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Lee A. Branch RECORDER

EXEMPT
C12

Documentary Transfer Tax (Cal. Rev. & Stat. Sec. 13141)
(Computed on full value
of property conveyed)
By: *Lee A. Branch*

Project No.: PR41D

Project: Limestone Canyon
Regional Park

Parcel No: 101

LIMESTONE CANYON

IRREVOCABLE OFFER OF DEDICATION

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IRREVOCABLE OFFER OF DEDICATION

THIS IRREVOCABLE OFFER OF DEDICATION ("Offer") is made as of this 13th day of June, 1991, by The Irvine Company, a Michigan corporation (hereinafter referred to as ("OFFEROR") in favor of the County of Orange, a political subdivision of the State of California (hereinafter referred to as "COUNTY"), with reference to the following facts:

RECITALS

A. OFFEROR is the owner of fee title to that certain real property (the "Property") described in Exhibit "A" and depicted on Exhibit "B" to this Agreement. The Property consists of approximately 5,360 acres of land that includes the major portions of Limestone Canyon, Dripping Springs Meadow, Dripping Springs Canyon, Box Springs Canyon, Round Canyon, Upper Agua Chinon Wash, the Sinks, and lands in OFFEROR's ownership fronting on Santiago Canyon Road. Pursuant to Chapters 1363 and 1364 of Statutes, 1988, as amended (the "Corridor Statutes"), no state or federal funds may be used for construction of proposed State Highway Route 231 or Route 241 (otherwise known as the "Foothill and Eastern Transportation Corridors") until an offer to dedicate the Property for public recreation use and habitat protection is recorded in favor of COUNTY.

B. As an initial step toward satisfaction of the requirements of the Corridor Statutes, on April 11, 1989, the Board of Supervisors of COUNTY and OFFEROR entered into a Memorandum of Understanding Regarding the Dedication of Regional Park Lands in Limestone Canyon (the "County MOU"). The County MOU set forth the basic assumptions of COUNTY and OFFEROR concerning the eventual dedication of the Property as a regional park for public recreation use and habitat protection.

C. Among other things, the County MOU recognized that portions of the Property have been identified by the City of Irvine and City of Orange for phased dedication as mitigation for impacts associated with development of other lands in those cities. In particular, on September 26, 1988, the City of Irvine and OFFEROR entered into a Memorandum of Understanding Implementing Initiative Resolution 88-1 (the "Irvine MOU"), providing for dedication of those portions of the Property within Irvine's sphere of influence in phase with development of other specified areas of Irvine. Similarly, pursuant to the East Orange General Plan Amendment (the "EOGPA"), OFFEROR intends to dedicate portions of the Property within the sphere of influence of the City of Orange as development occurs in the area encompassed by the EOGPA ("East Orange"). The County MOU recognized that these dedication programs are of paramount importance to OFFEROR, and that any offer of dedication covering the Property must be consistent with the Irvine MOU and EOGPA open space dedication programs. These dedication programs would also serve to meet

Natural Regional Park needs of all COUNTY residents, including future residents of the Cities of Irvine and Orange, and are consistent with the COUNTY's Regional Recreational Facilities Master Plan.

D. The Property has been identified by the COUNTY and the Cities of Irvine and Orange ("Cities") for future public recreation use and habitat protection concurrently with, and in express recognition of, planning by the COUNTY, the Cities, and the Foothill/Eastern Transportation Corridor Agency ("Agency") to construct the Eastern and Foothill Transportation Corridors in the vicinity of the Property. The locations of the Eastern Transportation Corridor and the Northern Segment of the Foothill Transportation Corridor have been adopted by the COUNTY and the Agency, and construction has been initiated on the Northern Segment of the Foothill Transportation Corridor. COUNTY has determined that the construction of the Foothill and Eastern Transportation Corridors will be compatible with the future use of the Property for public recreation and habitat protection purposes and will not adversely affect or impair the values or uses of the Property. OFFEROR has agreed to offer to dedicate the Property to COUNTY with the express understanding that but for the foregoing determination of COUNTY, OFFEROR would not offer the Property at this time.

E. Planning for Foothill and Eastern Transportation Corridors has now reached a point where COUNTY desires to facilitate the Agency's ability to use state and/or federal funds in their construction. Consistent with the basic assumptions included in the County MOU, COUNTY and OFFEROR have reached agreement on the form, terms and conditions for an offer to dedicate the Property for public recreation use and habitat protection to be recorded in favor of COUNTY, upon the express understanding that (1) this Offer satisfies the requirements of the Corridor Statutes, and (2) but for the need to satisfy the requirements of the Corridor Statutes, OFFEROR would not offer the Property at this time, but would instead offer to dedicate the Property only in phases as development occurs in East Orange and Irvine.

IRREVOCABLE OFFER TO DEDICATE

NOW, THEREFORE, FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, OFFEROR hereby irrevocably offers to dedicate the Property to COUNTY, in fee, to be accepted incrementally as Management Units in the manner and at the times provided herein, subject to the following terms and conditions:

1 PURPOSE OF OFFER

OFFEROR is making this Offer to COUNTY for the dual purposes of providing mitigation for impacts to biological resources that are and will be associated with development of other land owned by OFFEROR and creating a Natural Regional Park. The Property lends itself to both purposes in that it contains a variety of biological

habitats and unique opportunities for mitigation and passive public recreation. Nonetheless, a critical component of this Offer is OFFEROR's intent and expectation to be able to undertake or cause to be undertaken, as a right retained by OFFEROR, biological resource and habitat conservation, enhancement and creation work sufficient to mitigate impacts that are and will be associated with development of other land owned by OFFEROR, to levels that may be acceptable to local, state and federal agencies concerned with impacts to biological resources. COUNTY understands that habitat mitigation is a paramount purpose for this Offer, and agrees that in the event there is a conflict between use of the Property for habitat mitigation and for public recreation, habitat mitigation shall take precedence as the paramount purpose for the Offer, but in a manner not to preclude COUNTY's ability to use the Property for permitted park and recreation purposes. The parties shall endeavor to plan for recreation uses and habitat mitigation respectively in a way that avoids conflicts and allows for both uses to occur jointly.

2 TERM OF OFFER

Except as otherwise provided herein, this Offer shall have an irrevocable initial term of thirty (30) years from the date of its recordation in the Official Records of Orange County, California. In the event that this Offer has not been accepted for any Management Unit (described in Section 5 below) because one or more conditions precedent to such acceptance contained in Sections 6.1 or 7 of this Offer remains unsatisfied at least six (6) months prior to the expiration of the initial term of this Offer, then upon written request from COUNTY's Manager, GSA/Real Estate Division, delivered to OFFEROR more than thirty (30) days prior to the expiration of the term of this Offer, OFFEROR shall record an amendment extending the term of this Offer for an additional ten (10) years. This Offer may be so extended more than once, provided that beginning on the sixtieth (60th) anniversary of this Offer (the "Ultimate Acceptance Date") and for six (6) months thereafter the same may be accepted as set forth in Section 6.2.1 notwithstanding that one or more conditions precedent to such acceptance contained in Section 6.1 of this Offer may then remain unsatisfied, unless the reason therefor is a matter covered by Section 7, in which event the date for acceptance shall be extended as provided in Section 7. In the event that, for any other reason, this Offer has not been accepted for any Management Unit prior to the end of the term of this Offer, or any extended term, then OFFEROR shall regain full title to that Management Unit free and clear of this Offer.

3 CONDITION OF TITLE

3.1 Exceptions. OFFEROR hereby covenants and agrees that each Management Unit of the Property shall be dedicated to COUNTY when all conditions to acceptance of such Management Unit have been satisfied. The Property shall be held free and clear against all liens, encumbrances, assessments, easements, leases (recorded and unrecorded), and taxes except for the following and as otherwise provided herein:

3.1.1 For each Management Unit accepted by COUNTY, any installment of General and Special County and City taxes, if any, allocable to a period subsequent to the time title is vested in or actual possession or physical possession is taken by the COUNTY, whichever first occurs, and all taxes subsequent thereto. However, OFFEROR shall remain liable for payment of any taxes allocable to the period prior to the time title is vested in or actual possession or physical possession is taken by the COUNTY, whichever first occurs, pursuant to the provisions of Sections 5084 and 5086, California Revenue and Taxation Code, as amended; and OFFEROR shall pay any such taxes, whether or not delinquent, together with penalties and interest thereon, and delinquent or nondelinquent assessments or bonds and any interest thereon prior to recordation of this Offer.

3.1.2 The lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 3.5 (commencing with Section 75) of the Revenue and Taxation Code of the State of California added by Chapter 498, Statutes of 1983, which will be permitted to be shown in COUNTY's title insurance policy. However, OFFEROR shall remain liable for payment of such taxes as set forth in Section 3.1.1 above.

3.1.3 Exceptions to title numbered 3 through 6, inclusive, 8, 10, 13, 18 through 22, inclusive, and 24 and 25, inclusive, contained in the Preliminary Title Report dated as of May 15, 1991, and issued by First American Title Insurance Company under its Order Number 1504031 as supplemented and set forth in Exhibit "C" attached hereto (the "Title Report"); provided, however, that OFFEROR represents and warrants (a) that prior to the date upon which the COUNTY or an accepting entity may accept a Management Unit, such Management Unit shall be free and clear of exceptions 24 and 25 of the Title Report; and (b) that the deed of trust (exception 24) and the note secured by the deed of trust will not be in material default prior to acceptance by COUNTY or an accepting entity; and (c) OFFEROR will record a request for notice of default in favor of COUNTY.

3.1.4 Any title exceptions which COUNTY's Manager, GSA Real Estate Division, has agreed are not required to be cleared from title to the Property;

3.1.5 Usual and customary exceptions to title insurance consistent with ALTA policies with Regional Exceptions (Standard Coverage) issued by First American Title Insurance Company in Orange County, California; and

3.1.6 The exceptions, reservations and covenants provided in Section 4 below.

3.2 Title Insurance. OFFEROR shall provide to COUNTY an ALTA policy of title insurance with Regional Exceptions (Standard Coverage) for the Property issued as of the date of recordation of this Offer in the amount of Nine Million Nine Hundred Thousand Dollars (\$9,900,000.00), insuring COUNTY that fee title to the Property is subject to this Offer, with a special indorsement insuring the validity and priority of this Offer.

4 EXCEPTIONS, RESERVATIONS OF RIGHTS AND EASEMENTS, AND COVENANTS

4.1 Exceptions and Reservations of Rights and Easements. Each Management Unit of the Property accepted by a designated offeree as provided herein shall be accepted subject to the following exceptions and reservations in favor of OFFEROR, together with the right to grant and transfer the same if so indicated below:

4.1.1 Minerals. Any and all oil, oil rights, minerals, mineral rights, natural gas rights and other hydrocarbons by whatsoever name known, geothermal steam and all products derived from any of the foregoing, that may be within or under the Property, together with the perpetual right of drilling, mining, exploring and operating thereon and storing in and removing the same from the Property or any other land, including the right to whipstock or directionally drill and mine from lands other than the Property, oil or gas wells, tunnels and shafts into, through or across the subsurface of the Property and to bottom such whipstocked or directionally drilled wells, tunnels and shafts under and beneath or beyond the exterior limits thereof, and to redrill, retunnel, equip, maintain, repair, deepen and operate any such wells or mines; but without, however, the right to drill, mine, store, explore or operate through the surface or the upper 500 feet of the subsurface of the Property; and provided further, that any activity or use undertaken by OFFEROR pursuant to the above reserved rights shall not be unsightly and shall not be incompatible with and shall not degrade either the public use of the Property or the continued maintenance of habitat values and conservation use of the Property. OFFEROR shall have the right to transfer any and all of these rights.

4.1.2 Water. All underground water and the right to store solar-heated water, reclaimed water, or any other type of water in the groundwater basin underlying the Property by percolating, spreading or injecting water into such basin from locations on lands lying outside of the Property, and the right to extract, inject, percolate and spread said water

by means of wells, dams and other structures and facilities from locations on lands lying outside of the Property; provided, however, that (a) any facilities on the Property required in connection with such uses shall not extend more than four (4) feet above the surface of the ground, unless otherwise approved by COUNTY, and (b) COUNTY may in the exercise of reasonable discretion disapprove the location of such facilities or activities on lands within the Property if such use is incompatible with the then existing or foreseeable future public use of the Property as provided in the County MOU, including the continued maintenance of stream-associated habitat values. Notwithstanding the foregoing, OFFEROR grants the COUNTY the right to extract underground water from the groundwater basin underlying any portions of the Property for use only on the Property and only for the Permitted Uses specified in Section 4.2.1(a) below. OFFEROR shall have the right to transfer any and all of these rights reserved for OFFEROR, subject to COUNTY's right to extract water as described in the preceding sentence.

4.1.3 Water and Sewer Capacity. All capacity rights and the right of service and use in certain water supply and wastewater collection, transmission, treatment and disposal facilities of each water or sewer service agency serving the Property, including any capacity rights allotted to the Property by virtue of its inclusion in any assessment and/or special tax district in the COUNTY, which rights are not otherwise required to provide limited service to restroom and other allowed facilities that may be provided by COUNTY on the Property. OFFEROR has paid all assessments levied upon the Property related to any such district. Within thirty (30) days of COUNTY's receipt of written request from OFFEROR, COUNTY's Director of Environmental Management Agency shall execute all documents and perform all acts (other than the payment of money) necessary to transfer the above-mentioned capacity rights and right of service and use to other lands or entities designated by OFFEROR. OFFEROR shall have the right to transfer any and all of these rights, subject to COUNTY's right to retain and provide limited service to restroom and other allowed facilities that may be provided by COUNTY on the Property.

4.1.4 General Utilities, Etc. Non-exclusive easements in gross on, over, under or across the Property for the installation, emplacement and maintenance of electric, telephone, cable television, water, gas, sanitary sewer lines, drainage facilities or any other utilities, as well for the installation, emplacement and maintenance of sediment detention basins, reservoirs, spillways, drainage lines and other erosion or flood control improvements, together with the right to enter upon the Property (without unreasonably interfering with COUNTY's reasonable use and enjoyment thereof) in order to service, maintain, repair, reconstruct, relocate or

replace any of such facilities or improvements; provided, however, that actual use of the easement reserved in this subsection shall be subject to the prior approval of COUNTY, which approval shall not be unreasonably withheld and shall be promptly acted upon by COUNTY so long as OFFEROR has (a) consulted with COUNTY as to the design and location of such facilities or improvements and the revegetation of areas to be disturbed by such activities, and (b) prepared and submitted to COUNTY reasonably detailed plans for the construction of such facilities or improvements and associated revegetation at OFFEROR's cost. To the extent feasible, these uses shall be consolidated in the same general area. OFFEROR shall have the right to transfer any and all of these easements.

4.15 Environmental Mitigation. A non-exclusive easement in gross for the purpose of habitat preservation, replacement, enhancement, creation and maintenance and other environmental mitigation purposes (hereafter referred to collectively as "habitat mitigation"), together with the right to enter on the Property (without unreasonably interfering with COUNTY's reasonable use and enjoyment thereof as a Natural Regional Park) to perform such habitat mitigation, consistent with the Purpose statement contained in Section 1 above, as may be legal and appropriate to mitigate for impacts incurred in connection with the development of other property owned by OFFEROR within the Cities and spheres of influence of Orange and Irvine, as depicted on Exhibit "D." In connection with this reservation and easement, it is agreed:

(a) COUNTY shall not permit any other party to undertake any work of habitat mitigation, whether or not any mitigation purpose or credit is associated with such work, other than OFFEROR, until such time as a habitat mitigation plan has been developed as set forth in Subsection 4.1.5 (b) below.

(b) OFFEROR shall prepare a habitat mitigation plan for review and approval by the Director of COUNTY EMA, and COUNTY shall prepare a park concept development plan in consultation with OFFEROR. The habitat mitigation plan shall take into account anticipated or planned recreational uses of the Property, and the park concept development plan shall take into account anticipated or planned habitat mitigation, and each shall attempt to avoid conflicts between the two uses to the extent feasible. In the event there is any apparent conflict between use of the Property for habitat mitigation and public passive recreation, COUNTY and OFFEROR shall attempt to resolve the conflict(s) by adjusting either or both COUNTY's park concept development plan or the habitat mitigation plan; if the conflict(s) cannot be resolved,

then the habitat mitigation plan shall take precedence, but in a manner not to preclude COUNTY's ability to use the Property for permitted park and recreation purposes.

(c) The habitat mitigation plan shall specify preferred habitat preservation, replacement, enhancement, creation and maintenance techniques and opportunities for the Property, identify areas where habitat mitigation efforts should be focussed, and establish a mitigation banking system which would allow, to the extent feasible, adequate mitigation opportunity to mitigate for development within the Cities and spheres of influence of Orange and Irvine, and provide COUNTY an opportunity to perform habitat mitigation for COUNTY projects within the Cities and spheres of influence of Orange and Irvine. Any habitat mitigation plan shall, at a minimum, be consistent with the habitat mitigation requirements imposed or reasonably anticipated to be imposed by the Cities of Irvine and Orange respectively on development within the East Orange General Plan area and in Irvine, and shall provide for periodic review and modification to reflect evolving development plans and mitigation credit needs of OFFEROR and any changes in the laws, rules, requirements and regulations applicable to habitat mitigation.

(d) Priority for habitat mitigation opportunities on the Property shall be given first to the needs of OFFEROR to mitigate the impacts of development in the Cities and spheres of influence of Orange and Irvine, and then, subject to agreement on a habitat mitigation plan, to the needs of COUNTY to mitigate the impacts of projects undertaken by the COUNTY within the Cities and spheres of influence of Orange and Irvine. In no event shall the Property be used as a mitigation bank, or for off-site mitigation purposes, to mitigate for impacts created by any project not undertaken by OFFEROR that is not either a COUNTY project within the Cities and spheres of influence of Orange and Irvine, or a project undertaken directly by the Transportation Corridor Agency (subject to the agreement described in Section 6.1.3), without OFFEROR's prior written consent, which consent can be withheld in OFFEROR's absolute discretion. OFFEROR shall have the right to allow builders/developers, buying other land within the Cities and spheres of influence of Orange and Irvine from OFFEROR for purposes of development, access to the Property under this easement to the extent that the development of such property has been conditioned upon performance of habitat enhancement or mitigation, and OFFEROR has elected to perform such enhancement or mitigation on the Property and has obtained

public property encroachment permits as required under Section 4.1.5(f).

(e) Until such time as a habitat mitigation plan has been prepared and approved as set forth in Subsection 4.1.5 (b) above, OFFEROR shall undertake or cause to be undertaken only such habitat mitigation as may be (i) identified pursuant to an Environmental Impact Report ("EIR") or Environmental Impact Statement ("EIS") certified now or in the future by a lead agency for any land use approval or development project involving a project on land owned by OFFEROR at the time of the certification of the EIR or EIS (provided, however, that in the case of a future EIR or EIS, the COUNTY shall have first been allowed the opportunity to comment on the EIR or EIS), or (ii) developed as part of a habitat conservation plan or program, or mitigation banking program, approved by the California Department of Fish and Game, the United States Fish and Wildlife Service, Army Corps of Engineers, Environmental Protection Agency, or other similar governmental agency.

(f) OFFEROR recognizes that COUNTY intends to operate a public Natural Regional Park on the Property and that, in the management thereof, it is necessary that COUNTY be able to control, consistent with the purposes set forth above, the activities of OFFEROR and its contractors in the implementation of the natural management plan within the Park. To this end, following acceptance of this Offer as to any Management Unit, OFFEROR shall, prior to commencing any acts within an accepted Management Unit authorized by this reserved easement, obtain from the COUNTY a public property encroachment permit. Such permit shall not be withheld or delayed if COUNTY determines that the proposed work (i) is within the scope of this reserved easement (and is not inconsistent with the habitat mitigation plan, if prepared and approved prior to the application for such permit), (ii) will not expose members of the public to endangerment unusual to a Natural Regional Park, (iii) is scheduled so as not to unnecessarily interfere with operation of the Management Unit as a Natural Regional Park, and (iv) will be performed in a manner consistent with any applicable laws and regulations. Additionally, COUNTY may require posting of security to assure that the proposed work will, if not completed, be left in a safe and attractive configuration.

(g) OFFEROR agrees to defend, indemnify, and hold harmless COUNTY, its officers, employees, agents and contractors against

any and all claims and actions arising out of any action by OFFEROR, its officers, employees, agents, builders/developers, or contractors, in the course of exercising its reserved rights under this easement.

4.1.6 Santiago Canyon Road. An easement in gross over, across and under all portions of the Property within 300 feet of all property lines bordering on and parallel to Santiago Canyon Road, for the purpose of construction, grading, installation, emplacement, maintenance, operation, widening, use, repair and replacement of said road and appurtenances thereon (such roadway to be consistent with COUNTY's Master Plan of Arterial Highways and standards of the California Department of Transportation, together with additional right-of-way for slopes adjacent to the roadway), together with the right of ingress and egress thereto, in order to service, maintain, repair, reconstruct, widen, relocate or replace any of such facilities and the right to deposit and use equipment and materials thereon for such purposes (the "Roadway Project"); provided, however, that use of the easement reserved in this subsection shall be subject to the approval of COUNTY, which approval shall not be unreasonably withheld and shall be promptly acted upon by COUNTY so long as OFFEROR, or any other entity with authority to undertake the Roadway Project, has, prior to any activity within such easement area, (i) consulted with COUNTY as to the design of the road and related facilities and the revegetation of areas to be disturbed by grading or other construction activities, and (ii) prepared and submitted to COUNTY reasonably detailed plans for the construction of such facilities and associated revegetation. After completion of the Roadway Project, OFFEROR shall, promptly after receipt of a written request from COUNTY, quitclaim to COUNTY all portions of the easement reserved in this subsection which are not required for the Roadway Project. OFFEROR shall have the right to transfer all or a portion of this easement to any public or quasi-public entity having authority to operate and maintain such improvements.

4.1.7 Santiago Canyon Road Utilities. Non-exclusive easements in gross on, over, under or across the Property within 40 feet of all property lines bordering on and parallel to the permanent right-of-way of Santiago Canyon Road (as located at the time of recordation of this Offer or any expanded permanent right-of-way for such roadway as provided in subsection 4.1.6 above), together with slope easements necessary for the installation and maintenance of facilities in and over the portion of the Property adjacent to and outside of such 40 foot strip, for the installation, emplacement, operation and maintenance of electric, gas, telephone, cable television, water, sanitary sewer lines, drainage facilities and/or any other utilities; provided, however, that the use of the easements reserved in this

subsection shall be subject to (a) the same COUNTY approval process as specified in subsection 4.1.6 above; and (b) the requirement that to the extent feasible and consistent with pre-existing easement rights, all improvements shall be installed underground and shall be consolidated and located as close to the permanent right-of-way as feasible. COUNTY acknowledges that the costs associated with undergrounding electric transmission lines capable of carrying loads equal to or exceeding 66 kilovolts render underground installation of such lines infeasible. OFFEROR shall have the right to transfer any and all of these easements to any utility provider, public or private.

4.2 Covenants Running with the Land. Each Management Unit of the Property accepted by COUNTY as provided herein shall be accepted subject to the following covenants (collectively, the "Covenants"). The Covenants are hereby declared and agreed to be part of a general plan enhancing and protecting the value, desirability and attractiveness of all land owned by OFFEROR. In particular, the Property is intended to fulfill the purpose of preserving critical representative habitat natural to the foothill areas of Orange County, and providing passive open space recreation opportunities for the public, which in turn will permit the orderly and harmonious development of other land owned by OFFEROR depicted on Exhibit "D" and described in Exhibit "E" (the "Benefitted Property"). The Covenants shall therefore run with the Property and be binding upon COUNTY and any other person or entity who acquires any right, title or interest in or to any portion of the Property and shall benefit the Benefitted Property and be enforceable only by OFFEROR or a successor to OFFEROR ("Successor") as defined in Section 4.2.2(e) below. It is intended that the dominant tenement shall be all the Benefitted Property, and that the servient tenement shall be all the Property. Every person or entity who now or hereafter owns or acquires any right, title or interest in or to any portion of the Property is and shall be conclusively deemed to have consented and agreed to every covenant contained herein, whether or not any reference to this instrument is contained in the instrument by which such person acquired an interest in such Property.

4.2.1 Covenants. The Covenants are:

(a) Covenant 1: Use of Property. COUNTY shall, as to each portion of the Property which it accepts, use and maintain such Property only for resource conservation, habitat enhancement and passive recreation purposes (such as picnicking, hiking, biking, and tent camping) consistent with the COUNTY's "Natural Regional Park" designation as set forth on Exhibit "F" hereto (the "Permitted Uses"), and shall not use any portion of the Property for any commercial, office, retail commercial, industrial, institutional, residential, or any other use not directly related to resource conservation, habitat enhancement and passive recreation purposes. Notwithstanding the above, the Permitted Uses are not intended to apply and shall not be interpreted or applied to prevent or

prohibit use of the Property (i) for installation, support and maintenance of any utilities necessary to serve such Permitted Uses, including limited park concessions directly related to passive recreational uses, provided that such installation, support and maintenance is consistent with the terms of this Offer and compatible with the natural environment and existing and proposed development adjoining the Park, and (ii) construction and maintenance of any roadway that may now or subsequently be shown on the COUNTY's Master Plan of Arterial Highways and/or the Circulation Elements of Orange or Irvine. This Covenant 1 additionally shall not apply to (i) any of the exceptions, reservations and easements in favor of OFFEROR, nor to OFFEROR's use of any and all such exceptions, reservations and easements, and (ii) possible use of the Property for a water treatment facility, provided that OFFEROR first consents in its sole discretion to use of the Property for a water treatment facility.

(b) Covenant 2: Review of Park Plans. COUNTY shall consult with OFFEROR with respect to the development of the park, including the concept and design of the park and access to the park, which, at a minimum, (i) shall be consistent with the environmental mitigation requirements intended to be served by the dedication of the Property in connection with the City of Orange's approval of the EOGPA, the City of Irvine's approval of the Irvine MOU, and the planning for the Eastern and Foothill Transportation Corridors, and (ii) will attempt to minimize impacts to OFFEROR's land and to OFFEROR's reserved rights and easements hereunder. COUNTY shall submit to OFFEROR and to the Cities of Irvine and Orange all schematic development plans, general development plans and construction plans for improvements to the Property, and all plans for use and development of the Property, for review and comment prior to COUNTY proceeding with any development and/or improvements to the Property, and COUNTY shall use its best efforts to incorporate into the park plans any suggested comments and/or revisions requested by OFFEROR and/or the Cities of Irvine and Orange consistent with the foregoing sentence. COUNTY shall provide OFFEROR at least 30 days to review and comment prior to finalizing plans at each stage of design.

(c) Covenant 3: Construction of Improvements. COUNTY or any operator of a permitted concession or other operation under an agreement with COUNTY shall not construct, place, assemble or maintain on the Property any structure, sign or similar improvement without first providing OFFEROR a thirty (30) day time period to review and comment on the exterior design, size, color, appearance and location of the proposed improvement(s) (the "Improvement Plans"). OFFEROR's review shall be limited to compatibility with adjacent or nearby

development, both existing and proposed, and OFFEROR's reserved rights and easements. Before commencing any construction of such improvement(s), COUNTY shall use its best efforts to incorporate into the Improvement Plans any suggested comments and/or revisions transmitted in writing by OFFEROR to COUNTY prior to the close of the thirty (30) day review period. In addition, both OFFEROR's and COUNTY's prior written approval of the design, size, color, appearance location and orientation shall be required for any structure, sign or similar improvement on the Property that is or shall be visible from any developable areas of East Orange or Irvine, or from Santiago Canyon Road, which approval shall not be withheld unreasonably, and shall be based upon compatibility with adjacent or nearby development, both existing and proposed, and OFFEROR's reserved rights and easements. A failure by either OFFEROR or COUNTY to respond in writing to a written request from the other for an approval pursuant to the preceding sentence within sixty (60) days shall be deemed a final approval.

(d) Covenant 4: Maintenance and Repairs. COUNTY shall, as to each portion of the Property which it accepts, keep and maintain such Property and all improvements thereon in a neat, clean, safe, attractive and operating condition at all times, in accordance with applicable COUNTY ordinances and in a manner consistent with other parks in the COUNTY regional park system. The COUNTY shall also insure that all repairs and replacements of improvements on its Property are made in accordance with all applicable governmental regulations.

(e) Covenant 5: Transfer of Property. Except in connection with (i) a utility installation required in support of the Permitted Uses, or (ii) a lease or other similar contractual arrangement in connection with any operation permitted under Section 4.2.1(a) above, COUNTY shall not sell, contract to sell, assign, exchange, lease or in any other way transfer or convey all or any portion of its interest in the Property to a third party (for these purposes a "third party" shall not include OFFEROR, the City of Orange with respect to the Orange Management Units, the City of Irvine with respect to the Irvine Management Units, any political subdivision of the State having responsibility for operation and maintenance of a Natural Regional Park, or any entity meeting the definition of "COUNTY" contained in Section 11.7 below) without the prior written approval of OFFEROR, which may be withheld in OFFEROR's sole discretion.

4.2.2 Matters Related to Covenants.

(a) **Amendment.** The Covenants may be amended by mutual agreement of OFFEROR and COUNTY. Any amendment must be recorded in the Recorder's Office, County of Orange, California.

(b) **Term.** Unless (i) terminated pursuant to this Offer or (ii) OFFEROR records a declaration terminating the Covenants, the Covenants shall be binding absolutely and perpetually on COUNTY, its successors and assigns.

(c) **Defaults and Remedies.** Because of the unique nature and scope of OFFEROR's development of the Benefitted Property, as well as the amount of planning, effort and time expended by OFFEROR in reliance upon the anticipated uses of the Property and the Benefitted Property, monetary damages will not provide an adequate remedy for the damage to OFFEROR's planning efforts or development resulting from a breach of the Covenants. Therefore, in the event of any breach, violation or failure to comply with any of the Covenants which has not been cured within thirty (30) days after written notice from OFFEROR to do so (or if any such breach, violation or failure cannot be fully cured within such thirty (30) day period, then upon failure of COUNTY to commence such cure within such period and thereafter to diligently complete such cure to OFFEROR's reasonable satisfaction), then OFFEROR shall be entitled to specifically enforce the performance of the Covenants and to any other form of equitable or legal relief.

(d) **Waiver.** Failure to enforce any of the Covenants shall (i) be construed to be a waiver of any earlier or later breach of the same or any other provision of the Covenants, or (ii) be implied from any inaction or omission by OFFEROR to take any action on account of such breach or failure. No express waiver shall affect a breach or failure other than as specified in said waiver. The consent or approval by OFFEROR to or of any act by COUNTY requiring OFFEROR's consent or approval shall not be deemed to waive or render unnecessary OFFEROR's consent or approval to or of any subsequent similar acts by COUNTY. OFFEROR shall not be liable for any damage, loss or prejudice suffered or claimed by COUNTY or any licensee or other occupant of the Property or of the Benefitted Property on account of the enforcement of or failure to enforce any of these Covenants.

(e) **Successor.** The term "OFFEROR" as used in this Offer shall also mean and include any "Successor" of OFFEROR, which term is used in this Offer to mean and refer to: (i) any person or entity which acquires ten percent (10%) or more of the assets of OFFEROR; (ii) any division, subsidiary, group, operating company or wholly-owned entity of

OFFEROR; (iii) any purchaser of substantially all of OFFEROR's remaining interest in property owned by OFFEROR in either the Cities of Orange or Irvine at the time of the purchase, or the respective spheres of influence; (iv) a private party purchaser of substantially all of the Benefitted Property; (v) any entity resulting from a merger with or an acquisition by or of OFFEROR; and (vi) any person or entity owning the majority of stock or other ownership interest in either OFFEROR or an entity described in (i) through (v) of this subsection (c). Any Successor of OFFEROR shall only have and enjoy rights as a Successor under this Agreement upon and after providing thirty (30) days prior written notice to COUNTY that it is such a Successor, and describing its status as such.

4.3 Conditions Subsequent and Power of Termination. Notwithstanding anything to the contrary in this Offer, in addition to the remedies described in Section 4.2.2(c) above, the following are hereby declared to be conditions subsequent to any conveyance effected by acceptance of this Offer. Upon the occurrence of any one or more of such conditions, OFFEROR shall have the power to terminate the interest of COUNTY in and to all portions of the Property which previously have been accepted by it under this Offer, all in accordance with California Civil Code Section 885.010 et seq., as amended or modified from time to time. The conditions are as follows:

- 4.3.1 Violation of Use Provision.** The Property or any portion thereof held by COUNTY is used in any manner other than as permitted under Section 4.2.1(a) above, and such non-permitted use is not discontinued and removed by COUNTY within one hundred eighty (180) days following written demand by OFFEROR that such non-permitted use be discontinued and removed;
- 4.3.2 Abandonment.** The Property or any portion thereof held by COUNTY is abandoned pursuant to abandonment procedures contained in the Government Code, Streets and Highways Code, Public Resources Code, or any other statutory authorization for COUNTY abandonment of the Property (in which instance, the power shall only be exercisable against the portion of the Property that is so abandoned); or
- 4.3.3 Transfer of Property.** The Property or any portion thereof is transferred to a third party contrary to the provisions of Section 4.2.1(e) above.

If OFFEROR exercises this power of termination and obtains fee title to all or any portion of the Property, then OFFEROR shall regain full title thereto free and clear of this Offer and any exceptions, reservations, and covenants created pursuant to this Offer, and OFFEROR shall thereafter have full unencumbered use thereof.

Because this power of termination may become subject to Chapter 5, Title 5, Part 2, Division II of the California Civil Code (or similar or subsequent laws) providing for the expiration of ancient powers of termination, OFFEROR may do any act necessary or beneficial to preserving this power of termination, including the recording of notices and instruments. If OFFEROR requests, COUNTY shall sign and, where required, acknowledge further written extensions of time periods under any applicable law, including applicable statutes of limitation and any and all laws providing for the expiration of ancient powers of termination.

5 MANAGEMENT UNITS AND PARK BOUNDARY ADJUSTMENTS

5.1 Management Unit Boundary Adjustment. The Property includes in excess of 5,360 acres. In order to maintain consistency with the Irvine MOU and EOGPA and to facilitate resource management, public access and acceptance by COUNTY of portions to the Property in phases, the Property has been divided into eight (8) Management Units, as depicted on Exhibit "B." Acceptance by COUNTY of any Management Unit within a particular sphere of influence shall occur in the sequence set forth in Section 6.1 below. In order to accommodate open space management objectives, the topographic characteristics of the Property, mitigation obligations, final road alignments, and other related matters, adjustments to the boundaries of the Management Units may be made by agreement of the OFFEROR and COUNTY, so long as such adjustments are consistent with the general purposes and intent of this Offer. Each of the parties shall cooperate with each other and perform such acts as are necessary to give effect to such adjustments.

5.2 Boundary Boundary Adjustments. A portion of Santiago Canyon Road identified on Exhibit "A," is intended to form a boundary for the Property, and the same may be relocated in the future. Since final alignment of Santiago Canyon Road may not be known prior to dedication of the Property, COUNTY agrees that the description of the Property will be adjusted to coincide with the ultimate alignment of Santiago Canyon Road, provided that adjustments to other portions of the boundary are made so that there is no substantial reduction (for these purposes meaning greater than 50 acres) of the total acreage of the Property resulting from the Santiago Road boundary adjustment. Similarly, since other portions of the Property as described in this Offer abut areas proposed for possible future development which will undergo separate mapping approvals under the Subdivision Map Act, those boundaries may also be adjusted to coincide with reasonable mapping decisions, provided that adjustments to other portions of the boundary are made so that there is no substantial reduction (for these purposes meaning greater than 50 acres) of the total acreage of the Property resulting from any such mapping boundary adjustments.

6 PROCEDURES FOR CONVEYANCE OF TITLE

6.1 Timing of Acceptances of Offer: Title for each Management Unit shall be conveyed upon acceptance of the Offer consistent with Sections 6.2 and 7 below, as follows:

6.1.1 Irvine Management Units. Consistent with and subject to compliance with the Irvine MOU, each of the Irvine Management Units (being Management Units I through III, inclusive) may be accepted one at a time no sooner than ninety (90) days following issuance of building permits for seventy-five percent (75%) of the total permissible development in the corresponding development areas as listed below, or upon completion of total development in such corresponding development area if less than seventy-five percent (75%) of permissible development, whichever occurs first.

(a) Management Unit I may be accepted ninety (90) days after the issuance of building permits for 2,164 dwelling units and 17,827 Commercial Square Feet in Irvine Planning Area Northwood 5;

(b) Management Unit II may be accepted ninety (90) days after the issuance of building permits for 3,525,000 Industrial Square Feet in Irvine Planning Area 13; and

(c) Management Unit III may be accepted ninety (90) days after the issuance of building permits for 3,559 dwelling units and 54,510 Commercial Square Feet in Irvine Planning Area 7.

6.1.2 Orange Management Units. Consistent with and subject to compliance with the County MOU, the East Orange General Plan, and the Memorandum of Understanding dated May 4, 1989, between OFFEROR and the City of Orange, each of the Orange Management Units (being Management Units IV through VII, inclusive) may be accepted one at a time no sooner than ninety (90) days following issuance of building permits for seventy-five percent (75%) of the total permissible development in the corresponding development areas as listed below, or upon completion of total development in such corresponding development area if less than seventy-five percent (75%) of permissible development, whichever occurs first.

(a) Management Unit IV may be accepted ninety (90) days after the issuance of building permits for 2,646 dwelling units, 3.4 million square feet of non-residential development, and 188 hotel rooms in Planning Area 1 of the East Orange General Plan;

(b) Management Unit V may be accepted ninety (90) days after the issuance of building permits for 4,730 dwelling units, 463,500

square feet of non-residential development and 263 hotel rooms, and approval of the final grading plans for those portions of the golf course planned in Planning Area 2 of the East Orange General Plan;

(c) Management Unit VI may be accepted ninety (90) days after the issuance of building permits for 11 dwelling units, and 2.3 million square feet of non-residential development in Planning Area 3 of the East Orange General Plan; and

(d) Management Unit VII may be accepted ninety (90) days after the issuance of building permits for 1,875 dwelling units and approval of the final grading plans for those portions of the golf course planned for Planning Area 4 of the East Orange General Plan.

6.1.3 ETC Management Unit. Management Unit VIII may be accepted subject to, and as soon as, (a) an agreement has been executed between the Agency and OFFEROR providing reasonable consideration to OFFEROR for providing the Offer as to Management Unit VIII to COUNTY, (b) all permits and approvals required for construction of the Eastern Transportation Corridor have been obtained, (c) a construction contract has been awarded, and (d) construction has commenced for the first portion of the Eastern Transportation Corridor.

6.1.4 ~~Exceptional Dedication~~ B. mutual agreement of the COUNTY and OFFEROR, OFFEROR may offer to dedicate and COUNTY may accept a dedication of a portion of a Management Unit provided said portion is contiguous to a Management Unit owned in fee by COUNTY, or is otherwise accessible, in the event that the corresponding development area is itself proposed for development in two or more phases, based upon proportionate development of the corresponding development area.

6.1.5 Additional Conditions. As an additional condition precedent to the COUNTY's acceptance of this Offer, no Management Unit shall be conveyed to the COUNTY until (i) an Environmental Impact Statement has been certified for the Eastern Transportation Corridor and any realignment of Santiago Canyon Road related to the Eastern Transportation Corridor, (ii) all permits and approvals required for the Eastern Transportation Corridor from the Federal Department of Transportation have been obtained and there is no pending administrative or judicial challenge to any such permit or approvals, and (iii) construction of the Eastern Transportation Corridor and any related realignment of Santiago Canyon Road has commenced. OFFEROR

retains the right, in its sole discretion, to waive this or any other condition to COUNTY's acceptance of the Offer for any Management Unit.

6.2 Acceptance Provisions. The following provisions shall control the manner in which the Offer as to any particular Management Unit may be accepted:

6.2.1 Manner of Acceptance. The Offer as to each Management Unit shall be accepted by COUNTY by resolution or other official action appropriate to the powers of and laws governing COUNTY, a notice of which action (wherein the Management Unit being accepted shall be specifically identified) shall be recorded in the Official Records of Orange County, California. The recordation of such notice shall be deemed the date upon which fee title to such Management Unit is transferred to COUNTY.

6.2.2 Notice Upon Acceptance. Promptly after acceptance of each Management Unit under this Offer by COUNTY, such accepting entity shall mail or deliver a copy of its resolution or other action of acceptance to the then owners of such Management Unit at the address shown on the latest secured assessment roll, and within sixty (60) days thereafter, if requested by such accepting entity, said owners may, at their election, remove all permanent buildings located on such Management Unit. If such structures are not removed within the sixty (60) day period following said owners' receipt of such notice, OFFEROR shall hold such accepting entity free and harmless from any and all liability for the destruction or removal of such structures.

6.2.3 Notice of Satisfaction of Conditions Precedent. OFFEROR shall give COUNTY written notice that the conditions precedent to COUNTY's acceptance of any Management Unit have been satisfied within thirty (30) days following such satisfaction. The notice shall include a legal description and preliminary title report for COUNTY's prior review and approval of the condition of title of the Management Unit sufficient for use in a Grant Deed conveying title to the Management Unit to COUNTY.

6.2.4 Time for Acceptance and Opportunity for City Acceptance. At such time as the notice required by Section 6.2.3 is given, the COUNTY will have two (2) years to accept the Offer of such Management Unit, after which time the City of Irvine with respect to the Irvine Management Units, and the City of Orange with respect to the Orange Management Units, will have two (2) years to accept the Offer as to any such Management Unit. If the City of Irvine or the City of Orange shall accept this Offer pursuant to this Section, it shall be held to all of the covenants, conditions, requirements and obligations of COUNTY under

this Offer. If neither the COUNTY nor the applicable city has accepted this Offer within these times, OFFEROR will regain full title and unencumbered use of the portions of the Property which have not been accepted.

7 EFFECTS OF ACTION PREVENTING OR DELAYING DEVELOPMENT

COUNTY's power to accept any of the eight Management Units and the conveyance of title for each such unit is expressly contingent upon, and shall be suspended upon delivery of the notice described below in this section, if OFFEROR is prevented from vesting the right to develop the respective cumulative residential dwelling unit or commercial, industrial, or golf course square footage levels applicable to each such Management Unit specified in Section 6.1 above by operation of federal, State or local law (including, but not limited to, the initiative or referendum process), governmental regulatory action, development moratorium (including any moratorium on water, sewer, or public or quasi-public utility service or connection) or by any court decision rescinding, blocking or otherwise adversely affecting OFFEROR's governmental entitlement to develop such units or accommodation levels (collectively "Governmental Prevention"). In the event of a Governmental Prevention, the power of COUNTY to accept shall be suspended as it applies to the Management Unit(s) correlated with the development so halted, and the Ultimate Acceptance Date specified in Section 2 above shall in turn be extended for the duration of the Governmental Prevention; provided, however, that if the right to undertake any such development is subject to a Governmental Prevention for a cumulative period of ten (10) years in any fifteen (15) year time period, OFFEROR shall have the right to terminate the Offer. Any suspension of the power of COUNTY to accept a Management Unit due to a Governmental Prevention shall not apply to any other Management Unit that does not correlate to the development subject to the Governmental Prevention. Upon the cessation of the Governmental Prevention such that OFFEROR is subsequently entitled to proceed with development in the manner specified herein, all dedication requirements and provisions shall be automatically reinstated, provided that the Offer has not been terminated as provided in this Section 7. OFFEROR shall notify COUNTY in writing of the occurrence of any Governmental Prevention, including the date on which the Governmental Prevention began, and shall also notify COUNTY of the date of cessation of each Governmental Prevention.

8 ADDITIONAL TERMS AND CONDITIONS

8.1 Use of Dedicated Lands. The acceptance of dedication of any portion or all of the Property is conditioned on a requirement that it may be used only for purposes consistent with the Permitted Uses specified in Section 4.2.1(a) above, and may be conveyed subsequent to the initial acceptance only for such uses.

8.2 Dedication Area Access.

8.2.1 COUNTY, its employees, licensees, representatives and independent contractors acting within the scope of their employment, may have access to the Property prior to any acceptance of this Offer for the purposes of surveying, mapping and planning activities related to future management of the dedication areas. Any such access shall be subject to OFFEROR's standard entry permit requirements in force at the time of the proposed access, and shall be reasonably provided so long as the party desiring access holds a valid entry permit from OFFEROR and gives OFFEROR not less than five (5) working days prior written notice of such entry. Subject to the conditions of OFFEROR's entry permit and except to the extent caused by the negligent or intentional acts or omissions of COUNTY, its officers, employees and agents, OFFEROR for itself, its heirs, successors and assigns, does hereby release COUNTY, its officers, employees and agents, from any and all liability arising out of any such access prior to acceptance of the portion of the Property so entered.

8.2.2 Following COUNTY's acceptance of this Offer for any Management Unit, COUNTY may have interim access over established trails and/or dirt roads on the Property as necessary to provide public access between the Management Unit and a public road or staging area, and between such Management Unit and any other Management Units owned in fee by COUNTY. Any such access shall be subject to OFFEROR's standard entry permit requirements in force at the time of the proposed access, and shall be limited to established trails and/or dirt roads. It is intended that access shall be provided under a general entry permit that shall be subject to periodic review and revision, rather than a separate permit for each access event. Subject to the conditions of OFFEROR's entry permit and except to the extent caused by the negligent or intentional acts or omissions of OFFEROR, its officers, employees and agents, COUNTY shall be required, for itself, its heirs, successors and assigns, to indemnify and hold OFFEROR harmless from and against any and all liability arising out of any such access prior to acceptance of the portion of the Property so entered, including without limitation all liability and responsibility for litter control, erosion control, maintenance of the safety of the trails and dirt roads used by the public pursuant to the entry permit, prevention of and reimbursement for any trespass by any persons onto property not included in the entry permit, protection of cattle from public harassment and protection of people from cattle using the Property, prohibiting use of alcoholic beverages and controlled substances, and any other problems that might arise by reason of allowing members of the public to obtain access to unimproved or poorly improved land such as the Property.

8.3 Offer Irrevocable. Subject to the preceding terms and conditions, this Offer is irrevocable and shall be absolutely binding upon the undersigned OFFEROR, its respective heirs, successors, and assigns.

8.4 Maintenance and Use Prior to Acceptance. Subject to OFFEROR's exercise of its rights of ownership of the Property consistent with the exceptions and reservations specified in Section 4.1 of this Offer, the Purpose identified in Section 1, and as otherwise provided in this Section 8.4, OFFEROR shall be responsible for maintaining the Property in a natural condition until the Offer is accepted by COUNTY or otherwise is terminated. For these purposes, it is understood and agreed that events such as landslides, fires, earthquakes, invasion of pests, drought, flood and erosion, and similar Acts of God (including acts committed by third parties) are natural, and that the OFFEROR is under no obligation to protect the Property against such Acts of God, nor to restore the Property to the condition it was in prior to any such Act of God. OFFEROR is and will be permitted to use the Property (or any Management Unit thereof) for grazing purposes until the Property so being used has been accepted by the COUNTY pursuant to this Offer. Upon acceptance of one or more Management Units, the COUNTY shall be responsible for constructing cattle fences similar to existing fencing on the Property so as to envelop those portions of the Property accepted by COUNTY. It is also understood that OFFEROR intends to contract with The Nature Conservancy, or a similar group, for the management of the Property pending acceptance of this Offer by COUNTY, that such management is permitted and will include possible improvements to the Property consistent with a future Natural Regional Park (such as drinking fountains, restrooms, and staging areas), and that such improvements are permissible under this Offer. OFFEROR will consult with COUNTY prior to the installation of such improvements, to avoid inconsistencies with any adopted Park General Development Plans, and OFFEROR shall remove any improvements at the time of COUNTY acceptance of each Management Unit at COUNTY's request or requirement. However, management of the Property by The Nature Conservancy, or any similar group, as proposed shall be temporary, and shall terminate as to any Management Unit upon acceptance of this Offer for such Management Unit.

8.5 Condition of Property.

8.5.1 OFFEROR states, and COUNTY acknowledges,

- (a) that the Property may have been farmed or used for grazing purposes and that in connection therewith fertilizers, pesticides, weed killers and other agricultural chemicals may have been used on the Property; and
- (b) that such chemicals may be present on the Property.

OFFEROR is unaware of any other releases of hazardous materials that may have occurred on the Property -- including any releases that may have affected the soil or the groundwater of the Property. As used in this Subsection 8.5, the term hazardous materials means the materials defined in Section 25501(j) of the California Health and Safety Code. The term "hazardous materials" includes, without limitation, pesticides, fungicides, rodenticides, and petroleum hydrocarbons in quantities or concentrations that are injurious to the health and safety of persons or harmful to the environment.

8.5.2 Except (i) for the allocation of liability for remediation of a Management Unit due to the release of hazardous materials, which shall be governed by law, and (ii) as provided in Section 3 of this Agreement (Condition of Title), COUNTY will accept each Management Unit, if at all, in "AS IS" condition without any representation or warranty by OFFEROR or its representatives, real or implied, as to such Management Unit's condition or suitability for any use.

8.6 Condemnation. If for any reason COUNTY institutes an action in eminent domain to acquire Property of OFFEROR which is designated for dedication pursuant to this Offer, then notwithstanding the dedication requirements of the County MOU, COUNTY shall be required to pay just compensation for such Property based on its fair market value for highest and best use and in all other respects as provided under applicable eminent domain laws and without regard to its designation for dedication and/or mitigation purposes. In addition, OFFEROR shall have all rights available to it at law to contest such acquisition or the value thereof.

9 NOTICES

All written notices pursuant to this Offer shall be addressed as set forth below or as either party may hereafter designate by written notice to the other and shall be sent through the United States registered mail or made by personal delivery.

If to COUNTY:

County of Orange
GSA/Real Estate Division
P. O. Box 4106
Santa Ana, CA 92702
Attn: Manager

and:

County of Orange
Environmental Management Agency
P. O. Box 4048
Santa Ana, CA 92702
Attn: Director

If to OFFEROR:

The Irvine Company
550 Newport Center Drive
Newport Beach, CA 92660
Attn: General Counsel

All notices provided for herein shall be deemed to have been duly given if and when personally served or 48 hours after being sent by United States registered mail, return receipt requested, postage prepaid.

10 ATTACHMENTS

This Offer includes the following Exhibits A through F, which are attached hereto and made a part hereof:

- A. Legal Description of Property
- B. Map of Property (showing Management Units)
- C. Title Report
- D. Depiction of Benefitted Property
- E. Description of Benefitted Property
- F. Definition of "Natural Regional Park"

11 MISCELLANEOUS

11.1 Effect of Acceptance. Approval as well as acceptance by COUNTY of this Offer, as it may be amended from time to time, shall constitute such entity's agreement to be bound by all of the terms, conditions, restrictions, exclusions and reservations included in this Offer and such amendments.

11.2 Captions. The captions used herein are for convenience only and are not a part of this instrument and do not in any way limit or amplify the scope of intent of the terms and provisions hereof.

11.3 Application to Offeror. Notwithstanding anything herein contained to the contrary, if OFFEROR (or any Successor as defined in Section 4.2.2(e) above) reacquires title to the Property or any portion thereof at any time after the expiration of this Offer, or termination under Section 4.3, the provisions of this instrument shall automatically cease and terminate as to such reacquired property and be of no further force or effect as to OFFEROR or such successor in interest or such subsidiary.

11.4 Compliance with Law. This Offer is made expressly upon the understanding that this Offer is in compliance with and fully satisfies all State laws requiring an offer of dedication for Limestone Canyon Regional Park prior to the distribution of funds for the Eastern Transportation Corridor and the Foothill Transportation Corridor. If it is determined by the California Department of Transportation or other responsible State agency or office at any time following execution of this Offer that it fails to meet that understanding, then OFFEROR shall have the absolute right to declare this Offer void as to any Management Units not yet accepted pursuant to this Offer, and this Offer shall thereafter have no further force and effect with respect to any Management Units not yet accepted pursuant to this Offer. In that event COUNTY shall deliver to OFFEROR upon request a recordable quitclaim of this Offer as to any Management Unit not yet accepted and for which a legal description has been provided to COUNTY by OFFEROR, which duty shall survive OFFEROR's written election voiding this Offer.

11.5 Satisfaction of Obligations. In consideration for the scale and environmental significance of passive recreation and habitat protection purposes, this Offer satisfies all of the present and future obligations, if any, of OFFEROR to dedicate regional park and open space land for development easements in the Cities and spheres of influence of Orange and Irvine, as depicted on Exhibit "D."

11.6 Binding Effect. Except as otherwise provided herein, all terms, conditions, restrictions, exclusions and reservations of this Offer, and the acquisition of all or any portion of the Property by acceptance thereof, shall be binding upon and inure to the benefit of COUNTY and OFFEROR, and their respective successors and assigns.

11.7 Definition of "COUNTY". The term COUNTY as used in this Offer shall be deemed to include any political subdivision of the County of Orange, and any entity created by or with the consent of the County of Orange specifically to own, operate and maintain public parks in the County of Orange as Natural Regional Parks for the use and enjoyment of the public generally. Additionally, it is understood that any public roads and adjacent slope easements may and should be conveyed to the appropriate division, district, or department of the COUNTY responsible for the operation and maintenance of public streets and right-of-ways (or to a similar division, district or department of a City), rather than to an entity, division, district or department of COUNTY specifically formed to own, operate and maintain public parks.

IN WITNESS WHEREOF, OFFEROR has caused this Offer to be executed by its duly authorized officers as of the date first set forth above.

OFFEROR

THE IRVINE COMPANY,
a Michigan corporation

By: 

Senior Vice President

By: 

Assistant Secretary



CORPORATE ACKNOWLEDGMENT

STATE OF CALIFORNIA)

) SS.

Limestone Canyon Irrevocable Offer of
Dedication - Limestone Canyon Regional
Park - Parcel No: 101

COUNTY OF ORANGE)

On 13 JUNE 1991, before me, the undersigned, a Notary
Public in and for said State, personally appeared Gary A. Hunter personally
known to me or proved to me on the basis of satisfactory evidence to be the person
who executed the within instrument as the Junior Vice President, and
James K. Cavanaugh personally known to me or proved to me on the basis of
satisfactory evidence to be the person who executed the within instrument as the
Assistant Secretary of the Corporation that executed the within instrument
pursuant to its bylaws or a resolution of its board of directors.

WITNESS my hand and official seal.

Signature



CERTIFICATE OF ACCEPTANCE

This is to certify that the within document is hereby accepted for purposes of recordation only, under authority of a Resolution adopted by the Board of Supervisors of Orange County. This acceptance is not to be construed in any way, shape, form, or manner as an acceptance of the Offer for any particular Management Unit referenced in the subject document.

Dated: 6/18/91
By: [Signature]
Wm. GSA/ESP

APPROVALS

Approved as to form by
County Council on 6/13/91

By: [Signature]

Description Approved by EMA
on June 14, 1991

By: H. Scott

Recommended for approval by General
Services Agency, Real Estate Division

By: [Signature]

Recommended for approval by
Environmental Management Agency

By: [Signature]

**LEGAL DESCRIPTION
LIMESTONE CANYON REGIONAL PARK**

That portion of Blocks 116, 117, 118, 143 through 152 and 176 through 179 of Irvine's Subdivision in Unincorporated Territory of the County of Orange, State of California, as shown on the map recorded in Book 1, Page 88 of Miscellaneous Records Maps in the office of the County Recorder of said County, described as follows:

Beginning at the most Southerly corner of said Block 178; thence South 42°47'15" West 5359.04 feet along the Southeasterly lines of said Blocks 177 and 176 to a point which bears South 31°47'08" East 463.24 feet, South 46°09'25" East 1107.71 feet, South 28°10'34" East 765.95 feet, South 63°57'59" East 1028.90 feet, South 71°20'16" East 2013.59 feet, South 70°54'44" East 815.02 feet, South 71°57'57" East 569.49 feet, South 65°51'52" East 704.55 feet, South 58°42'27" East 2032.62 feet, South 54°09'59" East 1533.03 feet and South 49°37'44" East 1306.98 feet from the Southerly terminus of that certain course shown as "S 14°54'37" W 946.23" for a portion of the Easterly line of the parcel of land shown on Record Of Survey 80-1140 filed in Book 101, Page 49 of Records of Survey in the office of said County Recorder; thence North 49°37'44" West 1306.98 feet, North 54°09'59" West 1533.03 feet, North 58°42'27" West 2032.62 feet, North 65°51'52" West 704.55 feet, North 71°57'57" West 569.49 feet, North 70°54'44" West 815.02 feet, North 71°20'16" West 2013.59 feet, North 63°57'59" West 1028.90 feet, North 28°10'34" West 765.95 feet, North 46°09'25" West 1107.71 feet and North 31°47'08" West 463.24 feet to said Easterly line; thence along said Easterly line and the Northerly line of said parcel, the following courses: North 14°54'37" East 946.23 feet, East 813.61 feet, North 18°30'38" East 939.91 feet, North 44°33'50" East 1292.41 feet, North 32°01'51" East 1121.93 feet, North 19°39'16" West 721.72 feet, North 28°03'25" West 3374.50 feet, North 10°53'18" East 740.87 feet and South 79°06'30" West 34.48 feet to the general Southwesterly line of Parcel 7 of Orange County Reorganization No. 43, involving the Santiago County Water District and the Irvine Ranch Water District, as established by Resolution No. 78-855 of the Board of Supervisors of Orange County recorded June 20, 1978 in Book 12724, Page 144 of Official Records in the office of said County Recorder; thence North 4°43'51" West 1867.38 feet along said Southwesterly line; thence South 86°13'13" East 706.49 feet; thence North 53°02'59" East 501.51 feet; thence North 8°48'16" East 771.97 feet; thence North 58°35'32" East 787.29 feet; thence North 21°55'39" East 712.95 feet; thence North 6°50'07" West 286.58 feet; thence North 48°27'04" East 1425.30 feet; thence North 73°18'20" East 1233.20 feet; thence South 72°21'10" East 421.49 feet; thence North 49°37'16" East 527.99 feet; thence North 11°27'08" East 521.16 feet; thence North 29°11'15" East 516.42 feet; thence North 22°13'21" West 901.78 feet; thence North 47°31'13" East 577.86 feet; thence North 1°23'24" West 153.45 feet to the Southwesterly line of Santiago Canyon Road, 60.00 feet in width, as described in Parcel 118.01 of the deed to the County of Orange recorded February 18, 1964 in Book 6929, Page 41 of Official Records in the office of said County Recorder, said Southwesterly line being a curve concave Southwesterly having a radius of 1170.00 feet, a radial line to said curve bears North 43°17'53" East; thence along said last mentioned Southwesterly line, the following courses: Southeasterly 390.18 feet along said curve through a central angle of 19°06'26", South 27°35'41" East 520.35 feet to the

EXHIBIT "A"

**LEGAL DESCRIPTION-CONTINUED
LIMESTONE CANYON REGIONAL PARK
PAGE 2**

beginning of a tangent curve concave Northeasterly having a radius of 1230.00 feet, Southeasterly 454.95 feet along said curve through a central angle of $21^{\circ}11'33''$, South $48^{\circ}47'14''$ East 279.68 feet to the beginning of a tangent curve concave Northeasterly having a radius of 1230.00 feet, Southeasterly 1194.07 feet along said curve through a central angle of $55^{\circ}37'20''$, North $75^{\circ}35'26''$ East 482.82 feet to the beginning of a tangent curve concave Southwesterly having a radius of 1170.00 feet, Southeasterly 1937.19 feet along said curve through a central angle of $94^{\circ}51'57''$ and South $9^{\circ}32'37''$ East 118.35 feet to the Northerly line of that certain land described in Parcel 2 of the deed to Frederick E. Mielke and Jane T. Mielke recorded June 29, 1976 in Book 11791, Page 146 of Official Records in the office of said County Recorder; thence along said Northerly line and the Westerly and Southerly lines of said Parcel 2, the following courses: South $74^{\circ}35'59''$ West 232.66 feet, South $9^{\circ}32'37''$ East 854.35 feet and North $75^{\circ}40'32''$ East 224.90 feet to the Southwesterly line of said Santiago Canyon Road, 80.00 feet in width, as described in Parcel 239 of the easement deed to the County of Orange recorded August 28, 1969 in Book 9063, Page 900 of Official Records in the office of said County Recorder, said Southwesterly line being a curve concave Northeasterly having a radius of 1240.00 feet, a radial line to said curve bears North $76^{\circ}41'43''$ East; thence along said last above mentioned Southwesterly line, the following courses: Southeasterly 1347.57 feet along said curve through a central angle of $62^{\circ}15'59''$, South $75^{\circ}34'16''$ East 320.26 feet to the beginning of a tangent curve concave Southwesterly having a radius of 1188.00 feet, Southeasterly 836.73 feet along said curve through a central angle of $40^{\circ}21'16''$, South $35^{\circ}13'00''$ East 289.24 feet to the beginning of a tangent curve concave Northeasterly having a radius of 1240.00 feet, Southeasterly 511.89 feet along said curve through a central angle of $23^{\circ}36'22''$, South $58^{\circ}49'22''$ East 775.74 feet to the beginning of a tangent curve concave Northeasterly having a radius of 1240.00 feet, Southeasterly 244.20 feet along said curve through a central angle of $11^{\circ}17'01''$, South $70^{\circ}06'23''$ East 381.44 feet to the beginning of a tangent curve concave Southwesterly having a radius of 1160.00 feet, Southeasterly 584.59 feet along said curve through a central angle of $28^{\circ}52'28''$, South $41^{\circ}13'55''$ East 969.84 feet to the beginning of a tangent curve concave Southwesterly having a radius of 1160.00 feet, Southeasterly 474.50 feet along said curve through a central angle of $23^{\circ}26'13''$, South $17^{\circ}47'42''$ East 704.89 feet to the beginning of a tangent curve concave Westerly having a radius of 1160.00 feet, Southerly 140.49 feet along said curve through a central angle of $6^{\circ}56'22''$, South $10^{\circ}51'20''$ East 330.86 feet to the beginning of a tangent curve concave Easterly having a radius of 1240.00 feet, Southerly 150.08 feet along said curve through a central angle of $6^{\circ}56'04''$, South $17^{\circ}47'24''$ East 398.53 feet, North $72^{\circ}12'36''$ East 10.00 feet and South $17^{\circ}47'24''$ East 900.00 feet to an angle point in the Westerly line of said Santiago Canyon Road, of variable width, as described in Parcel 178 of the easement deed to the County of Orange recorded December 19, 1967 in Book 8470, Page 6 of Official Records in the office of said County Recorder; thence along said Westerly line, the following courses: South $72^{\circ}13'08''$ West 9.00 feet, South $18^{\circ}04'03''$ East 199.54 feet, South $13^{\circ}39'08''$ East 193.78 feet, South $3^{\circ}21'25''$ East 700.02 feet,

EXHIBIT "A"

**LEGAL DESCRIPTION-CONTINUED
LIMESTONE CANYON REGIONAL PARK
PAGE 3**

South 9°40'38" East 103.45 feet, South 18°46'40" East 272.01 feet, South 24°39'11" East 836.26 feet, South 26°31'27" East 98.70 feet, South 17°11'22" East 193.59 feet, South 6°44'57" East 193.05 feet, South 3°13'05" West 259.29 feet, South 53°22'41" East 23.85 feet, South 3°36'27" West 88.98 feet, South 37°18'13" West 39.65 feet, South 1°37'58" West 205.27 feet, South 9°07'50" East 104.20 feet, South 10°32'55" East 103.50 feet, South 13°36'01" East 103.44 feet and South 19°42'39" East 107.32 feet to the Southeasterly line of said Block 179; thence South 42°47'15" West 6532.62 feet along said last mentioned Southeasterly line and the Southeasterly line of Block 178 to the point of beginning.

Contains an area of 5438.24 acres, more or less.

Subject to covenants, conditions, reservations, restrictions, rights of way and easements, if any, of record.

EXHIBIT "A"

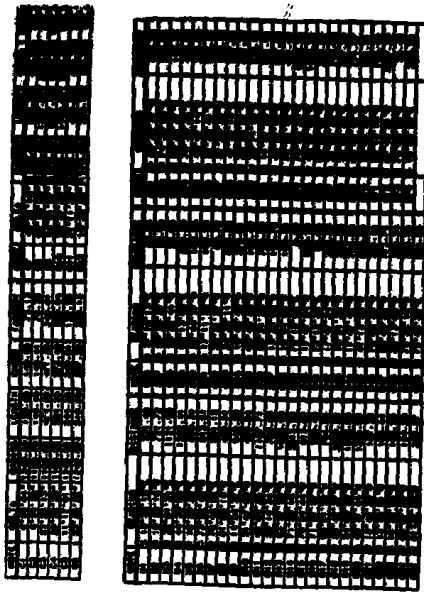
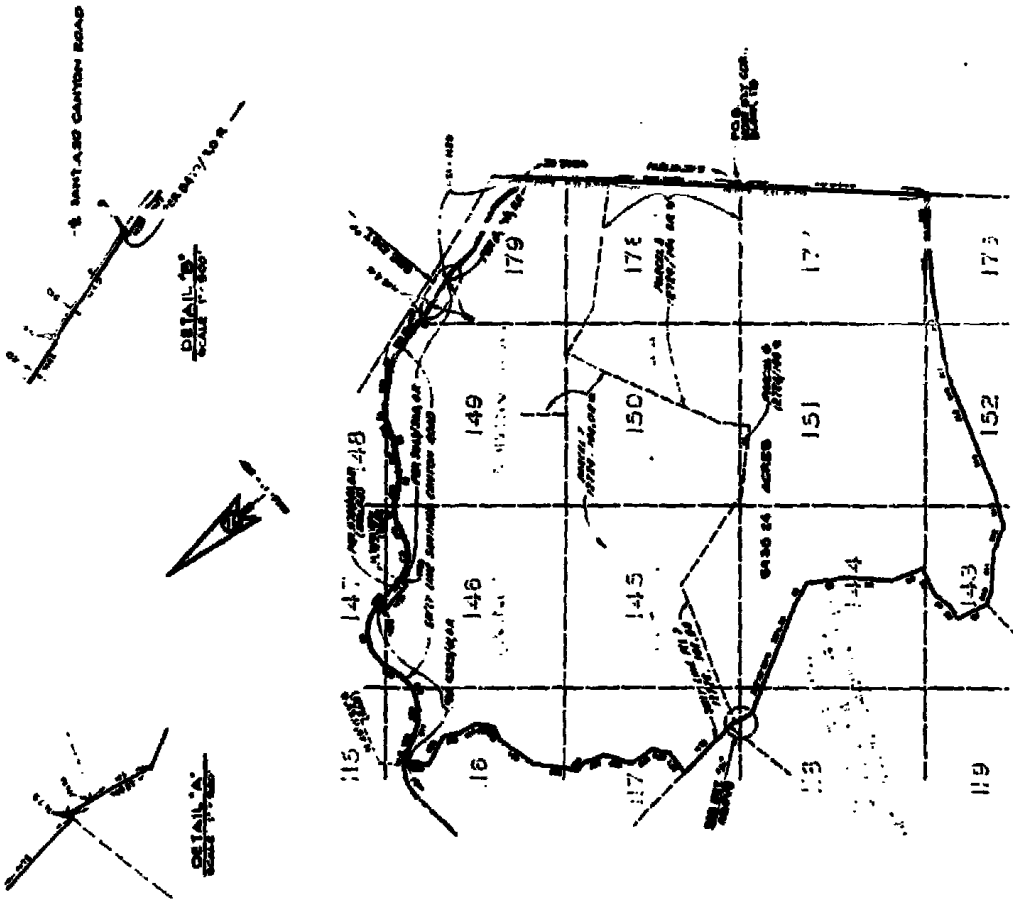
SKETCH TO ACCOMPANY A LEGAL DESCRIPTION

Page 4 of 4

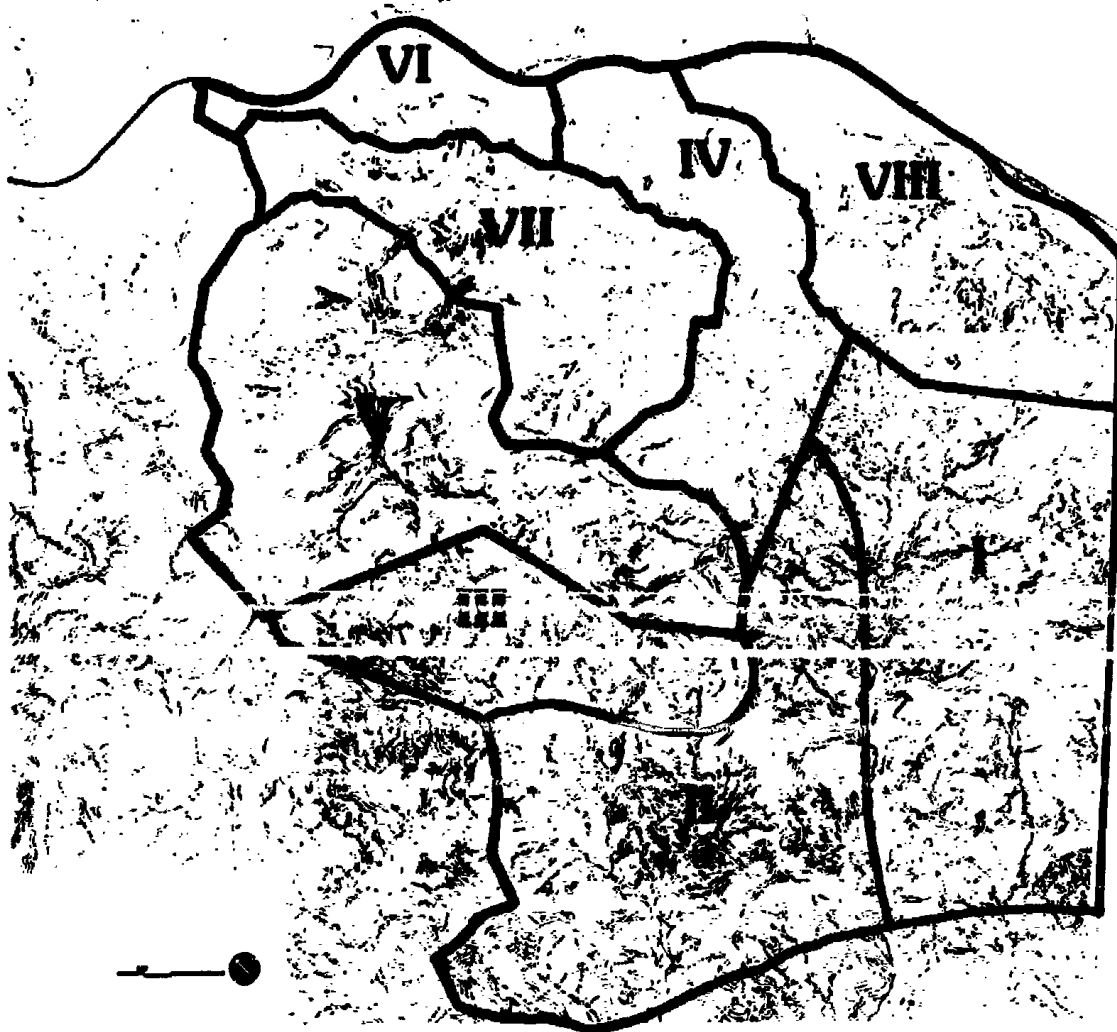
LIMESTONE CANYON REGIONAL PARK

* CHANGE COUNTY RECORDS: JUNE 43 PER RESOLUTION
NO. 78-885 OF BOARD OF SUPERVISORS, CHANDLER COUNTY

EXHIBIT "A"



MAP OF PROPERTY*



FACILITY No. : PR41D

PARCEL No. : 101

LIMESTONE CANYON
REGIONAL PARK

*Depiction of the Eight Management Units
for Illustrative Purposes Only

EXHIBIT B



Preliminary Report

First American Title Insurance Company

EXHIBIT "C"

OR-1564631

FIRST AMERICAN TITLE INSURANCE COMPANY
114 EAST FIFTH STREET, (P.O. BOX 267)
SANTA ANA, CALIFORNIA 92702
(714) 558-3211

THE IRVINE COMPANY
550 NEWPORT CENTER DRIVE, 6TH FLOOR
NEWPORT BEACH, CALIFORNIA
ATTN: STEVE LE MAR

YOUR NO. LIMESTONE PARKSITE

IN RESPONSE TO THE ABOVE REFERENCED APPLICATION FOR A POLICY OF TITLE INSURANCE, THIS COMPANY HEREBY REPORTS THAT IT IS PREPARED TO ISSUE, OR CAUSE TO BE ISSUED, AS OF THE DATE HEREOF, A POLICY OR POLICIES OF TITLE INSURANCE DESCRIBING THE LAND AND THE ESTATE OR INTEREST THEREIN HEREINAFTER SET FORTH, INSURING AGAINST LOSS WHICH MAY BE SUSTAINED BY REASON OF ANY DEFECT, LIEN OR ENCUMBRANCE NOT SHOWN OR REFERRED TO AS AN EXCEPTION BELOW OR NOT EXCLUDED FROM COVERAGE PURSUANT TO THE PRINTED SCHEDULES, CONDITIONS AND STIPULATIONS OF THE POLICY FORMS.

ALL KNOWN ENCUMBRANCES AND EXCEPTIONS FROM THE COVERAGE OF THIS POLICY OR POLICIES ARE SET FORTH IN EXHIBIT A ATTACHED. COPIES OF THE POLICY FORMS SHOULD BE READ. THEY ARE AVAILABLE FROM THE OFFICE WHICH ISSUED THIS REPORT.

THIS REPORT (AND ANY SUPPLEMENTS OR AMENDMENTS HERETO) IS ISSUED SOLELY FOR THE PURPOSE OF FACILITATING THE ISSUANCE OF A POLICY OF TITLE INSURANCE AND NO LIABILITY IS ASSUMED HEREBY. IF IT IS DESIRED THAT LIABILITY BE ASSUMED PRIOR TO THE ISSUANCE OF A POLICY OF TITLE INSURANCE, A BINDER OR COMMITMENT SHOULD BE REQUESTED.

DATED AS OF MAY 14, 1991 AT 7:30 A.M.



ROGER C. REIMER - TITLE OFFICER

THE FORM OF POLICY OF TITLE INSURANCE CONTEMPLATED BY THIS REPORT IS:
AMERICAN LAND TITLE ASSOCIATION OWNERS POLICY WITH REGIONAL EXCEPTIONS
(STANDARD COVERAGE).

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TITLE TO THE ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:

THE IRVINE COMPANY, A MICHIGAN CORPORATION.

THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

A FEE.

AT THE DATE HEREOF EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN THE POLICY FORM WOULD BE AS FOLLOWS:

1. GENERAL AND SPECIAL TAXES FOR THE FISCAL YEAR 1991-1992, A LIEN NOT YET PAYABLE.
2. THE LIEN OF SUPPLEMENTAL TAXES ASSESSED PURSUANT TO CHAPTER 3.5 COMMENCING WITH SECTION 75 OF THE CALIFORNIA REVENUE AND TAXATION CODE.
3. THE PROPERTY COVERED HEREIN LIES WITHIN THE BOUNDARIES OF PENDING ASSESSMENT DISTRICT NO. 22, AS DISCLOSED BY AN ASSESSMENT DISTRICT MAP FILED IN BOOK 33, PAGE 23 OF ASSESSMENT MAPS, RECORDED DECEMBER 18, 1986 AS INSTRUMENT NO. 86-626483 OF OFFICIAL RECORDS.
4. THE PROPERTY COVERED HEREIN LIES WITHIN THE BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 1 OF IRVINE RANCH WATER DISTRICT, AS DISCLOSED BY AN ASSESSMENT DISTRICT MAP (FINAL) FILED IN BOOK 33, PAGE 31 OF ASSESSMENT MAPS, RECORDED JANUARY 29, 1987, AS INSTRUMENT NO. 87-051901 OF OFFICIAL RECORDS.

NOTE: AS OF JULY 20, 1990 THERE IS NO CURRENT BONDED INDEBTEDNESS OR SPECIAL TAXES AUTHORIZED FOR THIS COMMUNITY FACILITIES DISTRICT.

5. AN EASEMENT FOR ROAD PURPOSES, 50 FEET WIDE, OVER THE FOLLOWING, AS ESTABLISHED BY ORDER OF THE BOARD OF SUPERVISORS OF ORANGE COUNTY, CALIFORNIA, ON JUNE 4, 1902:

BEGINNING AT A POINT IN THE SILVERADO CANON ABOUT 15 RODS ABOVE THE SILVERADO SCHOOL HOUSE AND RUNNING OVER THE LANDS OF JOSEPH HOLTZ, T. D. JULIAN AND JAMES IRVINE CO., IN A DIRECTION A LITTLE NORTH OF WEST, TO THE POINT OF INTERSECTION WITH THE SANTIAGO CANON ROAD.

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6. AN EASEMENT, 60 FEET IN WIDTH, AS SET FORTH IN AN INSTRUMENT RECORDED DECEMBER 9, 1914 IN BOOK 262, PAGE 335 OF DEEDS,
FOR: ROAD AND INCIDENTAL PURPOSES.
OVER: A PORTION OF SAID LAND.

A PORTION OF SANTIAGO CANYON ROAD WAS ABANDONED JANUARY 28, 1964 BY RESOLUTION OF THE BOARD OF SUPERVISORS OF ORANGE COUNTY, CALIFORNIA, A CERTIFIED COPY OF WHICH RESOLUTION WAS RECORDED FEBRUARY 18, 1964 IN BOOK 6929, PAGE 36 OF OFFICIAL RECORDS.

7. AN EASEMENT AS SET FORTH IN AN INSTRUMENT RECORDED OCTOBER 8, 1931 IN BOOK 507, PAGE 343 OF OFFICIAL RECORDS,
IN FAVOR OF: THE COUNTY OF ORANGE.
FOR: ROAD AND INCIDENTAL PURPOSES, TOGETHER WITH THE PRIVILEGE AND RIGHT TO EXTEND DRAINAGE STRUCTURES AND EXCAVATION AND EMBANKMENT SLOPES BEYOND THE LIMITS THEREOF.
OVER: A PORTION OF SAID LAND.

A PORTION OF SANTIAGO CANYON ROAD WAS ABANDONED NOVEMBER 5, 1958 BY RESOLUTION OF THE BOARD OF SUPERVISORS OF ORANGE COUNTY, CALIFORNIA, A CERTIFIED COPY OF WHICH RESOLUTION WAS RECORDED DECEMBER 26, 1958 IN BOOK 4528, PAGE 516 OF OFFICIAL RECORDS.

A PORTION OF SANTIAGO CANYON ROAD WAS ABANDONED JANUARY 28, 1964 BY RESOLUTION OF THE BOARD OF SUPERVISORS OF ORANGE COUNTY, CALIFORNIA, A CERTIFIED COPY OF WHICH RESOLUTION WAS RECORDED FEBRUARY 18, 1964 IN BOOK 6929, PAGE 36 OF OFFICIAL RECORDS.

8. AN EASEMENT FOR ROAD AND INCIDENTAL PURPOSES, 60 FEET IN WIDTH (SANTIAGO CANYON ROAD), OVER A PORTION OF BLOCKS 146 AND 147, TOGETHER WITH THE PRIVILEGE AND RIGHT TO EXTEND DRAINAGE STRUCTURES AND EXCAVATION AND EMBANKMENT SLOPES BEYOND THE LIMITS THEREOF, AS CONVEYED TO THE COUNTY OF ORANGE BY DEED RECORDED JULY 7, 1932 IN BOOK 561, PAGE 262 OF OFFICIAL RECORDS.

NOTE 1: THE FOLLOWING PORTION OF SANTIAGO CANYON ROAD WAS ABANDONED JANUARY 28, 1964 BY RESOLUTION OF THE BOARD OF SUPERVISORS OF ORANGE COUNTY, CALIFORNIA, A CERTIFIED COPY OF WHICH RESOLUTION WAS RECORDED FEBRUARY 18, 1964 IN BOOK 6929, PAGE 36 OF OFFICIAL RECORDS:

ALL THAT PORTION OF SANTIAGO CANYON ROAD AS DESCRIBED IN SAID DEED, LYING WITHIN SAID BLOCK 147, AND LYING NORTHWESTERLY OF A RADIAL LINE PASSING THROUGH THE SOUTHEASTERLY TERMINUS OF A CURVE DESCRIBED IN SAID DEED AS BEING CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 1000 FEET, A CENTRAL ANGLE OF 19 DEGREES 31' 30", AND AN ARC LENGTH OF 340.78 FEET.

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NOTE 2: THE FOLLOWING PORTION OF SANTIAGO CANYON ROAD WAS ABANDONED JUNE 25, 1974 BY RESOLUTION OF THE BOARD OF SUPERVISORS OF ORANGE COUNTY, CALIFORNIA, A CERTIFIED COPY OF WHICH RESOLUTION WAS RECORDED JULY 5, 1974 IN BOOK 11189, PAGE 1454 OF OFFICIAL RECORDS:

ALL THAT PORTION OF SANTIAGO CANYON ROAD AS DESCRIBED IN SAID DEED, WHICH LIES WITHIN BLOCKS 146, 148 AND 149 OF IRVINE'S SUBDIVISION, AS SHOWN ON A MAP RECORDED IN BOOK 1, PAGE 88 OF MISCELLANEOUS MAPS, RECORDS OF SAID COUNTY.

EXCEPTING THEREFROM, THAT PORTION OF SAID SANTIAGO CANYON ROAD LYING NORTHWESTERLY OF A RADIAL LINE PASSING THROUGH THE NORTHERLY TERMINUS OF A CURVE IN THE CENTER LINE OF SAID SANTIAGO CANYON ROAD, AS DESCRIBED IN SAID DEED RECORDED IN BOOK 561, PAGE 262 OF OFFICIAL RECORDS AS HAVING A RADIUS OF 350.00 FEET, A CENTRAL ANGLE OF 39 DEGREES 38' 00", AN ARC LENGTH OF 242.11 FEET.

ALSO EXCEPTING THEREFROM, THOSE PORTIONS INCLUDED WITHIN THE REALIGNMENT OF SANTIAGO CANYON ROAD, AS DESCRIBED IN PARCELS 239, 239.3, 239.5, AND 239.6 OF THE DEED RECORDED IN BOOK 9063, PAGE 900; PARCELS 245 AND 245.1 OF THE DEED RECORDED IN BOOK 9048, PAGE 866; AND IN PARCEL 246 OF THE DEED RECORDED IN BOOK 9171, PAGE 479, ALL OF OFFICIAL RECORDS OF SAID COUNTY.

AN EASEMENT FOR ROAD AND INCIDENTAL PURPOSES 40 FEET IN WIDTH (SILVERADO CANYON ROAD), OVER A PORTION OF BLOCK 147, TOGETHER WITH THE PRIVILEGE AND RIGHT TO EXTEND DRAINAGE STRUCTURES AND EXCAVATION AND EMBANKMENT SLOPES BEYOND THE LIMITS THEREOF, AS CONVEYED TO THE COUNTY OF ORANGE BY DEED RECORDED JULY 7, 1932 IN BOOK 562, PAGE 231 OF OFFICIAL RECORDS.

10. THE EFFECT OF MAPS PURPORTING TO SHOW THE HEREIN DESCRIBED AND OTHER LAND RECORDED IN BOOK 5, PAGE 12; IN BOOK 93, PAGE 5; AND IN BOOK 103, PAGE 5, ALL OF RECORD OF SURVEYS.

11. AN EASEMENT FOR ROAD AND INCIDENTAL PURPOSES, OVER A PORTION OF BLOCK 147, BEING AT THE INTERSECTION OF SILVERADO CANYON ROAD AND SANTIAGO CANYON ROAD, AS CONVEYED TO THE COUNTY OF ORANGE BY DEED RECORDED SEPTEMBER 28, 1948 IN BOOK 1707, PAGE 372 OF OFFICIAL RECORDS.

THE FOLLOWING PORTION OF SANTIAGO CANYON ROAD WAS ABANDONED JANUARY 28, 1964 BY RESOLUTION OF THE BOARD OF SUPERVISORS OF ORANGE COUNTY, CALIFORNIA, A CERTIFIED COPY OF WHICH RESOLUTION WAS RECORDED FEBRUARY 18, 1964 IN BOOK 6929, PAGE 36 OF OFFICIAL RECORDS:

ALL THAT PORTION OF SANTIAGO CANYON ROAD AS DESCRIBED IN SAID DEED, LYING WITHIN BLOCK 147.

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OR-1564631

12. AN EASEMENT FOR A WATER WELL AND PIPE LINE OVER THE FOLLOWING PORTION OF SAID LAND, AS CONVEYED BY THE IRVINE COMPANY TO ORANGE UNIFIED SCHOOL DISTRICT BY DEED RECORDED SEPTEMBER 7, 1956 IN BOOK 3636, PAGE 329 OF OFFICIAL RECORDS:

A PORTION OF BLOCK 146 OF IRVINE'S SUBDIVISION, AS SHOWN ON A MAP RECORDED IN BOOK 1, PAGE 88 OF MISCELLANEOUS MAPS, RECORDS OF ORANGE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE CENTER LINE OF SANTIAGO CANYON ROAD, AS DESCRIBED IN THE DEED RECORDED JULY 7, 1932 IN BOOK 561, PAGE 262 OF OFFICIAL RECORDS, SAID POINT BEING ON A CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 350.00 FEET, SAID POINT BEING DISTANT ON SAID CURVE 29.22 FEET FROM THE SOUTHERLY TERMINUS OF A CERTAIN COURSE DESCRIBED IN SAID DEED AS "SOUTH 9 DEGREES 53' 00" EAST 727.45 FEET"; THENCE SOUTH 75 DEGREES 20' 30" WEST 139.92 FEET; THENCE SOUTH 14 DEGREES 39' 30" EAST 50.00 FEET; THENCE NORTH 75 DEGREES 20' 30" EAST 50.00 FEET; THENCE NORTH 14 DEGREES 39' 30" WEST 40.00 FEET; THENCE NORTH 75 DEGREES 20' 30" EAST 90.07 FEET TO A POINT ON SAID CENTER LINE OF SANTIAGO CANYON ROAD, SAID POINT BEING ON SAID CURVE HAVING A RADIUS OF 350.00 FEET, A RADIAL LINE TO THE CENTER OF SAID CURVE BEARS NORTH 73 DEGREES 41' 50" EAST; THENCE NORTHWESTERLY ALONG SAID CURVE, 10.00 FEET TO THE POINT OF BEGINNING.

13. A RIGHT OF WAY FOR HIGHWAY AND INCIDENTAL PURPOSES (SANTIAGO CANYON ROAD), OVER PORTIONS OF SAID LAND, TOGETHER WITH THE NECESSARY EASEMENTS AND DRAINAGE EASEMENTS OF VARYING WIDTHS, AS CONVEYED TO THE COUNTY OF ORANGE BY DEED RECORDED SEPTEMBER 18, 1962 IN BOOK 6252, PAGE 962 OF OFFICIAL RECORDS.

A PORTION OF SANTIAGO CANYON ROAD WAS ABANDONED JANUARY 28, 1964 BY RESOLUTION OF THE BOARD OF SUPERVISORS OF ORANGE COUNTY, CALIFORNIA, A CERTIFIED COPY OF WHICH RESOLUTION WAS RECORDED FEBRUARY 18, 1964 IN BOOK 6929, PAGE 36 OF OFFICIAL RECORDS.

14. AN EASEMENT CONVEYED TO THE LOS ALISOS WATER DISTRICT AND EL TORO WATER DISTRICT FOR PIPELINES AND INCIDENTAL PURPOSES BY DEED RECORDED DECEMBER 14, 1962 IN BOOK 6361, PAGE 343 OF OFFICIAL RECORDS, OVER A PORTION OF SAID LAND. REFERENCE BEING HEREBY MADE TO THE RECORD THEREOF FOR FULL PARTICULARS.

NOTE: RECORDED MARCH 26, 1979 IN BOOK 13081, PAGE 1101 OF OFFICIAL RECORDS THE EL TORO WATER DISTRICT AND LOS ALISOS WATER DISTRICT ASSIGN A LICENSE, EASEMENT AND RIGHT OF WAY TO SANTIAGO AQUEDUCT COMMISSION. REFERENCE BEING MADE TO THE RECORD THEREOF FOR FULL PARTICULARS.

15. AN EASEMENT AS SET FORTH IN AN INSTRUMENT RECORDED FEBRUARY 18, 1964 IN BOOK 6929, PAGE 36 OF OFFICIAL RECORDS.

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EXHIBIT "C"

OR-1564631

FOR: THE RIGHT TO MAINTAIN, OPERATE, REPLACE, REMOVE AND RENEW ALL NOW EXISTING SANITARY SEWERS AND STORM DRAINS AND APPURTENANT STRUCTURES, IN, UPON AND OVER THE SAID HIGHWAY AND ALL PORTIONS THEREOF, AND, PURSUANT TO ANY EXISTING FRANCHISE OR RENEWAL THEREOF, TO MAINTAIN, OPERATE, REPLACE, REMOVE, RENEW AND ENLARGE ALL NOW EXISTING LINES OF PIPE, CONDUITS, CABLES, WIRES, POLES, AND OTHER CONVENIENT STRUCTURES, EQUIPMENT AND FIXTURES FOR THE OPERATION OF GAS PIPE LINES, TELEGRAPHIC AND TELEPHONE LINES, RAILROAD LINES, AND FOR THE TRANSPORTATION OR DISTRIBUTION OF ELECTRIC ENERGY, PETROLEUM AND ITS PRODUCTS, AMMONIA, WATER, AND FOR INCIDENTAL PURPOSES.

IN FAVOR OF: THE COUNTY OF ORANGE.

OVER: PORTIONS OF SAID LAND.

16. AN EASEMENT AS SET FORTH IN AN INSTRUMENT RECORDED FEBRUARY 18, 1964 IN BOOK 6929, PAGE 41 OF OFFICIAL RECORDS.

FOR: PUBLIC HIGHWAY PURPOSES (SANTIAGO CANYON ROAD).

IN FAVOR OF: THE COUNTY OF ORANGE.

OVER: A PORTION OF SAID LAND, DESCRIBED IN SAID DOCUMENT.

17. AN EASEMENT AS SET FORTH IN AN INSTRUMENT RECORDED DECEMBER 19, 1967 IN BOOK 8470, PAGE 6 OF OFFICIAL RECORDS.

FOR: STREET AND HIGHWAY PURPOSES (SANTIAGO CANYON ROAD).

IN FAVOR OF: THE COUNTY OF ORANGE.

OVER: A PORTION OF BLOCK 179 AS DESCRIBED IN SAID DOCUMENT.

18. AN AGREEMENT DATED FEBRUARY 18, 1969, BETWEEN THE IRVINE COMPANY AND THE COUNTY OF ORANGE, RECORDED FEBRUARY 25, 1969 IN BOOK 8884, PAGE 304 OF OFFICIAL RECORDS, SUBJECT TO THE TERMS AND CONDITIONS PROVIDED IN SAID AGREEMENT; RECORD REFERENCE IS HEREBY MADE FOR FULL PARTICULARS.

NOTE: AN AMENDMENT TO SAID AGREEMENT WAS RECORDED MAY 13, 1969 IN BOOK 8955, PAGE 901 OF OFFICIAL RECORDS.

19. AN EASEMENT AS SET FORTH IN AN INSTRUMENT RECORDED AUGUST 28, 1969 IN BOOK 9063, PAGE 900 OF OFFICIAL RECORDS.

FOR: STREET AND HIGHWAY PURPOSES (SANTIAGO CANYON ROAD), AND FOR SLOPE AND DRAINAGE PURPOSES.

IN FAVOR OF: THE COUNTY OF ORANGE.

OVER: PORTIONS OF BLOCKS 146, 147, 148, 149 AND 179, AS DESCRIBED IN SAID DOCUMENT.

20. AN EASEMENT AS SET FORTH IN AN INSTRUMENT RECORDED MAY 28, 1971 IN BOOK 9657, PAGE 881 OF OFFICIAL RECORDS.

FOR: SLOPE PURPOSES (SANTIAGO CANYON ROAD).

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EXHIBIT "C"

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IN FAVOR OF: THE COUNTY OF ORANGE.
OVER: A PORTION OF BLOCK 146, AS DESCRIBED IN SAID DOCUMENT.

21. AN EASEMENT AS SET FORTH IN AN INSTRUMENT RECORDED JULY 5, 1974 IN BOOK 11189, PAGE 1454 OF OFFICIAL RECORDS.

FOR: THE RIGHT TO MAINTAIN, OPERATE, REPLACE, REMOVE AND RENEW ALL NOW EXISTING SANITARY SEWERS AND STORM DRAINS AND APPURTENANT STRUCTURES, IN, UPON AND OVER THE SAID HIGHWAY AND ALL PORTIONS THEREOF, AND, PURSUANT TO ANY EXISTING FRANCHISE OR RENEWAL THEREOF, TO MAINTAIN, OPERATE, REPLACE, REMOVE, RENEW AND ENLARGE ALL NOW EXISTING LINES OF PIPE, CONDUITS, CABLES, WIRES, POLES, AND OTHER CONVENIENT STRUCTURES, EQUIPMENT AND FIXTURES FOR THE OPERATION OF GAS PIPE LINES, TELEGRAPHIC AND TELEPHONE LINES, RAILROAD LINES, AND FOR THE TRANSPORTATION OR DISTRIBUTION OF ELECTRIC ENERGY, PETROLEUM AND ITS PRODUCTS, AMMONIA, WATER, AND FOR INCIDENTAL PURPOSES.

IN FAVOR OF: THE COUNTY OF ORANGE.
OVER: A PORTION OF BLOCKS 146, 148 AND 149.

22. AN EASEMENT AS SET FORTH IN AN INSTRUMENT RECORDED DECEMBER 29, 1975 IN BOOK 11606, PAGE 1885 OF OFFICIAL RECORDS.

FOR: SLOPE PURPOSES (SANTIAGO CANYON ROAD).

IN FAVOR OF: THE COUNTY OF ORANGE.
OVER: A PORTION OF SAID LAND. AS DESCRIBED IN SAID DOCUMENT.

23. AN EASEMENT AS SET FORTH IN AN INSTRUMENT RECORDED NOVEMBER 5, 1976 IN BOOK 11951, PAGE 1635 OF OFFICIAL RECORDS.

FOR: PIPELINES AND INCIDENTAL PURPOSES.

IN FAVOR OF: SANTIAGO COUNTY WATER DISTRICT.
OVER: A PORTION OF BLOCK 179, AS DESCRIBED IN SAID DOCUMENT.

24. AN AMENDMENT AND RESTATEMENT OF DEED OF TRUST, ASSIGNMENT OF RENTS AND LEASE RIGHTS AND SECURITY AGREEMENT, COVERING A PORTION OF THE HEREIN DESCRIBED AND OTHER LAND, TO SECURE AN INDEBTEDNESS OF \$114,587,162.00, RECORDED SEPTEMBER 7, 1983 AS INSTRUMENT NO. 83-391526 OF OFFICIAL RECORDS.

DATED: SEPTEMBER 7, 1983.

TRUSTOR: THE IRVINE COMPANY, A CORPORATION.

TRUSTEE: TICOR TITLE INSURANCE COMPANY OF CALIFORNIA, A CORPORATION.

BENEFICIARY: THE PRUDENTIAL INSURANCE COMPANY OF AMERICA, A CORPORATION.

NOTE: AFFECTS APN 576-014-01, 576-014-04, 576-014-05, 576-014-06 AND 576-014-07. (PARCELS B-116.4).

OR-1564631

25. AN AMENDMENT AND RESTATEMENT OF ASSIGNMENT OF LEASES OF ALL RENTS, ROYALTIES, ISSUES AND PROFITS ACCRUING FROM SAID LAND, AS ADDITIONAL SECURITY FOR THE PAYMENT OF THE INDEBTEDNESS SECURED BY THE DEED OF TRUST SHOWN ABOVE.

RECORDED: SEPTEMBER 7, 1983 AS INSTRUMENT NO. 83-391527 OF OFFICIAL RECORDS.

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EXHIBIT "C"

OR-1564631

DESCRIPTION

THE LAND REFERRED TO IN THIS REPORT IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF ORANGE, AND IS DESCRIBED AS FOLLOWS:

THAT PORTION OF BLOCKS 116, 117, 118, 143 THROUGH 152 AND 176 THROUGH 179, AS SHOWN ON THE MAP RECORDED IN BOOK 1, PAGE 88 OF MISCELLANEOUS RECORDS MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF SAID BLOCK 178; THENCE SOUTH 42° 47' 15" WEST 5359.04 FEET ALONG THE SOUTHEASTERLY LINES OF SAID BLOCKS 177 AND 176 TO A POINT WHICH BEARS SOUTH 31° 47' 08" EAST 463.24 FEET, SOUTH 46° 09' 25" EAST 1107.71 FEET, SOUTH 28° 10' 34" EAST 765.95 FEET, SOUTH 63° 57' 59" EAST 1028.90 FEET, SOUTH 71° 20' 16" EAST 2013.59 FEET, SOUTH 70° 54' 44" EAST 815.02 FEET, SOUTH 71° 57' 57" EAST 569.49 FEET, SOUTH 65° 51' 52" EAST 704.55 FEET, SOUTH 58° 42' 27" EAST 2032.62 FEET, SOUTH 54° 09' 59" EAST 1533.03 FEET AND SOUTH 49° 37' 44" EAST 1306.98 FEET FROM THE SOUTHERLY TERMINUS OF THAT CERTAIN COURSE SHOWN AS "S 14° 54' 37" W 946.23'" FOR A PORTION OF THE EASTERLY LINE OF THE PARCEL OF LAND SHOWN ON RECORD OF SURVEY 80-1140 FILED IN BOOK 101, PAGE 49 OF RECORDS OF SURVEY IN THE OFFICE OF SAID COUNTY RECORDER; THENCE NORTH 49° 37' 44" WEST 1306.98 FEET, NORTH 54° 09' 59" WEST 1533.03 FEET, NORTH 58° 42' 27" WEST 2032.62 FEET, NORTH 65° 51' 52" WEST 704.55 FEET, NORTH 71° 57' 57" WEST 569.49 FEET, NORTH 70° 54' 44" WEST 815.02 FEET, NORTH 71° 20' 16" WEST 2013.59 FEET, NORTH 63° 57' 59" WEST 1028.90 FEET, NORTH 28° 10' 34" WEST 765.95 FEET, NORTH 46° 09' 25" WEST 1107.71 FEET AND NORTH 31° 47' 08" WEST 463.24 FEET TO SAID EASTERLY LINE; THENCE ALONG SAID EASTERLY LINE AND THE NORTHERLY LINE OF SAID PARCEL, THE FOLLOWING COURSES: NORTH 14° 54' 37" EAST 946.23 FEET, SOUTH 81° 08' 19" EAST 465.61 FEET, NORTH 76° 42' 58" EAST 531.12 FEET, SOUTH 73° 52' 48" EAST 813.61 FEET, NORTH 18° 30' 38" EAST 939.91 FEET, NORTH 44° 33' 50" EAST 1292.41 FEET, NORTH 32° 01' 51" EAST 1121.93 FEET, NORTH 19° 39' 16" WEST 721.72 FEET, NORTH 28° 03' 25" WEST 3374.50 FEET, NORTH 10° 53' 18" EAST 740.87 FEET AND SOUTH 79° 06' 30" WEST 34.48 FEET TO THE GENERAL SOUTHWESTERLY LINE OF PARCEL 7 OF ORANGE COUNTY REORGANIZATION NO. 43, INVOLVING THE SANTIAGO COUNTY WATER DISTRICT AND THE IRVINE RANCH WATER DISTRICT, AS ESTABLISHED BY RESOLUTION NO. 78-855 OF THE BOARD OF SUPERVISORS OF ORANGE COUNTY RECORDED JUNE 20, 1978 IN BOOK 12724, PAGE 144 OF OFFICIAL RECORDS IN THE OFFICE OF SAID COUNTY RECORDER; THENCE NORTH 4° 43' 51" WEST 1867.38 FEET ALONG SAID SOUTHWESTERLY LINE; THENCE SOUTH 86° 13' 13" EAST 706.49 FEET; THENCE NORTH 53° 02' 59" EAST 501.51 FEET; THENCE NORTH 8° 48' 16" EAST 771.97 FEET; THENCE NORTH 58° 35' 32" EAST 787.29 FEET; THENCE NORTH 21° 55' 39" EAST 712.95 FEET; THENCE NORTH 6° 50' 07" WEST 286.58 FEET; THENCE NORTH 48° 27' 04" EAST 1425.30 FEET; THENCE NORTH 73° 18' 20" EAST 1233.20 FEET; THENCE SOUTH 72° 21' 10" EAST 421.49 FEET; THENCE

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EXHIBIT "C"

OR-1564631

NORTH 49° 37' 16" EAST 527.99 FEET; THENCE NORTH 11° 27' 08" EAST 521.16 FEET; THENCE NORTH 29° 11' 15" EAST 516.42 FEET; THENCE NORTH 22° 13' 21" WEST 901.78 FEET; THENCE NORTH 47° 31' 13" EAST 577.86 FEET; THENCE NORTH 1° 23' 24" WEST 153.45 FEET TO THE SOUTHWESTERLY LINE OF SANTIAGO CANYON ROAD, 60.00 FEET IN WIDTH, AS DESCRIBED IN PARCEL 118.01 OF THE DEED TO THE COUNTY OF ORANGE RECORDED FEBRUARY 18, 1964 IN BOOK 6929, PAGE 41 OF OFFICIAL RECORDS IN THE OFFICE OF SAID COUNTY RECORDER, SAID SOUTHWESTERLY LINE BEING A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 1170.00 FEET, A RADIAL LINE TO SAID CURVE BEARS NORTH 43° 17' 53" EAST; THENCE ALONG SAID LAST MENTIONED SOUTHWESTERLY LINE, THE FOLLOWING COURSES: SOUTHEASTERLY 390.18 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 19° 06' 26", SOUTH 27° 35' 41" EAST 520.35 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 1230.00 FEET, SOUTHEASTERLY 454.95 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 21° 31' 33", SOUTH 48° 47' 14" EAST 279.68 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 1230.00 FEET, SOUTHEASTERLY 1194.07 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 55° 37' 20", NORTH 75° 35' 26" EAST 482.82 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 1170.00 FEET, SOUTHEASTERLY 1937.19 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 94° 51' 57" AND SOUTH 9° 32' 37" EAST 118.35 FEET TO THE NORTHERLY LINE OF THAT CERTAIN LAND DESCRIBED IN PARCEL 2 OF THE DEED TO FREDERICK E. MIELKE AND JANE T. MIELKE RECORDED JUNE 29, 1976 IN BOOK 11791, PAGE 146 OF OFFICIAL RECORDS IN THE OFFICE OF SAID COUNTY RECORDER; THENCE ALONG SAID NORTHERLY LINE AND THE WESTERLY AND SOUTHERLY LINES OF SAID PARCEL 2, THE FOLLOWING COURSES: SOUTH 1° 35' 59" WEST 232.66 FEET, SOUTH 9° 32' 37" EAST 854.35 FEET AND NORTH 75° 40' 32" EAST 224.90 FEET TO THE SOUTHWESTERLY LINE OF SAID SANTIAGO CANYON ROAD, 80.00 FEET IN WIDTH, AS DESCRIBED IN PARCEL 239 OF THE EASEMENT DEED TO THE COUNTY OF ORANGE RECORDED AUGUST 28, 1969 IN BOOK 9063, PAGE 900 OF OFFICIAL RECORDS IN THE OFFICE OF SAID COUNTY RECORDER, SAID SOUTHWESTERLY LINE BEING A CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 1240.00 FEET, A RADIAL LINE TO SAID CURVE BEARS NORTH 76° 41' 43" EAST; THENCE ALONG SAID LAST ABOVE MENTIONED SOUTHWESTERLY LINE, THE FOLLOWING COURSES: SOUTHEASTERLY 1347.57 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 62° 15' 59", SOUTH 75° 34' 16" EAST 320.26 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 1188.00 FEET, SOUTHEASTERLY 836.73 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 40° 21' 16", SOUTH 35° 13' 00" EAST 289.24 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 1240.00 FEET, SOUTHEASTERLY 510.89 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 23° 36' 22" EAST 775.74 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 1240.00 FEET, SOUTHEASTERLY 244.20 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 11° 17' 01", SOUTH 70° 06' 23" EAST 381.44 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 1160.00 FEET, SOUTHEASTERLY 584.59 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 28° 52' 28", SOUTH 41° 13' 55" EAST 969.84 FEET TO THE

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BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 1160.00 FEET, SOUTHEASTERLY 474.50 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 23° 26' 13", SOUTH 17° 47' 42" EAST 704.89 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY HAVING A RADIUS OF 1160.00 FEET, SOUTHERLY 140.49 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 6° 56' 22", SOUTH 10° 51' 20" EAST 350.86 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE EASTERLY HAVING A RADIUS OF 1240.00 FEET, SOUTHERLY 150.08 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 6° 56' 04", SOUTH 17° 47' 24" EAST 398.53 FEET, NORTH 72° 12' 36" EAST 10.00 FEET AND SOUTH 17° 47' 24" EAST 900.00 FEET TO AN ANGLE POINT IN THE WESTERLY LINE OF SAID SANTIAGO CANYON ROAD, OF VARIABLE WIDTH, AS DESCRIBED IN PARCEL 178 OF THE EASEMENT DEED TO THE COUNTY OF ORANGE RECORDED DECEMBER 19, 1967 IN BOOK 8470, PAGE 6 OF OFFICIAL RECORDS IN THE OFFICE OF SAID COUNTY RECORDER; THENCE ALONG SAID WESTERLY LINE, THE FOLLOWING COURSES: SOUTH 72° 13' 08" WEST 9.00 FEET, SOUTH 18° 04' 03" EAST 199.54 FEET, SOUTH 13° 39' 08" EAST 193.78 FEET, SOUTH 3° 21' 25" EAST 700.02 FEET, SOUTH 9° 40' 38" EAST 103.45 FEET, SOUTH 18° 46' 40" EAST 272.01 FEET, SOUTH 24° 39' 11" EAST 836.26 FEET, SOUTH 26° 31' 27" EAST 98.70 FEET, SOUTH 17° 11' 22" EAST 193.59 FEET, SOUTH 6° 44' 57" EAST 193.05 FEET, SOUTH 3° 13' 05" WEST 259.29 FEET, SOUTH 53° 22' 41" EAST 23.85 FEET, SOUTH 3° 36' 27" WEST 88.98 FEET, SOUTH 37° 18' 13" WEST 39.65 FEET, SOUTH 1° 37' 58" WEST 205.27 FEET, SOUTH 9° 07' 50" EAST 104.20 FEET, SOUTH 10° 32' 55" EAST 103.50 FEET, SOUTH 13° 36' 01" EAST 103.44 FEET AND SOUTH 19° 42' 39" EAST 107.32 FEET TO THE SOUTHEASTERLY LINE OF SAID BLOCK 179; THENCE SOUTH 42° 47' 15" WEST 103.44 FEET ALONG SAID LINE TO THE POINT OF BEGINNING.

* * * * *

W A R N I N G

"THE MAP ATTACHED HERETO MAY OR MAY NOT BE A SURVEY OF THE LAND DEPICTED THEREON. YOU SHOULD NOT RELY UPON IT FOR ANY PURPOSE OTHER THAN ORIENTATION TO THE GENERAL LOCATION OF THE PARCEL OR PARCELS DEPICTED. FIRST AMERICAN EXPRESSLY DISCLAIMS ANY LIABILITY FOR ALLEGED LOSS OR DAMAGE WHICH MAY RESULT FROM RELIANCE UPON THIS MAP".

* * * * *

EEP
PLATS (CC&R'S, IF ANY) ENCLOSED.

PAGE 11

EXHIBIT "C"

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NOTE: WIRING INSTRUCTIONS FOR SUB-ESCROW DEPOSITS ARE AS FOLLOWS:

FIRST INTERSTATE BANK
1018 NORTH MAIN STREET
SANTA ANA, CALIFORNIA

ACCOUNT #180721037
ABA #122000218

CREDIT TO FIRST AMERICAN TITLE INSURANCE CO.

OR-1564631

TITLE OFFICER - ROGER C. REIMER

DISREGARD IF FIRST AMERICAN IS YOUR ESCROW SETTLEMENT AGENT --

CONTACT ESCROW OFFICER FOR WIRING INSTRUCTIONS

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EXHIBIT "C"



First American Title Insurance Company

114 EAST FIFTH STREET, (P. O. BOX 267) SANTA ANA, CALIFORNIA 92702 • (714) 668-3211

June 13, 1991

The Irvine Company
550 Newport Center Drive, 3rd Floor
Newport Beach, California

Attention: Jim Cavanaugh

Reference: Limestone Parksite
Our Order Number 1564631

RECEIVED
JUN 14 1991
LEGAL DEPT.
LAND DEVELOPMENT COMPANIES

Supplementing my previous report dated May 15, 1991,
please make the following changes:

A. Item No. 3 is amended to read as follows:

3. THE PROPERTY COVERED HEREIN LIES WITHIN THE
BOUNDARIES OF PENDING DISTRICT NO. 86-1, AS
DISCLOSED BY A MAP FILED IN BOOK 33, PAGE 23
OF ASSESSMENT MAPS, RECORDED DECEMBER 18, 1986
AS INSTRUMENT NO. 86-626483 OF OFFICIAL RECORDS.

B. Delete Item No. 23.

Roger C. Reimer

Roger C. Reimer
Subdivision Title Officer
First American Title Insurance Company

RcR/gd

cc: Stella Oviedo/GSA Real Estate-County of Orange
Chris Prince/Latham Watkins



First American Title Insurance Company

114 EAST FIFTH STREET, (P. O. BOX 267) SANTA ANA, CALIFORNIA 92702 • (714) 888-3211

June 12, 1991

The Irvine Company
550 Newport Center Drive, 3rd Floor
Newport Beach, California

Attention: Jim Cavanaugh

Reference: Limestone Parksite
Our Order No. 1564631

Supplementing my previous report dated May 15, 1991, please make the following changes:

Delete Items #7, #9, #11, #12, #15 and #16.

Roger C. Reimer

Roger C. Reimer
Subdivision Title Officer
First American Title Insurance Company

RcR/gd

cc: Stella Oviedo/GSA Real Estate-County of Orange
Chris Prince/Latham and Watkins

F17 as well
R.R.



First American Title Insurance Company

114 EAST FIFTH STREET, (P. O. BOX 2671) SANTA ANA, CALIFORNIA 92702 · (714) 558-3211

May 28, 1991

The Irvine Company
550 Newport Center Drive, 3rd Floor
Newport Beach, California

Attention: Jim Cavanaugh

Reference: Limestone Parksite
Our Order No. 1564631

Supplementing my previous report dated May 15, 1991,
please make the following changes:

Item number 4 is amended to read as follows;

4. THE PROPERTY COVERED HEREIN LIES WITHIN THE
BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 1 OF
IRVINE RANCH WATER DISTRICT, AS DISCLOSED BY AN
ASSESSMENT DISTRICT MAP (FINAL) FILED IN BOOK 33, PAGE
31 OF ASSESSMENT MAPS, RECORDED JANUARY 29, 1987, AS
INSTRUMENT NO. 87-051901 OF OFFICIAL RECORDS.

NOTE: AS OF JULY 20, 1990 THERE IS NO CURRENT BONDED
INDEBTEDNESS OR SPECIAL TAXES AUTHORIZED FOR THIS
COMMUNITY FACILITIES DISTRICT. FURTHER, THE IRWD HAS
REPRESENTED THAT IN ORDER TO AUTHORIZE BONDED
INDEBTEDNESS OR IMPOSE A SPECIAL TAX, THE COMMUNITY
FACILITY DISTRICT WOULD BE REQUIRED TO HOLD A PUBLIC
HEARING, SUBMIT THE QUESTION TO AN ELECTION AND OBTAIN
APPROVAL BY A TWO-THIRDS MAJORITY OF VOTES BY THE
QUALIFIED VOTERS.

* * * * *

Roger C Reimer

Roger C. Reimer
Subdivision Title Officer
First American Title Insurance Company

RcR/gd

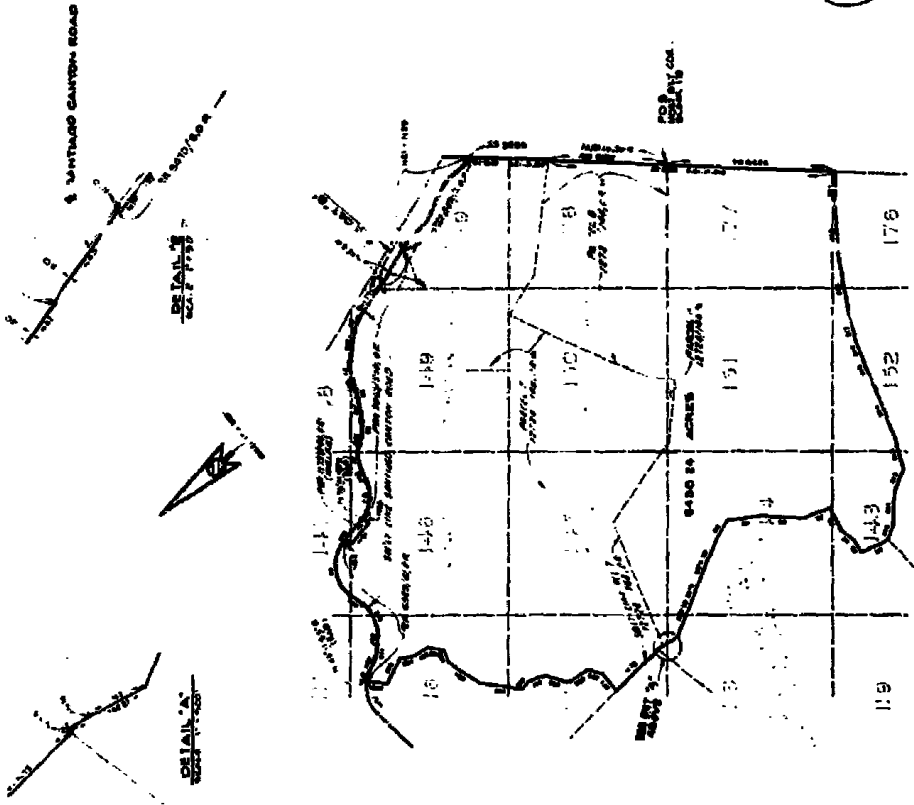
cc: Stella Oviedo/County of Orange
Cris Prince/Latham & Watkins

Exhibit "C"

SKETCH TO ACCOMPANY A LEGAL DESCRIPTION

**LIMESTONE CANYON
REGIONAL PARK**

陳永發



* CHARGE COUNTY RECORDS LATER IN 2.43 PER RESOLUTION NO. 73-288 OF BOARD OF 1. SENT TO MILBANE COUNTY

EXHIBIT A
LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS (By Policy Type)

Page 17 of 21

1. CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1989
SCHEDULE B

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorney's fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notice of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorney's fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable "young business" laws of the state in which the land is situated.
5. Inability to enforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consequent credit reformation or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws.

2. AMERICAN LAND TITLE ASSOCIATION OWNERS POLICY FORM B - 1978 (AMENDED 4-8-88)
SCHEDULE OF EXCLUSIONS FROM COVERAGE

1. Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a reduction in the dimensions or area of the land, or the effect of any violation of any such law, ordinance or governmental regulation.
2. Rights of eminent domain or governmental rights of police power unless notice of the exercise of such rights appears in the public records at Date of Policy.
3. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed or agreed to by the insured claimant; (b) not known to the Company and not shown by the public records but known to the insured claimant either at Date of Policy or at the date such claimant acquired an estate or interest by this policy and not disclosed in writing by the insured claimant to the Company prior to the date such insured claimant became an insured hereunder; (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy; or (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws.

3. AMERICAN LAND TITLE ASSOCIATION OWNERS POLICY FORM B - 1978 (AMENDED 4-8-88)
WITH REGIONAL EXCEPTIONS

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 2 above are used and the following exceptions to coverage appear in the policy:

SCHEDULE C

This policy does not insure against loss or damage by reason of the matters shown in parts one and two following:

Part One:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims, reservations or exceptions in patents or in Acts authorizing the issuance thereof, water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material furnished or hereafter furnished, imposed by law and not shown by the public records.

EXHIBIT "C"

**4. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1979
WITH A.L.T.A. ENDORSEMENT FORM 1 COVERAGE (AMENDED 4-8-88)
SCHEDULE OF EXCLUSIONS FROM COVERAGE**

Page 18 of 21

1. Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a reduction in the dimensions or area of the land, or the effect of any violation of any such law ordinance or governmental regulation.
2. Rights of eminent domain or governmental rights of police power unless notice of the exercise of such rights appears in the public records at Date of Policy.
3. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed or agreed to by the insured claimant, (b) not known to the Company and not shown by the public records but known to the insured claimant either at Date of Policy or at the date such claimant acquired an estate or interest insured by this policy or acquired the insured mortgage and not disclosed in writing by the insured claimant to the Company prior to the date such insured claimant became an insured hereunder, (c) resulting in no loss or damage to the insured claimant, (d) attaching or created subsequent to Date of Policy (except to the extent insurance is afforded herein as to any statutory lien for labor or material or to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at Date of Policy).
4. Unenforceability of the lien of the insured mortgage because of failure of the insured at Date of Policy or of any subsequent owner of the indebtedness to comply with applicable "doing business" laws of the state in which the land is situated.
5. Any claim, which arises out of the transaction creating the interest of the mortgage insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws.

**5. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1979 (AMENDED 4-8-88)
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association Landers Policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy, the exclusions set forth in paragraph 4 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

This policy does not insure against loss or damage by reason of the matters shown in parts one and two following:

Part One:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material therefor or hereafter furnished, imposed by law and not shown by the public records.

**6. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1990
WITH A.L.T.A. ENDORSEMENT FORM 1 COVERAGE
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material or the extent insurance is afforded herein as to assessments for street improvements under construction or completed at date of policy); or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable "doing business" laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
7. Any claim, which arises out of the transaction creating the interest of the mortgage insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws.

**7. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1990
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 5 above are used and the following exceptions to coverage appear in the policy.

EXHIBIT "C"

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as taxing items by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortages in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims, reservations or exceptions in patents or in Acts authorizing the issuance thereof, water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

8. AMERICAN LAND TITLE ASSOCIATION OWNERS POLICY - 1999 EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters
 - (a) created, suffered, assumed or agreed to by the insured claimant,
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy,
 - (c) resulting in no loss or damage to the insured claimant,
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.
4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws.

9. AMERICAN LAND TITLE ASSOCIATION OWNER POLICY - 1999 WITH REGIONAL EXCEPTIONS

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 8 above are used and the following exceptions to coverage appear in the policy:

SCHEDULE B

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

Part One:

1. Taxes or assessments which are not shown as taxing items by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortages in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims, reservations or exceptions in patents or in Acts authorizing the issuance thereof, water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

10. AMERICAN LAND TITLE ASSOCIATION RESIDENTIAL TITLE INSURANCE POLICY - 1997 EXCLUSIONS

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorney fees and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
 - land use
 - land division
 - improvements on the land
 - environmental protection

This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date.

This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.

2. The right to take the land by condemning it, unless:
 - a notice of exercising the right appears in the public records on the Policy Date
 - the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking.
3. Title Risks:
 - that are created, allowed, or agreed to by you
 - that are known to you, but not to us, on the Policy Date - unless they appeared in the public records
 - that result in no loss to you
 - that first affect your title after the Policy Date - this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks.
4. Failure to pay value for your title
5. Lack of a right
 - to any land outside the area specifically described and referred to in Item 3 of Schedule A, or
 - in streets, alleys, or highways that touch your land

This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

EXHIBIT "C"

NOTICE

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SECTION 12413.1 OF THE CALIFORNIA INSURANCE CODE, EFFECTIVE JANUARY 1, 1990, REQUIRES THAT ANY TITLE INSURANCE COMPANY, UNDERWRITTEN TITLE COMPANY, OR CONTROLLED ESCROW COMPANY HANDLING FUNDS IN AN ESCROW OR SUB-ESCROW CAPACITY, WAIT A SPECIFIED NUMBER OF DAYS AFTER DEPOSITING FUNDS, BEFORE RECORDING ANY DOCUMENTS IN CONNECTION WITH THE TRANSACTION OR DISBURSING FUNDS. THIS STATUTE ALLOWS FOR FUNDS DEPOSITED BY WIRE TRANSFER TO BE DISBURSED THE SAME DAY AS DEPOSIT. IN THE CASE OF CASHIER'S CHECKS OR CERTIFIED CHECKS, FUNDS MAY BE DISBURSED THE NEXT DAY AFTER DEPOSIT. IN ORDER TO AVOID UNNECESSARY DELAYS OF THREE TO SEVEN DAYS, OR MORE PLEASE USE WIRE TRANSFER, CASHIER'S CHECKS, OR CERTIFIED CHECKS WHENEVER POSSIBLE.

IF YOU HAVE ANY QUESTIONS ABOUT THE EFFECT OF THIS NEW LAW, PLEASE CONTACT YOUR LOCAL FIRST AMERICAN OFFICE FOR MORE DETAILS.



EXHIBIT "C"

NOTICE

As of January 1, 1991, if the transaction which is the subject of this report will be a sale, you, as a party to the transaction, may have certain tax reporting and withholding obligations pursuant to the state law referred to below:

California Revenue and Taxation Code Sections 18805, 18815 and 26131 place special requirements for tax reporting and withholding on buyers when (i) the selling price is greater than \$100,000 (one hundred thousand dollars), and (ii) the seller has not received a California Homeowners Property Tax Exemption during the year of the sale, and (iii) the funds to the transaction are to be disbursed to either (a) a seller with a last known address outside of California, or (b) a financial intermediary of the seller. The withholding rate is three and one-third percent of the selling price as defined in the statute. The parties to this transaction should seek an attorney's, accountant's or other tax specialist's opinion concerning the effect of these laws on this transaction. The parties to this transaction should not act or rely on any statements made or omitted by the escrow officer, title officer, or other closing officer with respect to tax reporting or withholding requirements.

The seller may request a waiver by contacting:

Franchise Tax Board
Withhold at Source Unit
P.O. Box 651
Sacramento, CA 95812-0651
(916) 369-4900



EXHIBIT D

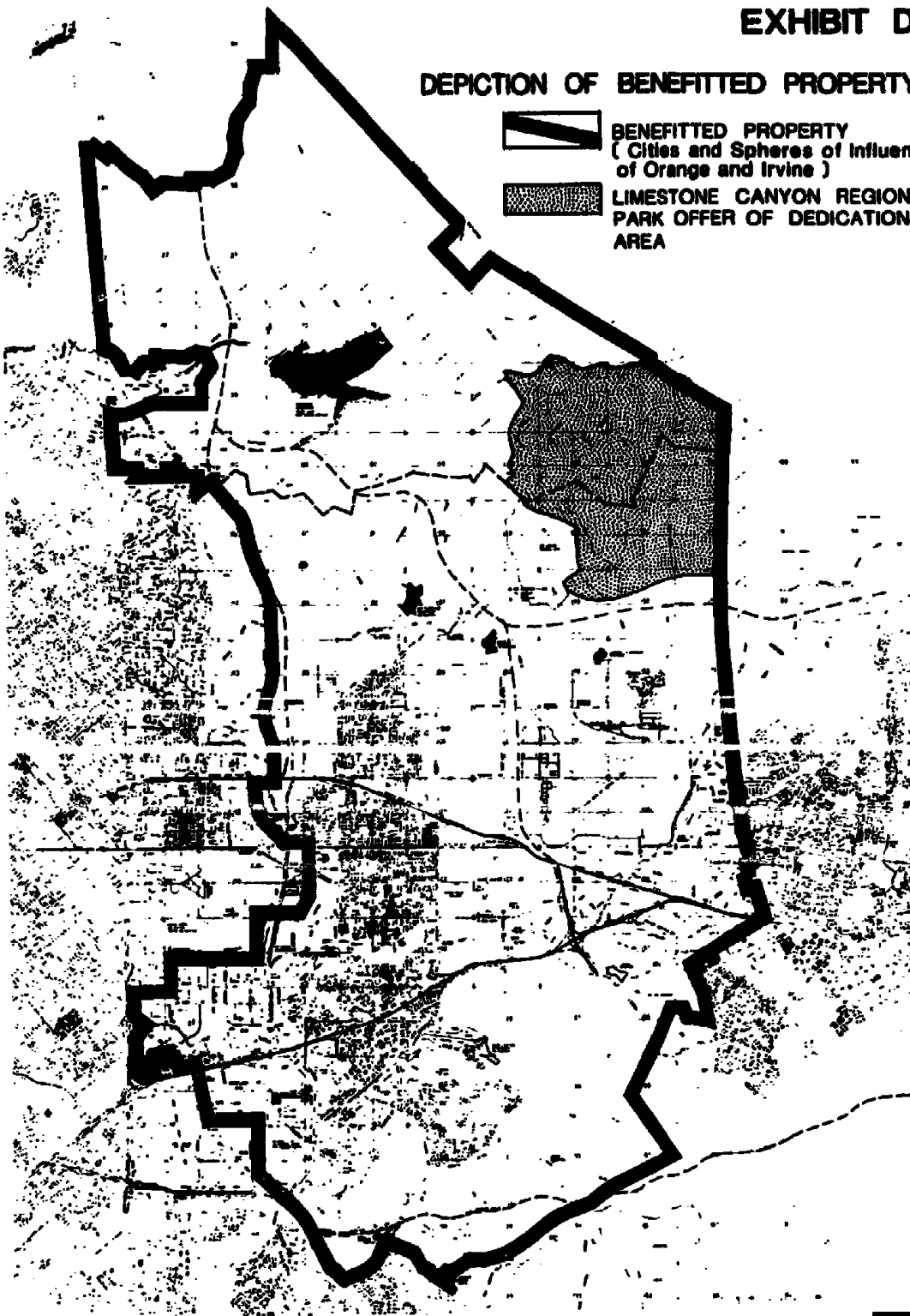
DEPICTION OF BENEFITTED PROPERTY



BENEFITTED PROPERTY
(Cities and Spheres of Influence
of Orange and Irvine)



LIMESTONE CANYON REGIONAL
PARK OFFER OF DEDICATION
AREA



LIMESTONE CANYON REGIONAL PARK



EXHIBIT "E"

DESCRIPTION OF BENEFITTED PROPERTY

The Benefitted Property for purposes of this Agreement consists of all land owned by OFFEROR of record on the date of this Agreement that is within the jurisdictional boundaries of the City of Irvine or its established sphere of influence, or within the City of Orange or its established sphere of influence. The respective jurisdictional boundaries of the Cities of Irvine and Orange, and their spheres of influence, are depicted on Exhibit "D". Land that is Benefitted Property on the date of this Agreement may be subsequently removed from that category with OFFEROR'S prior written consent, which shall be provided upon the concurrence of the following unless good cause for withholding that consent otherwise exists:

- a) the land has been finally subdivided and improved for residential, commercial, industrial or institutional uses;
- b) the land is no longer owned by OFFEROR, or a successor or affiliate of OFFEROR; and
- c) any habitat mitigation work on or to the Property related to the use of the land has been fulfilled, and there is no longer any remaining benefit to the Benefitted Property from the reserved opportunity to engage in habitat mitigation work on the Property.

EXHIBIT "F"

DEFINITION OF "NATURAL REGIONAL PARK"

Natural Regional Parks: A regional park which is in a more natural setting with predominant aesthetic and passive type activities such as picnicking, camping, nature and hiking trails, support facilities, and limited organized recreation. Development may be limited to necessary utilities, leaving the area in as near natural state as possible, with minimal domestication, in recognition that natural topography and biological resources of the site are the principal attractions of the park.