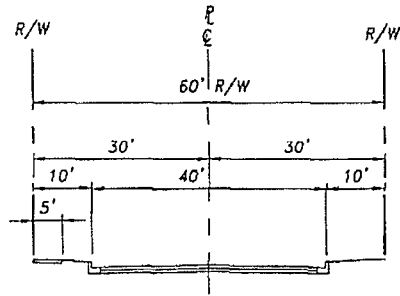
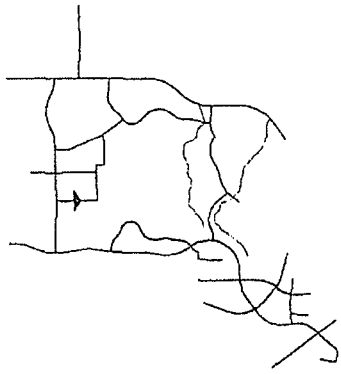
IRVINE BOULEVARD

HUNSAKER & ASSOCIATES
 IRVINE, INC.
 PLANNING • ENGINEERING • SURVEYING
 Three Highways • Irvine, CA 92618 • TEL: (949) 261-7070 • FAX: (949) 261-6771

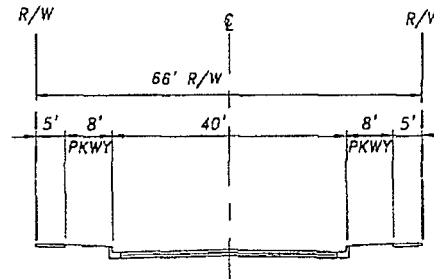
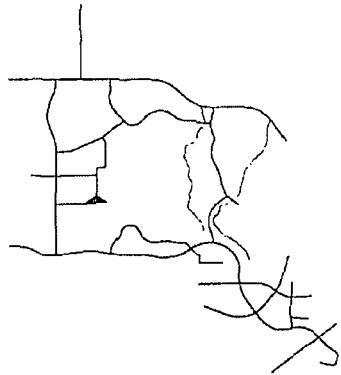
MAP DATE CENTER
 03/23/09
 03/23/09

HORIZONTAL SCALE: 1" = 30'

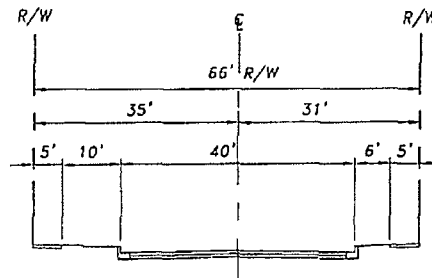
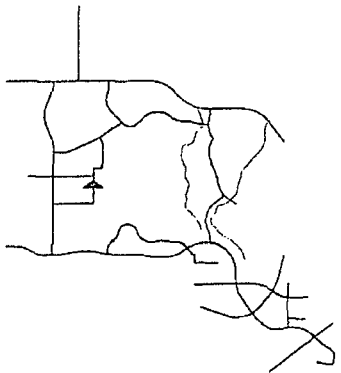
BACKBONE STREETS	PREPARED FOR
IRVINE BLVD.	Great Park NEIGHBORHOODS



"LV" STREET



"Y" STREET



"Y" STREET

HUNSAKER & ASSOCIATES
 IRVINE, CALIFORNIA
 PLANNING • ENGINEERING • SURVEYING
 One Harbor • Irvine, CA 92614 • Tel: (949) 363-7910 • Fax: (949) 363-8729

MAP DATE: 02/23/09
 DATE: 03/23/09
 03/23/09

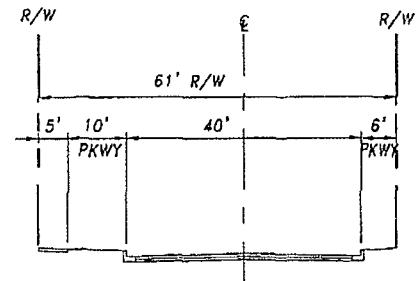
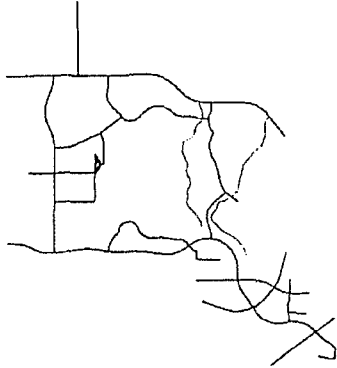
HORIZONTAL SCALE: 1" = 30'

BACKBONE STREETS

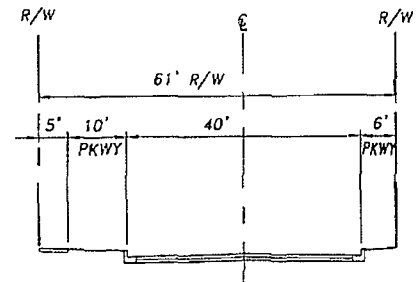
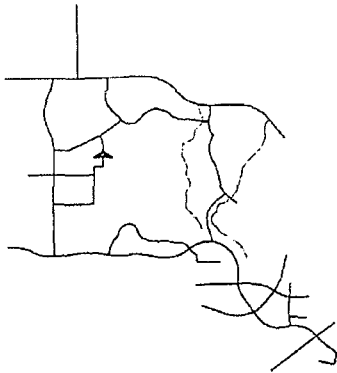
"LV" STREET &
 "Y" STREET

PREPARED FOR

Great Park
 NEIGHBORHOODS



"X" STREET



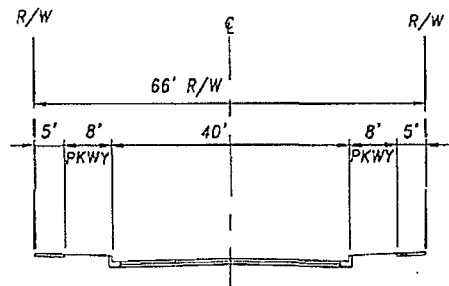
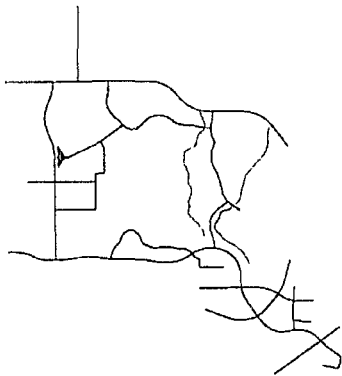
"T" STREET

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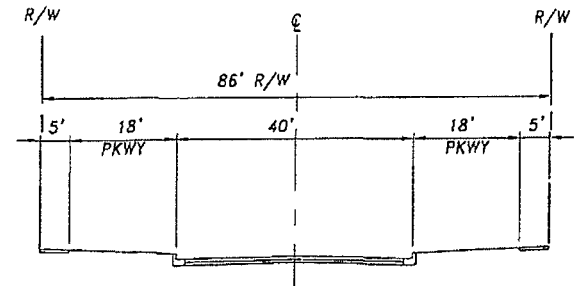
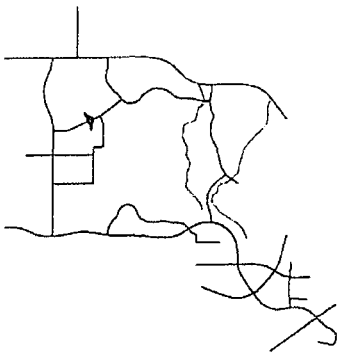
MAP DATE IDENTIFIER
 03/23/09 P.D.V.
 DATE PLOTTED
 03/23/09

HORIZONTAL SCALE: 1" = 30'

BACKBONE STREETS	PREPARED FOR
"X" STREET & "T" STREET	Great Park NEIGHBORHOODS



"LQ" STREET



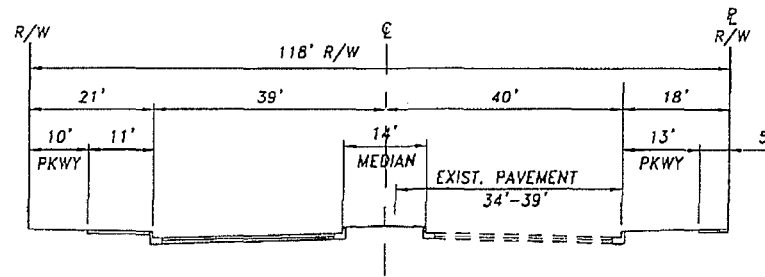
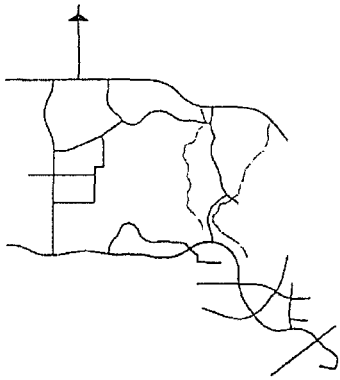
"LQ" STREET

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 Three Hughes • Irvine, CA 92618 • Tel: (949) 543-7010 • Fax: (949) 543-0717

MAP DATE: 03/23/09
 PREPARED BY: D.V.
 CHECKED BY: D.V.

HORIZONTAL SCALE: 1" = 30'

BACKBONE STREETS	PREPARED FOR
"LQ" STREET	Great Park NEIGHBORHOODS



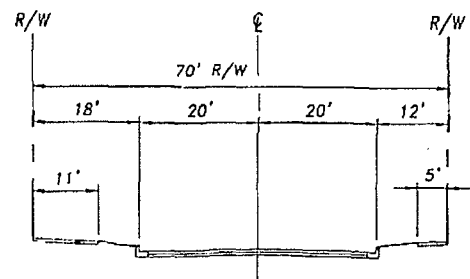
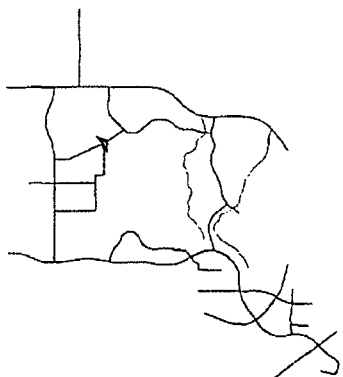
RIDGE VALLEY

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 Three Pkwy • Irvine, CA 92618 • Tel: (949) 543-7070 • Fax: (949) 543-0751

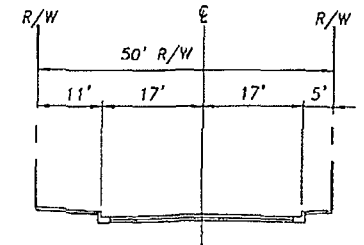
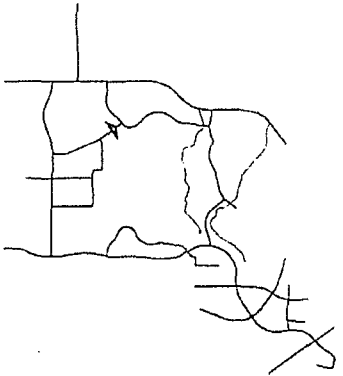
MAP DATE CENTERED
 03/23/09 BY D.V.
 03/23/09

HORIZONTAL SCALE: 1" = 30'

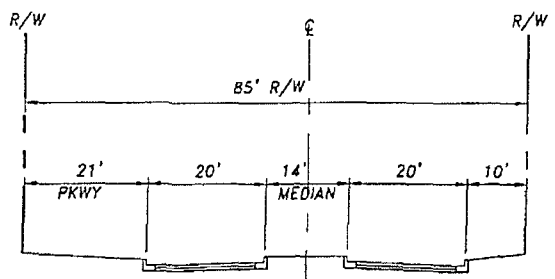
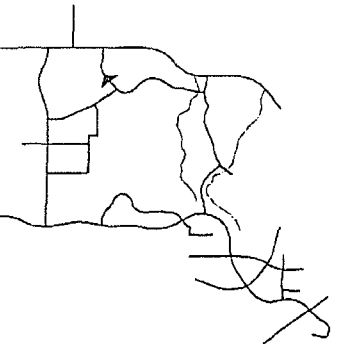
BACKBONE STREETS	PREPARED FOR
RIDGE VALLEY	Great Park NEIGHBORHOODS



"Q" STREET
(APPROVED ON AMENDED VTTM 17008 AS "T" ST.)



"Q" STREET
(APPROVED ON AMENDED VTTM 17008 AS "T" ST.)



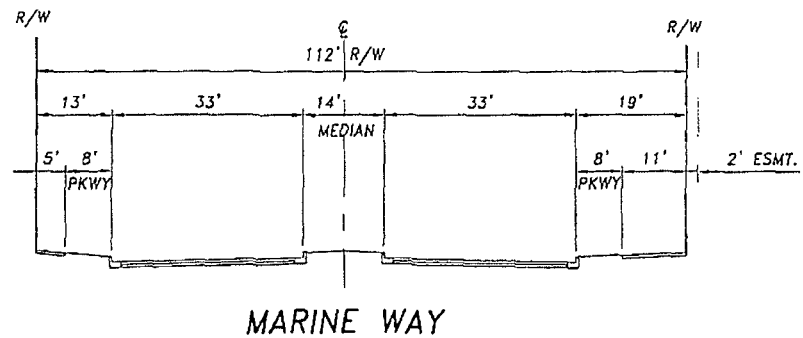
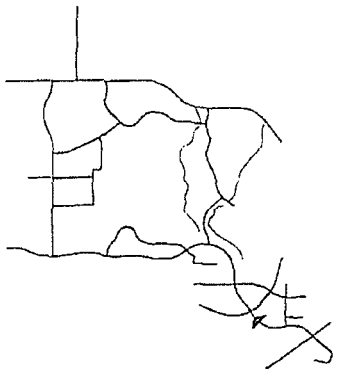
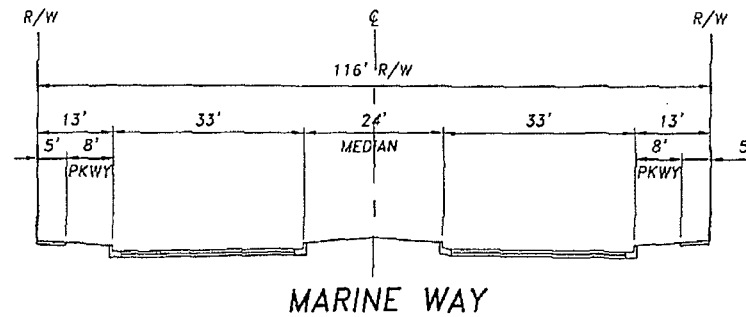
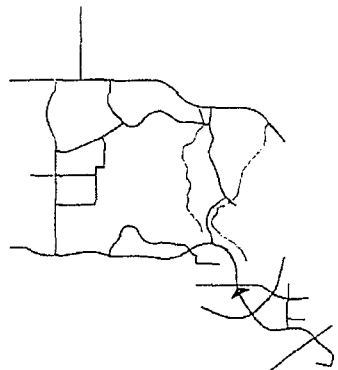
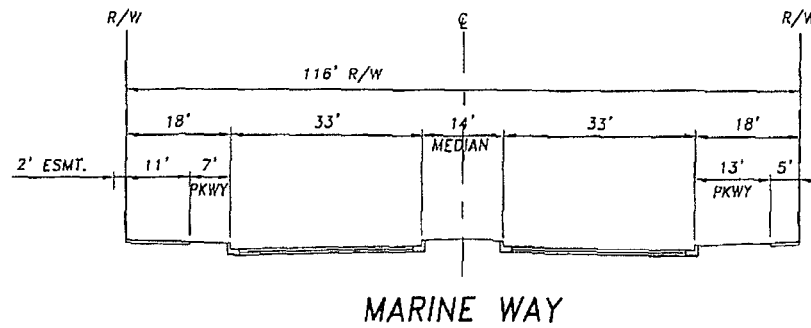
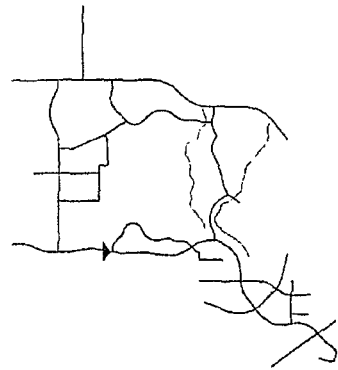
"A" STREET

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17000 Hughes • Irvine, CA 92614 • TEL 949 263-1010 • FAX 949 263-0291

DATE CENTER
8/23/06
83723706

HORIZONTAL SCALE: 1" = 30'

BACKBONE STREETS	PREPARED FOR
"Q" STREET & "A" STREET	Great Park NEIGHBORHOODS

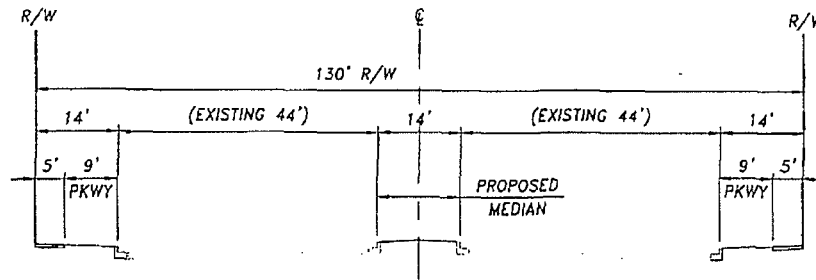
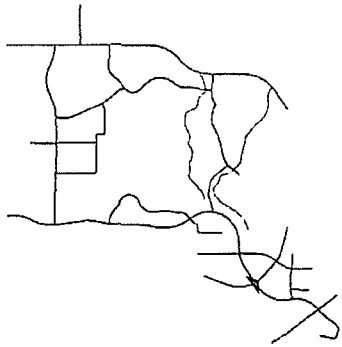


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 Three Hughes • Irvine, CA 92618 • Tel: (949) 543-1010 • Fax: (949) 543-0759

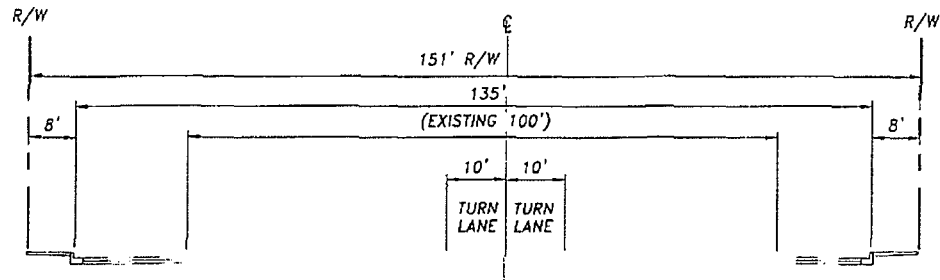
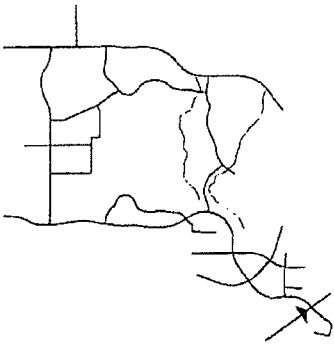
MAP DATE: 08/26/09
 DATE: 03/23/09
 BY: R.B.V.

HORIZONTAL SCALE: 1" = 30'

BACKBONE STREETS	PREPARED FOR
MARINE WAY	Great Park NEIGHBORHOODS



ALTON PARKWAY



BAKE PARKWAY

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Three Flights • Irvine, CA 92618 • Tel: (949) 263-7000 • Fax: (949) 263-0733

MAP DATE CENTER
BY: 07/23/09
BY: BDD
DATE: 03/23/09

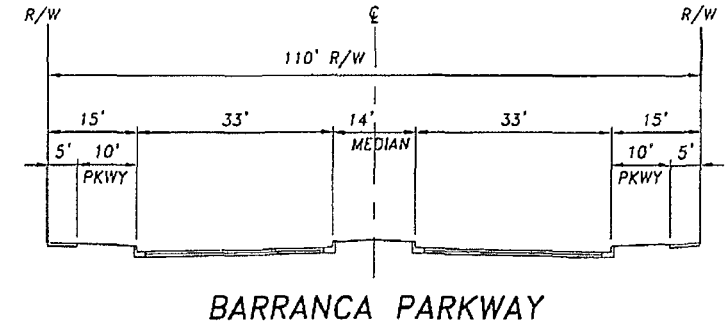
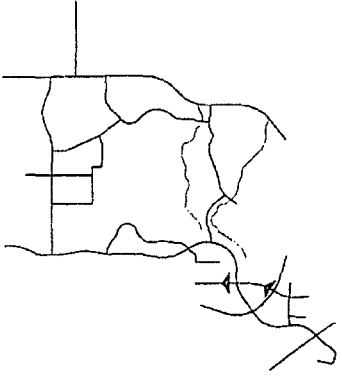
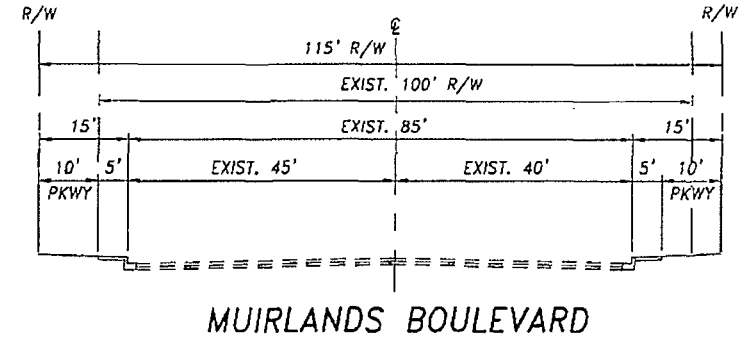
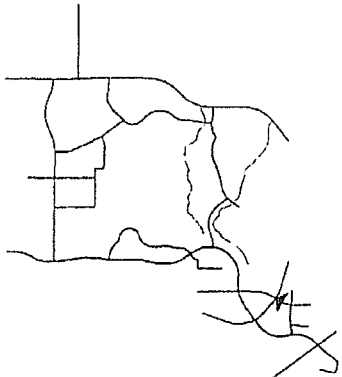
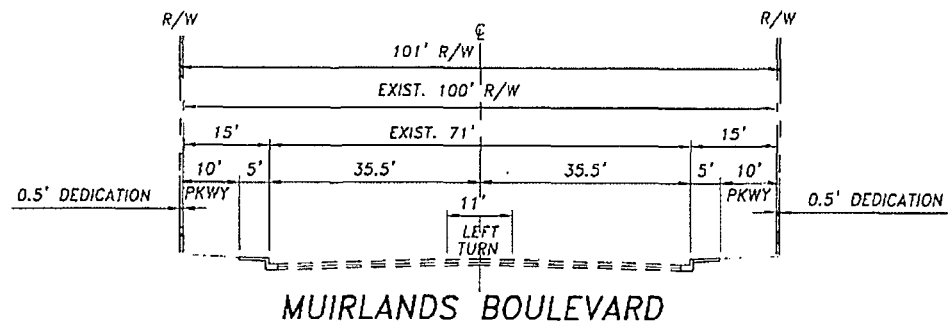
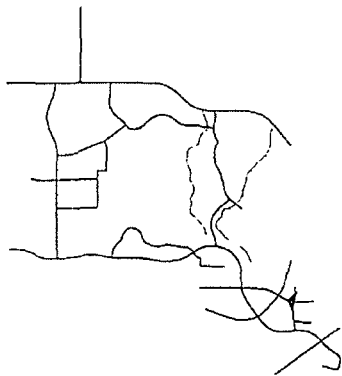
HORIZONTAL SCALE: 1" = 30'

BACKBONE STREETS

ALTON &
BAKE PARKWAY

PREPARED FOR

Great Park
NEIGHBORHOODS



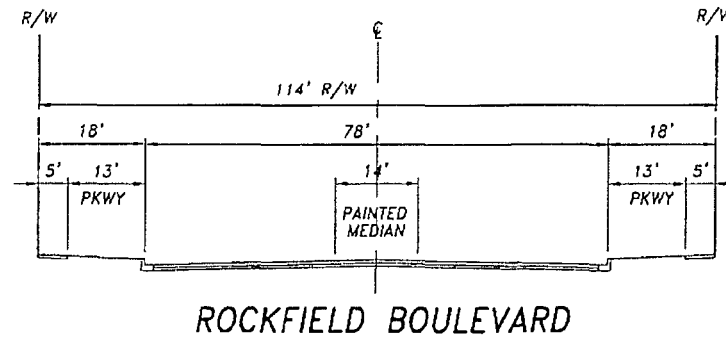
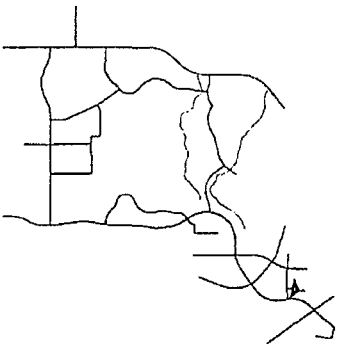
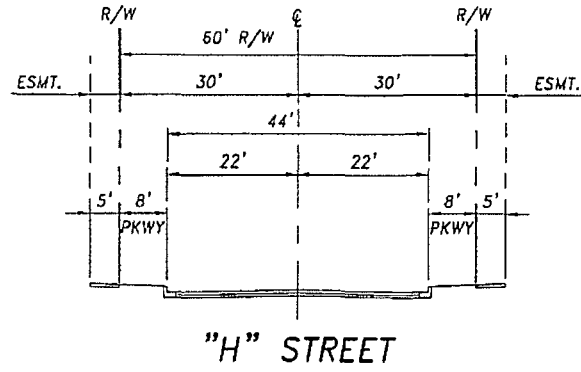
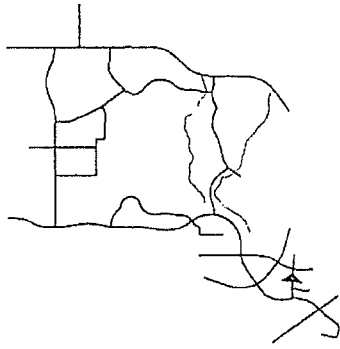
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APP. DATE IDENTIFIER
 03/23/09 10:00
 03/23/09

HORIZONTAL SCALE: 1" = 30'

BACKBONE STREETS
MUIRLANDS &
BARRANCA

PREPARED FOR
Great Park
 NEIGHBORHOODS

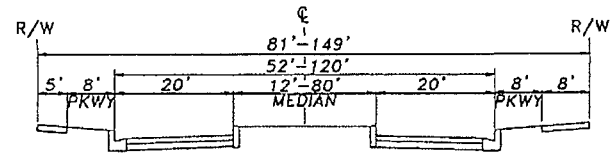
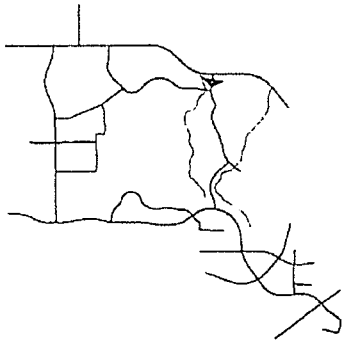


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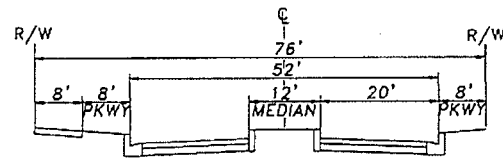
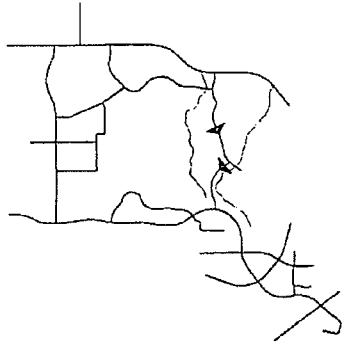
MAP DATE IDENTIFIER
 03/23/09 BY: D.V.
 03/23/09

HORIZONTAL SCALE: 1" = 30'

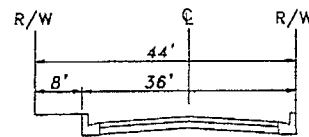
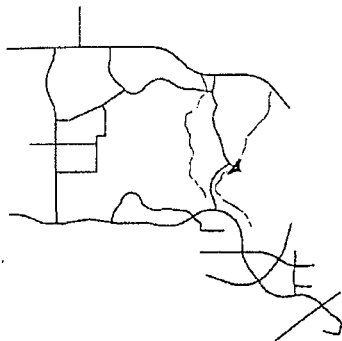
BACKBONE STREETS	PREPARED FOR
"H" STREET & ROCKFIELD	Great Park NEIGHBORHOODS



"C" STREET



"D" & "E" STREET



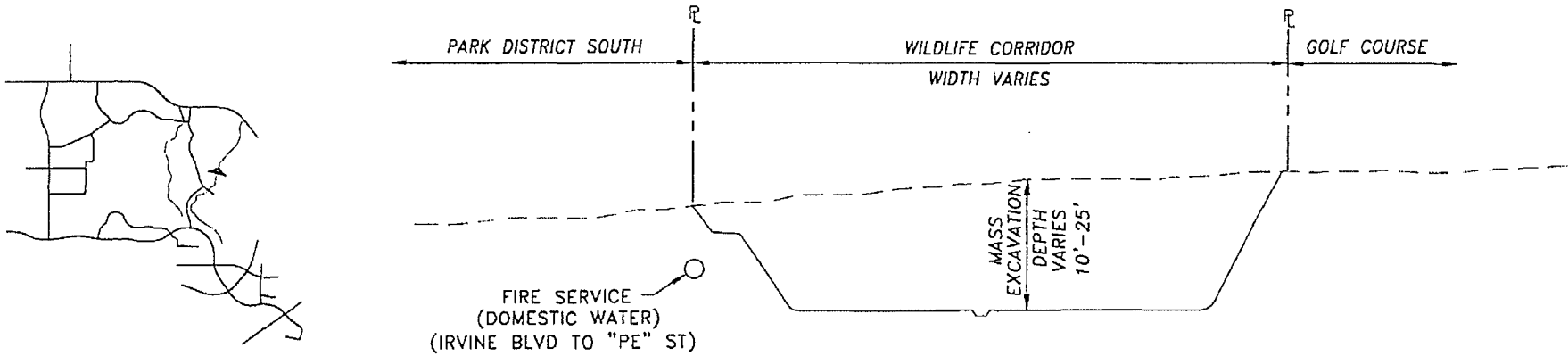
"PE" STREET



MAP DATE	ADVERTISER
11/17/09	RTM
03/23/09	

HORIZONTAL SCALE: 1" = 30'

BACKBONE STREETS	PREPARED FOR
"C" STREET "D" & "E" STREET "PE" STREET	Great Park NEIGHBORHOODS



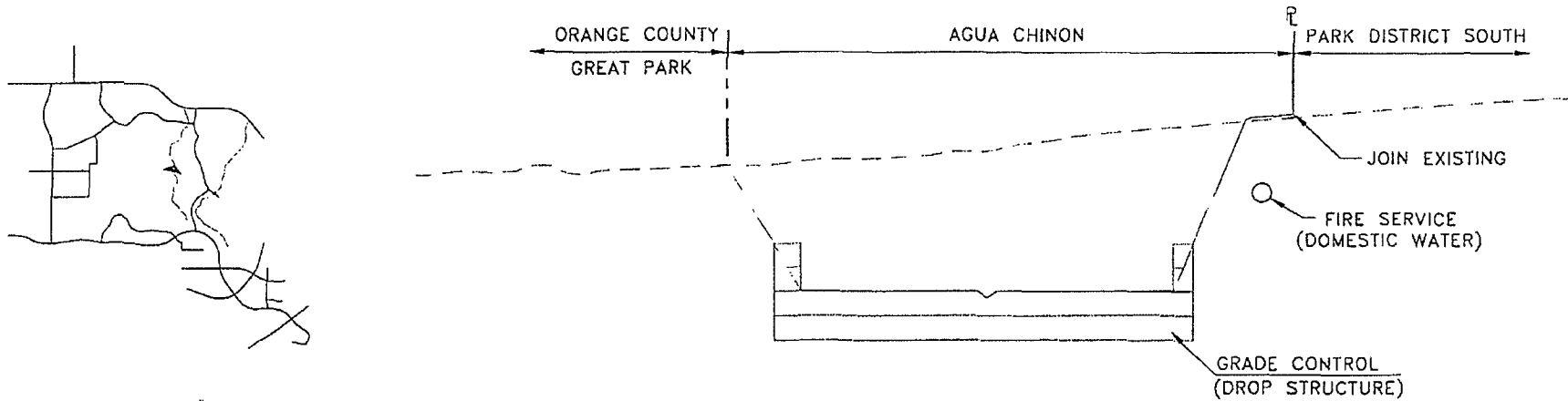
WILDLIFE CORRIDOR MASS EXCAVATION
 (FROM IRVINE BLVD TO BORREGO CHANNEL)



MAP DATE IDENTIFIER
11/17/08
07/08/09

HORIZONTAL SCALE: 1" = 100'

BACKBONE STREETS	PREPARED FOR
WILDLIFE CORRIDOR	Great Park NEIGHBORHOODS



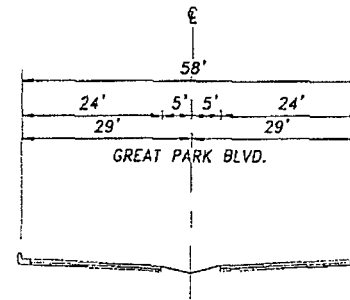
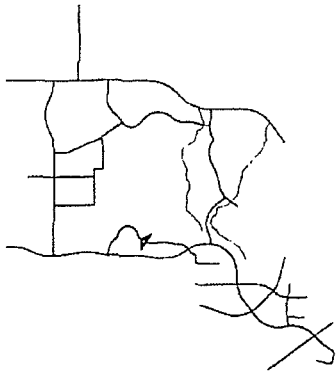
AGUA CHINON
(FROM IRVINE BLVD TO NORTH OF MARINE WAY)



MAP DATE IDENTIFIER
11/17/04
07/08/09

HORIZONTAL SCALE: 1" = 100'

BACKBONE STREETS	PREPARED FOR
AGUA CHINON	Great Park NEIGHBORHOODS



***GREAT PARK BOULEVARD**

* NOTE: SECTION TAKEN FROM OCGP SCHEMATIC DESIGN

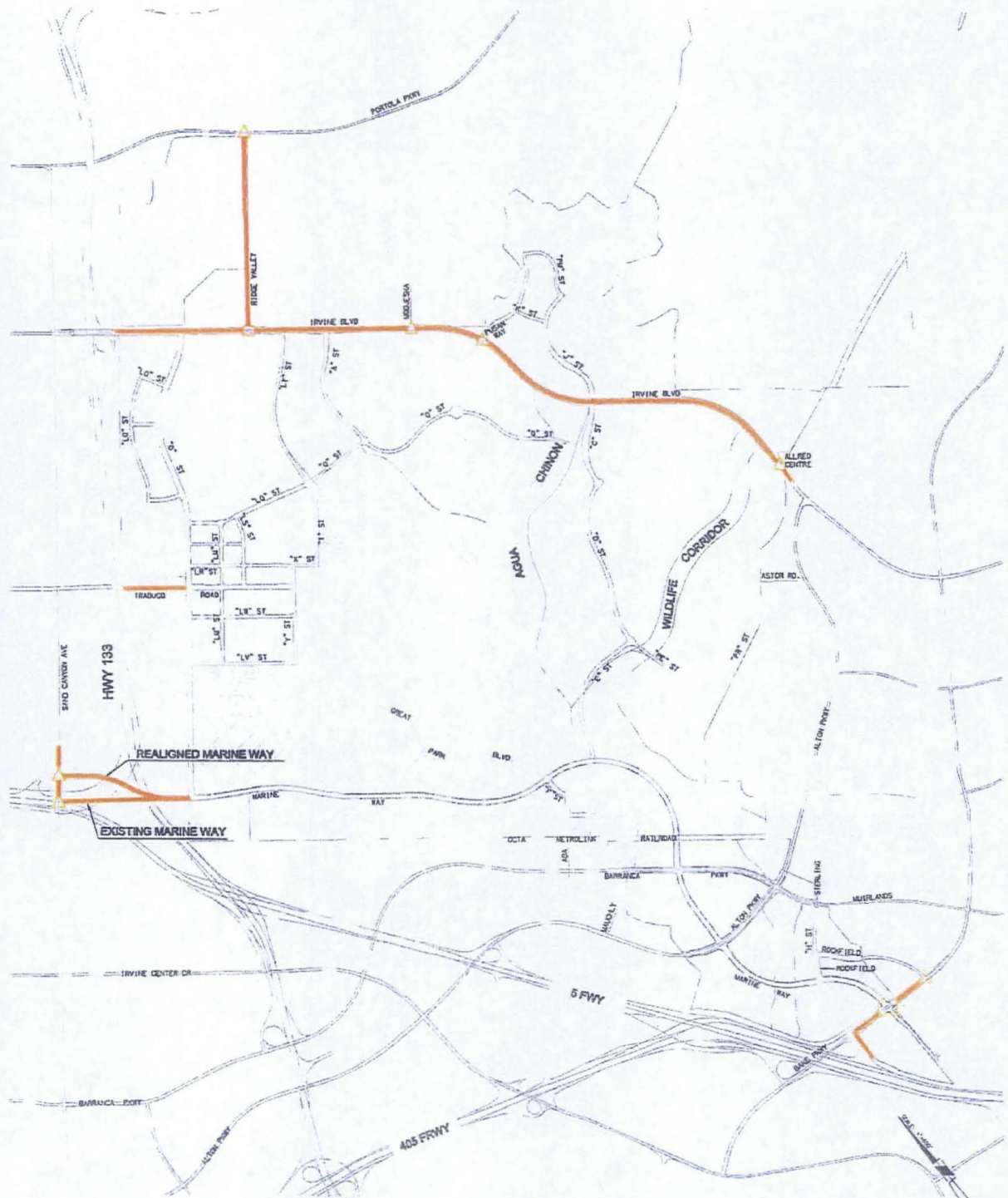
HUNSAKER & ASSOCIATES
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MAP DATE CENTER
 03/23/09
 03/23/09

HORIZONTAL SCALE: 1" = 30'

BACKBONE STREETS	PREPARED FOR
GREAT PARK BOULEVARD	Great Park NEIGHBORHOODS

EXHIBIT E-1



LEGEND

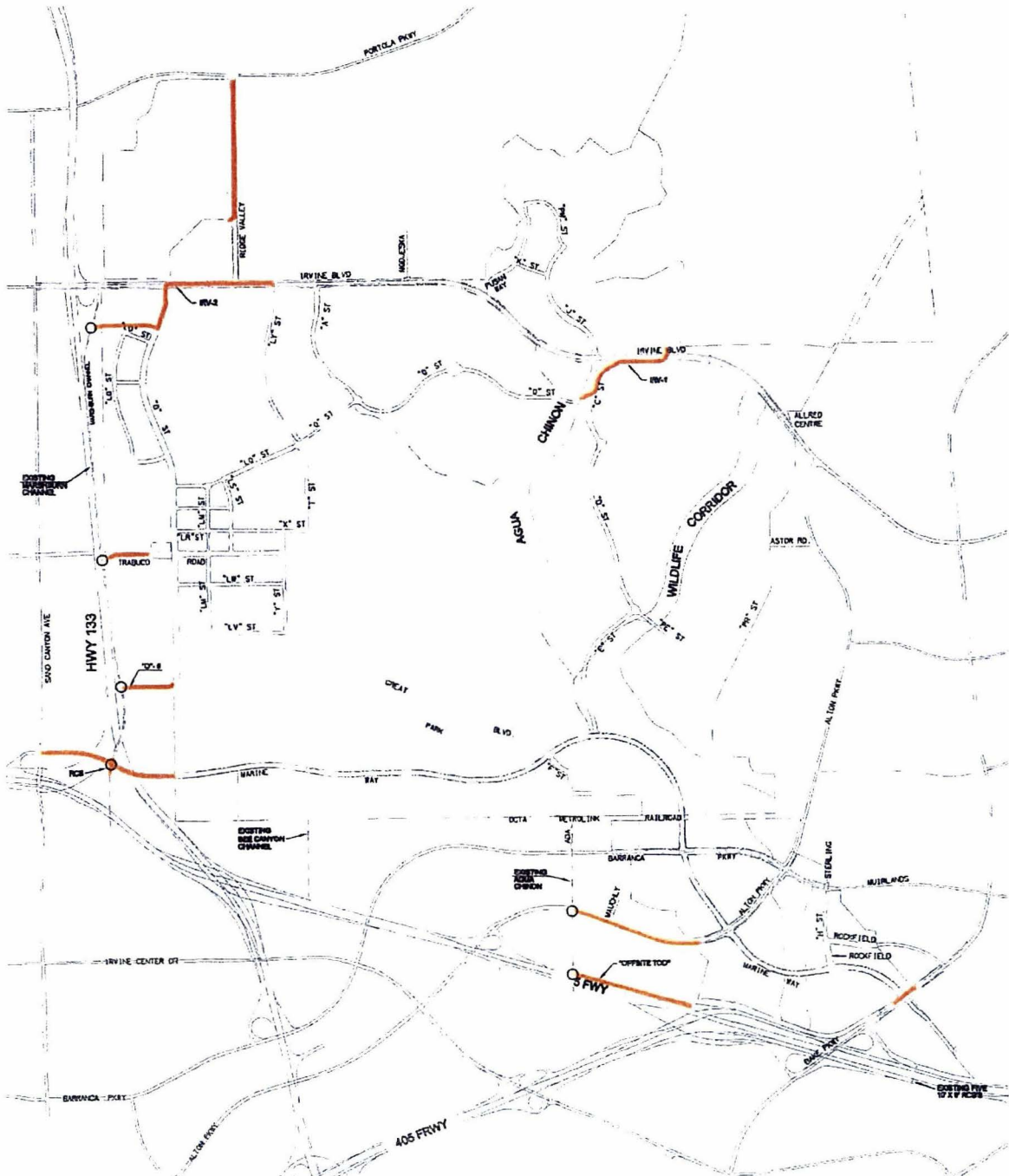
- STREET FACILITIES - [Orange line symbol]
- TRAFFIC SIGNAL - [Yellow square symbol]
- TRAFFIC SIGNAL MODIFICATION - [Yellow square with diagonal line symbol]

GROUP A FACILITIES
OFF-PROPERTY FACILITIES
STREETS, SIGNALS AND BRIDGES



DATE: JULY 8, 2008
SHEET 1 OF 8

EXHIBIT E-1



LEGEND

- DRAINAGE FACILITIES - [Orange line]
- EXISTING DRAINAGE FACILITY - [Dashed line]
- JOIN EXISTING DRAINAGE FACILITY - [Circle]

GROUP A FACILITIES
OFF-PROPERTY FACILITIES
STORM DRAIN

As prepared by
RBF
 CONSULTING
 10000 BAYVIEW BLVD, SUITE 100
 BAYVIEW, CA 94026
 TEL: (415) 342-1000
 FAX: (415) 342-1001
 WWW.RBFCONSULTING.COM



DATE
 JULY 8, 2009
 SHEET 2 OF 8

EXHIBIT E-1



LEGEND

- SEWER FACILITIES - [Orange line symbol]
- EXISTING SEWER PIPELINES - [Dashed line symbol]

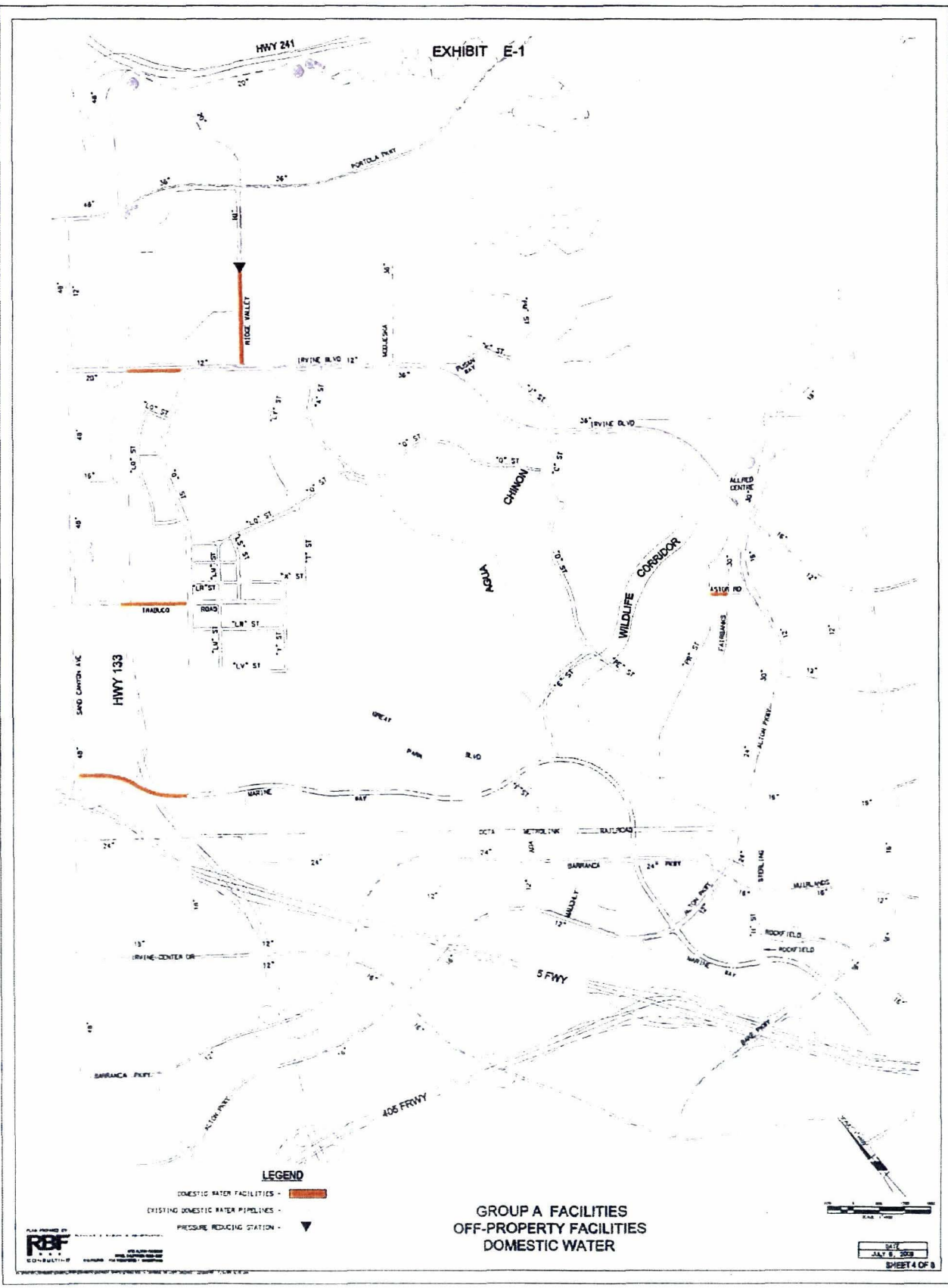
GROUP A FACILITIES
OFF-PROPERTY FACILITIES
SEWER

ALL PROVIDED BY
RBF
CONSULTING
10000
10000
10000



DATE
JULY 5, 2009
SHEET 3 OF 8

EXHIBIT E-1



LEGEND

- DOMESTIC WATER FACILITIES - [Orange line symbol]
- EXISTING DOMESTIC WATER PIPELINES - [Dashed line symbol]
- PRESSURE REDUCING STATION - [Black triangle symbol]

GROUP A FACILITIES
OFF-PROPERTY FACILITIES
DOMESTIC WATER



DATE
JULY 8, 2008
SHEET 4 OF 8

EXHIBIT E-1

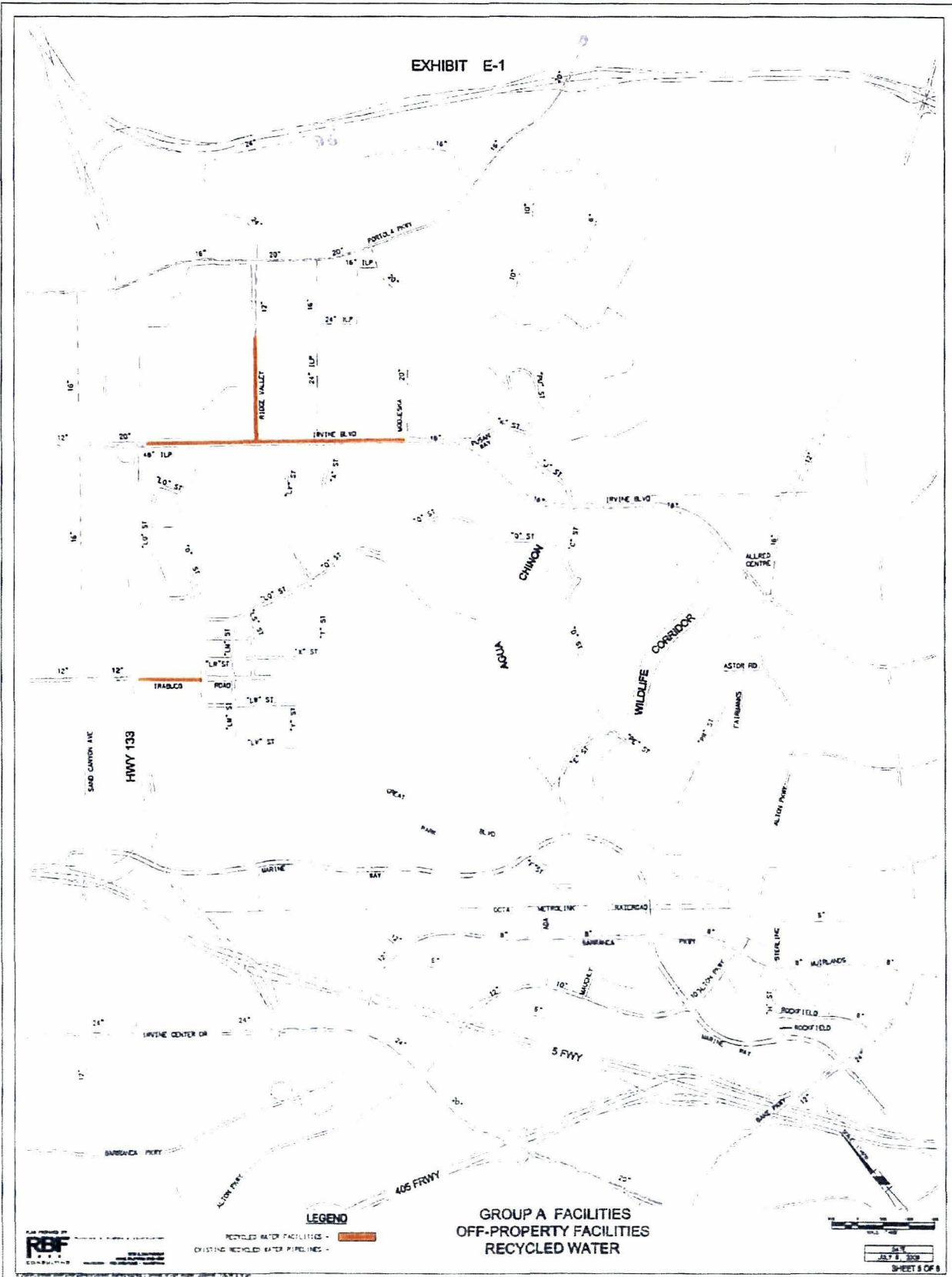
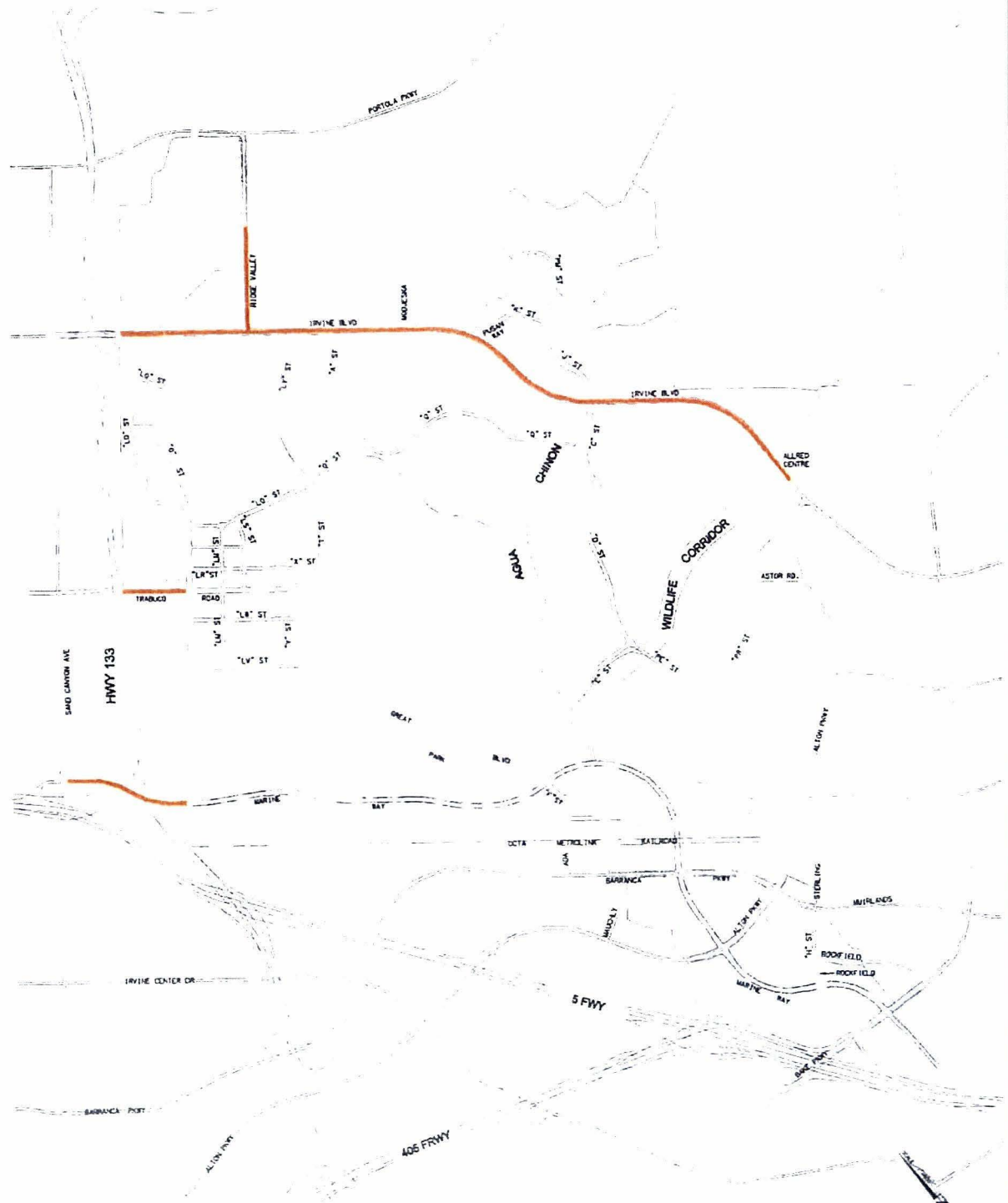


EXHIBIT E-1



LEGEND
 DRY UTILITY FACILITIES - [Red Line]

GROUP A FACILITIES
 OFF-PROPERTY FACILITIES
 DRY UTILITY

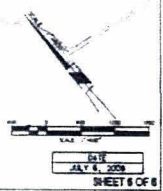
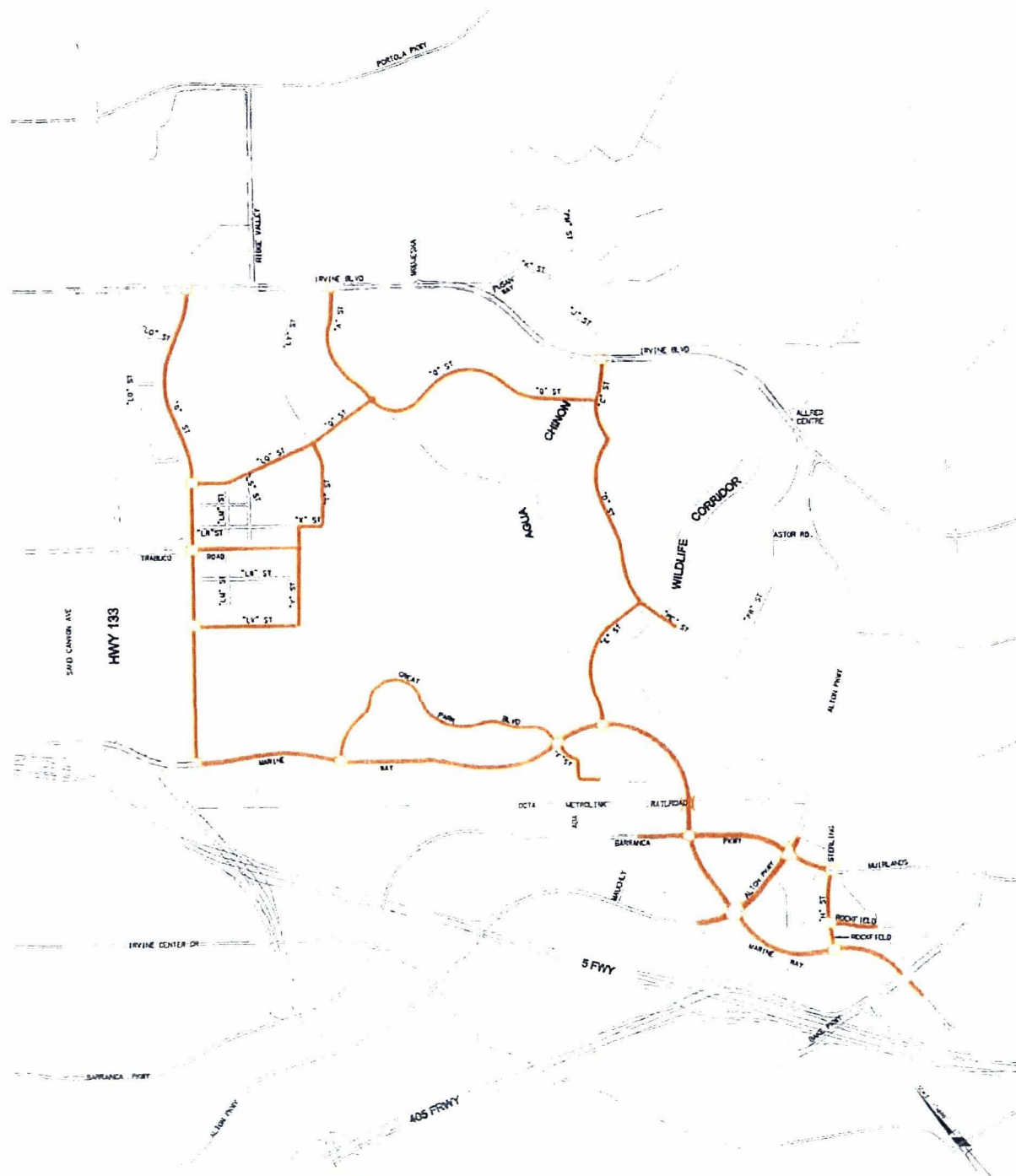


EXHIBIT E-2



LEGEND

- STREET FACILITIES - [Orange line symbol]
- TRAFFIC SIGNAL - [Yellow circle symbol]
- TRAFFIC SIGNAL MODIFICATION - [Yellow circle with cross symbol]
- BRIDGE - [Dashed line symbol]

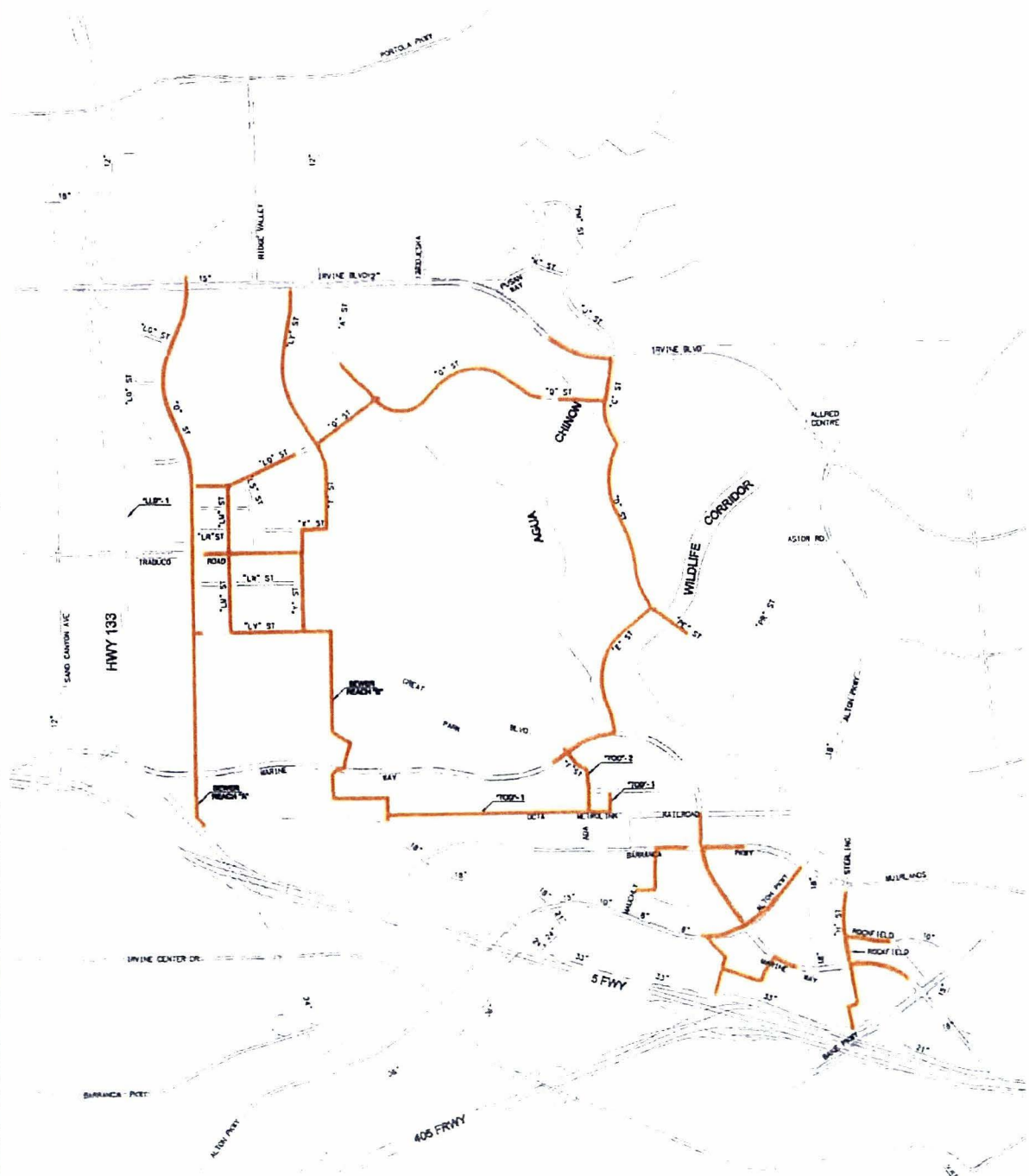
GROUP B FACILITIES
ON-PROPERTY FACILITIES
STREETS, SIGNALS AND BRIDGES

PREPARED BY
RBF
CONSULTING ENGINEERS
10000 BAYVIEW BLVD, SUITE 100, BAYVIEW, CA 94026
TEL: (415) 342-1000 FAX: (415) 342-1001



DATE
JULY 7, 2008
SHEET 1 OF 7

EXHIBIT E-2



LEGEND

- SEWER FACILITIES - ———
- EXISTING SEWER PIPELINES - - - - - -

GROUP B FACILITIES
ON-PROPERTY FACILITIES
SEWER

RBF

 REGISTERED PROFESSIONAL ENGINEER

 CIVIL ENGINEERING

 10000 WILSON AVENUE, SUITE 100

 IRVINE, CALIFORNIA 92618

 TEL: 949.440.1111

 FAX: 949.440.1112

 WWW.RBFENGINEERS.COM

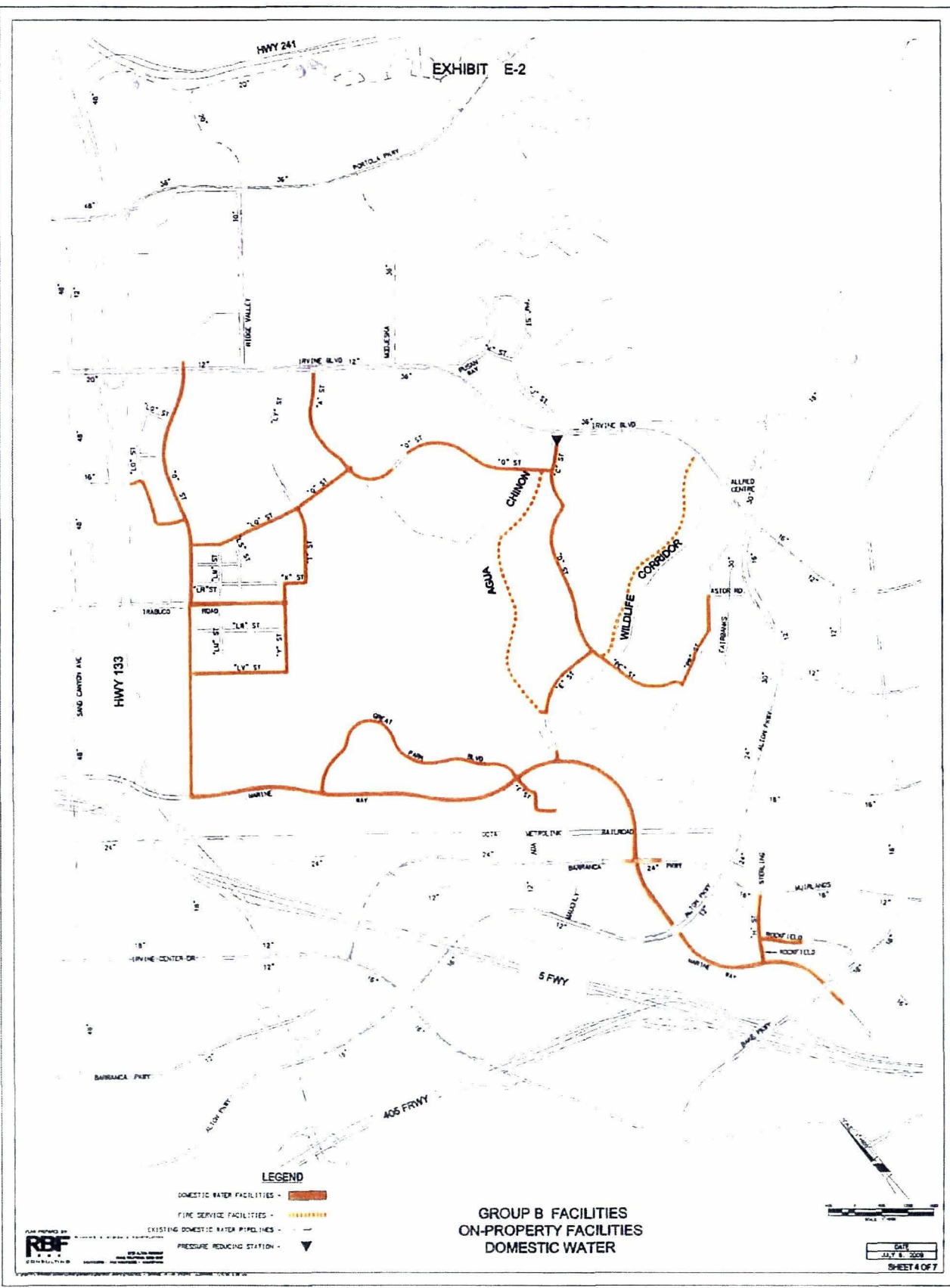


DATE:

 JULY 8, 2008

 SHEET 3 OF 7

EXHIBIT E-2



LEGEND

- DOMESTIC WATER FACILITIES - [Solid Orange Line]
- FIRE SERVICE FACILITIES - [Dashed Orange Line]
- EXISTING DOMESTIC WATER PIPELINES - [Thin Black Line]
- PRESSURE REDUCING STATION - [Black Triangle]

GROUP B FACILITIES
ON-PROPERTY FACILITIES
DOMESTIC WATER



DATE
JULY 8, 2008
SHEET 4 OF 7

EXHIBIT E-2

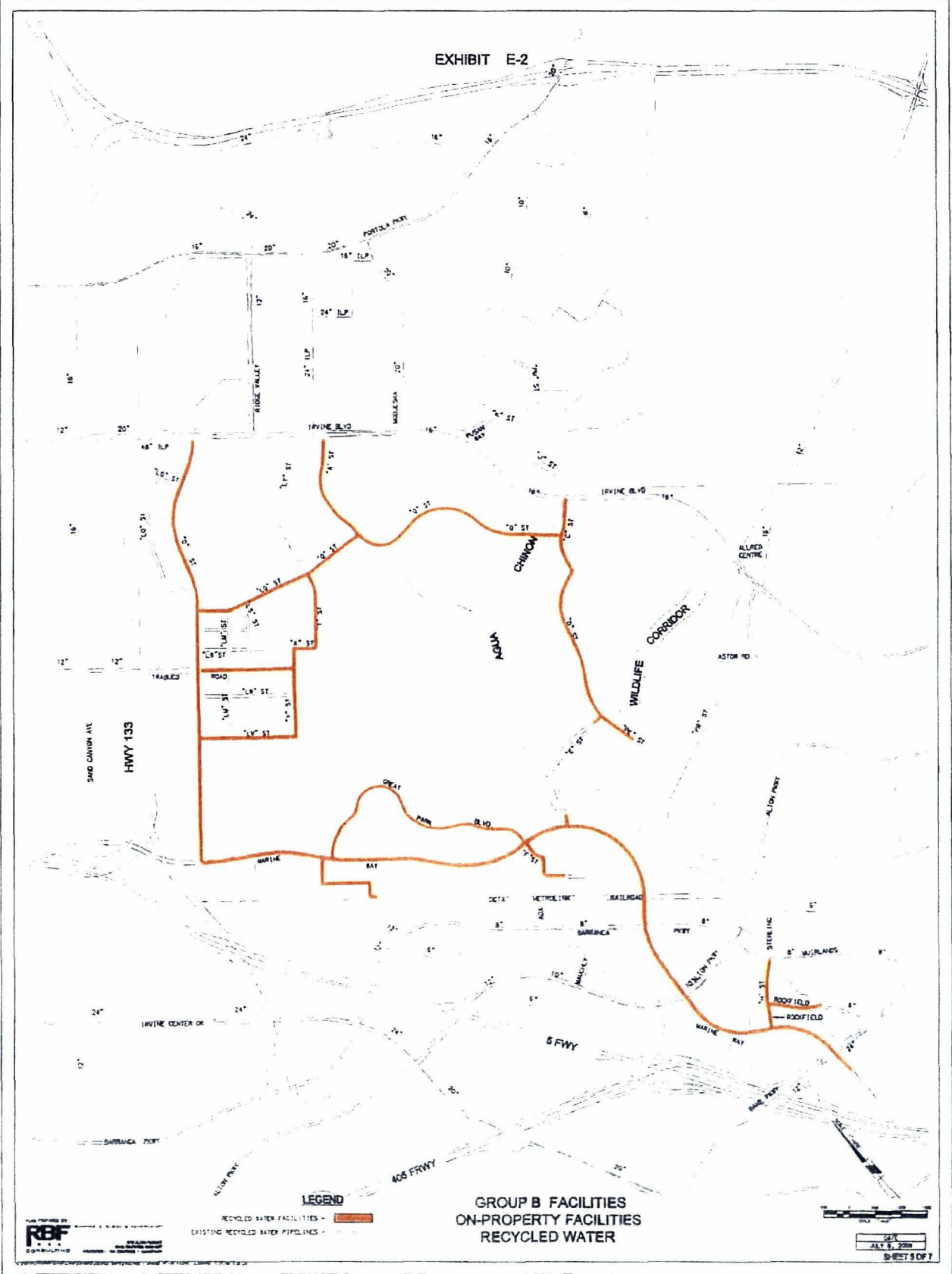
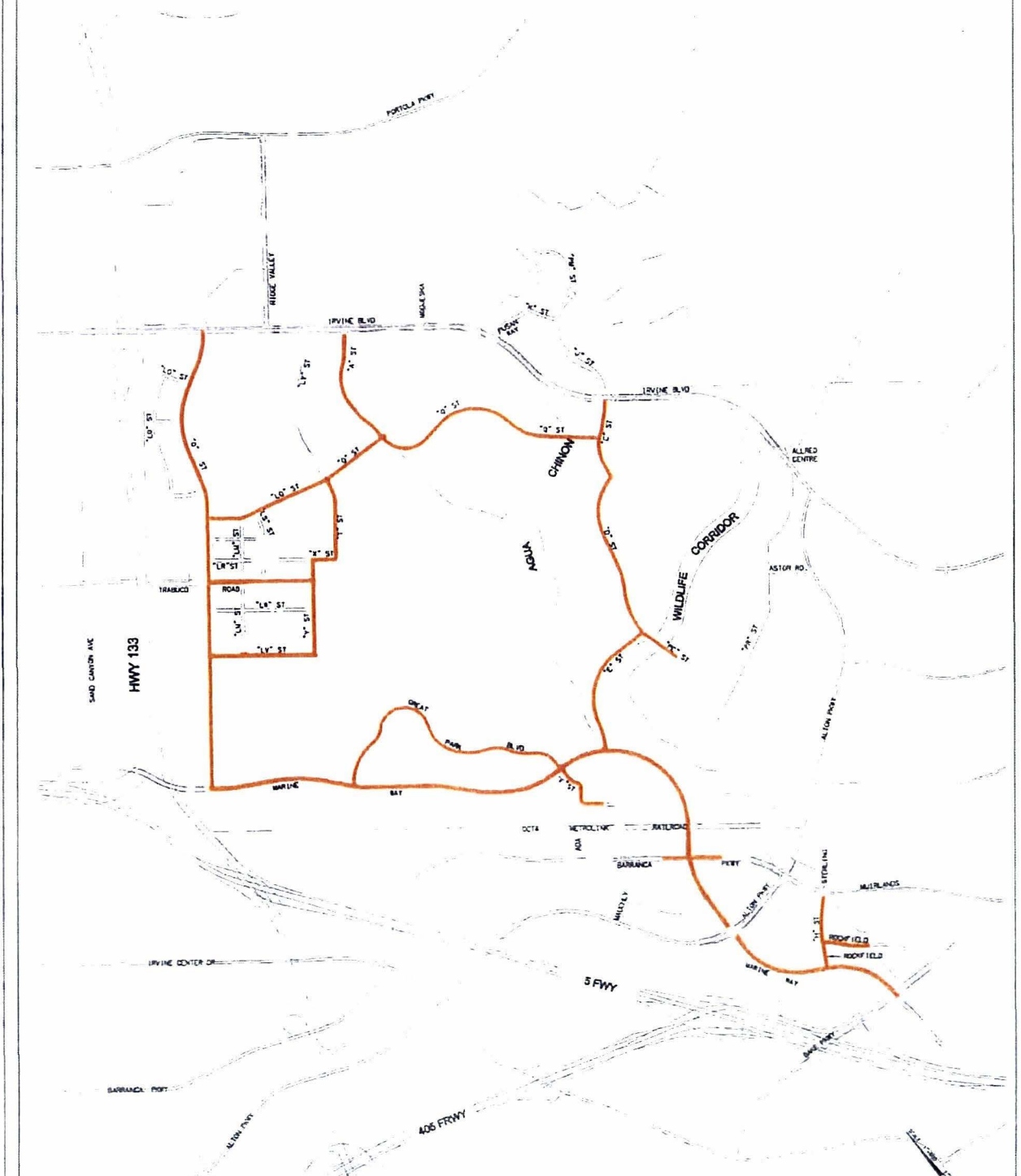


EXHIBIT E-2



PLAN PREPARED BY
RBF
REGISTERED PROFESSIONAL ENGINEER
CIVIL ENGINEERING
10000 WEST 10TH AVENUE, SUITE 100
DENVER, COLORADO 80231
PHONE: 303.751.1000
FAX: 303.751.1001
WWW.RBFENGINEERS.COM

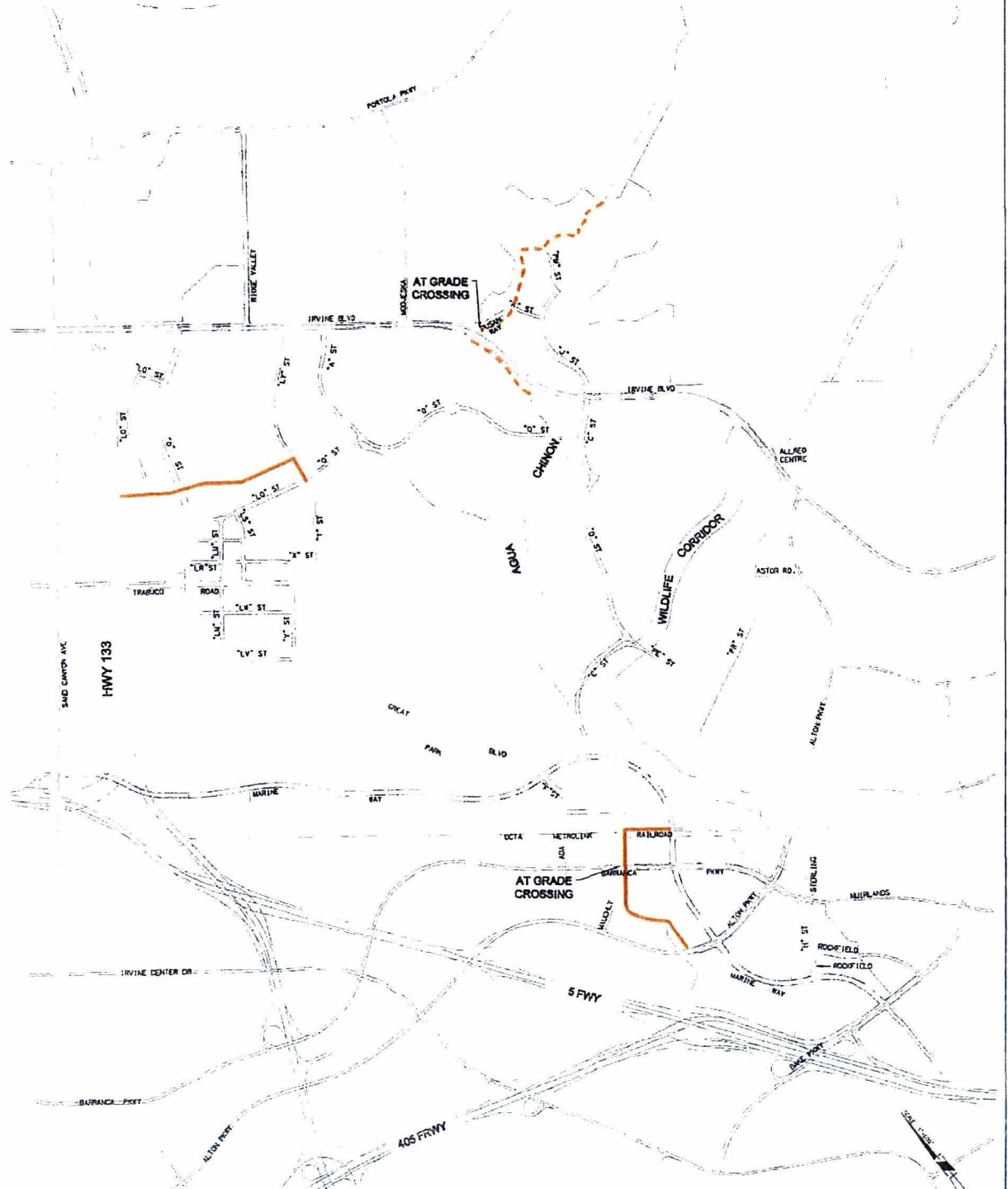
LEGEND
DRY UTILITY FACILITIES - [Red Line]

**GROUP B FACILITIES
ON-PROPERTY FACILITIES
DRY UTILITIES**



DATE
JULY 8, 2009
SHEET 8 OF 7

EXHIBIT E-2



LEGEND

- REGIONAL TRAIL FACILITIES - [Orange dashed line symbol]
- REGIONAL BIKING/HIKING TRAIL - [Yellow dashed line symbol]
- TRAIL TO BE CONSTRUCTED BY OTHERS - [Grey dashed line symbol]

GROUP B FACILITIES
ON-PROPERTY FACILITIES
OFFSTREET TRAILS
(OUTSIDE OF STREET RIGHT OF WAY)

PLAN PREPARED BY
RFI
CONSULTANTS
CORPORATION



DATE
JULY 9, 2008
SHEET 7 OF 7

Exhibit E-3
Heritage Fields LLC / Orange County Great Park
Group A and Group B Facilities
Narrative

July 2009

CURRENT ENTITLEMENT AND PENDING APPROVALS

Group A and Group B facilities described herein are based upon the following approvals and pending approvals;

- 1) Approved Amended VTTM 17008 (Reso 08-2921)
- 2) Approved Master Landscape and Trail Plan for VTTM 17008 (Reso 08-2922)
- 3) Approved Modification to OCGP Streetscape Design Guidelines (Reso 08-2923)
- 4) Approved VTTM 17283 (Reso 08-2924)
- 5) Approved LLD Non Res Master Plan and Design Guidelines (Reso 08-2925)
- 6) Pending approval TPM 2008-152 for PA 30 R & D and Auto Center
- 7) Pending approval PA 30 6 Ac Parcel
- 8) City and County approved San Diego Creek Flood Control Master Plan Update dated October 2, 2008 (County case number EC29320, City case number 00457521-EMC).
- 9) City and County approved PA 51 Marshburn Watershed Update, dated October 2, 2008 (County case number EC29320, City case number 00457521-EMC)
- 10) IRWD SAMP (March 17, 2009).
- 11) Approved Conceptual Project Water Quality Management Plan (WQMP), Updating the Integrated Master Plan of Drainage, Water Quality and Habitat Mitigation. (April 23, 2009)

GROUP A FACILITIES (OFF-PROPERTY FACILITIES)^{1 2 3 4}

A) OFF-PROPERTY STREETS AND SIGNALS

- 1) **Irvine Blvd** - Street widening as required from State Highway 133 to west of Alton Parkway to include additional lanes (as required), right of way acquisition, multiple left turning lanes, right turn lanes, grading, subgrade prep, base, paving, curb and gutter, median, sidewalks, access ramps, trails (within ROW), adjust utilities to grade, remove utility poles, relocation/removal of existing utilities, underground utility lines, signing, striping, grinding, ac overlay, traffic control and street lights, slurry seal.
- 2) **Irvine Blvd Traffic Signals**- Proposed Signal at Ridge Valley, and signal modifications at Modjeska, Allred Centre and Pusan Way. Includes Signal interconnect, advance detection, easements and telemetry.

¹ Street Sections as illustrated per "HF / OCGP Backbone Facility Cross Sections.

² Demolition as required to construct Backbone Infrastructure is included.

³ "Green Streets" and "Sustainability" features are not considered Off or On-Property Facilities.

⁴ City shall provide right of way and easements necessary on City or County property to implement Backbone Infrastructure when required at no cost to Heritage Fields.

- 3) **Marine Way⁵** – Street improvements as required from Sand Canyon to “O” Street including grading, right of way acquisition and related relocation costs, base, paving, curb, subgrade prep, gutter, median, striping, sidewalks, trails, adjust utilities to grade, access ramps, street lights and remove utility poles, relocation of existing utilities, signing, striping, and underground utility lines.
- 4) **Marine Way Traffic Signals** – Proposed Traffic Signal modification at Sand Canyon and at existing Marine Way / Sand Canyon intersection. Includes Signal interconnect, advance detections, easements and telemetry.
- 5) **Existing Marine Way at Sand Canyon** - Street improvements as required for the modifications to existing Marine Way and Sand Canyon to a “right-in and right out” entrance including existing signal pole and equipment removal, modifications on Sand Canyon and providing access to the existing users.
- 6) **Existing Sand Canyon at Marine Way / I-5 Ramps** – Restriping of the existing Sand Canyon and I-5 Ramps. As required in the approved Bake Parkway – Marine Way circulation system amendment.
- 7) **Bake Parkway** – Street-widening improvements as required including right of way acquisition, daylight grading, base, paving, curb, subgrade prep, gutter, signing, grinding, ac overlay, sidewalk, joins, striping, access ramps, traffic control, removals/relocation of existing utilities and adjust manholes and valves to grade. Includes Traffic Signal at Marine Way.
- 8) **Rockfield and Bake Parkway Intersection** – Street improvements as required including right of way acquisition for the modification to the existing intersection of Rockfield and Bake Parkway. Includes modification to the existing traffic signal.
- 9) **NB I-5 Bake Parkway Off Ramp**- Street improvements as required to the NB I-5 Bake Parkway off ramp. Includes Off Ramp widening as required including daylight grading, base, paving, joins, ac overlay, asphalt curb, signing, striping and modification to the existing signal.

⁵ For that portion of the Marine Way right of way affecting the area currently occupied by OCTA, Heritage Fields' contribution for such right of way acquisition costs shall not exceed \$2 million dollars and its contribution for the costs to relocate existing improvements within such right of way area shall not exceed \$500,000 (for a total of \$2.5 million dollars), provided that either the City or Heritage Fields can elect to obtain a third-party appraisal of the OCTA right of way area at the time of acquisition (from an appraiser mutually approved by both Parties) in which case Heritage Fields' contribution shall equal the valuation set forth in such appraisal. City shall contribute all amounts for the OCTA Marine Way right of way acquisition costs and costs to relocate existing improvements to the extent the same exceed Heritage Fields' contribution obligations. Notwithstanding any provision to the contrary in the Amended and Restated Agreement to which this Exhibit is attached or the Amended MIA, City shall be responsible to deliver right of way for purposes of commencement of work on such segment of Marine Way when dictated by the Master Phasing Plan & Schedule as defined in the Amended MIA.

- 10) **Ridge Valley** –Project related street improvements as required from existing Portola Parkway to Irvine Blvd including right of way acquisition, grading, removals, base, paving, curb, subgrade prep, gutter, median, striping, sidewalks, trails, adjust manhole, access ramps, street lights, grinding, ac overlay, traffic control, water quality, remove utility poles, and underground utility lines. Includes traffic signal modification to existing traffic signal on Portola Parkway at Ridge Valley.

- 11) **Trabuco Road** - Full width street improvements from State Highway 133 to "O" street including right of way acquisition, base, paving, curb, subgrade prep, gutter, median, striping, sidewalks, adjust manhole, access ramps, grinding, ac overlay, traffic control, street lights, water quality, remove utility poles, relocate existing utilities and underground of existing overhead 66 KV SCE transmission lines along Trabuco Road.

B) OFF-PROPERTY STORM DRAIN FACILITIES: (Facilities subject to change based upon processing the final Basis of Design Reports)

- 1) **Irvine Blvd (IRV-1, IRV-2)**- Storm Drain as required from State Highway 133 to west of Alton Parkway including laterals, catch basins, junction structures, manholes, local depressions for street drainage and connections to existing downstream facilities. Includes storm drain outside of Irvine Blvd. required to connect to existing downstream facilities.
- 2) **“O” Street (O-6)** – Storm drain as required from Marshburn Channel through PA-40 to “O” street including junction structures and connections to existing downstream facilities.
- 3) **Marine Way**-Storm Drain as required from Sand Canyon to “O” street including laterals, catch basins, junction structures, manholes and local depressions for street drainage, and connections to existing downstream facilities. Includes Raceway improvements, the Marshburn Channel and Marine Way crossing and roadway drainage improvements. Right of way required to connect to existing downstream facilities.
- 4) **Bake Parkway**- Storm Drain as required from Bake Parkway to San Diego Creek including laterals, catch basins, junction structures, manholes and local depressions for street drainage, and connections to existing downstream facilities.
- 5) **Alton Parkway**– Storm Drain as required from the T.O.D to existing Agua Chinon including laterals, junction structures, manholes, catch basins, local depressions, and connections to existing downstream facilities.
- 6) **Ridge Valley**– Storm drain as required from existing Portola Parkway to Marshburn Basin including right of way acquisition storm drain junction structures, manholes, catch basins, local depressions and connections to existing downstream facilities.
- 7) **Trabuco Road** – Storm drain as required from Marshburn Channel along Trabuco Road to “O” street including laterals, junction structures, manholes, catch basins, local depressions and connections to existing downstream facilities.
- 8) **“Offsite” TOD**– Regional drainage system from southeast corner of the General Industrial Zoning District Portion of PA 30 south of Marine Way and following the rear of the existing properties fronting Technology Drive, and connection to Agua Chinon. Improvements include a base level drainage infrastructure to provide flood protection, including any required modifications to the exiting downstream Caltrans drainage system. Includes land and right of way acquisition.

C) OFF-PROPERTY SEWER FACILITIES: ⁶

- 1) **Marine Way**-Sewer mainline as required from Sand Canyon to Marshburn Channel Includes laterals, monitoring manholes, manholes, adjusting rims to grade, connection to downstream facilities and replacement of existing pavement and striping.
- 2) **Reach "A" Sewer** -Sewer mainline as required from the existing sleeve (Under the I-5 freeway just south of Technology Drive) to the south side of the railway right of way. Includes monitoring manholes, manholes, adjusting rims to grade, connection to downstream facilities and replacement of existing pavement and striping.
- 3) **Trabuco Road**– Sewer mainline as required from SR 133 to "O" Street. Includes laterals, monitoring manholes, manholes, adjusting rims to grade, and connection to downstream facilities.

D) OFF-PROPERTY DOMESTIC AND RECYCLED WATER FACILITIES: ⁶

- 1) **Irvine Blvd**- Domestic water main as required from State Highway 133 to "O" street includes tees and mainline stubs, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, connection to existing facilities and replacement of existing pavement and striping.
- 2) **Irvine Blvd**- Recycled water mains as required from State Highway 133 to Modjeska includes tees and mainline stubs, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, irrigation water service, connection to existing facilities and replacement of existing pavement and striping.
- 3) **Marine Way**- Domestic water main as required from Sand Canyon to "O" street includes tees and mainline stubs, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, connection to existing facilities, and replacement of existing pavement and striping.
- 4) **Ridge Valley**– Domestic and recycled water mains as required from point of connection south of Portola to Irvine Blvd includes tees and mainline stubs, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, irrigation water service, connection to existing facilities, pressure reducing, and replacement of existing pavement and striping
- 5) **Trabuco Road**– Domestic and recycled water mains as required from west of SR 133 (through Caltrans Bridge) to "O" street includes tees and mainline stubs, valves, air vac, blow off, fittings, fire hydrant assembly, tees, thrust blocks, concrete cap, irrigation water service and connection to existing facilities.

⁶ Regional IRWD Facilities are considered Off-property facilities.

- 6) **Astor Road**– Domestic water main as required from Borrego Channel to Fairbanks includes tees, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, connection to existing facilities, and pressure reducing.

E) OFF-PROPERTY LANDSCAPE, AMENITIES, IRRIGATION SYSTEM, AND PLANTINGS IN THE FOLLOWING RIGHT-OF-WAY

- 1) **Irvine Blvd.** from State Highway 133 to Alton Parkway.
- 2) **Marine Way** from Sand Canyon to "O" street.
- 3) **Bake Parkway.**
- 4) **Ridge Valley** from existing Portola to Irvine Blvd.
- 5) **Trabuco Road** from State Highway 133 to "O" street.

F) OFF-PROPERTY DRY UTILITIES

Facilities include CATV, telephone, electric, gas and may include relocation or conversion of transmission lines including trenching, shading, conduit risers, pullboxes, vaults, hand holes, etc., in the following streets:

- 1) **Irvine Blvd.** from State Highway 133 to west of Alton Parkway.
- 2) **Marine Way** from Sand Canyon to "O" street.
- 3) **Ridge Valley** from point of connection south of Portola Parkway to Irvine Blvd.
- 4) **Trabuco Road** from State Highway 133 to "O" street.

GROUP B FACILITIES (ON-PROPERTY FACILITIES)^{1 2 3 4}

A) ON-PROPERTY STREET AND SIGNALS

- 1) **Marine Way** – Street improvements as required from “O” street to Bake Parkway including grading, right of way acquisition, base, paving, curb, subgrade prep, gutter, median, striping, sidewalks, trails, adjust utilities to grade, access ramps, street lights and remove utility poles, relocation of existing utilities, signing, striping, and underground utility lines.
- 2) **Marine Way at railroad bridge** – Bridge improvements including railway improvements, grading, abutments, access ramps, lighting, drainage, utility crossings, sidewalks, trails and right of way acquisition.
- 3) **Marine Way Traffic Signals** – Proposed Traffic Signals at “O”, “F”, “E”, Great Park Blvd., Barranca, Alton, and Rockfield. Includes Signal interconnect, advance detection, easements, and telemetry.
- 4) **Irvine Blvd Traffic Signals**- Proposed Traffic Signals at “O”, “A” street, “C” street. Includes Signal interconnect, advance detection, easements, and telemetry.
- 5) **Barranca Parkway/Muirlands Boulevard** - Street improvements as required from east of Ada to Sterling, including grading, base, paving, curb, median, subgrade prep, gutter, striping, access ramps, traffic control, grinding, ac overlay, sidewalk, joins and adjust existing utilities to grade. Also includes modifications to Barranca due to the Marine Way / Railway overcrossing and a modification to existing Traffic Signal on Barranca at Alton.
- 6) **Muirlands and Sterling Traffic signal** – Proposed traffic signal at Muirlands and Sterling ave. Signal interconnect, advanced detection, easements, and telemetry.
- 7) **Alton Parkway** - Street improvements, mostly comprised of widening of existing, as required from west of Marine Way to east of Barranca Parkway including base, paving, curb, medians, sidewalks, grinding, ac overlay, traffic control, subgrade prep, gutter, signing and striping, access ramps, and adjust existing utilities to grade.
- 8) **Rockfield Blvd** - Street improvements as required from existing Rockfield to Marine Way including right of way acquisition, base, paving, curb, subgrade prep, gutter, median, signing and striping, sidewalks, trails (within ROW), adjust manhole, access ramps, street lights and remove utility poles, and underground utility lines. Includes traffic signal at “H” Street.

¹ Street Sections as illustrated per “HF / OCGP Backbone Facility Cross Sections.

² Demolition as required to construct Backbone Infrastructure is included.

³ “Green Streets” and “Sustainability” features are not considered Off or On-Property Facilities.

⁴ City shall provide right of way and easements necessary on City or County property to implement Backbone Infrastructure when required at no cost to Heritage Fields.

- 9) **"F" Street** - Full width street improvements including base, paving, curb, subgrade prep, gutter, median, striping, sidewalks, adjust manhole, access ramps, street lights, water quality, and underground utility lines.
- 10) **"O" Street (Trabuco to Irvine Blvd)**- Full width street improvements from Trabuco to Irvine Blvd including right of way acquisition, base, paving, curb, subgrade prep, gutter, median, striping, sidewalks, trails, adjust manhole, access ramps, street lights, water quality, remove utility poles, relocate existing utilities and underground utility lines.
- 11) **"O" Street (Trabuco to Marine Way)**- Half width street improvements from Trabuco road to Marine Way including right of way acquisition, base, paving, curb, subgrade prep, gutter, median, striping, sidewalks, adjust manhole, access ramps, street lights, water quality, remove utility poles, relocate existing utilities and underground of 66KV SCE Transmission line from Trabuco to approximately 2500 lf south of Trabuco.
- 12) **"O" Street Traffic Signals**– Proposed traffic signals at Trabuco Road", "L-Q", and "L-V". Signal interconnect, advance detection, easements, and telemetry
- 13) **Trabuco Road** - Full width street improvements from "O" street to "Y" street including base, paving, curb, subgrade prep, gutter, median, striping, sidewalks, adjust manhole, access ramps, grinding, ac overlay, traffic control, street lights, and water quality.
- 14) **"L-V" Street** - Full width street improvements including base, paving, curb, subgrade prep, gutter, median, striping, sidewalks, adjust manhole, access ramps, street lights, and water quality.
- 15) **"A" Street** - Full width street improvements including base, paving, curb, subgrade prep, gutter, median, striping, sidewalks, adjust manhole, access ramps, street lights, and water quality.
- 16) **"Y" Street** - Full width street improvements including base, paving, curb, subgrade prep, gutter, median, striping, sidewalks, adjust manhole, access ramps, street lights, and water quality.
- 17) **"X" Street** - Full width street improvements including base, paving, curb, subgrade prep, gutter, median, striping, sidewalks, adjust manhole, access ramps, street lights, and water quality.
- 18) **"T" Street** - Full width street improvements including base, paving, curb, subgrade prep, gutter, median, striping, sidewalks, adjust manhole, access ramps, street lights, and water quality.
- 19) **"Q" Street** - Full width street improvements including base, paving, curb, subgrade prep, gutter, median, striping, sidewalks, adjust manhole, access ramps, street lights, and water quality.
- 20) **"C" Street** - Full width street improvements including base, paving, curb, subgrade prep, gutter, median, striping, sidewalks, adjust manhole, access ramps, street lights, and water quality.

- 21) **"D" Street** - Full width street improvements including base, paving, curb, subgrade prep, gutter, median, striping, sidewalks, adjust manhole, access ramps, street lights, and water quality.
- 22) **"E" Street** - Full width street improvements including base, paving, curb, subgrade prep, gutter, median, striping, sidewalks, adjust manhole, access ramps, street lights, and water quality.
- 23) **"P-E" Street** - Full width street improvements including base, paving, curb, subgrade prep, gutter, median, striping, sidewalks, adjust manhole, access ramps, street lights, and water quality.
- 24) **"H" Street** - Full width street improvements including base, paving, curb, subgrade prep, gutter, median, striping, sidewalks, adjust manhole, access ramps, street lights, and water quality.
- 25) **"L-Q" Street** - Full width street improvements including base, paving, curb, subgrade prep, gutter, median, striping, sidewalks, adjust manhole, access ramps, street lights, and water quality.
- 26) **Great Park Blvd** - Full width street improvements including base, paving, curb, subgrade prep, gutter, striping, sidewalks, adjust manhole, access ramps, street lights, and water quality for paved surface. Modification to Extraction Wells and Shallow Ground Water Unit is not included.

B) ON-PROPERTY STORM DRAIN FACILITIES: (Facilities subject to change based upon Processing the Basis of Design Reports)

- 1) **Marine Way**-Storm Drain as required from "O" street to Bake Parkway including laterals, catch basins, junction structures, manholes and local depressions for street drainage, and connections to existing downstream facilities. Includes storm drain outside of Marine Way.
- 2) **Barranca Parkway**- Storm Drain as required from east of Ada to east of Alton Parkway including laterals, catch basins, junction structures, manholes, and local depressions for street drainage, and connections to existing downstream facilities.
- 3) **Alton Parkway**- Storm Drain as required from west of Barranca Parkway to west property line of the T.O.D.including laterals, junction structures, manholes, catch basins, local depressions, and connections to existing downstream facilities.
- 4) **Rockfield Blvd** – Storm drain as required from Marine Way to "H" street including storm drain mainlines and connections to downstream facilities.
- 5) **"H" Street** – Storm drain as required from Rockfield Blvd to Muirlands. Includes storm drain from "H" st to existing storm drain (east property line of the TOD). Includes laterals, junction structures, manholes, catch basins, local depressions and connections to downstream facilities.
- 6) **"O" Street (O-1, O-2, O-3, O-4)**– Storm drain as required from L-G street to Trabuco Road including junction structures, manholes, catch basins, local depressions and connections to existing downstream facilities.
- 7) **"L-Q" Street**– Storm drain as required from "O" street to "L-Y" street including laterals, junction structures, manholes, catch basins, local depressions and connections to downstream facilities.
- 8) **"O" Street (O-6)**– Storm drain as required from PA-40 to "L-R" street within "O" street including junction structures, manholes, catch basins, local depressions and connections to downstream facilities.
- 9) **"O" Street to Marine Way**– Storm drain as required within "O" street, south of O-6, to Marine Way including junction structures, manholes, catch basins, local depressions and connections to existing downstream facilities.
- 10) **Trabuco Road** – Storm drain as required from "O" street to "Y" street including laterals, junction structures, manholes, catch basins, local depressions and connections to existing downstream facilities.
- 11) **"L-V" Street** – Storm drain as required between "O" street and "Y" street including laterals, junction structures, manholes, catch basins, local depressions and connections to downstream facilities.

- 12) **"T" Street** – Storm drain as required from south of "L-Q" street to "X" street including laterals, junction structures, manholes, catch basins, local depressions and connections to existing downstream facilities.
- 13) **"X" Street** – Storm drain as required from "Y" street to "T" street including laterals, junction structures, manholes, catch basins, local depressions and connections to existing downstream facilities.
- 14) **"Y" Street** – Storm drain as required from "X" street to "L-V" street including laterals, junction structures, manholes, catch basins, local depressions and connections to downstream facilities.
- 15) **"Bee Canyon Channel (Through OCGP)"** – Storm drain facility. Approximate limits are from Marine Way to "Y" street including laterals, junction structures, manholes, and connections to existing storm facilities and connections to downstream facilities.
- 16) **"Bee Canyon" Channel at Marine Way** – Regional storm drain facility (Double 7'x10' RCB) to facilitate storm drain connections, and construction of a regional facility from OCFCD connection south of the railway to Marine Way including laterals, junction structures, manholes, and connections to existing downstream facilities.
- 17) **"A" Street** – Storm drain as required from Irvine Blvd to "Q" street including laterals, junction structures, manholes, catch basins, local depressions and connections to downstream facilities.
- 18) **"Q" Street** – Storm drain as required including laterals, junction structures, manholes, catch basins, local depressions and connections to downstream facilities.
- 19) **"AC-1" Agua Chinon** – Regional storm drain facility (12'x12' RCB) as required from existing OCFCD Agua Chinon box to a proposed inlet structure, north of Marine Way. This will include required laterals, junction structures, manholes, and modification to existing downstream facilities and connections to the existing OCFCD system.
- 20) **"AC-2" Agua Chinon** – Regional drainage system as required from "AC-1" to the south edge of "Q" street consisting of open channel, soft bottom channel required to provide flood protection, grade control devices, flowline stabilization, access, maintenance, and required infrastructure for the establishment of jurisdictional habitat. Cross section as illustrated per "HF / OCGP Backbone Facility Cross Sections".
- 21) **"AC-2a" Agua Chinon** – Regional storm drain facility as required from "AC-2", under "Q" street to the existing culvert south of Irvine Blvd as required to provide flood protection, grade control devices, flowline stabilization, access, maintenance and connections to downstream facilities.
- 22) **"AC-2b" Agua Chinon** – Modifications to the existing culvert under Irvine Blvd. Includes modifications to the existing entrance and outlet walls.

- 23) **“AC-3” Agua Chinon** – Regional drainage system as required from Irvine Blvd to “K” street including modification to the Irvine Blvd undercrossing required to provide flood protection, grade control devices, flowline stabilization, access, maintenance, required infrastructure for the establishment of jurisdictional habitat. and connections to downstream facilities.
- 24) **“AC-4” Agua Chinon** – Regional storm drain facility (6’x8’ RCB) for the undercrossing of “K” street. Improvements include a culvert crossing to provide flood protection and connections to downstream facilities.
- 25) **“AC-5” Agua Chinon** – Regional storm drain facility (6’x8’ RCB) from “K” street to “P-M” street. Improvements include a RCB channel to provide flood protection, access, maintenance, and connections to downstream facilities.
- 26) **“AC-6” Agua Chinon** – Regional storm drain facility (6’x8’ RCB) from “P-M” street to north property line. Improvements include a RCB to provide flood protection, including an inlet structure north of the property line of Park District North.
- 27) **“C” Street (C-1)**– Storm drain as required within “C” street to connect to Agua Chinon including laterals junction structures, manholes, catch basins, local depressions and connections to downstream facilities.
- 28) **“D” Street (D-1)**– Storm drain as required within “D” street and outside of “D” Street to connect to Agua Chinon including laterals junction structures, manholes, catch basins, local depressions and connections to downstream facilities.
- 29) **“E” Street (E-1, E-2)**– Storm drain as required within “E” street and outside of “E” Street to connect to Agua Chinon including junction structures, manholes, catch basins, local depressions and connections to downstream facilities. Includes storm drain within “E” Street to Marine Way.
- 30) **“F” Street**– Storm drain as required from “F” street to Agua Chinon including junction structures, manholes, catch basins, local depressions and connections to downstream facilities.
- 31) **Borrego Channel** – Regional storm drain facility as required from the Wildlife Corridor, under Marine Way, to existing Borrego Channel includes replacement of existing Borrego Channel to meet OCFCD standards and to provide flood protection, right of way acquisition, flood control maintenance and access facilities and connections to downstream facilities.
- 32) **“TOD-1”** Regional drainage system from Marine Way, through portion of the General Industrial Zoning District Portion of PA 30 south of Marine Way. Improvements include a base level drainage infrastructure to provide flood protection, including required modifications to the existing downstream Caltrans drainage system.
- 33) **“SC-1” Serrano Creek** – Regional drainage system from existing I-5 culvert to Marine Way. Improvements include a open channel with flowline stabilization, grade control devices in order to provide flood protection, including any required modifications to the existing Caltrans culvert.

- 34) **“SC-2” Serrano Creek** – Regional drainage system undercrossing at Marine Way. Improvements include culvert crossing to provide flood protection, access and maintenance facilities.
- 35) **“SC-3” Serrano Creek** – Regional drainage system from Marine Way to Alton Parkway. Improvements include a soft bottom open channel with grade control devices to provide flood protection, including required modifications to outlet structure of the culvert at Alton Parkway, access and maintenance facilities.
- 36) **Upper San Diego Creek** – Regional drainage system as required from an existing culvert at I-5 to the easterly property line. Improvements include a RCB to provide flood protection and required modifications to the existing Caltrans entrance structure.
- 37) **Bee Canyon water quality system-** Water quality treatment systems as required to protect the backbone drainage facilities. This includes base level drainage infrastructure to provide treatment, access and maintenance facilities, and outlets to downstream facilities. Final locations are subject to final approval of a detailed Water Quality Management Plan.
- 38) **Agua Chinon water quality system-** Water quality treatment systems as required to protect the backbone drainage facilities. This includes base level drainage infrastructure to provide treatment, access and maintenance facilities, and outlets to downstream facilities. Final locations are subject to final approval of a detailed Water Quality Management Plan.
- 39) **Serrano Creek water quality system-** Water quality treatment systems as required to protect the backbone drainage facilities. This includes base level drainage infrastructure to provide treatment, access and maintenance facilities, and outlets to downstream facilities. Final locations are subject to final approval of a detailed Water Quality Management Plan.
- 40) **Great Park Blvd** – Storm drain as required within Great Park Blvd. to provide conveyance of roadway runoff including laterals junction structures, manholes, catch basins, local depressions and connections to downstream facilities.
- 41) **Backbone water quality treatment systems-** Water quality treatment systems as required to protect the backbone drainage facilities. This includes base level drainage infrastructure to provide treatment, access and maintenance facilities, and outlets to downstream facilities. Final locations are subject to final approval of a detailed Water Quality Management Plan.

C) ON-PROPERTY SEWER FACILITIES:

- 1) **Irvine Blvd-** Sewer mainline as required from "C" street to just west of "C" street includes laterals, monitoring manholes, manholes, adjusting rims to grade, connection to downstream facilities and replacement of existing pavement and striping.
- 2) **Marine Way-**Sewer mainline as required between "O" street and Bake Parkway. Includes laterals, monitoring manholes, manholes, adjusting rims to grade, and connection to downstream facilities.
- 3) **Alton Parkway-** Relocation of the existing 18" sewer mainline within Serrano Creek to Alton Parkway from the southwest corner of the TOD to the intersection of Alton Parkway and Barranca Parkway. Includes laterals, monitoring manholes, manholes, adjusting rims to grade, connection to downstream facilities and replacement of existing pavement and striping.
- 4) **Barranca Parkway-**Sewer mainline as required from east of Ada to Alton Parkway includes laterals, monitoring manholes, manholes, adjusting rims to grade, connection to downstream facilities and replacement of existing pavement and striping. Includes offsite street connection to existing sewer in Mauchly.
- 5) **Rockfield Blvd-** Sewer mainline as required from existing Rockfield Blvd to Marine Way. Includes laterals, monitoring manholes, manholes, adjusting rims to grade, connection to downstream facilities and replacement of existing pavement and striping.
- 6) **"TOD-1" Sewer north of railroad tracks -** Sewer mainline as required from Sewer Reach "B", adjacent to and parallel with the north side of the railroad tracks, to "F" street. Includes all-weather access, laterals, monitoring manholes, manholes, and connection to downstream facilities.
- 7) **"TOD-2" Sewer mainline** as required from "TOD-1" to Marine Way. Includes laterals, monitoring manholes, manholes, and connection to downstream facilities.
- 8) **"O" Street-** Sewer mainline as required. Includes all-weather access, laterals, monitoring manholes, manholes, adjusting rims to grade, and connection to downstream facilities.
- 9) **Trabuco Road-** Sewer mainline as required between "O" street and "Y" street. Includes laterals, monitoring manholes, manholes, adjusting rims to grade, and connection to downstream facilities.
- 10) **"L-V" Street-** Sewer mainline as required. Includes laterals, monitoring manholes, manholes, adjusting rims to grade, and connection to downstream facilities.

- 11) **Sewer Reach "B" (through OCGP)** - Sewer mainline as required from existing point of connection just south of the railway to "L-V" street. Includes all-weather access, laterals, monitoring manholes, manholes, adjusting rims to grade, and connection to downstream facilities.
- 12) **Sewer Reach "A" (south of Marine Way)** - Sewer mainline as required from just south of the railway to Marine Way. Includes all-weather access, laterals, monitoring manholes, manholes, adjusting rims to grade, sleeving and connection to downstream facilities.
- 13) **"A" Street**– Sewer mainline as required. Includes laterals, monitoring manholes, manholes, adjusting rims to grade, and connection to downstream facilities.
- 14) **"L-Y" Street**– Sewer mainline as required from "O" st to Irv Blvd, Includes laterals, monitoring manholes, manholes, adjusting rims to grade, and connection to downstream facilities.
- 15) **"Y" Street**– Sewer mainline as required. Includes laterals, monitoring manholes, manholes, adjusting rims to grade, and connection to downstream facilities.
- 16) **"X" Street**– Sewer mainline as required. Includes laterals, monitoring manholes, manholes, adjusting rims to grade, and connection to downstream facilities
- 17) **"Q" Street** – Sewer mainline as required. Includes laterals, monitoring manholes, manholes, adjusting rims to grade, and connection to downstream facilities.
- 18) **"T" Street** – Sewer mainline as required. Includes laterals, monitoring manholes, manholes, adjusting rims to grade, and connection to downstream facilities.
- 19) **"C" Street** – Sewer mainline as required. Includes laterals, monitoring manholes, manholes, adjusting rims to grade, and connection to downstream facilities.
- 20) **"D" Street** – Sewer mainline as required. Includes laterals, monitoring manholes, manholes, adjusting rims to grade, and connection to downstream facilities.
- 21) **"E" Street** – Sewer mainline as required. Includes laterals, monitoring manholes, manholes, adjusting rims to grade, and connection to downstream facilities.
- 22) **"P-E" Street** -Sewer mainline as required. Includes laterals, monitoring manholes, manholes, adjusting rims to grade, and connection to downstream facilities.
- 23) **"H" Street**– Sewer mainline as required. Includes laterals, monitoring manholes, manholes, adjusting rims to grade, and connection to downstream facilities.

- 24) **“L-Q” Street**– Sewer mainline as required. Includes laterals, monitoring manholes, manholes, adjusting rims to grade, and connection to downstream facilities.
- 25) **“L-M” Street**–Sewer mainline as required. Includes laterals, monitoring manholes, manholes, adjusting rims to grade, and connection to downstream facilities.

D) ON-PROPERTY DOMESTIC AND RECYCLED WATER FACILITIES:

- 1) **Marine Way**- Domestic and recycled water mains as required from “O” street to Bake Parkway includes tees and mainline stubs, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, irrigation water service, connection to existing facilities, and replacement of existing pavement and striping. Includes recycled water main from a point of connection north of railroad to Marine Way.
- 2) **Barranca Parkway**- Domestic and recycled water facilities as required from east of Ada to east of Alton Parkway includes tees and mainline stubs, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, irrigation water service, connection to existing facilities, replacement of existing pavement and striping.
- 3) **Rockfield Blvd**– Domestic and recycled water mains as required from existing Rockfield Blvd to Marine Way includes tees and mainline stubs, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, irrigation water service, connection to existing facilities, and replacement of existing pavement and striping.
- 4) **“F” Street**– Domestic and recycled water mains as required includes tees and mainline stubs, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, irrigation water service, and connection to existing facilities.
- 5) **“O” Street** – Domestic and recycled water mains as required includes tees and mainline stubs, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, irrigation water service, and connection to existing facilities, pressure reducing and boosting.
- 6) **Trabuco Road**– Domestic and recycled water mains as required from “O” street to “Y” street includes tees and mainline stubs, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, irrigation water service, and connection to existing facilities.
- 7) **“A” Street**– Domestic and recycled water mains as required includes tees and mainline stubs, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, irrigation water service, and connection to existing facilities.

- 8) **“Y” Street**– Domestic and recycled water mains as required includes tees and mainline stubs, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, irrigation water service, and connection to existing facilities.
- 9) **“X” Street**– Domestic and recycled water mains as required includes tees and mainline stubs, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, irrigation water service, and connection to existing facilities.
- 10) **“L-V” Street**– Domestic and recycled water mains as required includes tees and mainline stubs, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, irrigation water service, and connection to existing facilities.
- 11) **“T” Street**– Domestic and recycled water mains as required includes tees and mainline stubs, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, irrigation water service, and connection to existing facilities.
- 12) **“P-R” Street**– Domestic water main as required includes tees and mainline stubs, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, and connection to existing facilities.
- 13) **“Q” Street**– Domestic and recycled water mains as required includes laterals, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, irrigation water service, and connection to existing facilities.
- 14) **“C” Street**– Domestic and recycled water mains as required includes laterals, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, irrigation water service, and connection to existing facilities.
- 15) **“D” Street**– Domestic and recycled water mains as required includes laterals, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, irrigation water service, connection to existing facilities, and pressure reducing.
- 16) **“E” Street**– Domestic water main as required includes laterals, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, irrigation water service, and connection to existing facilities.
- 17) **“P-E” Street**– Domestic and recycled water mains as required includes laterals, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, irrigation water service, and connection to existing facilities.
- 18) **“H” Street**– Domestic and recycled water mains as required includes laterals, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, irrigation water service, connection to existing facilities, and replacement of existing pavement and striping.
- 19) **“L-Q” Street**– Domestic and recycled water mains as required includes laterals, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, irrigation water service, and connection to existing facilities.

- 20) **"L-O" Street**– Domestic water mains as required from the TCA property to "O" street includes laterals, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, irrigation water service, and connection to existing facilities.
- 21) **Agua Chinon Fire service line**- Fire service main and appurtenances as required from "E" street to "Q" street per OCFA requirements.
- 22) **Great Park Blvd** - Domestic and recycled water mains as required includes laterals, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, irrigation water service, and connection to existing facilities.

E) ON-PROPERTY LANDSCAPE, AMENITIES, IRRIGATION SYSTEM, AND PLANTINGS IN THE FOLLOWING RIGHT-OF-WAY

- 1) **Marine Way** from "O" street to Bake Parkway.
- 2) **Barranca Parkway** from east of Ada to east of Alton Parkway.
- 3) **Alton Parkway** from south of Marine Way to Barranca Parkway.
- 4) **Rockfield Blvd.** from existing Rockfield to Marine Way.
- 5) **"F" Street**
- 6) **"O" Street (Trabuco to Irvine Blvd)**
- 7) **"O" Street (Trabuco to Marine Way)**
- 8) **Trabuco Road** from "O" street to OCGP.
- 9) **"L-V" Street**
- 10) **"A" Street**
- 11) **"Y" Street**
- 12) **"Q" Street**
- 13) **"T" Street**
- 14) **"X" Street**
- 15) **"P-E" Street**
- 16) **"C" "D" and "E" Street**
- 17) **"Off street Trail"** (in the TOD between Barranca and Alton Parkway)
- 18) **"Off street riding/hiking Trail"** in Park District, north of Irvine Blvd.
- 19) **"Off street riding/hiking Trail"** within the LLD, south of the LLD.
- 20) **"H" Street**
- 21) **"L-Q" Street**
- 22) **Great Park Blvd (median only).**

F) ON-PROPERTY DRY UTILITIES

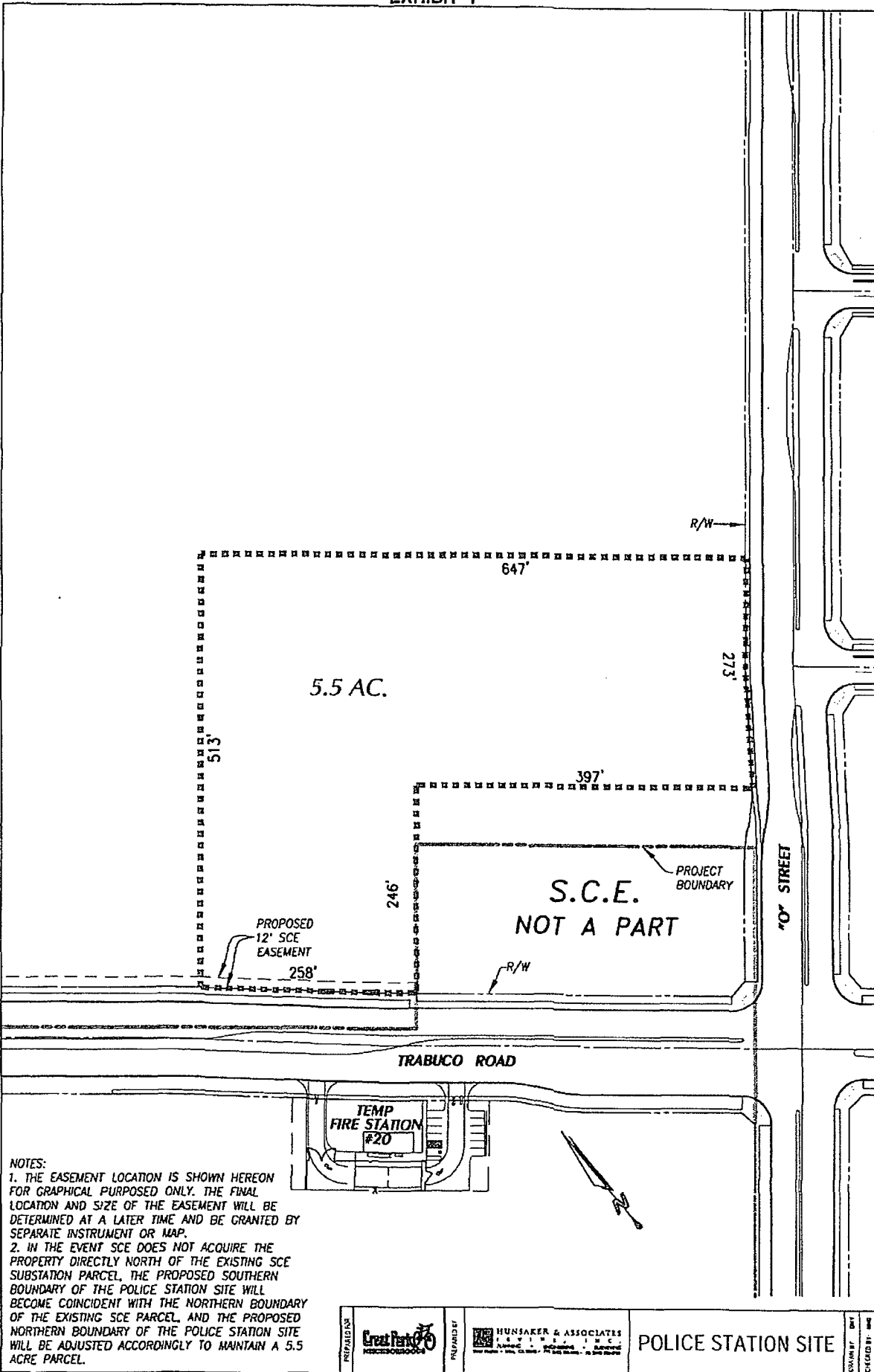
Facilities include CATV, telephone, electric, gas and may include relocation of regional or transmission lines including trenching, shading, conduit risers, pullboxes, vaults, hand holes, etc., in the following streets:

- 1) **Marine Way** from "O" street to Bake Parkway.
- 2) **Rockfield Blvd.** from existing Rockfield to Marine Way.
- 3) **"F" Street**
- 4) **"O" Street (Trabuco to Irvine Blvd)**
- 5) **"O" Street (Trabuco to Marine Way)**
- 6) **Trabuco Road** from "O" street to OCGP.
- 7) **"L-V" Street**
- 8) **"A" Street**
- 9) **"Y" Street**
- 10) **"Q" Street**
- 11) **"T" Street**
- 12) **"X" Street**
- 13) **"P-E" Street**
- 14) **"C", "D", and "E" Street**
- 15) **"H" Street**
- 16) **"L-Q" Street**
- 17) **Barranca Parkway** portion of east of Ada to east of Alton Parkway.
- 18) **Great Park Blvd**

G) Wildlife Corridor- Mass excavation for the Wildlife Corridor from Irvine Blvd to Borrego Channel. Improvements include required demolition and Fire service main and appurtenances as required from "P-E" street to Irvine Blvd per OCFA requirements. . (See WLC section as illustrated per the "HF / OCGP Backbone Facility Cross Sections").

H) Runway Demolition – Shall include all services necessary to support and manage runway demolition and recycling services as defined in the Amended and Restated Master Implementation Agreement.

EXHIBIT 'F'



NOTES:

1. THE EASEMENT LOCATION IS SHOWN HEREON FOR GRAPHICAL PURPOSES ONLY. THE FINAL LOCATION AND SIZE OF THE EASEMENT WILL BE DETERMINED AT A LATER TIME AND BE GRANTED BY SEPARATE INSTRUMENT OR MAP.
2. IN THE EVENT SCE DOES NOT ACQUIRE THE PROPERTY DIRECTLY NORTH OF THE EXISTING SCE SUBSTATION PARCEL, THE PROPOSED SOUTHERN BOUNDARY OF THE POLICE STATION SITE WILL BECOME COINCIDENT WITH THE NORTHERN BOUNDARY OF THE EXISTING SCE PARCEL, AND THE PROPOSED NORTHERN BOUNDARY OF THE POLICE STATION SITE WILL BE ADJUSTED ACCORDINGLY TO MAINTAIN A 5.5 ACRE PARCEL.

		<p>POLICE STATION SITE</p>	<p>DATE: JUN 28, 2009 09:21:33 PM FILE: C:\GDP\Heritage Files\ROP - Review\5-AC_Police_Exit_Maps\5-AC</p>
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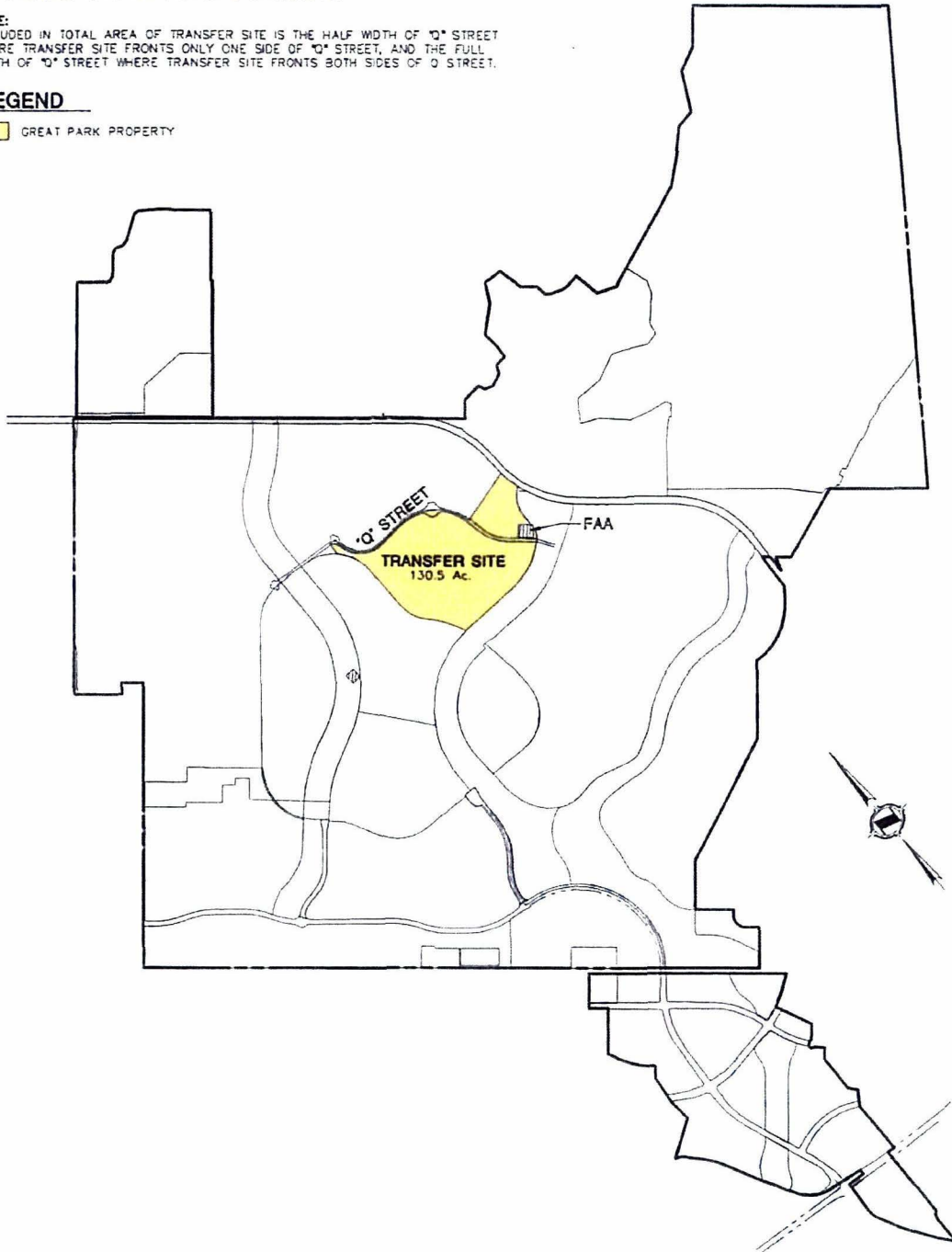
EXHIBIT 'G'

ACREAGE SUMMARY
 TOTAL ACREAGE TO BE TRANSFERRED TO CITY: 130.5 Ac.

NOTE:
 INCLUDED IN TOTAL AREA OF TRANSFER SITE IS THE HALF WIDTH OF 'O' STREET WHERE TRANSFER SITE FRONTS ONLY ONE SIDE OF 'O' STREET, AND THE FULL WIDTH OF 'O' STREET WHERE TRANSFER SITE FRONTS BOTH SIDES OF 'O' STREET.

LEGEND

 GREAT PARK PROPERTY




 HUNSAKER & ASSOCIATES IRVINE, INC. PLANNING • ENGINEERING • SURVEYING <small>Three Hughes • Irvine, CA 92618 • P.O. Box 583-7070 • P.O. Box 583-6729</small>			ARDA TRANSFER SITE IN THE CITY OF IRVINE, COUNTY OF ORANGE, STATE OF CALIFORNIA		
DATE	REV	BY	CHK	SCALE	W.O.
3/06/08	8/04/09	K. LYNCH	Br.	1"=2000'	1855-80X
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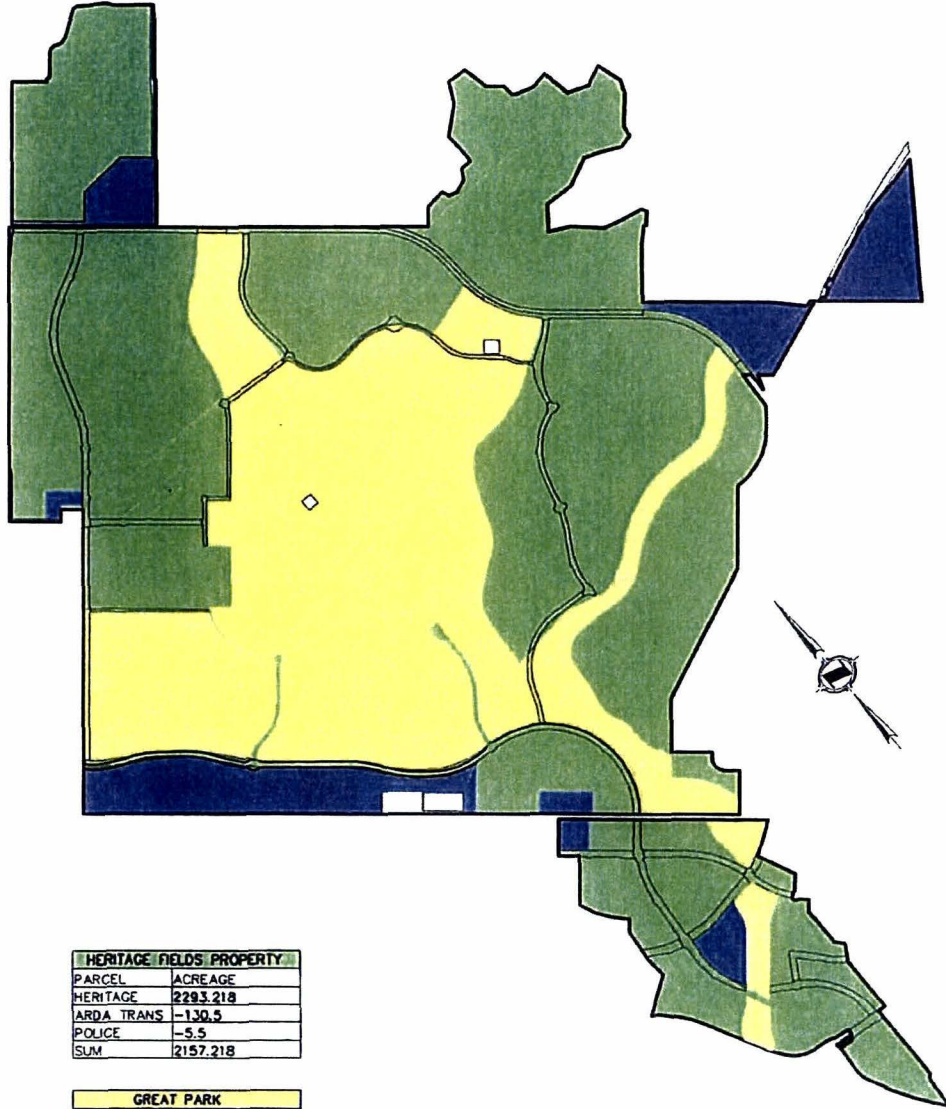
EXHIBIT "H"

ACREAGE SUMMARY
 TOTAL HERITAGE FIELDS ACREAGE: 2,157,218 Ac.
 TOTAL GREAT PARK ACREAGE: 1,247,699 Ac.
 TOTAL NON-PARK ACREAGE: 299,977 Ac.
 TOTAL ACREAGE: 3,704,894 Ac.

EXHIBIT EXPLANATION:
 THIS EXHIBIT SHOWS FINAL ACREAGES AFTER PROPOSED ARDA AND POLICE STATION TRANSFERS.

LEGEND

- HERITAGE FIELD PROPERTY
- GREAT PARK PROPERTY
- NON-PARK PROPERTY



HERITAGE FIELDS PROPERTY	
PARCEL	ACREAGE
HERITAGE	2293.218
ARDA TRANS	-130.5
POLICE	-5.5
SUM	2157.218

GREAT PARK	
PARCEL	ACREAGE
EXHIBIT B	1117.199
ARDA TRANS	130.5
SUM	1247.699

NON-PARK	
PARCEL	ACREAGE
EXHIBIT D	294.477
POLICE	5.5
SUM	299.977

HUNSAKER & ASSOCIATES
 IRVINE, INC.
 PLANNING • ENGINEERING • SURVEYING
 Three Hughes • Irvine, CA 92618 • PH (949) 583-1000 • FX (949) 583-0729

DATE: 2/28/08 REV: 8/04/09 DWG BY: KML

HERITAGE FIELDS PROPERTY
 IN THE CITY OF IRVINE, COUNTY OF ORANGE, STATE OF CALIFORNIA

SCALE: 1"=2000' W.O. 1855-80X

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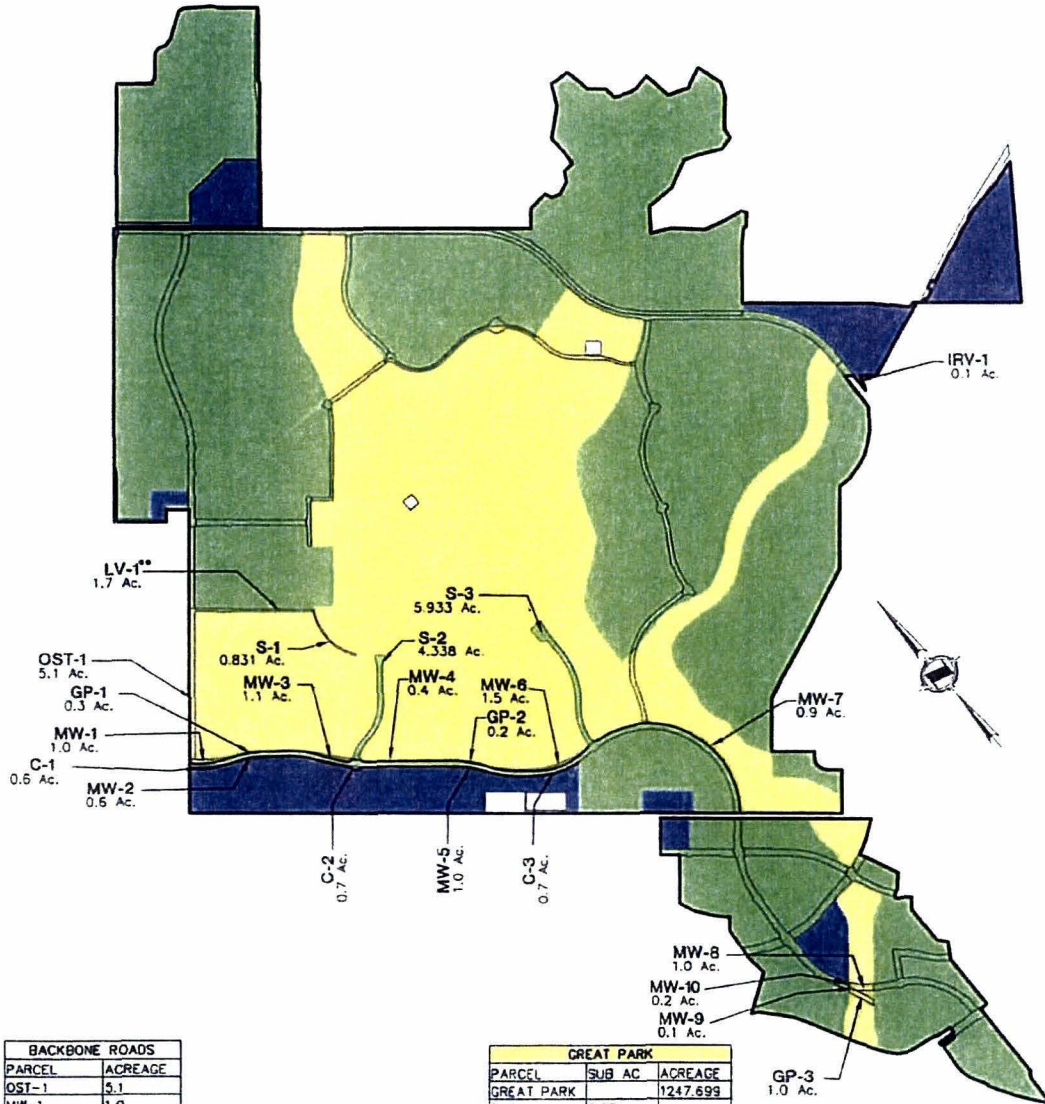
EXHIBIT H-1

ACREAGE SUMMARY
 TOTAL HERITAGE FIELDS ACREAGE: 2,142.516 Ac.
 TOTAL GREAT PARK ACREAGE: 1,247.601 Ac.
 TOTAL NON-PARK ACREAGE: 300.077 Ac.
 TOTAL ACREAGE IN BACKBONE ROADS: 13.0 Ac.
 TOTAL ACREAGE IN NON-BACKBONE ROADS: 1.7 Ac.
 TOTAL ACREAGE: 3,704.894 Ac.

EXHIBIT EXPLANATION:
 THIS EXHIBIT SHOWS FINAL ACREAGES AFTER REALIGNMENT OF MARINE WAY, O STREET AND LV STREET FROM ORIGINAL MASTER PLAN AND GRANT OF S1, S2 AND S3 AND REMNANTS OF OLD MARINE WAY TO THE GREAT PARK AND THE CITY.

LEGEND

- HERITAGE FIELD PROPERTY
- GREAT PARK PROPERTY
- NON-PARK PROPERTY



BACKBONE ROADS	
PARCEL	ACREAGE
OST-1	5.1
MW-1	1.0
MW-2	0.6
MW-3	1.1
MW-4	0.4
MW-5	1.0
MW-6	1.5
MW-7	0.9
MW-8	1.0
MW-9	0.1
MW-10	0.2
IRV-1	0.1
SUM	13.0*

NON-BACKBONE ROADS	
PARCEL	ACREAGE
LV-1**	1.7

HERITAGE FIELDS PROPERTY		
PARCEL	SUB AC	ACREAGE
HERITAGE		2157.218
S-1	-0.831	
S-2	-4.338	
S-3	-5.933	
C-1	-0.6	
C-2	-0.7	
C-3	-0.7	
GP-1	-0.3	
GP-2	-0.2	
GP-3	-1.0	
MW-9	-0.1	
NET CHANGE		-14.702
SUM		2142.516

GREAT PARK		
PARCEL	SUB AC	ACREAGE
GREAT PARK		1247.699
S-1	0.831	
S-2	4.338	
S-3	5.933	
LV-1	-1.7	
OST-1	-5.1	
MW-1	-1.0	
MW-3	-1.1	
MW-4	-0.4	
MW-6	-1.5	
MW-7	-0.9	
MW-8	-1.0	
GP-1	0.3	
GP-2	0.2	
GP-3	1.0	
NET CHANGE		-0.098
SUM		1247.601

NON-PARK		
PARCEL	SUB AC	ACREAGE
CITY		299.977
C-1	0.6	
C-2	0.7	
C-3	0.7	
MW-2	-0.6	
MW-5	-1.0	
MW-10	-0.2	
IRV-1	-0.1	
NET CHANGE		0.100
SUM		300.077

* THIS 13 AC. IS A PORTION OF THE 198.2 AC. OF BACKBONE ROADS SHOWN ON EXHIBIT H-2.

** SHOWN HEREON FOR INFORMATION ONLY

HUNSAKER & ASSOCIATES
 IRVINE, INC.
 PLANNING • ENGINEERING • SURVEYING
 Three Highways • Irvine, CA 92618 • P.O. BOX 583-9000 • TEL: (949) 583-0779

DATE: 1/23/09 REV: 8/04/09 DWN BY: K. LYNCH

HERITAGE FIELDS PROPERTY

IN THE CITY OF IRVINE, COUNTY OF ORANGE, STATE OF CALIFORNIA

SCALE: 1"=2000'

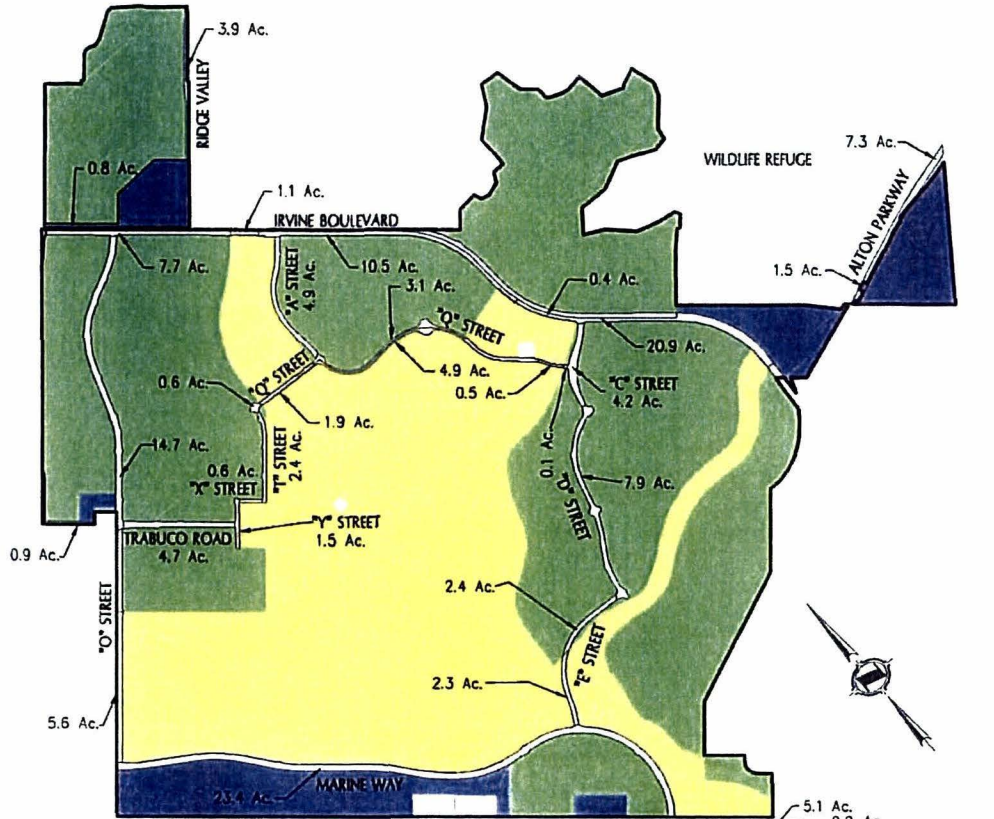
W.O. 1855-80X

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EXHIBIT H-2

ACREAGE SUMMARY
 TOTAL HERITAGE FIELDS ACREAGE: 1,979.416 Ac.
 TOTAL GREAT PARK ACREAGE: 1,238.001 Ac.
 TOTAL NON-PARK ACREAGE: 298.577 Ac.
 TOTAL ACREAGE IN BACKBONE ROADS: 196.2 Ac.
 TOTAL ACREAGE OF BACKBONE ROADS IN WILDLIFE REFUGE: -7.3 Ac.*
 TOTAL ACREAGE: 3,704.894 Ac. PER EXHIBIT "A"

EXHIBIT EXPLANATION:
 THIS EXHIBIT SHOWS FINAL ACREAGES LESS BACKBONE ROADS.
 * 7.3 ACRES OF ALTON LIES WITHIN THE WILDLIFE REFUGE AND IS NOT INCLUDED IN THE 3,704.894 ACRES.
 ** SEE EXHIBIT H-1 FOR LOCATION AND DETAILS

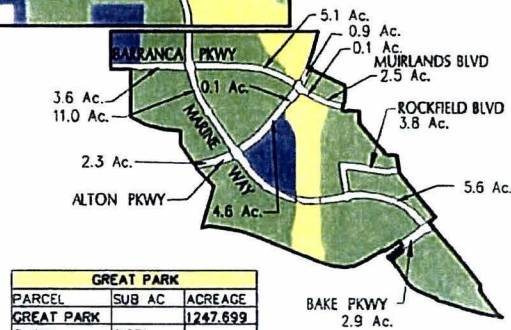


LEGEND

- HERITAGE FIELD PROPERTY
- GREAT PARK PROPERTY
- NON-PARK PROPERTY

BACKBONE ROADS		
PARCEL	SUB AC	ACREAGE
ALTON WLD	7.3*	
ALTON		9.4
IRVINE BLVD	41.4	
IRVINE (H-1)	0.1**	
IRVINE TOTAL		41.5
BAKE PKWY	2.9	
BARRANCA	8.7	
MUIRLANDS	2.6	
MARINE WAY	40.0	
MARINE (H-1)	7.8**	
MARINE TOT		47.8
RIDGE VALLEY	3.9	
TRABUCO	5.6	
ROCKFIELD	3.8	
O ST	20.3	
O ST (H-1)	5.1**	
O ST TOTAL		25.4
A ST	4.9	
C ST	4.2	
D ST	7.9	
E ST	4.7	
Q ST	11.1	
T ST	2.4	
X ST	0.6	
Y ST	1.5	
SUM		196.2

HERITAGE FIELDS PROPERTY		
PARCEL	SUB AC	ACREAGE
HERITAGE		2157.218
S-1**	-0.831	
S-2**	-4.338	
S-3**	-5.933	
C-1**	-0.6	
C-2**	-0.7	
C-3**	-0.7	
GP-1**	-0.3	
GP-2**	-0.2	
GP-3**	-1.0	
TRANSFERS	-14.602	
MW-9**	-0.1	
IRVINE BLVD	-39.9	
ALTON	-7.8	
BAKE PKWY	-2.9	
BARRANCA	-8.7	
MUIRLANDS	-2.5	
MARINE WAY	-40.0	
RIDGE VALLEY	-3.9	
TRABUCO	-5.6	
ROCKFIELD	-3.8	
O ST	-20.3	
A ST	-4.9	
C ST	-4.2	
D ST	-7.9	
E ST	-2.4	
Q ST	-3.8	
T ST	-2.4	
X ST	-0.6	
Y ST	-1.5	
ROADS	-163.2	
NET CHANGE	-177.802	
SUM		1979.416



GREAT PARK		
PARCEL	SUB AC	ACREAGE
GREAT PARK		1247.699
S-1**	0.831	
S-2**	4.338	
S-3**	5.933	
C-1**	0.3	
GP-2**	0.2	
GP-3**	1.0	
TRANSFERS	12.602	
QST-1**	-5.1	
MW-1**	-1.0	
MW-3**	-1.1	
MW-4**	-0.4	
MW-6**	-1.5	
MW-7**	-0.9	
MW-8**	-1.0	
IRVINE BLVD	-1.5	
ALTON	-0.1	
MUIRLANDS	-0.1	
E ST	-2.3	
Q ST	-7.3	
ROADS	-22.3	
NET CHANGE	-9.698	
SUM		1238.001

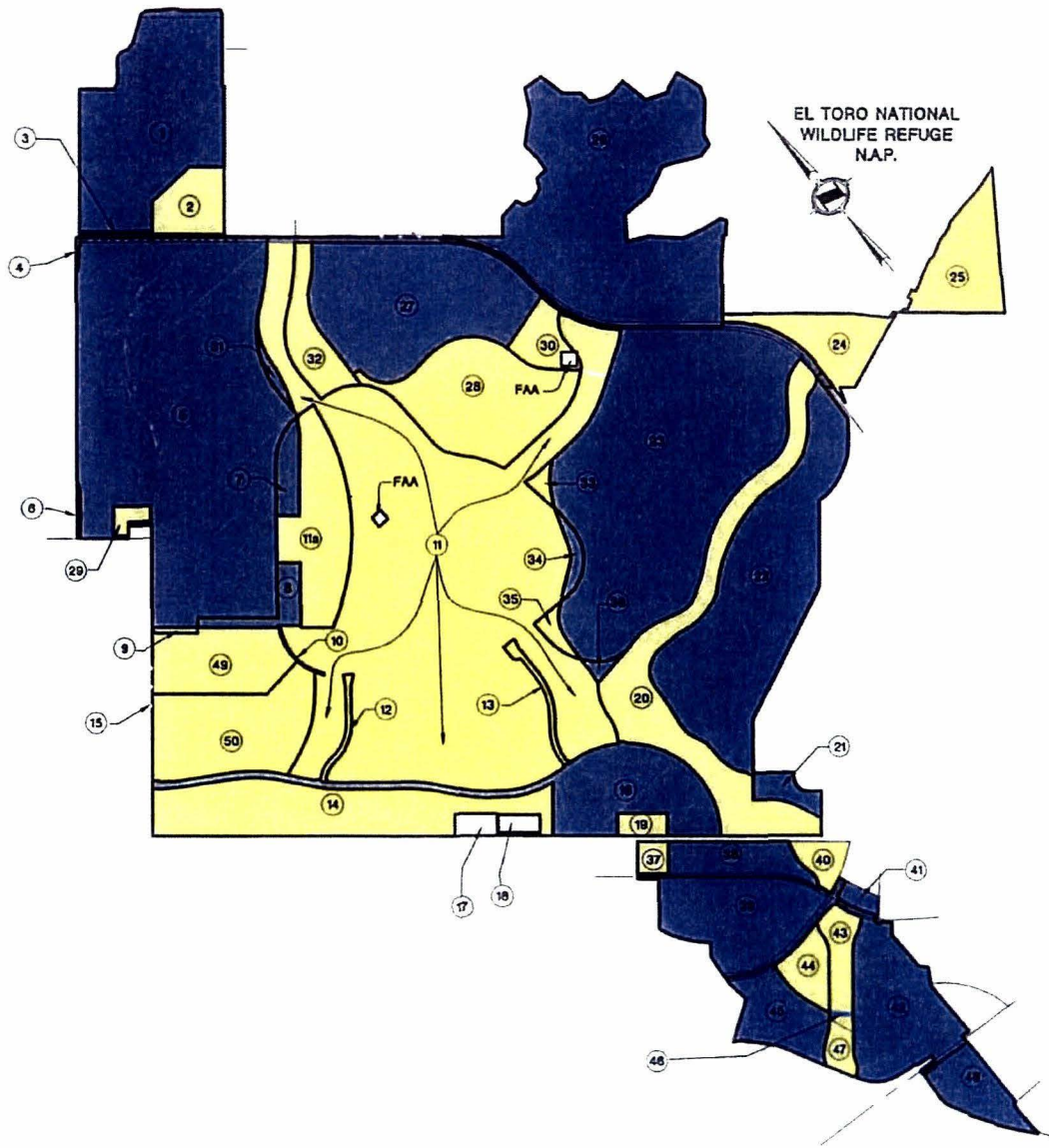
NON-PARK		
PARCEL	SUB AC	ACREAGE
CITY		299.977
C-1**	0.6	
C-2**	0.7	
C-3**	0.7	
TRANSFERS	2.0	
MW-2**	-0.6	
MW-5**	-1.0	
MW-10**	-0.2	
IRV-1**	-0.1	
ALTON	-1.5	
ROADS	-3.4	
NET CHANGE	-1.400	
SUM		298.577

 HUNSAKER & ASSOCIATES IRVINE, INC. PLANNING • ENGINEERING • SURVEYING Three Highways • Irvine, CA 92618 • P.O. Box 543-1010 • (714) 449-5433-0739	HERITAGE FIELDS PROPERTY	
	IN THE CITY OF IRVINE, COUNTY OF ORANGE, STATE OF CALIFORNIA	
DATE: 1/23/09	REV. DATE: 8/04/09	BY: K. LYNCH
SCALE: 1"=2000'	W.O. 1855-80X	SHEET 1 OF 1

EXHIBIT 'I'

LEGEND

- ① INDICATES PROPERTY IDENTIFICATION NUMBERS
- INDICATES PROPERTY IDENTIFICATION PARCEL LINES
- INDICATES PROPOSED CITY PARCELS
- INDICATES PROPOSED HERITAGE FIELDS PROPERTY



		PROPERTY IDENTIFICATION MAP IN THE CITY OF IRVINE, COUNTY OF ORANGE, STATE OF CALIFORNIA	
PLANNING • ENGINEERING • SURVEYING Three Hughes • Irvine, CA 92618 • P: (949) 583-1010 • F: (949) 583-0759			
DATE: 03/18/08	REV. DATE: 07/27/09	DWG. BY: K. LYNCH	SCALE: 1" = 2000'
		SHEET 1 OF 1	

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(RESERVED)

EXHIBIT J

(RESERVED)

EXHIBIT "L"

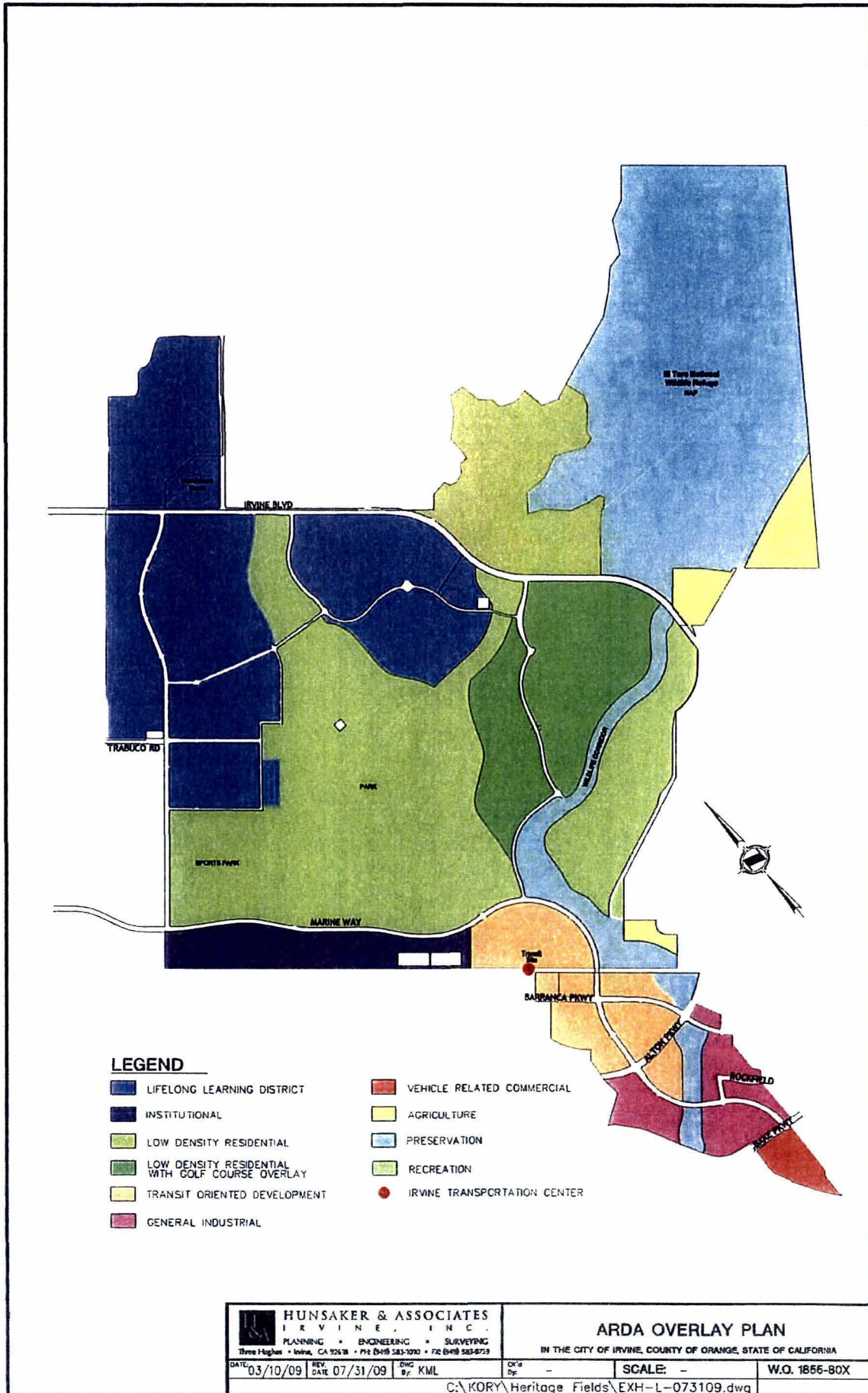


Exhibit 'L'

ARDA OVERLAY PLAN MAXIMUM INTENSITY STANDARDS FOR THE ORANGE COUNTY GREAT PARK (PLANNING AREAS 30 & 51)

Land Use Type	ARDA Overlay Plan			Other Details
	Acres	Dwelling Units	Square Feet	
Park District				
Low Density Residential - North of Irvine	269	470		
Low Density Residential - South of Irvine	358	630		
Golf Course	211		25,000	18 Holes
Lifelong Learning District				
Institutional (Education)	108		1,452,600	Uses permitted by Sec. 3-37-39 8.1
Agriculture	168			
Commercial Recreation	268		708,000	Includes 130.5 Ac ARDA Transfer Site
Elementary School - Expo	13		40,000	650 Students
Retail	29		225,000	
Medical & Science	67		1,000,000	
Multi-Use Residential (Senior)	261	800		
ETHIC	10	165		
Multi-Use Residential	7	60		
			50,000	Cemetery related building development A total of 73 acres of cemetery use is conditionally permitted in 8.1A of LLD
Institutional				
Institutional	100		300,000	County Facilities
Institutional	25		122,500	
Transit Oriented Development District:				
Transit Oriented Development	173	1,500	150,000	75,000 Retail; 75,000 Office
Research & Development	118		1,600,000	
Auto Sales, Parking, & Storage	32		102,000	
Agriculture	12			
Other City Uses:				
Marshburn Basin & Channel	34			
Music/Alton	100			
TOD Station Related Public Uses	16			375 Parking Spaces
Remote Airport Terminal	10		9,000	675 Parking Spaces
Remote Airport Terminal Maintenance	9		44,500	
Police Sub-Station	5.5			
Open Space & Recreational Uses				
Open Space / Park	348			Per OCGP Master Plan - 9/27/07
Cultural / Institutional	175		468,000	
Sports Park	154		26,000	
Drainage Corridor	262			
Wildlife Corridor	174			
Other Agency Uses:				
Habitat Preserve	962			
Cal Trans Right of Way	2.8			
FAA 2	0.9			
FAA 4	1.6			
Home 1	6.5		131,500	McKinney Act Warehousing
Home 2	5.2		131,500	McKinney Act Warehousing
Roadways				
Roadways	196			
TOTAL	4,692	3,625	6,585,600	

Form of LIFOC Conveyance

EXHIBIT "M"

ASSIGNMENT OF LEASE

RECORDED AT THE REQUESTED OF AND
WHEN RECORDED RETURN TO

CITY OF IRVINE
City Hall
One Civic Center Plaza
P.O. Box 19575
Irvine, CA 92623-9525
Attn.: City Manager

(Space Above Line for Recorder's Use)

THIS ASSIGNMENT OF LEASE (this "Assignment") is made as of _____, 2005, by Heritage Fields El Toro, LLC, a Delaware limited liability company ("Assignor"), to and in favor of the CITY OF IRVINE, a charter municipal corporation ("Assignee").

WITNESSETH:

A. Assignor is the current owner of fee title to a portion of the former USMCAS El Toro ("**Former Base Project**"). Assignor also is the holder of a leasehold estate to the land more particularly described on Exhibit A attached hereto (the "**Transfer Parcel**"), which is located on the Former Base Project and has been leased under a "Lease in Furtherance of Conveyance" ("**LIFOC**") that was granted by the United States Department of Navy ("**Navy**").

B. Assignor and Assignee are parties to that certain Amended and Restated Development Agreement dated _____, 2009 and recorded in the official records of Orange County, California on _____, 2009 as Instrument No. _____ (the "**Development Agreement**"). The Development Agreement requires that Assignor convey fee title to the Transfer Parcel if and when Assignor acquires fee title from the Navy. The Development Agreement also requires that, pending Assignor's receipt of fee title from the Navy, Assignor assign its leasehold interest in and to the Transfer Parcel to Assignee, provided that the Navy consents to the assignment of the leasehold estate and that the LIFOC being assigned to the City is separate and distinct from other LIFOCs affecting other real property currently leased by the Navy to Assignor..

ARTICLE 1
DEFINITIONS

Section 1.1 Defined Terms and Rules of Construction. All capitalized terms used herein shall have the meaning of the same defined terms set forth in the Development Agreement. Article and Section captions used in this Assignment are for convenience only and shall not affect the construction of this Assignment. The words "Assignor", "Assignee", and "lessee", wherever used herein, shall include the persons named herein and designated as such and their respective successors and assigns, and all words and phrases shall be taken to include the singular or plural and masculine, feminine or neuter gender, as may fit the case.

No rules of construction against the drafter of this Assignment shall apply in any interpretation or enforcement of this Assignment, any documents or certificates executed pursuant hereto, or any provisions of any of the foregoing.

ARTICLE 2
TERMS AND CONDITIONS

Section 2.1 Assignment of Leases. Assignor hereby absolutely, unconditionally and irrevocably assigns, transfers, and conveys to Assignee all of Assignor's right, title and interest in and to the leasehold estate in the Transfer Parcel, which leasehold estate was created pursuant to the LIFO described on Exhibit "B" attached hereto (the "Lease"), except to the extent it may be limited by the terms contained in the LIFO entered into between the United States of America and Assignor (or its predecessor in interest) with respect to the Transfer Parcel.

Section 2.2 Enforcement of Assignment. Assignor does hereby empower Assignee, its agents or attorneys whether or not there has been any event of default or breach under the Development Agreement, to collect, sue for, settle, compromise and give acquaintances for all of the rents that may become due under any and all subleases under the Lease, and avail itself of and pursue all remedies for the enforcement of the Lease and any and all subleases, and Assignor's rights in and under the Lease and all any subleases as Assignor might have pursued but for this Assignment.

Section 2.3 Lease Warranties. Assignor warrants that:

(a) The Lease is in full force and effect, and that a copy thereof heretofore delivered to Assignee is a true and correct copy; and

(b) Assignor has not heretofore assigned or pledged the same or any interest therein (except for such assignment or pledge that is released concurrent with the delivery of this Assignment to Assignee), and, to the actual knowledge of Assignor, no default exists on the part of the lessee under the Lease (the "Lessee"), or Assignor, as lessor, in the performance on the part of either Assignor or Lessee, of the terms, covenants, provisions or agreements in the Lease;

Section 2.4 Transfer of Conveyance Deed Rights Upon Expiration of LIFOCs. Assignor absolutely, unconditionally and irrevocably covenants that following the date on which the Navy or an affiliate agency of the United States Government, executes and delivers to Assignor a Quitclaim deed conveying the Transfer Parcel, the Assignor shall execute and deliver

to Assignee a Grant Deed for that property in substantially the same form as the Quitclaim deed delivered by the Navy. Assignee understands that the deed may include restrictions, covenants, land use controls or other encumbrances required by the Navy with respect to environmental remediation of the property.

Section 2.5 Termination Upon Conveyance. This assignment shall terminate upon conveyance by deed of any conveyed portion of the Transfer Parcel. All references in the LIFOC to the Leased Premises shall be deemed to exclude such conveyed portions and this Assignment shall continue in full force and effect with respect to the remainder of the Leased Premises.

ARTICLE 3 MISCELLANEOUS

Section 3.1 Extension and Renewals of Leases. This Assignment shall include any extensions and renewals of the Lease and any subleases or assignments of the Lease, and any reference herein to the Lease shall be construed as including any such extensions, renewals, subleases and assignments.

Section 3.2 No Third Parties Benefited. This Assignment is made for the purpose of defining and setting forth certain obligations, rights and duties of Assignor and Assignee, and is made for the protection of Assignee. There are no third party beneficiaries under this Assignment.

Section 3.3 Notices. All notices, demands, or other communications under this Assignment shall be in writing and shall be deemed to have been given and/or received: (i) upon delivery if personally delivered; (ii) three days after deposited in the United States Mail, postage pre-paid, by certified or registered mail; or (iii) on the next business day after deposit with a nationally recognized overnight delivery service marked for delivery the next business day, addressed to the party for whom it is intended at its address hereinafter set forth:

If to Assignee:

City of Irvine City Hall
One Civic Center Plaza
Irvine, CA 92623-9525
Attn.: City Manager

With a copy to:

Rutan & Tucker LLP
611 Anton Boulevard
14th Floor
Costa Mesa, CA 92626
Attn.: Jeff Melching, Esq.

If to Assignor:

Heritage Fields El Toro, LLC
7130 Trabuco Road
Irvine, California 92618
Attention: Division President
Allen Matkins Leck Gamble Mallory &
Natsis LLP
1900 Main Street, 5th Floor
Irvine, California 92614-7321
Attn.: Michael Alvarado, Esq.

Any party may designate a change of address by written notice to the others, given at least ten (10) days before such change of address is to become effective.

Section 3.4 Attorney's Fees and Expenses; Enforcement. In any judicial proceeding, arbitration, or mediation between Assignor and Assignee seeking enforcement of any of the terms and provisions of this Assignment (collectively, an "Action"), the prevailing Party in such Action shall recover all of its actual and reasonable costs and expenses (whether or not the same would be recoverable pursuant to Code of Civil Procedure Section 1033.5 or Civil Code Section 1717 in the absence of this Assignment), including expert witness fees, attorney's fees, and costs of investigation and preparation prior to the commencement of the Action. However, such recovery shall not exceed the dollar amount of the actual costs and expenses of the party from whom such recovery is sought for such same Action ("Non-Prevailing Party's Expenses"), and such prevailing party shall not recover any costs and expenses in excess of the Non-Prevailing Party's Expenses. The right to recover such costs and expenses shall accrue upon commencement of the Action, regardless of whether the Action is prosecuted to a final judgment or decision.

Section 3.5 Successors and Assigns. This Assignment shall be binding upon and inure to the benefit of Assignor, Assignee, and their respective successors and permitted assigns.

Section 3.6 Time. TIME IS OF THE ESSENCE of each and every term of this Assignment.

Section 3.7 Governing Law. This Assignment shall be governed by, and construed and enforced in accordance with the laws of the State of California. Assignor and all persons obligated to Assignee under this Assignment consent to the jurisdiction of the Superior Court of the State of California for the County of Orange, or the United States District Court for the Central District of California, Santa Ana Division, and waive any right to change of venue or removal of the case to another jurisdiction.

Section 3.8 Entire Agreement. This Assignment and the Development Agreement embody the final, entire agreement among the Parties hereto and supersede any and all prior commitments, agreements, representations and understandings, whether written or oral, relating to the subject matter hereof and may not be contradicted or varied by evidence of prior, contemporaneous, or subsequent oral agreements or discussions of the Parties hereto. There are no unwritten oral agreements among the Parties hereto. The Assignment shall not be modified except by written instrument executed by all Parties.

Section 3.9 Counterparts. This Assignment, and any subsequent modifications, amendments, waivers, consents or supplements thereof, if any, may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original and all such counterparts together, shall constitute one and the same instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, Assignor has executed this Assignment as of the date written above.

HERITAGE FIELDS EL TORO, LLC,
a Delaware limited liability company

By: Heritage Fields LLC,
a Delaware limited liability company
Its: Sole Member

By: Lennar-LNR Heritage Fields, LLC,
a Delaware limited liability company
Its: Administrative Member

By: Lennar Homes of California, Inc.,
a California corporation
Its: Managing Member

By: _____
Name: _____
Title: _____

EXHIBIT "A"

METES AND BOUNDS DESCRIPTION OF TRANSFER PARCEL

[Separate metes and bounds description to be attached based upon applicable Transfer Parcel]

EXHIBIT "B"

DESCRIPTION OF LIFOC DOCUMENT

[Separate LIFOC document to be described here based upon applicable Transfer Parcel]

EXHIBIT "C"

NAVY CONSENT TO ASSIGNMENT

[To be attached based upon terms of consent granted by Navy]

CERTIFICATE OF ACCEPTANCE

This to certify that the interest in real property conveyed by the foregoing Assignment of Lease, from Heritage Fields El Toro, LLC, a Delaware limited liability company, to the City of Irvine ("City") is hereby accepted by the undersigned officer of the City, on behalf of the City, pursuant to authority conferred by Resolution No. _____ adopted by the City on _____, 20____, and City consents to the recordation thereof by its undersigned duly authorized.

CITY OF IRVINE

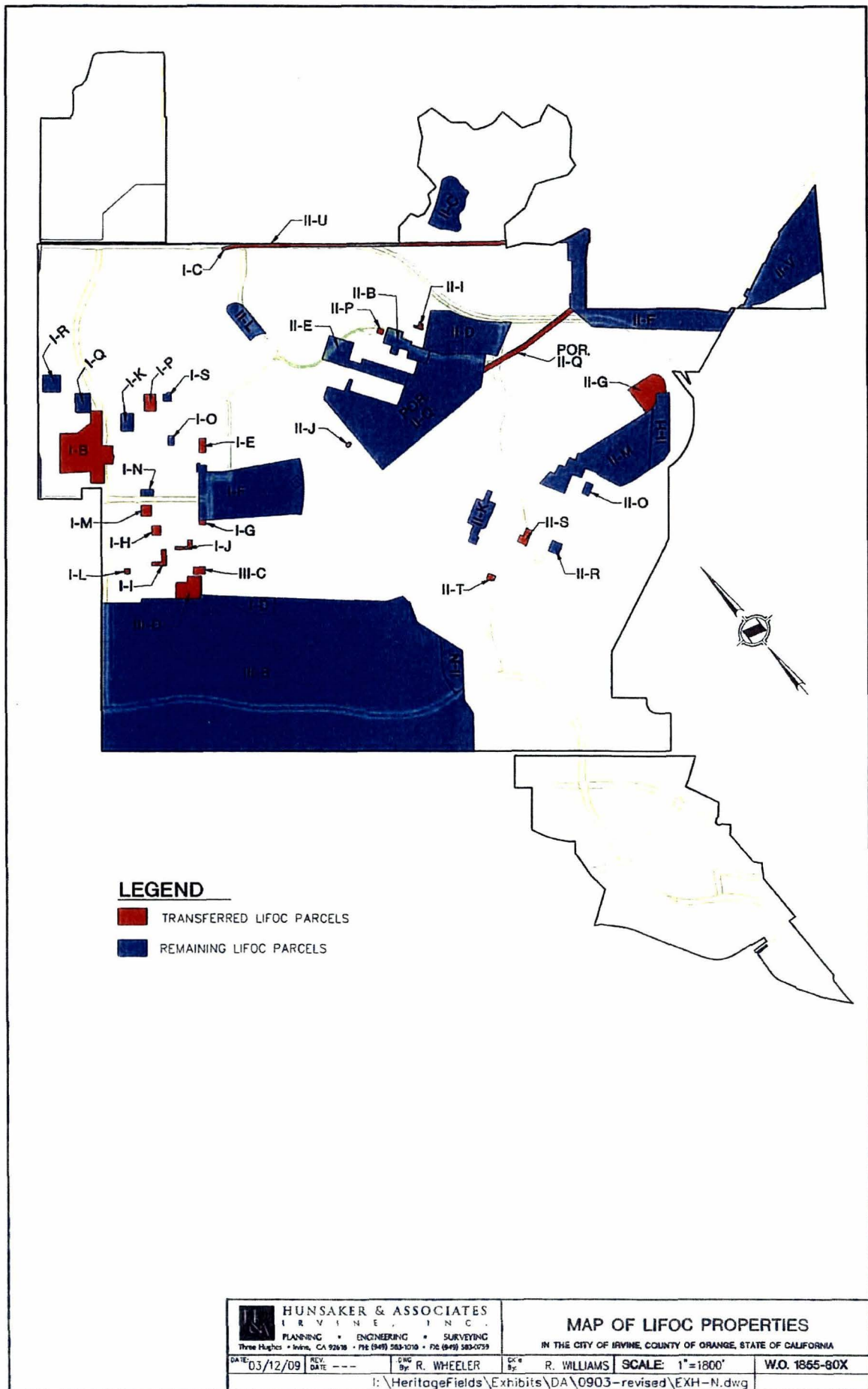
By: _____

Its: _____

ATTEST:

City Clerk

EXHIBIT 'N'



LEGEND

- TRANSFERRED LIFOC PARCELS
- REMAINING LIFOC PARCELS


 HUNSAKER & ASSOCIATES IRVINE, INC. PLANNING • ENGINEERING • SURVEYING <small>Three Highways • Irvine, CA 92618 • P/O (949) 583-1010 • F/O (949) 583-0739</small>		MAP OF LIFOC PROPERTIES <small>IN THE CITY OF IRVINE, COUNTY OF ORANGE, STATE OF CALIFORNIA</small>	
DATE: 03/12/09	REV. DATE: ---	DWG. BY: R. WHEELER	CHK. BY: R. WILLIAMS
		SCALE: 1"=1800'	W.O. 1865-80X
I:\HeritageFields\Exhibits\DA\0903-revised\EXH-N.dwg			

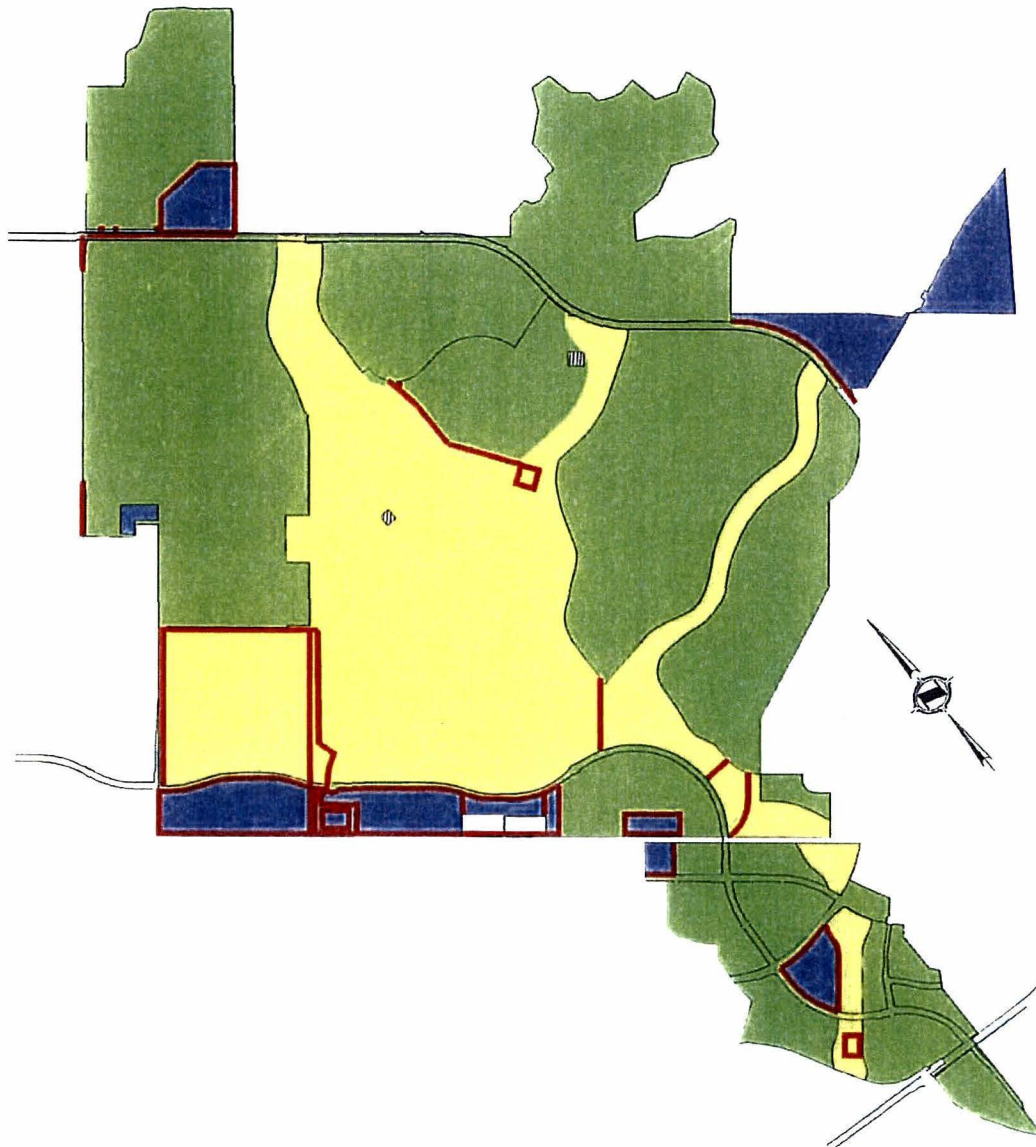
EXHIBIT 'O'

EXHIBIT EXPLANATION:
THIS EXHIBIT SHOWS EASEMENTS AND RIGHTS OF WAY FOR ACCESS AND INFRASTRUCTURE TO BE CONVEYED BY THE CITY TO OTHER AGENCIES.

NOTE:
THE LOCATIONS SHOWN HEREON ARE NOT INTENDED AS ACTUAL EASEMENT LOCATIONS BUT ARE ONLY AN INDICATION OF GENERAL AREA WHERE AN EASEMENT TO BE GRANTED BY SEPARATE INSTRUMENT OR MAP AS POTENTIALLY NEEDED.

LEGEND

- HERITAGE FIELD PROPERTY
- GREAT PARK PROPERTY
- NON-PARK CITY PROPERTY
- INDICATES FAA PARCELS
- APPROXIMATE LOCATION OF PROPOSED EASEMENT AND R/W



HUNSAKER & ASSOCIATES IRVINE, INC.		PROPOSED EASEMENT AND RIGHT OF WAY IN THE CITY OF IRVINE, COUNTY OF ORANGE, STATE OF CALIFORNIA	
PLANNING * ENGINEERING * SURVEYING Three Hughes • Irvine, CA 92618 • P: (949) 583-9070 • F: (949) 583-0758			
DATE: 3/14/08	REV DATE: 07/08/09	DWG BY: KML	SCALE: 1"=2000'
		C:\KORY\Heritage Fields\ROP+ Revised\EXH-O.dwg	W.O. 1856-80X

EXHIBIT P

RECORDED AT THE REQUEST OF AND
WHEN RECORDED RETURN TO:

CITY OF IRVINE
One Civic Center Plaza
P.O. Box 19575
Irvine, CA 92623-9575
Attn: City Clerk

(Space Above Line for Recorder's Use)

Free recording Requested per Government Code Section
6103

In accordance with Section 11922 of the California
Revenue and Taxation Code, transfer of the property to
the City of Irvine is exempt from the payment of a
documentary transfer tax.

GRANT DEED

(Police Site)

FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, Heritage Fields El Toro, LLC, a Delaware limited liability company, hereby grants to the CITY OF IRVINE, a California charter city, that certain real property located in the City of Irvine, County of Orange, State of California, described in the legal description attached hereto as Exhibit "A" and incorporated herein by this reference, subject to all matters of record (including, without limitation, that certain Amended and Restated Development Agreement dated _____, 2009 and recorded in the official records of Orange County, California on _____, 2009 as Instrument No. _____).

Dated: _____, 20__

[signature follows on next page]

[signature page to Grant Deed]

HERITAGE FIELDS EL TORO, LLC,
a Delaware limited liability company

By: Heritage Fields LLC, a Delaware limited
liability company
Its: Sole Member

By: Lennar-LNR Heritage Fields LLC, a
Delaware limited liability company
Its: Administrative Member

By: Lennar Homes of California, Inc., a
California corporation
Its: Managing Member

By: _____
Name: _____
Title: _____

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the foregoing Grant Deed, from Heritage Fields El Toro, LLC, a Delaware limited liability company, to the City of Irvine ("City") is hereby accepted by the undersigned officer of the City, on behalf of the City, pursuant to authority conferred by Resolution No. ____ adopted by the City on _____, 20 __, and City consents to the recordation thereof by its undersigned duly authorized officer.

CITY OF IRVINE

By: _____

Its: _____

ATTEST:

Deputy City Clerk

EXHIBIT Q

RECORDED AT THE REQUEST OF AND
WHEN RECORDED RETURN TO:

CITY OF IRVINE
One Civic Center Plaza
P.O. Box 19575
Irvine, CA 92623-9575
Attn: City Clerk

(Space Above Line for Recorder's Use)

Free recording Requested per Government Code Section
6103

In accordance with Section 11922 of the California
Revenue and Taxation Code, transfer of the property to
the City of Irvine is exempt from the payment of a
documentary transfer tax.

GRANT DEED

(ARDA Transfer Site)

FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged,
Heritage Fields El Toro, LLC, a Delaware limited liability company, hereby grants to the CITY
OF IRVINE, a California charter city, that certain real property located in the City of Irvine,
County of Orange, State of California, described in the legal description attached hereto as
Exhibit "A" and incorporated herein by this reference, subject to all matters of record (including,
without limitation, that certain Amended and Restated Development Agreement dated
_____, 2009 and recorded in the official records of Orange County, California on _____,
2009 as Instrument No. _____).

Dated: _____, 20__

[signature follows on next page]

[signature page to Grant Deed]

HERITAGE FIELDS EL TORO, LLC,
a Delaware limited liability company

By: Heritage Fields LLC, a Delaware limited
liability company
Its: Sole Member

By: Lennar-LNR Heritage Fields LLC, a
Delaware limited liability company
Its: Administrative Member

By: Lennar Homes of California, Inc., a
California corporation
Its: Managing Member

By: _____
Name: _____
Title: _____

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the foregoing Grant Deed, from Heritage Fields El Toro, LLC, a Delaware limited liability company, to the City of Irvine ("City") is hereby accepted by the undersigned officer of the City, on behalf of the City, pursuant to authority conferred by Resolution No. ____ adopted by the City on _____, 20 __, and City consents to the recordation thereof by its undersigned duly authorized officer.

CITY OF IRVINE

By: _____

Its: _____

ATTEST:

Deputy City Clerk

Exhibit R-1

Indexed GA

<u>Fiscal Year</u>	<u>Amount</u>
2009-2010	\$2,000,000
2010-2011	\$3,000,000
2011-2012	\$4,000,000
2012-2013	\$4,000,000
2013-2014	\$5,000,000
2014-2015	\$9,500,000
Each Fiscal Year Thereafter, Commencing in Fiscal Year 2015-2016	Increase Amount in Prior Fiscal Year by 3%.

Exhibit R-2

Guaranteed Maintenance Amount Indexed by 2%

<u>Fiscal Year</u>	<u>Amount</u>
2009-2010	\$2,000,000
2010-2011	\$3,000,000
2011-2012	\$4,000,000
2012-2013	\$4,000,000
2013-2014	\$5,000,000
2014-2015	\$9,500,000
Each Fiscal Year Thereafter, Commencing in Fiscal Year 2015-2016	Increase Amount in Prior Fiscal Year by 2%.

**RATE AND METHOD OF APPORTIONMENT FOR
CITY OF IRVINE COMMUNITY FACILITIES DISTRICT No. 2009-3
IMPROVEMENT AREA No. 1 (GREAT PARK)**

A Special Tax shall be levied on all Assessor's Parcels of Taxable Property in Improvement Area No. 1 of City of Irvine Community Facilities District No. 2009-3 (Great Park) ("CFD No. 2009-3 (IA No. 1)") and collected each Fiscal Year commencing in Fiscal Year 20XX-20XX, in an amount determined through the application of this Rate and Method of Apportionment as described below. All of the real property in CFD No. 2009-3 (IA No. 1), unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre" or "Acreage" means the land area in acres of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area in acres shown on the applicable final map, parcel map, condominium plan, or other map or plan recorded with the County. The square footage of an Assessor's Parcel is equal to the Acreage of such parcel multiplied by 43,560.

"Act" means, collectively, the Mello-Roos Community Facilities Act of 1982, being Chapter 2.5, Part 1, Division 2 of Title 5 of the California Government Code, the City Charter, and the City Municipal Code, codified and uncodified.

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of CFD No. 2009-3 (IA No. 1), including but not limited to: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Special Taxes (whether by the City or otherwise); the costs of remitting the Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to the City, CFD No. 2009-3 (IA No. 1) or any designee thereof of complying with arbitrage rebate requirements with respect to the Special Tax and CFD No. 2009-3 (IA No.1) Bonds; the costs to the City, CFD No. 2009-3 (IA No. 1) or any designee thereof of complying with disclosure requirements of the City, CFD No. 2009-3 (IA No. 1) or obligated persons associated with applicable federal and state securities laws and the Act; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of the City, CFD No. 2009-3 (IA No. 1) or any designee thereof related to an appeal of the Special Tax; the costs of the City, CFD No. 2009-3 (IA No. 1) or any designee thereof related to the recalculation of the Value Limitation in accordance with Section C.1 below and the Buydown of Outstanding Bonds in accordance with Section D.4 below; the costs associated with the release of funds from an escrow account; and the City's annual administration fees and third party expenses related to CFD No. 2009-3 (IA No.1) Bonds. Administrative Expenses shall also include amounts estimated by the CFD Administrator or advanced by the City or CFD No. 2009-3 (IA No. 1) for any other

administrative purposes of CFD No. 2009-3 (IA No. 1), including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes.

"Affordable Housing" means residential dwelling units, located on one or more Assessor's Parcels for which a building permit for new construction was issued after January 1, 2008 and on or before May 1 of the Fiscal Year preceding the Fiscal Year for which the Special Taxes are being levied, that are subject to deed restrictions, resale restrictions, and/or regulatory agreements recorded in favor of the City providing affordable housing for households with incomes below 80% of the County of Orange median income, and are therefore exempt from the Special Tax.

"Amended and Restated Development Agreement" means the Amended and Restated Development Agreement, dated MM/DD/YYYY, by and among the City, the Developer and the Irvine Redevelopment Agency.

"Assessor's Parcel" means a lot or parcel to which an assessor's parcel number is assigned as determined from an Assessor's Parcel Map or the applicable assessment roll.

"Assessor's Parcel Map" means an official map of the County Assessor of the County designating parcels by Assessor's Parcel number.

"Attached Residential Property" means Assessor's Parcels of Developed Property for which building permits have been issued for attached residential units.

"Authorized Facilities" means Group A Facilities, Group B Facilities, and Group C Facilities as identified in the Amended and Restated Development Agreement.

"Authorized Services" means those services authorized to be financed by CFD No. 2009-3.

"Auto Center Property" means all Assessor's Parcels of Developed Property for which a building permit(s) permitting the construction of one or more non-residential facilities has been issued by the City which is primarily used for: selling automobiles, or for any other uses that are consistent with auto center land use designations as determined by the City.

"Bond Costs" means for (i) any bond issue sold by any Other Improvement Area in CFD No. 2009-3 and (ii) all Subordinate CFD No. 2009-3 (IA No. 1) Bonds, all debt service payments, administrative expenses, and amounts required to establish or replenish any bond reserve funds, and any other use of Special Taxes for such bond issues required by the indenture, fiscal agent agreement, or other agreement governing the terms of such bond issue.

"Bond Index" means the national Bond Buyer Revenue Bond Index, commonly referenced as the 25-Bond Revenue Index. In the event the Bond Index ceases to be published, the index used shall be based on a comparable index for revenue bonds maturing in 30 years with an average rating equivalent to Moody's A1 and S&P's A-plus, as reasonably determined by the CFD Administrator.

"Bond Yield" means the yield of the latest series of Non-Subordinate CFD No. 2009-3 (IA No. 1) Bonds issued. For purposes of this calculation, the yield on such latest series of Non-Subordinate CFD No. 2009-3 (IA No. 1) Bonds shall be the yield calculated at the time such last

Non-Subordinate series of CFD No. 2009-3 (IA No. 1) Bonds were issued, pursuant to Section 148 of the Internal Revenue Code of 1986, as amended, for the purpose of the tax certificate executed in connection with the issuance of such latest series of Non-Subordinate CFD No. 2009-3 (IA No. 1) Bonds.

"Buydown of Outstanding Bonds" means a mandatory buydown of Outstanding Bonds made by a property owner to compensate for a loss of Special Tax revenues resulting from the construction of fewer residential dwelling units, smaller residential dwelling units, or a modified number of Acres anticipated for the construction of Non-Residential Property, as determined in accordance with Section D below.

"CFD Administrator" means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement, and providing for the levy and collection of the Special Taxes.

"CFD No. 2009-3" means City of Irvine Community Facilities District No. 2009-3 (Great Park).

"CFD No. 2009-3 (IA No. 1)" means Improvement Area No. 1 of CFD No. 2009-3 as identified on the boundary map for CFD No. 2009-3 and further set forth in the Resolution of Formation.

"CFD No. 2009-3 (IA No. 1) Bonds" means any bonds or other debt (as defined in Section 53317(d) of the Act), whether in one or more series, issued by CFD No. 2009-3 (IA No. 1) and secured by the Special Tax levy on property within the boundaries of CFD No. 2009-3 (IA No. 1) under the Act .

"City" means the City of Irvine.

"Commercial Property" means all Assessor's Parcels of Developed Property for which a building permit(s) permitting the construction of one or more non-residential facilities has been issued by the City which is primarily used for: the sale of general merchandise, hard goods, personal services, and other items directly to consumers, or other uses that are consistent with commercial land use designations as determined by the City.

"Council" means the City Council of the City which serves at the legislative body of CFD No. 2009-3.

"County" means the County of Orange.

"Debt Service Coverage" means the debt service coverage percentage identified in the additional bonds test or parity bonds test section of the Indenture for Non-Subordinate CFD No. 2009-3 (IA No. 1) Bonds.

"Detached Residential Property" means Assessor's Parcels of Developed Property for which building permits have been issued for detached residential units.

"Developed Property" means, for each Fiscal Year, all Taxable Property, exclusive of Taxable Public Property and Taxable Property Owner Association Property, for which a building permit for construction was issued after January 1, 2009 and on or before May 1 of the Fiscal Year preceding the Fiscal Year for which the Special Taxes are being levied.

"Developed Property Special Tax Requirement" means the Maximum Special Tax on Developed Property.

"Developer" means Heritage Fields El Toro LLC, a Delaware limited liability company, and its successors and assigns.

"Discount Rate" means (i) prior to the issuance of the first series of Non-Subordinate CFD No. 2009-3 (IA No. 1) Bonds, the Bond Index, and (ii) subsequent to the issuance of the first series of Non-Subordinate CFD No. 2009-3 (IA No. 1) Bonds, the Bond Yield.

"Final Mapped Property" means, for each Fiscal Year, all Taxable Property, exclusive of Developed Property, Taxable Property Owner Association Property and Taxable Public Property, located in a Final Subdivision as of January 1 of the Fiscal Year preceding the Fiscal Year for which the Special Taxes are being levied, but no earlier than January 1, 2009.

"Final Mapped Property/Undeveloped Property Special Tax Requirement" means that amount required, if any, in any Fiscal Year to (i) pay debt service on CFD No. 2009-3 (IA No. 1) Bonds payable in the calendar year commencing in such Fiscal Year, (ii) pay any amounts required to establish or replenish any reserve funds for all CFD No. 2009-3 (IA No. 1) Bonds, (iii) pay for Administrative Expenses, (iv) pay for reasonably anticipated Special Tax delinquencies based on the delinquency rate for the Special Tax levy in the previous Fiscal Year, (v) pay the Guaranteed Amount, and (vi) pay Bond Costs for Other Improvement Area Bonds to the extent that Special Taxes secure an issue of Other Improvement Area Bonds, less (vii) an amount equal to the Developed Property Special Tax Requirement, less (viii) a credit for funds available to reduce the annual Special Tax levy, as determined by the CFD Administrator, so long as the amount required is not less than zero.

"Final Subdivision" means a subdivision of property which occurred prior to January 1 of the Fiscal Year preceding the Fiscal Year for which the Special Taxes are being levied, by recordation of a final map, parcel map, or lot line adjustment, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) or recordation of a condominium plan pursuant to California Civil Code Section 1352 that, in either case, creates individual lots for which building permits may be issued without further subdivision.

"Fiscal Year" means the period starting July 1 and ending on the following June 30.

"Floor Area Ratio" means for Non-Residential – Commercial Property – 0.317; for Non-Residential – Industrial Property – 0.325; for Non-Residential – Institutional Property – 0.361; for Non-Residential – Office Property – 0.326; for Non-Residential – Auto Center – 0.084; and for Other Non-Residential Property – 0.308.

"Future Annexation Area" means the property designated as Future Annexation Area on the boundary map for CFD No. 2009-3 (IA No. 1), as identified in Exhibit C, and anticipated to become subject to the Special Tax.

"Guaranteed Amount" means for any Fiscal Year, the lesser of (i) the Pro Rata Share for CFD No. 2009-3 (IA No. 1) of the annual amounts set forth in Exhibit B, or (ii) the sum of (a) Pro

Rata Share for CFD No. 2009-3 (IA No. 1) of the amount needed to finance Authorized Services in such Fiscal Year as determined by the City, and (b) the Bond Costs associated with any Subordinate Bonds issued on behalf of CFD No. 2009-3 (IA No. 1). Notwithstanding the above, the Guaranteed Amount may exceed the Pro Rata Share for CFD No. 2009-3 (IA No. 1) as discussed in Section E.2. The Guaranteed Amount collected in CFD No. 2009-3 (IA No. 1) may be used to finance Authorized Services and to pay Bond Costs associated with Subordinate Bonds issued on behalf of CFD No. 2009-3 (IA No. 1).

"Indenture" means the indenture, fiscal agent agreement, trust agreement, resolution or other instrument pursuant to which CFD No. 2009-3 (IA No. 1) Bonds are issued, as modified, amended and/or supplemented from time to time, and any instrument replacing or supplementing the same.

"Industrial Property" means all Assessor's Parcels of Developed Property for which a building permit(s) permitting the construction of one or more non-residential facilities has been issued by the City which is primarily used for: manufacturing, production, research and development, storage and/or processing of goods, or for any other uses that are consistent with industrial land use designations as determined by the City.

"Institutional Property" means all Assessor's Parcels of Developed Property for which a building permit(s) permitting the construction of one or more non-residential facilities has been issued by the City which is primarily used for: education, including libraries and museums, or for any other uses that are consistent with institutional land use designations as determined by the City.

"Intermediate Maximum Special Tax" means the intermediate Maximum Special Tax, determined in accordance with Section C herein, that can be levied in any Fiscal Year on any Assessor's Parcel of Final Mapped Property or Undeveloped Property.

"Land Use Class" means any of the classes listed in Table 1, Table 2 or Exhibit A, herein.

"Maximum Special Tax" means the maximum Special Tax, determined in accordance with Section C below, that can be levied in any Fiscal Year on any Assessor's Parcel of Taxable Property.

"Moderate Affordable Senior Units" means residential development that is designed for, and restricted to, persons or couples of whom one member is age 55 or older that is located on one or more Assessor's Parcels of Residential Property that are subject to deed restrictions, resale restrictions, and/or regulatory agreements recorded in favor of the City providing affordable housing for households with incomes below 120% of the County of Orange median income (but not less than 80% of the County of Orange median income).

"Moderate Affordable Units" means dwelling units, other than Moderate Affordable Senior Units, that are located on one or more Assessor's Parcels of Residential Property that are subject to deed restrictions, resale restrictions, and/or regulatory agreements recorded in favor of the

City providing affordable housing for households with incomes below 120% of the County of Orange median income (but not less than 80% of the County of Orange median income).

"Non-Residential Floor Area" means the total building square footage of the non-residential building(s) located on an Assessor's Parcel, measured from outside wall to outside wall, not including space devoted to stairwells, public restrooms, lighted courts, vehicle parking and areas incident thereto, and mechanical equipment incidental to the operation of such building. The determination of Non-Residential Floor Area shall be made by reference to the building permit(s) issued for such Assessor's Parcel and/or to the appropriate records kept by the Department of Planning and Land Use, as reasonably determined by the CFD Administrator.

"Non-Residential Property" means all Assessor's Parcels of Developed Property for which a building permit permitting the construction of one or more non-residential units or facilities has been issued by the City or other governmental agency.

"Non-Subordinate CFD No. 2009-3 (IA No. 1) Bonds" means any issue(s) of CFD No. 2009-3 (IA No. 1) Bonds that are not Subordinate CFD No. 2009-3 (IA No. 1) Bonds.

"Office Property" means all Assessor's Parcels of Developed Property for which a building permit(s) permitting the construction of one or more non-residential facilities has been issued by the City which is primarily used for: professional/medical offices, or for any other uses that are consistent with office land use designations as determined by the City.

"Other Improvement Area" means an improvement area located within CFD No. 2009-3, other than CFD No. 2009-3 (IA No.1).

"Other Improvement Area Bonds" means all bonds issued on behalf of Other Improvement Areas that are secured by the Special Taxes in the manner and for the duration set forth in one or more indentures, fiscal agent agreements, or other agreements governing the terms of such bonds.

"Other Non-Residential Property" means all Non-Residential Property, other than Auto Center Property, Commercial Property, Industrial Property, Institutional Property, and Office Property.

"Outstanding Bonds" means all Non-Subordinate CFD No. 2009-3 (IA No. 1) Bonds which are outstanding under an Indenture.

"Overlapping Liens" means projected ad valorem property taxes and all direct and overlapping assessments, taxes, special taxes, and charges on the secured tax-roll of the County for each parcel/unit of Taxable Property at the time of CFD No. 2009-1 formation, excluding however, the Special Taxes assessed or levied pursuant to this Rate and Method of Apportionment.

"Prepayable Portion of the Special Tax" shall have the meaning set forth in Section I.

"Pro Rata Share" means the ratio calculated by dividing the anticipated Maximum Special Tax to be levied at build out in CFD No. 2009-3 (IA No. 1) by the anticipated Maximum Special Tax to be levied at build out for all improvement areas within CFD No. 2009-3. So long as there are no CFD No. 2009-3 (IA No. 1) Bonds outstanding, or Special Taxes being pledged to the payment of Bond Costs for Other Improvement Area Bonds, the City may recalculate the Pro

Rata Share to reflect development assumptions which differ from those identified in Table 2 of the rate and method of apportionment for any improvement area of CFD No. 2009-3. Notwithstanding the foregoing, the City shall not recalculate the Pro Rata Share to incorporate any prepayments of the Prepayable Portion of the Special Tax.

"Property Owner Association Property" means, for each Fiscal Year, (i) any property within the boundaries of CFD No. 2009-3 (IA No. 1) for which the owner of record, as determined from the County Assessor's secured tax roll for the Fiscal Year in which the Special Tax is being levied, is a property owner's association, including any master or sub-association, (ii) any property located in a Final Subdivision and which, as determined from such Final Subdivision, is or will be open space, a common area recreation facility, or a private street, or (iii) any property which, as of the May 1 preceding the Fiscal Year for which the Special Tax is being levied, has been conveyed, irrevocably dedicated, or irrevocably offered to a property owner's association, including any master or sub-association, provided such conveyance, dedication, or offer is submitted to the CFD Administrator by May 1 preceding the Fiscal Year for which the Special Tax is being levied.

"Proportionately" means, for Developed Property, that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor's Parcels of Developed Property. For Final Mapped Property, "Proportionately" means that the ratio of the actual Special Tax levy per acre to the Maximum Special Tax per acre is equal for all Assessor's Parcels of Final Mapped Property. For Undeveloped Property, "Proportionately" means that the ratio of the actual Special Tax levy per acre to the Maximum Special Tax per acre is equal for all Assessor's Parcels of Undeveloped Property. The term "Proportionately" may similarly be applied to other categories of Taxable Property as listed in Section E below. Notwithstanding the above, a disproportionate levy shall be permissible for any Assessor's Parcels in CFD No. 2009-3 (IA No. 1) to cover any delinquencies by a property owner and to cover any Guaranteed Amount shortfalls generated by delinquencies, as discussed in Section E.2.

"Public Property" means, for each Fiscal Year, any property within the boundaries of CFD No. 2009-3 (IA No. 1) that (i) is owned by, irrevocably offered or dedicated to, or leased to, the federal government, the State, the County, the City, or any local government or other public agency, or (ii) is encumbered by a public easement making impractical its use for any purpose other than that set forth in the easement.

"Rate and Method of Apportionment" means this Rate and Method of Apportionment for City of Irvine CFD No. 2009-3 (IA No. 1).

"Residential Floor Area" means all of the square footage of living area within the perimeter of a residential structure, not including any carport, walkway, garage, overhang, patio, enclosed patio, or similar area. The determination of Residential Floor Area for an Assessor's Parcel shall be made by reference to the building permit(s) issued for such Assessor's Parcel.

"Residential Property" means all Assessor's Parcels of Developed Property for which a building permit permitting the construction thereon of one or more residential dwelling units has been issued by the City, or other governmental agency.

"Resolution of Formation" means the resolution establishing CFD No. 2009-3.

"Senior Housing" means all residential development, other than Moderate Affordable Senior Units, that is designed for, and restricted to, persons or couples of whom one member is age 55 or older.

"Special Tax" or "Special Taxes" means the sum of the special taxes to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property within CFD No. 2009-3 (IA No. 1) to fund the Special Tax Requirement.

"Special Tax Requirement" means the sum of the Developed Property Special Tax Requirement, the Final Mapped Property/Undeveloped Property Special Tax Requirement and the Taxable Property Owner Association Property/ Taxable Public Property Special Tax Requirement.

"State" means the State of California.

"Subordinate CFD No. 2009-3 (IA No. 1) Bonds" means any CFD No. 2009-3 (IA No. 1) Bonds that are subordinate to any current or future CFD No. 2009-3 (IA No. 1) Bonds and that meet the requirements set forth in the Amended and Restated Development Agreement.

"Supplemental Improvement Area" means any Other Improvement Area that has been specifically designated as additional collateral for CFD No. 2009-3 (IA No. 1) Bonds as authorized in the Indenture. The Supplemental Improvement Area shall be retained as additional collateral and security for CFD No. 2009-3 (IA No. 1) Bonds until conditions for the release of the special taxes in the Supplemental Improvement Area, as set forth in the Indenture, are satisfied.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of CFD No. 2009-3 (IA No. 1) which are not exempt from the Special Tax pursuant to applicable law or Section F below.

"Taxable Property Owner Association Property" means all Assessor's Parcels of Property Owner Association Property that are not exempt pursuant to Section F below.

"Taxable Property Owner Association Property/Taxable Public Property Special Tax Requirement" means that amount required, if any, in any Fiscal Year to (i) pay debt service on the CFD No. 2009-3 (IA No. 1) Bonds payable in the calendar year commencing in such Fiscal Year, (ii) pay any amounts required to establish or replenish any reserve funds for all CFD No. 2009-3 (IA No. 1) Bonds, (iii) pay for Administrative Expenses, (iv) pay for reasonably anticipated Special Tax delinquencies based on the delinquency rate for the Special Tax levy in the previous Fiscal Year, and (v) pay Bond Costs for Other Improvement Area Bonds to the extent that Special Taxes secure an issue of Other Improvement Area Bonds, less (vi) an amount equal to the Developed Property Special Tax Requirement, less (vii) an amount equal to the Final Mapped Property/Undeveloped Property Special Tax Requirement, less (viii) a credit for funds available to reduce the annual Special Tax levy, as determined by the CFD Administrator, so long as the amount required is not less than zero.

"Taxable Public Property" means all Assessor's Parcels of Public Property that are not exempt pursuant to Section F below.

"Trustee" means the trustee or fiscal agent under the Indenture.

"Undeveloped Property" means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Final Mapped Property, Taxable Property Owner Association Property, or Taxable Public Property.

"Value Limitation" means, collectively (i) that the amount of the Maximum Special Taxes for Residential Property within each Land Use Class, when combined with all Overlapping Liens, including a sufficient amount to pay the assumed Irvine Ranch Water District assessments (subject to the limitations set forth in the Amended and Restated Development Agreement), shall collectively not exceed two percent (2%) of the expected base sales price (i.e., the base sales price without any optional upgrades included) of the lowest priced residential unit in such Land Use Class, based upon the anticipated sales prices to end users at the time of calculation; (ii) that the amount of the special taxes for each Non-Residential Property Land Use Class identified in Table 1 and expressed as an amount per square foot of Non-Residential Floor Area, shall not exceed the product of (a) one and one hundred thirty-nine thousandths percent (1.139%) and (b) the per square foot value of land (as determined by the third-party appraisal described in Section C.1) located within CFD No. 2009-3 (IA No. 1) for each Non-Residential Property Land Use Class, divided by the Floor Area Ratio for the applicable Land Use Class, and (iii) the amount of the special taxes for each Non-Residential Property Land Use Class set forth in Table 1 herein and expressed as an amount per Acre, shall not exceed the product of (a) the amount per square foot of Non-Residential Floor Area calculated in (ii) above for each Non-Residential Property Land Use Class, (b) the Floor Area Ratio for the applicable Land Use Class, and (c) 43,560.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, all Taxable Property within CFD No. 2009-3 (IA No. 1) shall be classified as Developed Property, Final Mapped Property, Undeveloped Property, Taxable Property Owner Association Property, or Taxable Public Property, and shall be subject to Special Taxes in accordance with this Rate and Method of Apportionment determined pursuant to Sections C and E herein.

C. MAXIMUM SPECIAL TAX RATE

1. Special Tax

Residential Property shall be assigned to Land Use Classes 1 through 31 as listed in Table 1 herein based on the Residential Floor Area for each unit. Non-Residential Property shall be assigned to Land Use Classes 32 through 37. Prior to the issuance of the first series of CFD No. 2009-3 (IA No. 1) Bonds, the Maximum Special Taxes for Residential Property and the special taxes for Non-Residential Property (set forth in Table 1) shall be reduced in accordance with, and subject to the conditions set forth in this Section C.1, without the need for any proceedings to make changes permitted under the Act.

Upon the earlier of (i) one hundred twenty (120) calendar days before the projected execution date of a bond purchase agreement for the first series of CFD No. 2009-3 (IA No. 1) Bonds, or (ii) upon the written request of the Developer, two hundred seventy (270) calendar days before

the projected date of issuance of the first building permit permitting the construction of a non-model residential building for each Land Use Class within CFD No. 2009-3 (IA No. 1), a third-party consultant selected by the City shall be engaged to recalculate the Value Limitation for Residential Property, and, if the City determines that the Maximum Special Taxes for Residential Property for any Land Use Class (as reflected in Table 1) will cause the overall tax burden (including Overlapping Liens) on Residential Property to exceed the recalculated Value Limitation for any Residential Property Land Use Class, then the Maximum Special Tax for Residential Property for any Land Use Class (as reflected in Table 1) that exceeds its recalculated Value Limitation shall be reduced to the amount necessary to comply with its recalculated Value Limitation. The reduction shall occur within thirty (30) calendar days of the completion of the third-party consultant's report.

Upon the earlier of (i) one hundred and twenty (120) calendar days before the projected execution date of a bond purchase agreement for the first series of CFD No. 2009-3 (IA No. 1) Bonds, or (ii) upon written request of the Developer, two hundred seventy (270) calendar days before the projected date of issuance of the first building permit permitting the construction of a non-residential building for each Land Use Class within CFD No. 2009-3 (IA No. 1), a third-party appraiser selected by the City shall be engaged to recalculate the Value Limitation for Non-Residential Property within CFD No. 2009-3 (IA No. 1), and, based upon the report of the appraiser, if the City so determines that the per square foot and per Acre special taxes, as reflected in Table 1, herein, exceed the recalculated Value Limitation for Non-Residential Property for any Land Use Class, then the per square foot and per Acre special tax for each Non-Residential Property Land Use Class (as reflected in Table 1) that exceeds its recalculated Value Limitation shall be reduced to the amount necessary to comply with its recalculated Value Limitation, provided, however, that the Maximum Special Taxes for Non-Residential Property do not fall below \$0.40 per square foot of Non-Residential Floor Area. The reduction shall occur within thirty (30) calendar days of the completion of the third-party appraisal's report.

Notwithstanding the above, if, and to the extent, the recalculation of the Maximum Special Tax for Residential Property and per square foot and per Acre special taxes for Non-Residential Property is triggered by the projected issuance of a building permit, the recalculation(s) shall only be completed for those Land Use Classes for which a building permit is expected to be issued within 270 days. If, and to the extent, the recalculation of the Maximum Special Tax for Residential Property and per square foot and per Acre special taxes for Non-Residential Property is triggered by the projected execution of a bond purchase agreement within 120 days, the recalculation(s) shall be completed for all Land Use Classes within CFD No. 2009-3 (IA No. 1) that have not previously experienced a reduction in their Maximum Special Taxes (for Residential Property) or their special taxes (for Non-Residential Property).

Notwithstanding the above, the City and Developer may confer and mutually agree to reduce the Maximum Special Tax on Developed Property for Senior Housing, Moderate Affordable Senior Units, and/or Moderate Affordable Units, as identified in Table 1.

Each special tax reduction for a Land Use Class pursuant to this Section C.1., shall be calculated separately, as reasonably determined by the CFD Administrator, without regard to special tax reductions in any other Land Use Class, and it shall not be required that such reduction be proportionate to reductions among other special tax reductions. If the special taxes for a Land Use Class do not require reduction as set forth in this Section C.1., then those special taxes shall not be reduced irrespective of any reductions made to other special taxes. The reductions

required pursuant to this Section C.1 shall be reflected in an amended notice of Special Tax lien which the City shall cause to be recorded by executing a certificate in substantially the form attached herein as Exhibit A. Notwithstanding the foregoing, under no circumstances may the special taxes be reduced under this Section C.1 during the time that the Special Taxes have been pledged to the payment of Bond Costs for Other Improvement Area Bonds.

a. **Developed Property**

(1). Maximum Special Tax

The Maximum Special Tax that may be levied and escalated as explained further in Section C.1.a.(2) below in any Fiscal Year for each Assessor's Parcel classified as Developed Property is shown below in Table 1.

TABLE 1
Maximum Special Tax for Developed Property
Improvement Area No. 1 of CFD No. 2009-3
Fiscal Year 20XX-20XX

Land Use Class	Description	Maximum Special Tax
1	DETACHED RESIDENTIAL PROPERTY (=> 5,700 SF)	\$XX,XXX
2	DETACHED RESIDENTIAL PROPERTY (5,450 SF - 5,699 SF)	\$ XX,XXX
3	DETACHED RESIDENTIAL PROPERTY (5,200 SF - 5,449 SF)	\$ XX,XXX
4	DETACHED RESIDENTIAL PROPERTY (4,950 SF - 5,199 SF)	\$ XX,XXX
5	DETACHED RESIDENTIAL PROPERTY (4,700 SF - 4,949 SF)	\$ XX,XXX
6	DETACHED RESIDENTIAL PROPERTY (4,450 SF - 4,699 SF)	\$ XX,XXX
7	DETACHED RESIDENTIAL PROPERTY (4,200 SF - 4,449 SF)	\$ XX,XXX
8	DETACHED RESIDENTIAL PROPERTY (3,950 SF - 4,199 SF)	\$X,XXX
9	DETACHED RESIDENTIAL PROPERTY (3,700 SF - 3,949 SF)	\$ X,XXX
10	DETACHED RESIDENTIAL PROPERTY (3,450 SF - 3,699 SF)	\$ X,XXX
11	DETACHED RESIDENTIAL PROPERTY (3,200 SF - 3,449 SF)	\$ X,XXX
12	DETACHED RESIDENTIAL PROPERTY (2,950 SF - 3,199 SF)	\$ X,XXX
13	DETACHED RESIDENTIAL PROPERTY (2,700 SF - 2,949 SF)	\$ X,XXX
14	DETACHED RESIDENTIAL PROPERTY (2,450 SF - 2,699 SF)	\$ X,XXX
15	DETACHED RESIDENTIAL PROPERTY (2,200 SF - 2,449 SF)	\$ X,XXX
16	DETACHED RESIDENTIAL PROPERTY (1,950 SF - 2,199 SF)	\$ X,XXX
17	DETACHED RESIDENTIAL PROPERTY (1,700 SF - 1,949 SF)	\$ X,XXX
18	DETACHED RESIDENTIAL PROPERTY (< 1,700 SF)	\$ X,XXX
19	ATTACHED RESIDENTIAL PROPERTY (=> 2,600 SF)	\$ X,XXX

Land Use Class	Description	Maximum Special Tax
20	ATTACHED RESIDENTIAL PROPERTY (2,400 SF - 2,599 SF)	\$ X,XXX
21	ATTACHED RESIDENTIAL PROPERTY (2,200 SF - 2,399 SF)	\$ X,XXX
22	ATTACHED RESIDENTIAL PROPERTY (2,000 SF - 2,199 SF)	\$ X,XXX
23	ATTACHED RESIDENTIAL PROPERTY (1,800 SF - 1,999 SF)	\$ X,XXX
24	ATTACHED RESIDENTIAL PROPERTY (1,600 SF - 1,799 SF)	\$ X,XXX
25	ATTACHED RESIDENTIAL PROPERTY (1,400 SF - 1,599 SF)	\$ X,XXX
26	ATTACHED RESIDENTIAL PROPERTY (1,200 SF - 1,399 SF)	\$ X,XXX
27	ATTACHED RESIDENTIAL PROPERTY (< 1,200 SF)	\$ X,XXX
28	SENIOR HOUSING	\$ X,XXX
29	MODERATE AFFORDABLE UNITS	\$ X,XXX
30	MODERATE AFFORDABLE SENIOR UNITS	\$XXX
31	AFFORDABLE	\$0
32	NON-RESIDENTIAL - COMMERCIAL PROPERTY	\$1.50 per square foot of Non-Residential Floor Area or \$20,713 per Acre, when applied, whichever is greater
33	NON-RESIDENTIAL- INDUSTRIAL PROPERTY	\$1.50 per square foot of Non-Residential Floor Area or \$21,236 per Acre, when applied, whichever is greater
34	NON-RESIDENTIAL- INSTITUTIONAL PROPERTY	\$1.50 per square foot of Non-Residential Floor Area or \$23,588 per Acre, when applied, whichever is greater
35	NON-RESIDENTIAL - OFFICE PROPERTY	\$1.50 per square foot of Non-Residential Floor Area or \$21,301 per Acre, when applied, whichever is greater

Land Use Class	Description	Maximum Special Tax
36	NON-RESIDENTIAL – AUTO CENTER	\$5.02 per square foot of Non-Residential Floor Area or \$18,368 per Acre, when applied, whichever is greater
37	OTHER NON-RESIDENTIAL PROPERTY	\$1.50 per square foot of Non-Residential Floor Area or \$20,125 per Acre, when applied, whichever is greater

(2). Increase in the Maximum Special Tax

The Fiscal Year 20XX-20XX Maximum Special Tax, identified in Table 1 above, as such Table may be amended and restated in full pursuant to this Rate and Method of Apportionment, shall increase thereafter (i) commencing on July 1, 20XX and on July 1 of each Fiscal Year thereafter through the Fiscal Year in which the fortieth anniversary of the date on which the first series of Non-Subordinate CFD No. 2009-3 (IA No. 1) Bonds were sold occurs, by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year; and (ii) commencing in the Fiscal Year following the fortieth anniversary of the date on which the first series of Non-Subordinate CFD No. 2009-3 (IA No. 1) Bonds were sold, by an amount equal to three percent (3%) of the Maximum Special Tax as determined following the partial termination of the Special Tax as set forth in Section J, and on July 1 of each Fiscal Year thereafter by an amount equal to three percent (3%) of the amount in effect for the previous Fiscal Year.

(3). Multiple Land Use Classes

In some instances an Assessor's Parcel of Developed Property may contain more than one Land Use Class. The Maximum Special Tax levied on an Assessor's Parcel shall be the sum of the Maximum Special Tax for all Land Use Classes located on that Assessor's Parcel. The CFD Administrator's allocation to each type of property shall be final.

b. **Final Mapped Property, Undeveloped Property, Taxable Property Owner Association Property, and Taxable Public Property**

(1). Intermediate Maximum Special Tax

The Fiscal Year 20XX-20XX Intermediate Maximum Special Tax for each Assessor's Parcel of Final Mapped Property and Undeveloped Property shall be \$[] per Acre, and shall increase thereafter, commencing on July 1, 20XX and on July 1 of each Fiscal

Year thereafter, by an amount equal to two percent (2%) of the Intermediate Maximum Special Tax for the previous Fiscal Year.

(2). Maximum Special Tax

The Fiscal Year 20XX-20XX Maximum Special Tax for each Assessor's Parcel of Final Mapped Property, Undeveloped Property, Taxable Property Owner Association Property, and Taxable Public Property shall be \$[] per Acre, and shall increase thereafter, commencing on July 1, 2010 and on July 1 of each Fiscal Year thereafter, by an amount equal to two percent (2%) of the Maximum Special Tax for the previous Fiscal Year.

D. BUYDOWN OF OUTSTANDING BONDS

All of the requirements of this Section D, which describes the need for a Buydown of Outstanding Bonds ("Buydown") that may result from a change in development as determined pursuant to this Section D, shall only apply after the issuance of the first series of Non-Subordinate CFD No. 2009-3 (IA No. 1) Bonds. Prior to the issuance of the first series of Non-Subordinate CFD No. 2009-3 (IA No. 1) Bonds, the terms of the Buydown shall not apply. The terms of the Buydown shall not apply to any Subordinate CFD No. 2009-3 (IA No. 1) Bonds.

The following additional definitions apply to this Section D:

"Buydown Requirement" means the total amount needed to be collected to calculate and prepay Non-Subordinate CFD No. 2009-3 (IA No. 1) Bonds necessary to be prepaid in order to authorize (i) the issuance of residential building permits, or (ii) the approval of a Final Subdivision for non-residential development listed in a request for a Letter of Compliance, as calculated under this Section D.

"Certificate of Satisfaction of Buydown" means a certificate from the CFD Administrator stating that the property described in such certificate has met the Buydown Requirement for such property as calculated under this Section D.

"Letter of Compliance" means a letter from the CFD Administrator authorizing (i) the issuance of residential building permits, or (ii) the approval of a Final Subdivision for non-residential development based on the prior submittal of a request for a Letter of Compliance by a property owner.

"Update Property" means an Assessor's Parcel of Final Mapped Property or Undeveloped Property for which a building permit has been issued after May 1 of the Fiscal Year preceding the current Fiscal Year. For purposes of all calculations in this Section D, Update Property shall be taxed as if it were already Developed Property during the current Fiscal Year.

1. Request for Letter of Compliance

A. Residential Development

After the issuance of the first series of Non-Subordinate CFD No. 2009-3 (IA No. 1) Bonds, a property owner shall, as a precondition to the issuance of a building permit for construction of any residential development for a specific Assessor's Parcel or lot, submit a Letter of Compliance for the construction of the development on such Assessor's Parcel or lot. If a Letter of Compliance has not yet been issued, the property owner must first request a Letter of Compliance from the CFD Administrator. The request from the property owner shall contain a list of all building permits for which the property owner is requesting a Letter of Compliance. The property owner shall also submit the Assessor's Parcels or tract and lot numbers on which the construction is to take place, and the Residential Floor Area for each residential dwelling unit associated with each prospective building permit.

B. Non-Residential Development

After the issuance of the first series of Non-Subordinate CFD No. 2009-3 (IA No. 1) Bonds, a property owner shall, as a precondition to the approval of a Final Subdivision which includes development of any non-residential property, submit a Letter of Compliance for the development of the non-residential property on such Final Subdivision. If a Letter of Compliance has not yet been issued, the property owner must first request a Letter of Compliance from the CFD Administrator. The request from the property owner shall contain the final map, parcel map, or lot line adjustment for which the property owner is requesting a Letter of Compliance. The property owner shall also submit the Assessor's Parcels or tract and lot numbers on which non-residential development is to take place.

2. Issuance of Letter of Compliance

A. Residential Development

Upon the receipt of a request for a Letter of Compliance, the CFD Administrator shall assign each building permit identified in such request to Land Use Classes 1 through 31 as listed in Table 2 below based on the type of use and, if applicable, the Residential Floor Area identified for each such building permit. When using Table 2, if Non-Subordinate CFD No. 2009-3 (IA No. 1) Bonds are secured solely by Assessor's Parcels in the portion of CFD No. 2009-3 (IA No. 1) that does not include the Future Annexation Area, the column entitled "Expected Units/Acreage Without Future Annexation Area" shall be utilized for purposes of this analysis. If Non-Subordinate CFD No. 2009-3 (IA No. 1) Bonds are secured by all of CFD No. 2009-3 (IA No. 1), including the Future Annexation Area, the column entitled "Expected Units/Acreage Including Future Annexation Area" shall be utilized for this analysis. If the CFD Administrator determines (i) that the number of building permits requested for each Land Use Class, plus those building permits previously issued for each Land Use Class, will not cause the total number of residential dwelling units within any such Land Use Class to exceed the number of residential dwelling units for such Land Use Class identified in Table 2 below, and (ii) that the total number of residential dwelling units anticipated to be constructed pursuant to the current development plan for CFD No. 2009-3 (IA No. 1) shall not be less than 638, then a Letter of Compliance shall be submitted to the City and/or property owner by the CFD Administrator authorizing the issuance of the requested building permits for the subject property. This Letter of Compliance shall be submitted to the City and/or property owner by the CFD Administrator within ten days of the submittal of the request for a Letter of Compliance by the property owner. However, should (i) the building permits requested, plus those previously issued, cause the total number of

residential dwelling units within any such Land Use Class to exceed the number of residential dwelling units for such Land Use Class identified in Table 2 below, or (ii) the CFD Administrator determines that changes in the development plan may cause a decrease in the number of residential dwelling units within CFD No. 2009-3 (IA No. 1) to below 638 residential dwelling units, then a Letter of Compliance will not be issued and the CFD Administrator will be directed to determine if a Buydown shall be required. The number of residential dwelling units by Land Use Class, as listed in Table 2 below, shall be updated by the CFD Administrator prior to the issuance of the first series of Non-Subordinate CFD No. 2009-3 (IA No. 1) Bonds to reflect the current development plan for CFD No. 2009-3 (IA No. 1).

B. Non-Residential Development

Upon the receipt of a request for a Letter of Compliance, the CFD Administrator shall identify the Acreage of the proposed Non-Residential Property within the Final Subdivision on which such Non-Residential Property is to be located. When using Table 2, if Non-Subordinate CFD No. 2009-3 (IA No. 1) Bonds are secured solely by Assessor's Parcels in the portion of CFD No. 2009-3 (IA No. 1) that does not include the Future Annexation Area, the column entitled "Expected Units/Acreage Without Future Annexation Area" shall be utilized for purposes of this analysis. If Non-Subordinate CFD No. 2009-3 (IA No. 1) Bonds are secured by all of CFD No. 2009-3 (IA No. 1), including the Future Annexation Area, the column entitled "Expected Units/Acreage Including Future Annexation Area" shall be utilized for this analysis. If the CFD Administrator determines that the Acreage anticipated for the development of Non-Residential Property will not cause the total number of Acres identified in Table 2 for Land Use Classes 32 through 37 to exceed the number of Acres identified in Table 2 for such Land Use Classes, then a Letter of Compliance shall be submitted to the City and/or property owner by the CFD Administrator authorizing the approval of the Final Subdivision. This Letter of Compliance shall be submitted to the City and/or property owner by the CFD Administrator within ten days of the submittal of the request for a Letter of Compliance by the property owner. However, should the CFD Administrator determine that the changes in the development plan may cause a change to the Acreage anticipated for the development of Non-Residential Property within CFD No. 2009-3 (IA No. 1) to anything other than the Acreage identified for Land Use Classes 32 through 37, then a Letter of Compliance will not be issued and the CFD Administrator will determine if a Buydown shall be required. The Acreage anticipated for the development of Non-Residential Property, as listed in Table 2 below, shall be updated by the CFD Administrator prior to the issuance of the first series of Non-Subordinate CFD No. 2009-3 (IA No. 1) Bonds to reflect the current development plan for CFD No. 2009-3 (IA No. 1).

TABLE 2

Expected Residential Dwelling Units per Land Use Class and Non-Residential Acreage Improvement Area No. 1 of CFD No. 2009-3

Land Use Class	Description	Expected Units/ Acreage without Future Annexation	Expected Units/ Acreage with Future Annexation
1	DETACHED RESIDENTIAL PROPERTY (=> 5,700 SF)	[X]	[X]
2	DETACHED RESIDENTIAL PROPERTY (5,450 SF - 5,699 SF)	[X]	[X]
3	DETACHED RESIDENTIAL PROPERTY (5,200 SF - 5,449 SF)	[X]	[X]
4	DETACHED RESIDENTIAL PROPERTY (4,950 SF - 5,199 SF)	[X]	[X]
5	DETACHED RESIDENTIAL PROPERTY (4,700 SF - 4,949 SF)	[X]	[X]
6	DETACHED RESIDENTIAL PROPERTY (4,450 SF - 4,699 SF)	[X]	[X]
7	DETACHED RESIDENTIAL PROPERTY (4,200 SF - 4,449 SF)	[X]	[X]
8	DETACHED RESIDENTIAL PROPERTY (3,950 SF - 4,199 SF)	[X]	[X]
9	DETACHED RESIDENTIAL PROPERTY (3,700 SF - 3,949 SF)	[X]	[X]
10	DETACHED RESIDENTIAL PROPERTY (3,450 SF - 3,699 SF)	[X]	[X]
11	DETACHED RESIDENTIAL PROPERTY (3,200 SF - 3,449 SF)	[X]	[X]
12	DETACHED RESIDENTIAL PROPERTY (2,950 SF - 3,199 SF)	[X]	[X]
13	DETACHED RESIDENTIAL PROPERTY (2,700 SF - 2,949 SF)	[X]	[X]
14	DETACHED RESIDENTIAL PROPERTY (2,450 SF - 2,699 SF)	[X]	[X]
15	DETACHED RESIDENTIAL PROPERTY (2,200 SF - 2,449 SF)	[X]	[X]
16	DETACHED RESIDENTIAL PROPERTY (1,950 SF - 2,199 SF)	[X]	[X]
17	DETACHED RESIDENTIAL PROPERTY (1,700 SF - 1,949 SF)	[X]	[X]
18	DETACHED RESIDENTIAL PROPERTY (< 1,700 SF)	[X]	[X]
19	ATTACHED RESIDENTIAL PROPERTY (=> 2,600 SF)	[X]	[X]
20	ATTACHED RESIDENTIAL PROPERTY (2,400 SF - 2,599 SF)	[X]	[X]
21	ATTACHED RESIDENTIAL PROPERTY (2,200 SF - 2,399 SF)	[X]	[X]
22	ATTACHED RESIDENTIAL PROPERTY (2,000 SF - 2,199 SF)	[X]	[X]
23	ATTACHED RESIDENTIAL PROPERTY (1,800 SF - 1,999 SF)	[X]	[X]
24	ATTACHED RESIDENTIAL PROPERTY (1,600 SF - 1,799 SF)	[X]	[X]
25	ATTACHED RESIDENTIAL PROPERTY (1,400 SF - 1,599 SF)	[X]	[X]
26	ATTACHED RESIDENTIAL PROPERTY (1,200 SF - 1,399 SF)	[X]	[X]
27	ATTACHED RESIDENTIAL PROPERTY (< 1,200 SF)	[X]	[X]
28	SENIOR HOUSING	[X]	[X]
29	MODERATE AFFORDABLE	[X]	[X]
30	MODERATE AFFORDABLE SENIOR UNITS	[X]	[X]
31	AFFORDABLE UNITS	[X]	[X]

Land Use Class	Description	Expected Units/Acreage without Future Annexation	Expected Units/Acreage with Future Annexation
32	NON-RESIDENTIAL - COMMERCIAL PROPERTY	[X] Acres	[X] Acres
33	NON-RESIDENTIAL - INDUSTRIAL PROPERTY	[X] Acres	[X] Acres
34	NON-RESIDENTIAL - INSTITUTIONAL PROPERTY	[X] Acres	[X] Acres
35	NON-RESIDENTIAL - OFFICE PROPERTY	[X] Acres	[X] Acres
36	NON-RESIDENTIAL - AUTO CENTER	[X] Acres	[X] Acres
37	OTHER NON-RESIDENTIAL PROPERTY	[X] Acre	[X] Acres

3. Calculation of Buydown

If a Buydown calculation is required as determined by the CFD Administrator pursuant to paragraph 2 above, the CFD Administrator shall review the current development plan for CFD No. 2009-3 (IA No. 1) in consultation with the current property owners for all remaining Final Mapped Property and Undeveloped Property in CFD No. 2009-3 (IA No. 1), and shall prepare an updated version of Table 2 identifying the revised number of residential dwelling units anticipated within each Land Use Class and the revised Acreage anticipated for the development of Non-Residential Property, as applicable. The CFD Administrator shall not be responsible for any delays in preparing the updated Table 2 that result from a refusal on the part of one or more current property owners of Final Mapped Property or Undeveloped Property to provide information on their future development.

The CFD Administrator shall then review the updated Table 2 and determine the Buydown Requirement, if any, to be applied to the property identified in the request for Letter of Compliance to assure CFD No. 2009-3 (IA No. 1)'s ability to levy Special Taxes equal to at least the Debt Service Coverage times the debt service necessary to support the Outstanding Bonds. The calculations shall be undertaken by the CFD Administrator, based on the data in the updated Table 2, as follows:

- Step 1. Compute the sum of the Special Taxes authorized to be levied on all Developed Property and Update Property within CFD No. 2009-3 (IA No. 1), plus the sum of the Special Taxes authorized to be levied on all future development as identified in the current development plan assuming buildout, as determined by the CFD Administrator in consultation with the property owner(s).

- Step 2. Determine the amount of Special Taxes equal to the Debt Service Coverage times the debt service necessary to support the Outstanding Bonds.
- Step 3. If the total sum computed pursuant to Step 1 is greater than or equal to the amount computed pursuant to Step 2, then no Buydown will be required and a Letter of Compliance shall be issued by the CFD Administrator for all of the building permits and/or Final Subdivisions currently being requested. If the total sum computed pursuant to Step 1 is less than the amount computed pursuant to Step 2, then continue to step 4.
- Step 4. Determine the Special Tax shortfall by subtracting the total sum computed pursuant to Step 1 from the amount computed pursuant to Step 2. Divide this difference by the amount computed pursuant to Step 2.
- Step 5. Multiply the quotient computed pursuant to Step 4 by the Outstanding Bonds and round up to the nearest increment of \$5,000 to compute the amount of Outstanding Bonds to be retired and prepaid (the "Bond Redemption Amount").
- Step 6. Multiply the Bond Redemption Amount computed pursuant to Step 5 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (the "Redemption Premium").
- Step 7. Compute the amount needed to pay interest on the Bond Redemption Amount from the first bond interest and/or principal payment date following the current Fiscal Year until the redemption date for the Outstanding Bonds ("Defeasance Amount").
- Step 8. The administrative fees and expenses of CFD No. 2009-3 (IA No. 1) are as calculated by the CFD Administrator and include the costs of computation of the Buydown Requirement, the costs to invest the Buydown Requirement proceeds and the costs of redeeming Non-Subordinate CFD No. 2009-3 (IA No. 1) Bonds (the "Administrative Fees and Expenses").
- Step 9. The Buydown Requirement is equal to the sum of the amounts computed pursuant to Steps 5, 6, 7 and 8 (the "Buydown Requirement").
- Step 10. The reserve fund credit (the "Reserve Fund Credit") shall equal the lesser of: (a) the expected reduction in the reserve requirement (as specified in the Indenture), if any, associated with the redemption of Outstanding Bonds as a result of the Buydown, or (b) the amount derived by subtracting the new reserve requirement (as defined in the Indenture) in effect after the redemption of Outstanding Bonds as a result of the Buydown from the balance in the reserve fund on the Buydown date, but in no event shall such amount be less than zero. No Reserve Fund Credit shall be granted if the amount then on deposit in the reserve fund for the Outstanding Bonds is below 100% of the reserve requirement (as defined in the Indenture).

The Buydown Requirement computed under Step 9 shall be billed directly to the property owner of each Assessor's Parcel identified in the request for Letter of Compliance and shall be due

within 30 days of the billing date. If the Buydown Requirement is not paid within 45 days of the billing date, a Letter of Compliance will not be issued to the City and/or property owner by the CFD Administrator and the authorization of the requested building permits (for residential development) or Final Subdivision (for non-residential development) for the subject property will not be approved until such Buydown Requirement is paid. Upon receipt of the Buydown Requirement, the CFD Administrator shall issue a Letter of Compliance and a Certificate of Satisfaction of Buydown for the subject property. The Reserve Fund Credit calculated pursuant to Step 10 above shall be credited to the property owner of each Assessor's Parcel identified in the request for Letter of Compliance once the CFD Administrator has confirmed receipt of all Special Taxes due for such property owner(s) in the Fiscal Year the Buydown Requirement was made.

4. Costs and Expenses Related to Implementation of Buydown

The costs of the CFD Administrator or other consultants required to review the application for building permits (for residential development) or a Final Subdivision (for non-residential development) and issue Letters of Compliance, as identified in Sections D1 and D2, above, shall be paid out of the administrative expenses account as established in the Indenture. The property owner of each Assessor's Parcel identified in the request for Letter of Compliance shall pay all costs of the CFD Administrator or other consultants required to calculate the Buydown Requirement, issue Letters of Compliance and any other actions required under Section D3. Such payments shall be due 30 days after receipt of invoice by such property owner. A deposit may be required by the CFD Administrator prior to undertaking work related to the Buydown pursuant to Section D3.

E. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

I. Annual Levy

Commencing with Fiscal Year 20XX-20XX and for each following Fiscal Year, the Council or its designee shall levy the Special Tax as follows:

First: The Special Tax shall be levied on each Assessor's Parcel of Developed Property in an amount equal to 100% of the applicable Maximum Special Tax for Developed Property.

Second: Determine the Final Mapped Property/Undeveloped Property Special Tax Requirement and Proportionately levy the Special Tax on each Assessor's Parcel of Final Mapped Property until the amount levied on Final Mapped Property is equal to the lesser of (i) the Final Mapped Property/Undeveloped Property Special Tax Requirement, or (ii) 100% of the Intermediate Maximum Special Tax for Final Mapped Property.

Third: If additional monies are needed to satisfy the Final Mapped Property/Undeveloped Property Special Tax Requirement after the first two steps have been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property until the amount levied on Undeveloped Property is equal to the lesser of (i) the Final Mapped Property/Undeveloped Property Special Tax Requirement less the amount levied pursuant to the second step above, or (ii) 100% of the Intermediate Maximum Special Tax for Undeveloped Property.

Fourth: If additional monies are needed to satisfy the Final Mapped Property/Undeveloped Property Special Tax Requirement after the first three steps have been completed, then the Special Tax levy on each Assessor's Parcel of Final Mapped Property and Undeveloped Property shall be increased in equal percentages from the Intermediate Special Tax up to 100% of the Maximum Special Tax for Final Mapped Property and Undeveloped Property.

Fifth: If additional monies are needed to satisfy the Final Mapped Property/Undeveloped Property Special Tax Requirement after the first four steps have been completed, then if required to satisfy the Indenture, a special tax shall be levied on each Assessor's Parcel of taxable property located within the Supplemental Improvement Areas pledged to CFD No. 2009-3 (IA No. 1) Bonds, based on the rate and method of apportionment of special taxes for these Supplemental Improvement Areas.

Sixth: Determine the Taxable Property Owner Association Property/Taxable Public Property Special Tax Requirement and Proportionately levy the Special Tax on each Assessor's Parcel of Taxable Property Owner Association Property until the amount levied on Taxable Property Owner Association Property is equal to the lesser of (i) the Taxable Property Owner Association Property/ Taxable Public Property Special Tax Requirement or (ii) 100% of the Maximum Special Tax for Taxable Property Owner Association Property.

Seventh: If additional monies are needed to satisfy the Taxable Property Owner Association Property/Taxable Public Property Special Tax Requirement after the sixth step has been completed, then the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property until the amount levied on Taxable Public Property is equal to the lesser of (i) the Taxable Property Owner Association Property/ Taxable Public Property Special Tax Requirement less the amount levied pursuant to the sixth step above, or (ii) 100% of the Maximum Special Tax for Taxable Public Property.

2. Supplemental Levy

On or around January 1 and June 1 of each Fiscal Year, if the CFD Administrator determines that there is a shortfall in revenues available to finance the annual amounts necessary to pay the Guaranteed Amount (the "Shortfall"), the CFD Administrator may levy additional Special Taxes Proportionately upon each Assessor's Parcel of Final Mapped Property and Undeveloped Property that are not then delinquent, or reasonably foreseen to be delinquent in the judgment of the CFD Administrator, until the amount levied is equal to the Shortfall. The supplemental levy may occur only twice each Fiscal Year, and the combined amount of the annual levy pursuant to Section E.1 and the supplemental levy pursuant to this Section E.2 on each Assessor's Parcel in any Fiscal Year shall not exceed the Maximum Special Taxes identified in Section C for such Assessor's Parcel. The Shortfall shall be collected by direct billing to owners of such Assessor's Parcels, and the levy shall be due within thirty (30) days of such supplemental levy, and shall be subject to all penalties and interest in the event of delinquency.

F. EXEMPTIONS

1. Prior to Annexation of Future Annexation Area

No Special Tax shall be levied on up to [] acres of Property Owner Association Property and up to [] acres of Public Property in CFD No. 2009-3 (IA No. 1). Tax-exempt status will be assigned by the CFD Administrator in the chronological order in which property in CFD No. 2009-3 (IA No. 1) becomes Public Property or Property Owner Association Property. However, should an Assessor's Parcel no longer be classified as Public Property or Property Owner Association Property, it will, from that point forward, be subject to the Special Tax.

Property Owner Association Property or Public Property that is not exempt from the Special Tax under this section shall be subject to the levy of the Special Tax and shall be taxed Proportionately as part of the sixth step and seventh step in Section E above, respectively, at up to 100% of the applicable Maximum Special Tax for Taxable Property Owner Association Property or Taxable Public Property.

2. After Annexation of Future Annexation Area

No Special Tax shall be levied on up to [] acres of Property Owner Association Property and up to [] acres of Public Property in CFD No. 2009-3 (IA No. 1). Tax-exempt status will be assigned by the CFD Administrator in the chronological order in which property in CFD No. 2009-3 (IA No. 1) becomes Public Property or Property Owner Association Property. However, should an Assessor's Parcel no longer be classified as Public Property or Property Owner Association Property, it will, from that point forward, be subject to the Special Tax.

Property Owner Association Property or Public Property that is not exempt from the Special Tax under this section shall be subject to the levy of the Special Tax and shall be taxed Proportionately as part of the sixth step and seventh step in Section E above, respectively, at up to 100% of the applicable Maximum Special Tax for Taxable Property Owner Association Property or Taxable Public Property.

G. MANNER OF COLLECTION

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes; provided, however, that the City, through the CFD Administrator may (i) directly bill the Special Tax, and/or may collect Special Taxes at a different time or in a different manner if necessary to meet financial obligations, (ii) may directly bill as a result of any Shortfall as set forth in Section E.2 above, and (iii) may covenant to foreclose and may actually foreclose on delinquent Assessor's Parcels. All direct billings shall be due within 30 days of the billing date.

H. APPEALS AND INTERPRETATIONS

Any landowner who feels that the amount of the Special Tax levied on their Assessor's Parcel is in error may submit a written appeal to the CFD Administrator. The CFD Administrator shall review the appeal and if the City concurs, no refund shall be given at that time. However, the amount of the Special Tax levied shall be appropriately modified through an adjustment to the Special Tax levy in the following Fiscal Year. The CFD Administrator may interpret this Rate and Method of Apportionment for purposes of clarifying any ambiguity and make determinations relative to the annual administration of the Special Tax and any landowner appeals.

I. PREPAYMENT OF SPECIAL TAX

Under this Rate and Method of Apportionment, an Assessor's Parcel within CFD No. 2009-3 (IA No. 1) is permitted to prepay a portion of the Maximum Special Tax (the "Prepayable Portion of the Special Tax"). The obligation of the Assessor's Parcel to pay the Prepayable Portion of the Special Tax may be fully or partially prepaid and permanently satisfied as described herein, provided that a prepayment may be made only for Assessor's Parcels of Developed Property, or an Assessor's Parcel of Final Mapped Property or Undeveloped Property for which a building permit for construction has been issued after January 1, 2009, and only if there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment. An owner of an Assessor's Parcel intending to fully or partially prepay the Prepayable Portion of the Special Tax shall provide the CFD Administrator with written notice of intent to prepay. Within 30 days of receipt of such written notice, the CFD Administrator shall notify such owner of the prepayment amount for such Assessor's Parcel. The CFD Administrator may charge such owner a reasonable fee for providing this service. If there are Outstanding Bonds, prepayment must be made not less than 30 days prior to a date that notice of redemption of Non-Subordinate CFD No. 2009-3 (IA No. 1) Bonds from the proceeds of such prepayment may be given by the Trustee pursuant to the Indenture. No portion of the Maximum Special Tax other than the Prepayable Portion of the Special Tax may be prepaid. Only Non-Subordinate CFD No. 2009-3 (IA No. 1) Bonds may be redeemed as the result of any prepayment in this Section I. Prior to the issuance of the first series of CFD No. 2009-3 (IA No. 1) Bonds, the percentages identified in Section I and Section J may be changed to reflect changes in development, without the need for any proceedings to make changes permitted under the Act.

1. Full Prepayment of the Prepayable Portion of the Special Tax

The full Prepayment Amount of the Prepayable Portion of the Special Tax shall be the Prepayment Amount identified in Section A below for Residential Property, and the Prepayment Amount identified in Section B below for Non-Residential Property.

A. Residential Property

As of the proposed date of prepayment, the full Prepayment Amount for Residential Property Special Taxes shall be determined by application of the following steps:

- Step 1. Determine the number of future years remaining until the Fiscal Year in which the fortieth anniversary of the date on which the first issue of Non-Subordinate CFD No. 2009-3 (IA No. 1) Bonds was sold occurs, not including the current Fiscal Year. If Non-Subordinate CFD No. 2009-3 (IA No. 1) Bonds have not yet been issued, the number shall be 40.
- Step 2. Determine the Maximum Special Tax being levied in the current Fiscal Year on the Assessor's Parcel prepaying the Special Tax.
- Step 3. Multiply the Maximum Special Tax calculated pursuant to Step 2 by XX.XX% (the "Prepayable Portion of the Residential Property Special Tax").
- Step 4. Determine the amount of Special Tax levied in the current Fiscal Year on such Assessor's Parcel which has not yet been paid and multiply this amount by XX.XX%.
- Step 5. The Prepayment Amount determined under this Section A shall be computed by calculating the sum of the following: (i) the net present value of the flow of annual

revenues from the Prepayable Portion of the Residential Property Special Tax as determined under step 3, for the number of years identified in Step 1, escalated annually by 2.0%, using a discount rate equal to the Discount Rate; and (ii) the unpaid current Fiscal Year's Prepayable Portion of the Residential Property Special Tax as determined under step 4 (collectively, the "Prepayment Amount").

B. Non-Residential Property

As of the proposed date of prepayment, the full Prepayment Amount for Non-Residential Property Special Taxes shall be determined by application of the following steps:

- Step 1. Determine the number of future years remaining until the Fiscal Year in which the fortieth anniversary of the date on which the first issue of Non-Subordinate CFD No. 2009-3 (IA No. 1) Bonds was sold occurs, not including the current Fiscal Year. If Non-Subordinate CFD No. 2009-3 (IA No. 1) Bonds have not yet been issued, the number shall be 40.
- Step 2. Determine the Maximum Special Tax being levied in the current Fiscal Year on the Assessor's Parcel prepaying the Special Tax.
- Step 3. Multiply the Maximum Special Tax calculated pursuant to Step 2 by XX.XX% (the "Prepayable Portion of the Non-Residential Special Tax").
- Step 4. Determine the amount of Special Tax levied in the current Fiscal Year on such Assessor's Parcel which has not yet been paid and multiply this amount by XX.XX%.
- Step 5. The Prepayment Amount determined under this Section B shall be computed by calculating the sum of the following: (i) the net present value of the flow of annual revenues from the Prepayable Portion of the Non-Residential Special Tax as determined under step 3, for the number of year identified in Step 1, escalated annually by 2.0%, using a discount rate equal to the Discount Rate; and (ii) the unpaid current Fiscal Year's Prepayable Portion of the Non-Residential Special Tax as determined under step 4, (collectively, the "Prepayment Amount").

2. Partial Prepayment of the Prepayable Portion of the Special Tax

The amount of the partial prepayment shall be calculated as in Section I.1; except that a partial prepayment shall be calculated according to the following formula:

$$PP = PE \times F$$

These terms have the following meaning:

- PP = the Partial Prepayment Amount of the Prepayable Portion of the Special Tax
PE = the Prepayment Amount of the Prepayable Portion of the Special Tax calculated according to Section I.1.A (for Residential Property) or Section I.1.B (for Non-Residential Property).
F = the percentage, expressed as a decimal, by which the owner of the Assessor's Parcel is partially prepaying the Prepayable Portion of the Special Tax.

3. General Provisions Applicable to Prepayment

a. Use of Prepayments

Subsequent to the issuance of the first series of Non-Subordinate CFD No. 2009-3 (IA No. 1) Bonds, the Prepayment Amount of the Prepayable Portion of the Special Tax shall be applied in the following order of priority: (i) to be deposited into specific funds established under the Indenture, to fully or partially retire as many Non-Subordinate CFD No. 2009-3 (IA No. 1) Bonds as possible (or as many Other Improvement Area Bonds as possible, if the Special Taxes secure Other Improvement Area Bonds), and, if amounts are less than \$5,000, to make debt service payments on the Non-Subordinate CFD No. 2009-3 (IA No. 1) Bonds (or Other Improvement Area Bonds if the Special Taxes secure Other Improvement Area Bonds), (ii) to finance Group A Facilities and/or Group B Facilities, as identified in the Amended and Restated Development Agreement, and (iii) to be remitted to the City and used for any Authorized Facilities or Authorized Services in accordance with the Amended and Restated Development Agreement. Prior to the issuance of the first series of Non-Subordinate CFD No. 2009-3 (IA No. 1) Bonds, the Prepayment Amount of the Prepayable Portion of the Special Tax shall be applied in the following order of priority: (i) to finance Group A and/or Group B Facilities, as identified in the Amended and Restated Development Agreement, and (ii) to be remitted to the City and used for any Authorized Facilities or Authorized Services in accordance with the Amended and Restated Development Agreement.

b. Full Prepayment of the Prepayable Portion of the Special Tax

Upon confirmation of the payment of the current Fiscal Year's entire Prepayable Portion of the Special Tax, the CFD Administrator shall remove the current Fiscal Year's Prepayable Portion of the Special Tax levy for such Assessor's Parcel from the County tax rolls. With respect to any Assessor's Parcel that is prepaid in accordance with Section I.1, the CFD Administrator shall indicate in the records of CFD No. 2009-3 (IA No. 1) that there has been a prepayment of the Prepayable Portion of the Special Tax and that a portion of the Maximum Special Tax with respect to such Assessor's Parcel, equal to XX.XX% of the Maximum Special Tax for Residential Property and XX.XX% of the Maximum Special Tax for Non-Residential Property, shall continue to be levied on such Assessor's Parcel pursuant to Section E.

c. Partial Prepayment of the Prepayable Portion of the Special Tax

Upon confirmation of the payment of a portion of the current Fiscal Year's Prepayable Portion of the Special Tax, the CFD Administrator shall remove a portion of the current Fiscal Year's Prepayable Portion of the Special Tax levy for such Assessor's Parcel from the County tax rolls equal to that amount included in the partial prepayment for such Assessor's Parcel determined in Section I.2. With respect to any Assessor's Parcel that is partially prepaid in accordance with Section I.2, the CFD Administrator shall indicate in the records of CFD No. 2009-3 (IA No. 1) that there has been a partial prepayment of the Prepayable Portion of the Special Tax and that a portion of the Maximum Special Tax with respect to such Assessor's Parcel, equal to the outstanding percentage $[1.00 - (.XXXX \times F)]$ multiplied by the Maximum Special Tax for Residential Property and $[1.00 - (.XXXX \times F)]$ multiplied by the Maximum Special Tax for Non-Residential Property shall continue to be levied on such Assessor's Parcel pursuant to Section E.

d. Debt Service Coverage

Notwithstanding the foregoing, no prepayment of the Prepayable Portion of the Special Tax shall be allowed unless, at the time of such proposed prepayment, the Special Tax that may be levied on Taxable Property within CFD No. 2009-3 (IA No. 1) in all Fiscal Years (after excluding [] acres of Property Owner Association Property and [] acres of Public Property as set forth in Section F), both prior to and after the proposed prepayment, is at least equal to the Debt Service Coverage times the debt service necessary to support the remaining Outstanding Bonds.

J. TERM OF SPECIAL TAX

XX.XX% of the Maximum Special Tax on Residential Property and XX.XX% of the Maximum Special Tax on Non-Residential Property shall terminate and no longer be levied or collected pursuant to this Rate and Method of Apportionment in the Fiscal Year immediately following the fortieth anniversary of the date on which the first series of Non-Subordinate CFD No. 2009-3 (IA No. 1) Bonds were sold. The remaining portion of the Special Tax for both Residential Property and Non-Residential Property shall be levied into perpetuity.

K. NO EXTENSION OR MODIFICATION OF AMENDED AND RESTATED DEVELOPMENT AGREEMENT

Notwithstanding any reference to the Amended and Restated Development Agreement, nothing herein shall incorporate the Amended and Restated Development Agreement in to the Rate and Method of Apportionment, extend the term of the Amended and Restated Development Agreement, as defined therein, and/or amend or modify the provisions thereof.

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Revised: 8/5/09*

EXHIBIT A

CERTIFICATE TO AMEND SPECIAL TAX

CITY OF IRVINE AND CFD No. 2009-3 (IA No. 1) CERTIFICATE

1. Pursuant to Section C of the Rate and Method of Apportionment, as attached to the Notice of Special Tax Lien, recorded in the Official Records of the County of Orange as Instrument No. XXXXXX on MM/DD/YYYY, the City of Irvine ("City") and City of Irvine Community Facilities District No. 2009-3 ("CFD No. 2009-3 (IA No. 1)") hereby agree to a reduction in the Maximum Special Tax for Residential Property or the special taxes for Non-Residential Property set forth in Table 1 of the Rate and Method of Apportionment for CFD No. 2009-3 (IA No. 1).

The information in Table 1 relating to the Fiscal Year 20XX-20XX Maximum Special Tax for Developed Property within CFD No. 2009-3 (IA No. 1) shall be amended and restated in full as follows:

Land Use Class	Description	Maximum Special Tax
1	DETACHED RESIDENTIAL PROPERTY (=> 5,700 SF)	\$[] per unit
2	DETACHED RESIDENTIAL PROPERTY (5,450 SF - 5,699 SF)	\$[] per unit
3	DETACHED RESIDENTIAL PROPERTY (5,200 SF - 5,449 SF)	\$[] per unit
4	DETACHED RESIDENTIAL PROPERTY (4,950 SF - 5,199 SF)	\$[] per unit
5	DETACHED RESIDENTIAL PROPERTY (4,700 SF - 4,949 SF)	\$[] per unit
6	DETACHED RESIDENTIAL PROPERTY (4,450 SF - 4,699 SF)	\$[] per unit
7	DETACHED RESIDENTIAL PROPERTY (4,200 SF - 4,449 SF)	\$[] per unit
8	DETACHED RESIDENTIAL PROPERTY (3,950 SF - 4,199 SF)	\$[] per unit
9	DETACHED RESIDENTIAL PROPERTY (3,700 SF - 3,949 SF)	\$[] per unit
10	DETACHED RESIDENTIAL PROPERTY (3,450 SF - 3,699 SF)	\$[] per unit
11	DETACHED RESIDENTIAL PROPERTY (3,200 SF - 3,449 SF)	\$[] per unit
12	DETACHED RESIDENTIAL PROPERTY (2,950 SF - 3,199 SF)	\$[] per unit
13	DETACHED RESIDENTIAL PROPERTY (2,700 SF - 2,949 SF)	\$[] per unit
14	DETACHED RESIDENTIAL PROPERTY (2,450 SF - 2,699 SF)	\$[] per unit
15	DETACHED RESIDENTIAL PROPERTY (2,200 SF - 2,449 SF)	\$[] per unit
16	DETACHED RESIDENTIAL PROPERTY (1,950 SF - 2,199 SF)	\$[] per unit
17	DETACHED RESIDENTIAL PROPERTY (1,700 SF - 1,949 SF)	\$[] per unit
18	DETACHED RESIDENTIAL PROPERTY (< 1,700 SF)	\$[] per unit
19	ATTACHED RESIDENTIAL PROPERTY (=> 2,600 SF)	\$[] per unit
20	ATTACHED RESIDENTIAL PROPERTY (2,400 SF - 2,599 SF)	\$[] per unit
21	ATTACHED RESIDENTIAL PROPERTY (2,200 SF - 2,399 SF)	\$[] per unit
22	ATTACHED RESIDENTIAL PROPERTY (2,000 SF - 2,199 SF)	\$[] per unit
23	ATTACHED RESIDENTIAL PROPERTY (1,800 SF - 1,999 SF)	\$[] per unit
24	ATTACHED RESIDENTIAL PROPERTY (1,600 SF - 1,799 SF)	\$[] per unit

Land Use Class	Description	Maximum Special Tax
25	ATTACHED RESIDENTIAL PROPERTY (1,400 SF - 1,599 SF)	\$[] per unit
26	ATTACHED RESIDENTIAL PROPERTY (1,200 SF - 1,399 SF)	\$[] per unit
27	ATTACHED RESIDENTIAL PROPERTY (< 1,200 SF)	\$[] per unit
28	SENIOR HOUSING	\$[] per unit
29	MODERATE AFFORDABLE UNITS	\$[] per unit
30	MODERATE AFFORDABLE SENIOR UNITS	\$[] per unit
31	AFFORDABLE UNITS	\$[] per unit
32	NON-RESIDENTIAL - COMMERCIAL PROPERTY	\$[] per SF of Non-Residential Floor Area \$[] per Acre
33	NON-RESIDENTIAL - INDUSTRIAL PROPERTY	\$[] per SF of Non-Residential Floor Area \$[] per Acre
34	NON-RESIDENTIAL - INSTITUTIONAL PROPERTY	\$[] per SF of Non-Residential Floor Area \$[] per Acre
35	NON-RESIDENTIAL - OFFICE PROPERTY	\$[] per SF of Non-Residential Floor Area \$[] per Acre
36	NON-RESIDENTIAL - AUTO CENTER	\$[] per SF of Non-Residential Floor Area \$[] per Acre
37	OTHER NON-RESIDENTIAL PROPERTY	\$[] per SF of Non-Residential Floor Area \$[] per Acre

2. Upon execution of the certificate by the City and CFD No. 2009-3 (IA No. 1), the City shall cause an amended notice of Special Tax lien for CFD No. 2009-3 (IA No. 1) to be recorded reflecting the modifications set forth herein.

By execution hereof, the undersigned acknowledges, on behalf of the County and CFD No. 2009-3 (IA No. 1), receipt of this certificate and modification of the Rate and Method of Apportionment as set forth in this certificate.

CITY OF IRVINE

By: _____
CFD Administrator

Date: _____

CITY OF IRVINE COMMUNITY FACILITIES DISTRICT NO. 2009-3

By: _____

Date: _____

EXHIBIT B

ANNUAL AMOUNTS FOR CFD No. 2009-3

Fiscal Year	Amount
2009-2010	\$2,000,000
2010-2011	\$3,000,000
2011-2012	\$4,000,000
2012-2013	\$4,000,000
2013-2014	\$5,000,000
2014-2015	\$9,500,000
Each Fiscal Year Thereafter, Commencing in Fiscal Year 2015-2016	Increase Amount in Prior Fiscal Year by 3%.

EXHIBIT C

IDENTIFICATION OF FUTURE ANNEXATION AREA



Public Finance and Urban Economics

5000 Birch Street, Ste. 6000, Newport Beach, CA 92660

IMPLEMENTATION MEMORANDUM

August 5, 2009

To: City of Irvine CFD No. 2009-3 Administrator
From: David Taussig and Associates, Inc.
Subject: Pro Rata Share of Guaranteed Amount and Prepayment Percentages

This Implementation Memo has been prepared to explain the methodology that will be used to recalculate the Pro Rata Share¹ and to set the prepayment percentages for any improvement areas ("IA" or "IAs") within CFD No. 2009-3.

I. Pro Rata Share of Guaranteed Amount

Pursuant to the Rate and Method of Apportionment ("RMA") for each of the 11 IAs within City of Irvine CFD No. 2009-3 (Great Park), the amount of Special Taxes levied to satisfy the Guaranteed Amount ("GA") for each IA cannot exceed that IA's Pro Rata Share of the amounts set forth in Exhibit B to the RMA (the "Indexed GA"), except for cases in which tax delinquencies have occurred. This serves as a mechanism to limit the amount of Special Taxes that can be levied on Final Mapped and Undeveloped Property. Once all of the Assessor's Parcels of Taxable Property within an IA have been classified as Developed Property, the actual amount of Special Taxes levied each year will be equal to the Maximum Special Taxes listed in Table 1 of the RMA, and the Pro Rata Share shall not impact the amount of Special Taxes levied (although it does impact the application of the Special Taxes).

In the RMA for each of the 11 IAs, the term GA will be defined as:

"Guaranteed Amount" means for any Fiscal Year, the lesser of (i) the Pro Rata Share for CFD No. 2009-3 (IA No. 1) of the annual amounts set forth in Exhibit B [of the RMA], or (ii) the sum of (a) the Pro Rata Share for CFD No. 2009-3 (IA No. 1) of the amount needed to finance Authorized Services in such Fiscal Year as determined by the City and (b) the Bond Costs associated with any Subordinate Bonds issued on behalf of CFD No. 2009-3 (IA No. 1). Notwithstanding the above, the Guaranteed Amount may exceed the Pro Rata Share for CFD No. 2009-3 (IA No. 1) as discussed in Section E.2 [of the RMA]. The Guaranteed Amount collected in CFD No. 2009-3 (IA No. 1) may be used to finance Authorized Services and to pay Bond Costs associated with Subordinate Bonds issued on behalf of CFD No. 2009-3 (IA No. 1).

¹ Please note that all capitalized terms used herein, unless otherwise indicated, shall have the meanings defined in the Rate and Method of Apportionment for all IAs.

Below is a copy of the Indexed GA, which is referred to in the GA definition above as Exhibit B of each RMA.

Table A: Copy of Exhibit B of each Rate and Method of Apportionment

Fiscal Year	Annual Amount
2009-10	\$2,000,000
2010-11	\$3,000,000
2011-12	\$4,000,000
2012-13	\$4,000,000
2013-14	\$5,000,000
2014-15	\$9,500,000
Each Fiscal Year Thereafter, Commencing in Fiscal Year 2015-2016	Increase Amount in Prior Fiscal Year by 3%

On each July 1, commencing July 1, 2015, one year after the Indexed GA will have been increased to \$9,500,000, the Indexed GA shall be increased by an amount equal to three percent (3%) of the amount in effect for the previous Fiscal Year.

In the RMA for each of the 11 IAs, the term Pro Rata Share is defined as:

"Pro Rata Share" means the ratio calculated by dividing the anticipated Maximum Special Tax to be levied at build out in CFD No. 2009-3 (IA No. 1) by the anticipated Maximum Special Tax to be levied at build out for all improvement areas within CFD No. 2009-3. So long as there are no CFD No. 2009-3 (IA No. 1) Bonds outstanding, or Special Taxes being pledged to the payment of Bond Costs for Other Improvement Area Bonds, the City may recalculate the Pro Rata Share to reflect development assumptions which differ from those identified in Table 2 of the rate and method of apportionment for any improvement area of CFD No. 2009-3. Notwithstanding the foregoing, the City shall not recalculate the Pro Rata Share to incorporate any prepayments of the Prepayable Portion of the Special Tax.

It is currently anticipated that at the time of formation of CFD No. 2009-3, the Pro Rata Share for each IA will equal the following percentages:

Table B: Pro Rata Share

Improvement Area	FY 2014-2015 Total Estimated Maximum Special Tax	Pro Rata Share	FY 2014-2015 Maximum GA*
No. 1	\$4,246,398	13.49%	\$1,281,133
No. 2	\$4,060,422	12.89%	\$1,225,025
No. 3	\$3,322,390	10.55%	\$1,002,361
No. 4	\$1,033,560	3.28%	\$311,824
No. 5	\$5,339,732	16.96%	\$1,610,991
No. 6	\$5,343,952	16.97%	\$1,612,264
No. 7	\$0	0.00%	\$0
No. 8	\$134,640	0.43%	\$40,621
No. 9	\$4,973,739	15.80%	\$1,500,571
No. 10	\$3,033,519	9.63%	\$915,209
No. 11	\$0	0.00%	\$0
Total	\$31,488,352	100.00%	\$9,500,000

*Note. The Maximum GA identified assumes the Total Maximum Special Taxes identified are for FY 2014-2015.

Prior to bond issuance, the amounts listed in Table B above for all Non-Fixed IAs (as defined herein) shall be revised by the City whenever Table 1 in the RMA for any IA is amended and restated. All future changes to the Maximum Special Tax and Pro Rata Share (percentages and dollar amounts) reflected in Table B above will be based on the same methodology used at the time of IA formation. The calculations will be based on the formulas listed below, where Maximum Special Tax (“MST”) for each IA will be equal to the Maximum Special Tax anticipated at buildout of that IA based on the approved changes in development assumptions:

$$\begin{aligned} \text{Pro Rata Share for IA No. 1} &= \text{MST}_{\text{IA No. 1}} / \text{MST}_{\sum \text{IA No. 1...11}} \\ \text{Pro Rata Share for IA No. 2} &= \text{MST}_{\text{IA No. 2}} / \text{MST}_{\sum \text{IA No. 1...11}} \\ \text{Pro Rata Share for IA No. 3} &= \text{MST}_{\text{IA No. 3}} / \text{MST}_{\sum \text{IA No. 1...11}} \\ \text{Pro Rata Share for IA No. 4} &= \text{MST}_{\text{IA No. 4}} / \text{MST}_{\sum \text{IA No. 1...11}} \\ \text{Pro Rata Share for IA No. 5} &= \text{MST}_{\text{IA No. 5}} / \text{MST}_{\sum \text{IA No. 1...11}} \\ \text{Pro Rata Share for IA No. 6} &= \text{MST}_{\text{IA No. 6}} / \text{MST}_{\sum \text{IA No. 1...11}} \\ \text{Pro Rata Share for IA No. 7} &= \text{MST}_{\text{IA No. 7}} / \text{MST}_{\sum \text{IA No. 1...11}} \\ \text{Pro Rata Share for IA No. 8} &= \text{MST}_{\text{IA No. 8}} / \text{MST}_{\sum \text{IA No. 1...11}} \\ \text{Pro Rata Share for IA No. 9} &= \text{MST}_{\text{IA No. 9}} / \text{MST}_{\sum \text{IA No. 1...11}} \\ \text{Pro Rata Share for IA No. 10} &= \text{MST}_{\text{IA No. 10}} / \text{MST}_{\sum \text{IA No. 1...11}} \\ \text{Pro Rata Share for IA No. 11} &= \text{MST}_{\text{IA No. 11}} / \text{MST}_{\sum \text{IA No. 1...11}} \end{aligned}$$

To determine the maximum GA for each IA, the CFD administrator will multiply the Pro Rata Share percentages in Table B above, by the Indexed GA for such Fiscal Year, identified in Table A, herein.

However, notwithstanding the above, the Pro Rata Share for a specific IA shall be considered final upon the issuance of bonds for such IA (herein, a "Fixed IA"). All IAs other than the Fixed IAs shall be referred to herein as "Non-Fixed IAs"). For example, if bonds have been issued on behalf of IA No. 1, the Pro Rata Share for IA No. 1 would be finalized (according to the current Table B at 13.49%). Any revisions to the Pro Rata Share amounts for all remaining Improvement Areas would be based on the formula listed below and reflected in an updated Table B:

$$\text{Pro Rata Share for a Non-Fixed IA} = \text{MST for a Non-Fixed IA} / \text{MST} \sum_{\text{All Non-Fixed IAs}}$$

To determine the maximum GA for each Non-Fixed IA in any Fiscal Year, the CFD administrator will multiply (i) the Pro Rata Share percentages calculated pursuant to the formula above, by (ii) the difference between the Indexed GA for such Fiscal Year identified in Table A and the GA for all Fixed IAs for such Fiscal Year (calculated by multiplying the fixed Pro Rata Share of the Fixed IAs by the Indexed GA).

The new Pro Rata Share percentages for each Non-Fixed IA, as calculated by the CFD Administrator using the formula above, shall replace the amounts identified in Table B and shall be used in each Fiscal Year to determine the maximum GA for such Non-Fixed IAs. In addition, Table B shall identify the maximum Pro Rata Share of the GA for FY 2014-2015 to reflect the remaining IAs Pro Rata Share of \$9,500,000.

II. Prepayment Percentages

Two percentage amounts are required to determine the prepayment amounts for Residential Property and Non-Residential Property under Section I of the RMA. These percentage amounts are called Property Prepayment Percentages, and they shall be calculated separately for Residential Property and Non-Residential Property as follows:

Non-Residential Property

- Step 1. For such IA, determine the amount of the Maximum Special Tax identified in Table B above generated by Non-Residential Property or parcels anticipated to become Non-Residential Property ("Total Non-Residential Property MST")
- Step 2. Multiply the total Non-Residential Floor Area expected at buildout for such IA by \$0.25.
- Step 3. Subtract the amount calculated in Step 2 above from the Total Non-Residential Property MST for such IA as determined under Step 1 above and divide by 1.1 ("Prepayable Portion of the Total Non-Residential Property MST").
- Step 4. Divide the amount calculated in Step 3 by the Total Non-Residential Property MST as determined under Step 1 ("Non-Residential Property Prepayment Percentage").

Residential Property

- Step 5. For such IA, determine the Maximum Special Tax expected to be levied on Residential Property (“Total Residential Property MST”).
- Step 6. Determine the GA to be paid by Residential Property or parcels anticipated to become Residential Property for such IA by subtracting the amount calculated in Step 2 above from an amount equal to the Pro Rata Share for such IA multiplied by \$9,500,000 (if this calculation is being done in Fiscal Year 2014-2015), or for each Fiscal Year beyond Fiscal Year 2014-2015 in which this calculation is being made, \$9,500,000 escalated by 2% each Fiscal Year thereafter. . If this calculation is made prior to Fiscal Year 2014-2015, the amount calculated in Step 2 shall be subtracted from an amount equal to the Pro Rata Share for such IA multiplied by \$9,500,000 discounted 2% annually for the number of years remaining until Fiscal Year 2014-2015.
- Step 7. Subtract the amount calculated in Step 6 above from the Total Residential Property MST as determined under Step 5 and divide by 1.1 (“Prepayable Portion of the Total Residential Property MST”).
- Step 8. Divide the amount calculated in Step 7 by the Total Residential Property MST as determined under Step 5 (“Residential Property Prepayment Percentage”).

The Non-Residential Property Prepayment Percentage calculated pursuant to Step 4 above shall be utilized within the RMA as the percentage amounts required in the following places:

- Step 3 and Step 4 in Section I.1.B
- Section I.3.c

In addition, in Section I.3.b of the RMA, the percentage amount that will continue to be levied on Non-Residential Property shall equal (1.0 - Non-Residential Property Prepayment Percentage calculated in Step 4).

The Residential Property Prepayment Percentage calculated pursuant to Step 8 above shall be utilized within the RMA as the percentage amounts required in the following places:

- Step 3 and Step 4 in Section I.1.A
- Section I.3.c

In addition, in Section I.3.b of the RMA, the percentage amount that will continue to be levied on Residential Property shall equal (1.0 - Residential Property Prepayment Percentage calculated in Step 8).

Lastly, in Section J of the RMA, the percentage amount that shall terminate shall equal 1.1 x Non-Residential Property Prepayment Percentage, calculated pursuant to Step 4 above, for Non-residential Property, and for Residential Property, the percentage amount that shall terminate

shall equal 1.1 x Residential Property Prepayment Percentage, calculated pursuant to Step 8 above.

Example:

Step 1: Non-Res SF = 1,423,417 x 1.32 = 1,878,910.44

Step 2: 1,423,417 x 0.25 = 355,854.25

Step 3: 1,878,910.44 - 355,854.25 = 1,523,056.19 / 1.1 = 1,384,596.54

Step 4: 1,384,596.54 / 1,878,910.44 = 73.69%

Step 5: 638 units x average tax of 3,710.8 = 2,367,487.56

Step 6: (Pro Rata Share: 13.49% x 9,500,000) - 355,854.25 = 925,279.20

Step 7: 2,367,487.56 - 925,279.20 = 1,442,208.36 / 1.1 = 1,311,098.51

Step 8: 1,311,098.51 / 2,367,487.56 = 55.38%

Exhibit T

POLICE SITE TITLE EXCEPTIONS

1. General and special taxes and assessments for the fiscal year in which the conveyance of the Police Site occurs and all subsequent fiscal years.
2. Taxes, bonds and assessments not examined.
3. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.
4. Water rights, claims or title to water, whether or not shown by the public records.
5. An easement for right of way for road and incidental purposes, recorded March 24, 1902 as Book 123 Page 316 of Official Records in favor of The County of Orange.

As modified by that certain easement for right of way for road and incidental purposes, recorded July 1, 1944 as Book 1263 Page 136 of Official Records, that certain Resolution of Board of Supervisors, Orange County California, recorded January 6, 1960 in Book 5050 Page 577 of Official Records, and that certain Certificate of Completion recorded January 14, 2004 as Instrument No. 2004000030076 of Official Records.

6. An easement for Electrical distribution systems and incidental purposes, recorded March 4, 1918 as Book 318 Page 240 and as amended and changed by agreement recorded July 31, 1943 in Book 1204 Page 171 both of Official Records.

In Favor of: Southern California Edison Company
Affects: A portion of the land

As modified by Final Judgment and Decree of Condemnation rendered in the District Court of the United States in and for the Southern District of California, Central District in an action entitled United States of America, Plaintiff VS. 2318.833 acres of land, and others, defendants Case No. 2504-Y Civil, a certified copy of which decree was recorded July 12, 1944 in Book 1264 Page 154 and recorded November 3, 1949 in Book 1923 Page 151, both of Official Records

7. The Terms, Provisions and Easement(s) contained in the document entitled "Quitclaim Deed" recorded July 12, 2005 as Instrument No. 2005-0536288 of Official Records.

Document(s) declaring modifications thereof recorded December 22, 2005 as Instrument No. 2005001023680 of Official Records.

8. The Terms, Provisions, Restrictions (including those set forth in Section 3.9 and 9.1) and any Easement(s) (if any) contained in that certain document entitled "Amended and Restated Development Agreement" to which this Exhibit is attached;

Which amends and restates that certain "Development Agreement" recorded July 12, 2005 as Instrument No. 2005-0538136 of Official Records.

Exhibit T

The interest of Heritage Fields, LLC, a Delaware Limited Liability Company, under the Development Agreement recorded July 12, 2005 as Instrument No. 2005-0538136 of Official Records was assigned to Heritage Fields El Toro, LLC, a Delaware Limited Liability Company, by an instrument recorded December 22, 2005 as Instrument No. 05-1023682 of Official Records.

9. Covenants, conditions, restrictions and easements in the document recorded July 12, 2005 as Instrument No. 2005-0538145 of Official Records (the "Original CC&Rs"), which provide that a violation thereof shall not defeat or render invalid the lien of any first mortgage or deed of trust made in good faith and for value, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes or applicable state law. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.[Note: This exception will be removed upon the termination of the Original CC&Rs pursuant to the provisions of Section 12 of that certain "Amended and Restated Development Agreement" to which this Exhibit is attached.]
10. The fact that the land lies within the boundaries of the Great Park Redevelopment Project Area, as disclosed by the document recorded March 31, 2005 as Instrument No. 2005000242692 and as revised by a document recorded June 19, 2007 as Instrument No. 2007000407641 of Official Records.
11. Easements for water lines and incidental purposes, as set out in decree entered August 27, 1953 and supplemental judgment entered July 7, 1960 and upon the terms and conditions contained therein, in the matter of the United States of America vs. The Irvine Company and others in the United States District Court Southern District of California, Central Division Case No. 15821-WB civil certified copies of which decrees were respectively recorded September 1, 1953 in Book 2567 Page 100; July 13, 1960 in Book 5327 Page 139 and October 31, 1978 in Book 12904 Page 1756, all of Official Records.
12. Any and all offers of dedication, conditions, restrictions, easements, fence line/boundary discrepancies, notes and/or provisions shown or disclosed on Parcel Map 2006-271, upon the recordation of any final map.
13. Any and all offers of dedication, conditions, restrictions, easements, fence line/boundary discrepancies, notes and/or provisions shown or disclosed on Approved Tentative Tract Map 17008 (as amended), upon the recordation of any final map.
14. Any and all offers of dedication, conditions, restrictions, easements, fence line/boundary discrepancies, notes and/or provisions shown or disclosed on Approved Tentative Map 17283, upon the recordation of any final map.
15. An easement for underground power transmission facilities reserved for the benefit of Heritage Fields El Toro, LLC (which is assignable to SCE or any other applicable utility company) in the approximate location shown on Exhibit F to that certain document entitled "Amended and Restated Development Agreement" to which this Exhibit is attached.
16. A license to carry out the obligations of Heritage Fields under the Amended and Restated Master Implementation Agreement by and between the City of Irvine and Heritage Fields El Toro, LLC (the "Amended MIA"), as set forth in the Amended MIA.

Exhibit T

17. With respect to those portions of the Police Site on which The United States of America retained one or more Leases in Furtherance of Conveyance, the Terms, Provisions, Restrictions and Easement(s) contained and/or reserved in one or more Quitclaim Deed(s) to be granted by The United States of America in connection with the conveyance of the Police Site (or portions thereof) to Heritage Fields El Toro, LLC following the issuance of a Finding of Suitability to Transfer, including easements and other rights for the maintenance and exclusive use of and provision and maintenance for support of structures owned by the United States of America and incidental purposes.
18. Easement rights held (or to be contained and/or reserved in one or more Quitclaim Deed(s) to be granted by The United States of America) by the United States of America relating to access/egress, installation, maintenance and removal of monitoring wells located on the property.

Exhibit U

ARDA TRANSFER SITE TITLE EXCEPTIONS

1. General and special taxes and assessments for the fiscal year in which the conveyance of the ARDA Transfer Site occurs and all subsequent fiscal years.
2. Taxes, bonds and assessments not examined.
3. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.
4. Water rights, claims or title to water, whether or not shown by the public records.
5. An easement for Sanitary sewer, storm drains, pipelines, public utilities and incidental purposes, recorded March 26, 1996 as Instrument No. 199960144770 of Official Records.

In Favor of: The County of Orange
Affects: A portion of vacated Trabuco Road

6. The Terms, Provisions and Easement(s) contained in the document entitled "Quitclaim Deeds" recorded July 12, 2005 as Instrument No. 2005-0536290 of Official Records.

Said instrument was modified by deed recorded December 22, 2005 as Instrument No. 2005001023680 of Official Records.

7. An easement for Ingress, egress and the installation, operation, maintenance and repair of utilities and maintenance and exclusive use of and provision and maintenance for support of structures owned by the United States of America and incidental purposes, recorded July 12, 2005 as Instrument No. 2005-0536290 all of Official Records.

In Favor of: United States of America, acting by and through the
Department of the Navy
Affects: As provided in said instruments

8. A leasehold estate as created by that certain for the term, and upon the terms, covenants and conditions therein provided; Lessor: United States of America, acting by and through the Department of the Navy; Lessee: Heritage Fields, LLC, a Delaware Limited Liability Company; Dated: July 12, 2005; Recorded: July 12, 2005 as Instrument No. 2005-053291 of Official Records

Terms, provisions and conditions contained in an instrument entitled "Assignment and Assumption of Leases", executed by and between Heritage Fields LLC, a Delaware Limited Liability Company and Heritage Fields El Toro, LLC, a Delaware Limited Liability Company and recorded December 22, 2005 as Instrument No. 2005001023681 of Official Records.

9. The Terms, Provisions, Restrictions (including those set forth in Section 3.9) and any Easement(s) (if any) contained in that certain document entitled "Amended and Restated Development Agreement" to which this Exhibit is attached;

Exhibit U

Which amends and restates that certain "Development Agreement" recorded July 12, 2005 as Instrument No. 2005-0538136 of Official Records.

The interest of Heritage Fields LLC, a Delaware Limited Liability Company, under the Development Agreement recorded July 12, 2005 as Instrument No. 2005-0538136 of Official Records was assigned to Heritage Fields El Toro, LLC, a Delaware Limited Liability Company, by an instrument recorded December 22, 2005 as Instrument No. 05-1023682 of Official Records.

10. Covenants, conditions, restrictions and easements in the document recorded July 12, 2005 as Instrument No. 2005-0538145 of Official Records (the "Original CC&Rs"), which provide that a violation thereof shall not defeat or render invalid the lien of any first mortgage or deed of trust made in good faith and for value, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes or applicable state law. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status. [Note: This exception will be removed upon the termination of the Original CC&Rs pursuant to the provisions of Section 12 of that certain "Amended and Restated Development Agreement" to which this Exhibit is attached.]
11. The fact that the land lies within the boundaries of the Great Park Redevelopment Project Area, as disclosed by the document recorded March 31, 2005 as Instrument No. 200500242692 and as revised by a document recorded June 19, 2007 as Instrument No. 2007000407641 of Official Records both of Official Records.
12. Any and all offers of dedication, conditions, restrictions, easements, fence line/boundary discrepancies, notes and/or provisions shown or disclosed by Tentative Tract Map. No. 17008 (as amended), upon the recordation of such final map.
13. Any and all offers of dedication, conditions, restrictions, easements, fence line/boundary discrepancies, notes and/or provisions shown or disclosed by Parcel Map No. 2006-271, upon the recordation of such final map.
14. A license to carry out the obligations of Heritage Fields under the Amended and Restated Master Implementation Agreement by and between the City of Irvine and Heritage Fields El Toro, LLC (the "Amended MIA"), as set forth in the Amended MIA.
14. With respect to those portions of the ARDA Transfer Site on which The United States of America retained one or more Leases in Furtherance of Conveyance, the Terms, Provisions, Restrictions and Easement(s) contained and/or reserved in one or more Quitclaim Deed(s) to be granted by The United States of America in connection with the conveyance of the ARDA Transfer Site (or portions thereof) to Heritage Fields El Toro, LLC following the issuance of a Finding of Suitability to Transfer, including easements and other rights for the maintenance and exclusive use of and provision and maintenance for support of structures owned by the United States of America and incidental purposes.

BINGHAM

1/12 RETURNED CC. CLARK
FILE

Edward S. Merrill
Direct Phone: 415.393.2335
Direct Fax: 415.262.9228
doc.merrill@bingham.com
Our File No.: 0000335426

January 5, 2011

Via FedEx

City of Irvine
City Hall
One Civic Center Plaza
Irvine, CA 92623-9675
Attn: Sean Joyce, City Manager

Re: Mortgagee Notice

Dear Mr. Joyce:

We represent State Street Bank & Trust Co. As you may know, State Street recently closed an acquisition and restructuring of the mortgage loan encumbering the Heritage Fields Property. Enclosed is State Street's letter notifying the City of State Street's status as Mortgagee with respect to the Amended and Restated Development Agreement concerning the Heritage Fields Property.

Please have the City of Irvine acknowledge receipt of the letter by signing and dating where indicated and returning to me at the address shown on our letterhead.

Thank you for your cooperation.

Very truly yours,


Edward S. Merrill

Enclosure

cc: Rutan & Tucker, Attn: Phil Kohn, Irvine City Atty (w/encl.) (via Fed. Exp.)
Michael Alvarado (w/encl.) (via Email)
Michael Damast (w/encl.) (via Email)

Boston
Hartford
Hong Kong
London
Los Angeles
New York
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One Lincoln Street
Boston, MA 02111-2900

January 5, 2011

City of Irvine (the "City")
City Hall
One Civic Center Plaza
Irvine, California 92623-9575
Attention: Director of Community Development

Rutan & Tucker, LLP
611 Anton Blvd., Suite 1400
Costa Mesa, California 92626
Attention: Irvine City Attorney

Re: Mortgagee Notice

Ladies and Gentlemen:

Reference is made to that certain Amended and Restated Development Agreement (the "Agreement"), dated as of December 29, 2010, by and among the City, the Irvine Redevelopment Agency and Heritage Fields El Toro, LLC, a Delaware limited liability company ("Heritage Fields"). Except as otherwise defined in this letter, defined terms herein shall have the meaning given to such terms in the Agreement.

State Street Bank and Trust Company, a Massachusetts trust company ("State Street") is now a Mortgagee with respect to the Heritage Fields Property. Pursuant to the terms of Section 16.4 of the Agreement, upon written request to the City, a Mortgagee is entitled to receive written notice from the City of the results of the Annual Review and of any default by Heritage Fields under the Agreement.

In accordance with Section 16.4 of the Agreement, State Street hereby requests to receive the notices described in Section 16.4. All such notices or communications shall be given to State Street at addresses set forth below:

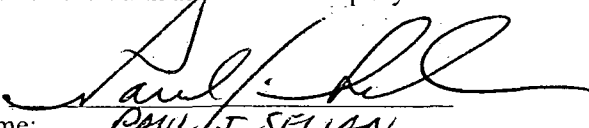
State Street Bank and Trust Company
One Lincoln Street
Boston, MA 02111
Attention: Paul J. Selian, Q. Sophie Yang, and Robert S. Emslie
Telephone: (617) 664-0374
Facsimile: (617) 664-2637

and
State Street Bank and Trust Company
Copley Place, Tower 1, Floor 2
Boston, MA 02116
Attention: Bruce M. Denneen
Telephone: (617) 662-7280
Facsimile: (617) 664-5650

Please acknowledge your receipt of this notice with your countersignature below and returning an original to Mortgagee at the address set forth above.

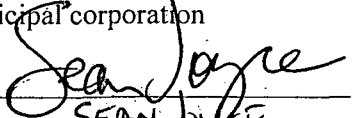
Sincerely,

State Street Bank and Trust Company

By: 
Name: PAUL J. SULLIVAN
Title: E. V. PRESIDENT

Acknowledged and agreed to
this ___ day of January, 2011:

CITY OF IRVINE,
a municipal corporation

By: 
Name: SEAN JOYCE
Title: CITY MANAGER