

Project/Parcel No.: R2801, R2801.1, R2801.2, R2901, R2901.1, R2901.2 and R2902
 Project Name: SARI Line
 (Featherly Regional Park)

ACQUISITION CONTRACT, COOPERATIVE AGREEMENT AND SETTLEMENT

THIS ACQUISITION CONTRACT, COOPERATIVE AGREEMENT AND SETTLEMENT (“**CONTRACT**”) is made and entered into as of this ____ day of _____, 2010, by and among the ORANGE COUNTY FLOOD CONTROL DISTRICT, a body corporate and politic, duly organized and existing under the laws of the State of California, (hereinafter referred to as “**DISTRICT**”) the COUNTY OF ORANGE, a political subdivision of the State of California, (hereinafter referred to as “**COUNTY**”) and CANYON RECREATIONAL VEHICLE PARK, a California general partnership, (hereinafter referred to as “**CRVP**”). Collectively and individually, DISTRICT, COUNTY, and CRVP will at times be referred to in this CONTRACT as “**Party**” or “**Parties**”.

RECITALS

WHEREAS, the Santa Ana River Interceptor Line (the “**SARI Line**”) is a regional sanitary sewer line constructed in the early 1970’s as a joint project between the Orange County Sanitation District (“**OCSD**”) and the Santa Ana Watershed Project Authority (“**SAWPA**”). The SARI Line extends from the Inland Empire to OCSD’s treatment plant in Fountain Valley, California. A segment of the SARI Line, located within the Santa Ana River floodplain between Weir Canyon Road and the Orange/Riverside County boundary, was originally buried with approximately 20 feet of soil cover. This segment has experienced soil erosion over the years and now requires relocation out of the floodplain to south of the river. The SARI Line relocation (hereinafter referred to as “**SARI Line Project**”) will pass through COUNTY-owned property at Featherly Regional Park. The SARI Line Project also includes a major sewer lateral (hereinafter referred to as “**Yorba Linda Spur**”) which services the residents of the City of Yorba Linda. The Yorba Linda Spur includes a pipeline under La Palma Avenue and the existing trail north of the Santa Ana River, and an inverted siphon which crosses the Santa Ana River low flow near the SAVI Ranch Development; and

WHEREAS, on June 15, 1998, COUNTY, as Lessor, and CRVP, as Tenant, entered into a Lease Agreement covering real property located at 24001 Santa Ana Canyon Road, Anaheim, California (Assessor Parcel No. 085-071-51), and identified as Featherly Park Lease Areas 1 and 2 consisting of approximately 64.52 acres of land, hereinafter referred to as the “**Leased Parcel**”. CRVP operates a recreational vehicle park and related activities on the Leased Parcel; and

WHEREAS, a portion of the SARI Line Project will be constructed on the Leased Parcel and will require that DISTRICT acquire, on the Leased Parcel, (1) a permanent easement for the SARI Line Project pipeline, designated on DISTRICT records as Parcel No. R2801 and (2) a

permanent easement for the required metering station, designated on DISTRICT records as Parcel No. R2902 (collectively referred to herein as the “**Permanent Easements**”). DISTRICT will also require on the Leased Parcel temporary construction easements for construction and staging purposes, designated on DISTRICT records as Parcel Nos. R2801.1, R2801.2, R2901, R2901.1 and R2901.2 (hereinafter referred to collectively as “**TCE**”). Both Permanent Easements and TCE are collectively referred to as “**Easements**”. The Easements are described and shown in copies of the deeds, which are attached hereto as Attachments 1 and 2; and

WHEREAS, the Parties agree that loss of revenue and inconveniences will be incurred by both the COUNTY and CRVP during construction of the SARI Line Project; and

WHEREAS, the Parties agree that, as compensation, DISTRICT will pay to COUNTY: (1) the value of the Permanent Easements and (2) CRVP’s loss of rental revenue for the TCE areas due to construction; and

WHEREAS, COUNTY and CRVP are aware of DISTRICT’s intent to convey the Permanent Easements (Parcel Nos. R2801 and R2902) to OCSD, along with all maintenance responsibilities related to the SARI Line, and COUNTY and CRVP agree to said conveyance; and

WHEREAS, COUNTY and CRVP are aware of DISTRICT’s intent to provide access to the SARI Line and utility connections for the metering station, and COUNTY and CRVP understand that access roads and permanent utility easements will be needed for such purpose; and

WHEREAS, in addition to the Easements, the SARI Line Project will require that DISTRICT acquire additional permanent easements from COUNTY (hereinafter referred to as “**Additional Easements**”) located outside of the Leased Parcel but within COUNTY-owned property; and

WHEREAS, the COUNTY is aware of DISTRICT’s intent to convey the Additional Easements to OCSD, along with all maintenance responsibilities related to the SARI Line, and COUNTY agrees to said conveyance; and.

WHEREAS, the Parties agree that it is in the public interest for DISTRICT, COUNTY and CRVP to mutually cooperate in the implementation of the SARI Line Project.

NOW, THEREFORE, in consideration of the mutual terms, covenants, conditions, promises and benefits contained herein, and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties agree as follows:

AGREEMENT

1. INCORPORATION OF RECITALS

The Recitals set forth above are incorporated herein by this reference.

2. EASEMENTS AND ACCESS RIGHTS

2.1 EASEMENTS TO BE CONVEYED TO DISTRICT

COUNTY shall convey the Easements to DISTRICT for the purpose of relocating, operating and maintaining the SARI Line Project and related facilities. COUNTY and CRVP shall, concurrent with their execution of this CONTRACT, execute and deliver to DISTRICT easement deeds for the Easements fully executed and notarized by COUNTY and CRVP substantially in the form attached hereto as Attachments 1 and 2.

COUNTY acknowledges that DISTRICT has the right to assign the Permanent Easements (Parcel Nos. R2801 and R2902) to OCSD without further approval and consents to the conveyance of the Permanent Easements at some future date to OCSD, along with all maintenance responsibilities related to the SARI Line.

2.2 EASEMENTS TO BE CONVEYED TO UTILITY AGENCIES

COUNTY, at no cost to DISTRICT or to utility agencies, shall grant permanent easements for utility connections to the metering station including, but not limited to, electrical line, telephone line and potable water line. Said easements (hereinafter referred to as “**Future Utility Easements**”) shall be in a form and in locations acceptable to COUNTY and CRVP, and shall not unreasonably interfere with the use of the COUNTY property or the Leased Parcel. COUNTY shall grant Future Utility Easements directly to the utility agencies as requested. COUNTY shall also provide reasonable access to said Future Utility Easements, which shall not unreasonably interfere with the use of the COUNTY property or the Leased Parcel.

2.3 DURATION OF TCE

It is understood and agreed by COUNTY and CRVP that the TCE herein granted shall be for a period of six (6) months from the commencement of construction and shall terminate at the end of the period, or upon filing of a Notice of Completion, whichever first occurs. COUNTY and CRVP shall be given notice by the Director, OC Public Works, or designee, as to the date DISTRICT requires use of the TCE for commencement of construction.

It is further understood that the six (6) month period is a good faith estimate of the construction duration by DISTRICT which may be subject to unforeseen circumstances that could delay the completion date. In the event that construction goes beyond the allotted period, the Director, OC Public Works, may request to COUNTY, in writing, for an extension which shall be subject to approval by COUNTY’s Director of OC Parks and CRVP. COUNTY and CRVP shall not unreasonably withhold approval and issuance of such extension so long as it does not unreasonably interfere with the use of the COUNTY property or the Leased Parcel. All provisions contained in this CONTRACT shall remain in effect during the extension period.

2.4 USE OF ACCESS AND PARK ROADS

COUNTY shall provide DISTRICT reasonable ingress and egress to the Easements during construction by allowing use of existing access and park roads within the Leased Parcel. Additionally, COUNTY shall provide DISTRICT and its successors and assigns the same ingress and egress rights to the Permanent Easements and to the Future Utility Easements after construction for inspection and maintenance purposes of the SARI Line as well as for the maintenance of the utility lines located on Future Utility Easements.

On areas where access is not currently available, such as the westernmost portion of the Leased Parcel, COUNTY shall allow DISTRICT to construct new access and/or park roads for the SARI Line, which shall not unreasonably interfere with the use of the COUNTY property or the Leased Parcel.

2.5 ENCROACHMENT PERMIT AND ADDITIONAL PERMANENT EASEMENTS FROM COUNTY

In addition to the Easements, COUNTY shall, upon review and approval of plans and specifications and other required documentation, issue an encroachment permit (hereinafter "**OC Parks Permit**"), at no cost to DISTRICT, for work within and outside the Leased Parcel for the SARI Line Project. This OC Parks Permit is intended to cover areas within the Leased Parcel that are not within TCE areas, including released TCE areas as described in Section 3.2.1, that may require additional SARI Line-related work. This OC Parks Permit is also intended to cover areas outside the Leased Parcel, but within COUNTY-owned property, that will be required for the SARI Line Project as shown on Attachment 3. The OC Parks Permit shall include reasonable terms and conditions to ensure that the construction does not unreasonably interfere with COUNTY and CRVP operations within the Leased Parcel. Said permit shall be consistent with this CONTRACT and no additional compensation shall be due COUNTY or CRVP as consideration for this permit. COUNTY shall not unreasonably withhold issuance of said permit.

In addition to the Easements, COUNTY shall convey the Additional Easements to DISTRICT for the purpose of relocating, operating and maintaining the SARI Line Project and related facilities, which shall not unreasonably interfere with the use of the COUNTY-owned property. These Additional Easements are intended to cover areas outside the Leased Parcel but within COUNTY-owned property, as shown on Attachment 3. Additional Easements will include permanent easements for a) the Yorba Linda Spur siphon, b) the short pipeline segment near the southeast corner of the SAVI Ranch Development, c) the pipeline segment just west of the Leased Parcel, and d) the pipeline segment approximately 2,100 feet east of the Leased Parcel up to the State Parks property. DISTRICT and COUNTY will enter into a separate, subsequent contract, as approved by DISTRICT and COUNTY, that will set forth the terms and conditions for

the conveyance of the Additional Easements, including but not limited to, compensation payable to COUNTY.

2.6 PROPERTY INSPECTIONS

DISTRICT shall have the right, prior to execution of CONTRACT, and at DISTRICT's expense, to conduct tests, surveys, studies, inspections, and investigations (collectively, “**Inspections**”) of the Easements. COUNTY and CRVP hereby grant a right of entry to DISTRICT, its contractors, and employees for all such Inspections of the Easements upon 24-hour advance notice. DISTRICT agrees to keep the Easements free and clear of any liens, indemnify and hold COUNTY and CRVP harmless from all liability, claims, demands, damages, or costs, and repair all damages to the Easements arising from such Inspections. In addition, all provisions for Inspections contained in this section shall apply to Inspections of the Additional Easements.

2.7 CRVP'S CONSENT TO CONVEYANCE OF EASEMENTS AND GRANTS OF REASONABLE ACCESS OVER LEASED PARCEL

CRVP consents to the Easements granted to the DISTRICT under this CONTRACT as well as to the Future Utility Easements authorized by Section 2.2 to be granted to utility agencies.

CRVP shall provide DISTRICT reasonable ingress and egress to the Easements, including those Easements that will be conveyed during construction, by allowing use of existing access and park roads within the Leased Parcel. Additionally, CRVP agrees to provide DISTRICT and its successors and assigns the same ingress and egress rights to the Permanent Easements after construction for inspection and maintenance purposes of the SARI Line. On areas where access is not currently available such as the westernmost portion of the Leased Parcel, CRVP shall allow DISTRICT to construct new access and/or park roads for the SARI Line.

CRVP consents to COUNTY's issuance of Future Utility Easements for utility connections to the metering station and agrees to provide reasonable access to Future Utility Easements.

CRVP acknowledges that DISTRICT has the right to assign the Permanent Easements to OCSD without further approval and consents to DISTRICT's conveyance of the Permanent Easements (Parcel Nos. R2801 and R2902) to OCSD, along with all maintenance responsibilities related to the SARI Line.

3. DISTRICT RESPONSIBILITIES AND OBLIGATIONS

3.1 DISTRICT'S PAYMENT OBLIGATIONS

3.1.1 COMPENSATION TO COUNTY

DISTRICT shall pay COUNTY for the Permanent Easements as defined below:

(a) The sum of ONE HUNDRED AND FIFTY-THREE THOUSAND DOLLARS (\$153,000.00) for the purchase of the easement for Parcel No. R2801,

and

(b) The sum of TWENTY-ONE THOUSAND SIX HUNDRED DOLLARS (\$21,600.00) for the purchase of the easement for Parcel No. R2902

3.1.2 COMPENSATION TO CRVP

DISTRICT shall pay CRVP, through COUNTY, for the TCE as compensation for loss of business during construction as defined below:

On a monthly basis, payments shall be made representing the monetary difference between CRVP's actual gross receipts and the monthly Base Rent Schedule (as shown on Attachment 4 which was derived from CRVP's gross receipts for the past three calendar years) for the temporary construction easements for Parcel Nos. R2801.1, R2801.2, R2901, R2901.1 and R2901.2. Following commencement of construction, payments will be due on the 20th day of each month, shall be prorated on the basis of a 30-day month, and shall continue for three (3) months after completion of all construction activities on the Leased Parcel as defined in Section 3.2.4 below. No payment shall be due if CRVP's actual gross receipts for any month exceed the monthly Base Rent Schedule. Any payment obligations by CRVP, including payment of lease rent to COUNTY or to any of its vendors, shall be CRVP's sole responsibility.

3.1.3 METHOD OF PAYMENT

DISTRICT shall pay to COUNTY the full value of the Permanent Easements as set forth above.

In addition, DISTRICT shall deposit the sum of FOUR HUNDRED AND FIFTY THOUSAND DOLLARS (\$450,000) to be used by COUNTY as specified in Section 3.1.2 above to enable timely reimbursements to CRVP for their loss of business. It is understood that DISTRICT will provide additional funds, if required, to satisfy Section 3.1.2 above. These additional funds shall be deposited when necessary so as to maintain a minimum of \$80,000 on deposit with COUNTY. Any remaining amount of this deposit shall be refunded to DISTRICT after all construction affecting the Leased Parcel is completed and all obligations related to DISTRICT's payment obligations under Section 3.1.2 have been met.

3.2 DISTRICT'S CONSTRUCTION

3.2.1 DISTRICT SHALL EXPEDITE CONSTRUCTION ON LEASED PARCEL

DISTRICT shall endeavor to expedite construction within the TCE areas by including provisions into the SARI Line Project contract specifications that will achieve such goal. These may include, but not be limited to, an Incentive/Disincentive provision to compensate the contractor if construction is completed ahead of schedule and to assess penalty for each day that the contractor exceeds the estimated six (6) month construction duration.

DISTRICT shall endeavor to schedule construction activities in several phases corresponding to TCE Parcel Nos. R2801.1, R2801.2, R2901 and R2901.1, and shall diligently pursue early release of mentioned TCE parcels to CRVP upon completion of major construction activities in each phase. DISTRICT shall notify in writing, COUNTY and CRVP fifteen (15) days prior to release of TCE areas, as described in Section 3.2.4 indicating said areas will be available for CRVP's business use.

3.2.2 IMPROVEMENTS TO LEASED PARCEL

DISTRICT shall ensure that the following restoration activities and improvements will be implemented within the Leased Parcel during the SARI Line Project construction:

- (a) All facilities, structures and landscaping impacted during construction shall be restored to pre-construction conditions, except as noted herein.
- (b) All removed trees shall be replaced in accordance with landscaping plans to be reviewed and approved by OC Parks and CRVP whose approval shall not be unreasonably withheld.
- (c) All access and park roads impacted by construction shall be restored to the condition they were in prior to the start of construction and will be slurry-sealed after construction is completed.
- (d) The existing maintenance yard shall be reconfigured to compensate for lost area due to the construction of the metering station within the existing maintenance yard. This reconfiguration shall include provisions for a functional area more or less equivalent to the area of the maintenance yard prior to start of construction.
- (e) Access and park roads to the maintenance yard and metering station within the Leased Parcel shall be improved to accommodate vehicles that

will be used for future operation and maintenance of the SARI Line, including the metering station.

(f) A concrete foundation, with utility hook-ups, shall be constructed at the west end of Leased Parcel to replace in-kind the impacted existing bathroom foundation. This foundation would enable future construction by CRVP of a bathroom structure.

(g) A stub-out and manhole shall be provided as part of the SARI Line to enable future connection of CRVP local sewer lines to the SARI Line.

(h) DISTRICT shall construct a new sewer lateral from the existing restroom facility within the maintenance yard (hereinafter referred to as “**CRVP Lateral**”) connecting to the SARI mainline downstream of the proposed metering station. No connection fees or sewer fees shall be charged to COUNTY or CRVP for the CRVP Lateral. Upon completion of construction of the SARI Line Project, COUNTY shall assume ownership and all maintenance responsibilities for the CRVP Lateral. However, it is understood that CRVP, as Tenant under the Lease Agreement dated June 15, 1998 between COUNTY and CRVP, shall assume maintenance of the CRVP Lateral for the COUNTY during the term of said lease.

(i) DISTRICT shall submit plans and specification to COUNTY and CRVP of the above proposed improvements for review and concurrence.

3.2.3 WORK HOURS FOR CONSTRUCTION

DISTRICT shall observe applicable work hours for construction from 7 am to 4 pm (Monday thru Friday), except for TCE Parcel No. R2901.2 in which work hours are allowed from 6 am to 8 pm (Monday thru Saturday) to expedite the construction of the metering station. Adjustments to the above work hours shall be allowed in cases of emergencies or by mutual consent among the Director OC Parks, the Director OC Public Works or their designees, and CRVP or its designee.

3.2.4 NOTICE OF COMPLETION

DISTRICT shall notify COUNTY and CRVP of the completion of construction by sending a Notice of Completion at least fifteen (15) days prior to the anticipated last day of construction activities. It is understood that, in general, the Notice of Completion would mean completion of major construction activities that may prevent CRVP to fully operate a particular TCE area for business purposes. The Notice of Completion shall fully describe any restrictions and/or limitations that may impact CRVP operations.

3.2.5 FORCE MAJEURE

Construction activities shall not exceed six (6) months commencing at the start of construction, excepting for unforeseen circumstances beyond DISTRICT's reasonable control, including but not limited to acts of God, delays due to strikes, lockouts, or other labor disturbances, inability to secure materials and supplies, and delays in obtaining governmental agency approvals.

3.3 OTHER OBLIGATIONS OF DISTRICT

DISTRICT shall deliver to COUNTY and CRVP a fully executed copy of this CONTRACT and conformed copies of the deeds.

4. COUNTY RESPONSIBILITIES AND OBLIGATIONS

4.1 COUNTY'S OBLIGATIONS AND ACKNOWLEDGEMENTS RELATED TO PAYMENTS DUE UNDER THIS CONTRACT

COUNTY shall remit monthly payments to CRVP in accordance with Section 3.1.2. COUNTY shall provide to DISTRICT a monthly accounting of payments made to CRVP.

COUNTY acknowledges that DISTRICT's compliance of the terms of this CONTRACT constitutes full compensation to COUNTY for all rights granted under this Contract and for all damages suffered by COUNTY as a result of the construction of the SARI Line Project.

4.2 COUNTY'S RIGHTS AND OBLIGATIONS RELATED TO CONSTRUCTION

COUNTY shall allow DISTRICT to construct a temporary bikeway detour within the Easements and Additional Easements.

COUNTY shall allow DISTRICT to construct the CRVP Lateral within the Leased Parcel and assume ownership of said facility after completion of the SARI Line Project.

COUNTY acknowledges that DISTRICT's construction activities will not cause CRVP to be in breach of CRVP's Lease Agreement between COUNTY and CRVP. OC Parks Director, or designee, shall review and provide DISTRICT comments on the plans, specifications and estimates ("PS&E") for the SARI Line Project that involves construction within COUNTY property. These comments shall be provided to DISTRICT no later than fourteen (14) days from the time OC Parks Director has been provided with a copy of the PS&E.

4-A As of the Effective Date of this Section 4-A (hereinafter "Effective Date of Section 4-A"), which shall be the same as the "Effective Date" of a particular amendment to this CONTRACT adding Section 4-A (attached to the CONTRACT as "Attachment 5

– Amendment No. 1 to Agreement D10-054” and incorporated herein), CRVP agrees to allow DISTRICT to connect to and use CRVP’s water and power located on Leased Parcel, for the Project post-construction habitat mitigation/restoration irrigation requirements, and at DISTRICT’S cost to install and maintain up to two (2), 5,000-gallon portable water storage tanks, water pumps and appurtenances (collectively “**Water Tank Equipment**”) within the Leased Parcel to allow for a more efficient use and distribution of irrigation water for a maximum period of five (5) years commencing on the Effective Date of Section 4-A. DISTRICT agrees to obtain an Encroachment Permit from OC Parks specific to this Section 4-A and separate from any other Encroachment Permit including any such permit referenced in Section 2.5, prior to the installation of said Water Tank Equipment on the Leased Parcel, and shall ensure that the Water Tank Equipment is placed in a location satisfactory to both COUNTY and CRVP so as not to interfere with CRVP’s park operations. DISTRICT further agrees, as required by this CONTRACT and to also be required and memorialized in the aforementioned Encroachment Permit, and at DISTRICT’S own cost, to remove the Water Tank Equipment and at the end of the aforesaid five-year period, and to the reasonable satisfaction of the OC Parks Director, or designee, restore the area upon which the Water Tank Equipment was placed to the condition as existed prior to such installation.

DISTRICT shall endeavor to schedule and make adjustments to its water usage so as not to impact CRVP’s park operations.

CRVP shall endeavor to maintain its water supply system in good condition so as to adequately meet both its domestic needs and DISTRICT’S irrigation requirements. Should there be any interruption in water service that exceeds a period of five days within any 30-day period due to power or water supply system failure, or due to shut off of water or power due to non-payment of either utility, CRVP agrees to and shall, at DISTRICT’S request, refund to DISTRICT in an amount equal to THIRTY DOLLARS (\$30) for each day that that water was unavailable to DISTRICT. Further, should there be an interruption in water service for an extended period of time that DISTRICT deems inadequate to provide the minimum irrigation requirements, CRVP agrees to and shall, at DISTRICT’S request, refund DISTRICT that portion of the water and power fee based on a prorated amount for the remainder of the five year period that CRVP is unable to provide water/power requirements for the SARI Line Project.

CRVP shall invoice COUNTY for a one-time fee, not to exceed the amount of FIFTY-FOUR THOUSAND DOLLARS (\$54,000) for water/power usage. Said invoice shall be forwarded to COUNTY’S OC Parks Director or designee for review. After the OC Parks Director’s review of the invoice, DISTRICT shall authorize payment of this one-time water/power usage fee to CRVP.

5. CRVP RESPONSIBILITIES AND OBLIGATIONS

5.1 CRVP'S ACKNOWLEDGEMENTS AND OBLIGATIONS RELATED TO PAYMENTS DUE UNDER THIS CONTRACT

CRVP acknowledges that payments received under this CONTRACT and DISTRICT's compliance of the terms of this CONTRACT constitutes full compensation to CRVP for all rights granted under this CONTRACT and for all damages suffered by CRVP as a result of the construction of the SARI Line Project.

CRVP shall provide to DISTRICT all documents required of them under this CONTRACT including, but not limited to, IRS W-9 forms properly signed, Statement of Information forms and Taxpayer ID forms.

CRVP shall use its best efforts to continue to operate its business and maintain profitability to the extent practicable during construction.

CRVP understands that, occasionally, some minor work may be done by the SARI Line contractor within said released TCE parcels including, but not limited to, construction ingress/egress, landscaping, minor repairs, etc. CRVP, upon release by DISTRICT of each TCE parcel as described in Section 3.2.1, shall use its best efforts to make available and operate these released areas for business purposes in order to minimize CRVP's loss of business.

5.2 CRVP'S ACKNOWLEDGEMENTS AND OBLIGATIONS RELATED TO CONSTRUCTION

CRVP acknowledges that DISTRICT's construction activities will not cause COUNTY to be in breach of the Lease Agreement between COUNTY and CRVP.

CRVP shall allow DISTRICT to construct new access and/or park roads for the SARI Line as described in Sections 2.4 and 2.7 above.

CRVP shall allow DISTRICT to construct a temporary bikeway detour within the Easements as described in Section 4.2 above.

CRVP shall allow temporary hook-up by DISTRICT of potable water line from existing water wells for the proposed metering station restroom. DISTRICT shall pay a one-time fee of TWO THOUSAND DOLLARS (\$2,000.00) to CRVP for this water line connection and potable water usage representing payment for a period of five years commencing from the date the metering station becomes operational or for a period until a municipal domestic water supply source becomes available for the Leased Parcel.

CRVP shall allow DISTRICT special work hours to perform construction activities on TCE Parcel No. R2901.2 as described in Section 3.2.3 above to expedite completion of the metering station.

CRVP consents to the COUNTY granting DISTRICT, an encroachment permit from COUNTY, to perform additional minor construction activities within the Leased Parcel, including areas within released TCE parcels, to enable DISTRICT to complete the SARI Line Project, including the metering station facility.

CRVP shall review and provide DISTRICT with comments on the PS&E for the SARI Line Project that involves construction within Leased Parcel. These comments shall be provided to DISTRICT no later than fourteen (14) days from the time that CRVP has been provided a copy of the PS&E.

CRVP shall assume maintenance responsibilities of the proposed CRVP Lateral after acceptance by COUNTY of said facility.

6. WARRANTIES

COUNTY and CRVP warrant that, to the best of their current knowledge, there are no unrecorded encumbrances, including but not limited to liens, leases, easements, or licenses on all or any portion of the Easements.

COUNTY and CRVP are the only entities or individuals with any entitlement to receive the proceeds of the compensation being paid by DISTRICT under this CONTRACT, and that in the event any of COUNTY or CRVP tenants or subtenants make claims against said proceeds, including but not limited to claims for any leasehold interests, said claims shall be settled between COUNTY, CRVP and their tenants and subtenants; and COUNTY and CRVP shall hold harmless, defend with counsel approved by DISTRICT, and indemnify DISTRICT from any such claims as set forth herein below.

The execution and delivery of this CONTRACT by COUNTY and CRVP, their performance hereunder, and the consummation of the transactions contemplated hereby will not constitute a violation of any order or decree or result in the breach of any contract or agreement to which COUNTY and CRVP, or any of them, are parties or by which they, or any of them, are bound.

To COUNTY's and CRVP's current knowledge, and without the need for due diligence, no litigation and no governmental, administrative, or regulatory act or proceeding regarding the environmental, health, and safety aspects of the Easements is pending, proposed, or threatened.

COUNTY and CRVP will not enter into any agreements or undertake any new obligations which will in any way burden, encumber, or otherwise affect their interests in the Easements without the prior written consent of DISTRICT, which DISTRICT may grant or withhold at its sole discretion.

The Parties represent and warrant that they have not assigned or transferred or purported to assign or transfer to any person, entity, firm or corporation who is not a signatory to this CONTRACT, any of the Released Claims.

The Parties hereby represent to the others that no entity or individual holds any lien on or any security interest in any of the Released Claims.

7. RELEASES

7.1 NO ADMISSION OF LIABILITY

Neither the negotiation, performance, nor the terms and conditions of this CONTRACT shall be deemed or construed to be an admission by any Party for any purpose other than enforcement of this CONTRACT.

7.2 RELEASED CLAIMS

Upon payment to CRVP of all compensation due under this CONTRACT, CRVP, on behalf of themselves and all of their partners, officers, employees, directors, agents, shareholders, successors and assigns, hereby unconditionally release, acquit and forever discharge DISTRICT, COUNTY and each and all of DISTRICT's and/or COUNTY's representatives, employees, agents, members of the Board of Supervisors, officers, successors and assigns from any and all claims, debts, losses, actions, causes of action, rights to receive compensation, disputes, damages, value of property, value of improvements pertaining to real property, value of personal property, value of fixtures and equipment, inverse condemnation, relocation assistance and relocation benefits, precondemnation damages, severance damages, loss of income, business goodwill, and obligations of any kind, nature and description, presently known or unknown, and whether presently existent or nonexistent, which CRVP had, have, or claim to have had or sustained in relation to and/or arising from any and all of the construction of the SARI Line Project and conveyance of the Easements and other rights granted pursuant to this CONTRACT (the "**Released Claims**").

7.3 WAIVER OF CALIFORNIA CIVIL CODE SECTION 1542.

The Releases given in this Section by CRVP extend to any and all claims of any kind or nature, whether known or unknown, suspected or unsuspected, and in that regard, CRVP acknowledges that they have read, had sufficient time and opportunity to seek the advice of counsel and have considered and understand the full nature, extent and import of the provisions of California Civil Code section 1542, which reads as follows:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if

known by him or her must have materially affected his settlement with the debtor.”

CRVP acknowledges that they may hereafter discover facts or law different from or in addition to those which they now believe to be true with respect to the Released Claims, agree that the foregoing releases shall be and remain effective in all respects notwithstanding such different or additional facts or law or any Party's discovery thereof, and acknowledge and declare that they knowingly and willingly enter into this CONTRACT notwithstanding the provisions of Section 1542 and that they waive and relinquish, now and forever, any and all rights that they now have or may have in the future under Section 1542 to the fullest extent allowed by law as to the Released Claims.

8. INDEMNIFICATION

The Hazardous Materials indemnification under the Lease dated June 15, 1998 between the COUNTY and CRVP is expressly extended to the DISTRICT and its successors in interest for liability for Hazardous Materials located within the Easements.

Further, CRVP agree to indemnify DISTRICT, COUNTY and their respective elected officials, officers, agents, employees and independent contractors (the “**Indemnitees**”), hold Indemnitees harmless, defend Indemnitees with counsel approved by Indemnitees and reimburse Indemnitees for any and all claims, judgments, actions, suits, proceedings, losses, costs, damages, liabilities, deficiencies, fines, penalties, punitive damages or expenses, including attorney's fees, resulting from, arising out of, or based on any breach of CRVP's warranties in Section 6 above, and any unrecorded and undisclosed encumbrance on the Easements.

9. CRVP'S LIABILITY FOR HAZARDOUS OR TOXIC MATERIALS

Nothing in this CONTRACT is intended nor shall anything in this CONTRACT be construed to transfer to DISTRICT or its successors or assigns or to relieve CRVP or their successors or assigns or predecessors in title of any responsibility or liability CRVP, or their successors or assigns or predecessors in title now has, has had or comes to have with respect to human health or the environment, including but not limited to responsibility or liability relating to hazardous or toxic substances or materials [as such terms as those used in this sentence are defined by statute, ordinance, case law, governmental regulation or other provision of the law (collectively “**Hazardous Materials**”)] and any responsibility to comply with any regulatory requirements and/or orders of any federal, state, or local agencies or governmental entities.

Notwithstanding the foregoing, DISTRICT shall be and remain liable for any Hazardous Materials which become located on the Leased Parcel because of DISTRICT's operations upon, within, or under the Leased Parcel as a result of DISTRICT's contractors construction activities performed under the provisions of this CONTRACT.

10. NOTICES

Any notice to be given or other document to be delivered to a Party hereunder may be delivered in person or may be deposited in the United States Mail in the State of California, duly registered or certified, with postage prepaid, and addressed as follows:

As to COUNTY: OC Parks
13042 Old Myford Road
Irvine, CA 92602
Attn: Director, OC Parks

As to CRVP: Vernon St. Clair
Canyon RV Park
10101 Slater Avenue, Suite 234
Fountain Valley, CA 92708

As to DISTRICT: Orange County Flood Control District
OC Public Works/Real Estate Services
300 N. Flower Street, 6th Floor
P. O. Box 4048
Santa Ana, CA 92702

Any notice or document sent by registered or certified mail as aforesaid shall be deemed to have been effectively served or delivered at the expiration of twenty-four (24) hours following the deposit of said notice or other document in the United States mail.

11. INTERPRETATION AND ENFORCEMENT OF THE CONTRACT**11.1. APPLICABLE LAW AND CONSTRUCTION**

The Parties agree that this CONTRACT has been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California, and shall be construed as if drafted by all Parties jointly.

11.2 JURISDICTION TO ENFORCE CONTRACT

The Orange County Superior Court will have jurisdiction to enforce the terms of this CONTRACT and its provisions and the Parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the Parties hereto specifically agree to waive any and all rights to request that an action be transferred for trial to another county.

11.3 ATTORNEYS' FEES

In the event of any controversy, claim or dispute between the Parties hereto, arising out of or relating to this CONTRACT or the breach thereof, each Party shall be responsible for

his, her or its own attorneys' fees and costs incurred in any litigation, proceeding or efforts in connection therewith.

11.4 REMEDIES

If COUNTY and CRVP, or any of them, default under this CONTRACT, then DISTRICT may, at DISTRICT's option, initiate an action for specific performance of this CONTRACT, in addition to pursuing any other rights or remedies that DISTRICT may have at law or in equity.

11.5 SEVERABILITY

If any section of this CONTRACT is found by competent authority to be invalid, illegal or unenforceable in any respect and for any reason, the validity, legality and enforceability of the unaffected remainder of such section in every other respect and the remainder of the CONTRACT shall continue in effect.

11.6 ACQUISITION BY STIPULATED JUDGMENT IN LIEU OF DEED

In the event COUNTY and/or CRVP are unable to deliver the Easements in a reasonable time in accordance with the terms of this CONTRACT, DISTRICT may file an action in eminent domain to pursue the acquisition of the Easements. COUNTY and CRVP agree to waive all claims and defenses in such an action and agree that this CONTRACT shall constitute a stipulation which may be filed in such action as final and conclusive evidence of just compensation for the acquisition, including all of the items provided in Chapter 9, Title 7 of the Code of Civil Procedure commencing with Section 1263.010.

11.7 CONSENT TO DISMISSAL OF CONDEMNATION

If the DISTRICT files an action in eminent domain to pursue the acquisition of the Easements, COUNTY and CRVP hereby agrees and consents to the dismissal of the eminent domain action, and waives any and all claim to money, including interest, that may be deposited in the Superior Court in such an action.

12. ASSIGNMENT

Except as expressly provided for in this CONTRACT, neither this CONTRACT, nor any interest herein, shall be assignable by any Party without prior written consent of the other Parties.

13. INUREMENT

This CONTRACT, and the releases contained herein, shall be binding upon and shall inure to the benefit of the Parties and their respective agents, representatives, subsidiaries, successors, heirs and assigns.

14. ENTIRE AGREEMENT

This CONTRACT, together with the deeds, constitutes the entire understanding between the Parties and supersedes all prior negotiations, representations or agreements between the Parties, either written or oral, on the subject hereof. This CONTRACT may be amended only by written instrument designated as an amendment to this CONTRACT and executed by all Parties or their respective successors, heirs, or assigns.

15. EXECUTION IN COUNTERPARTS

This CONTRACT may be executed in counterparts. Each of said counterparts, when so executed and delivered, shall be deemed an original and, taken together, shall constitute but one and the same instrument.

16. FACSIMILE SIGNATURES

The signatures to this CONTRACT may be evidenced by facsimile copies reflecting the signatures hereto, and such facsimile copy shall be sufficient to evidence the signature just as if it were an original signature.

17. AUTHORITY

Each respective Party represents and warrant that the respective individual signing below on its behalf has full authority to execute this CONTRACT for and on behalf of that Party and that, once executed, this CONTRACT will be binding and enforceable according to its terms.

18. TIME OF ESSENCE

Time is of the essence with respect to each and every provision hereof.

19. ATTACHMENTS

This CONTRACT includes the following which are attached hereto and made a part hereof by this reference:

Attachment 1 – Easement Deed

Attachment 2 – Temporary Construction Easement Deed

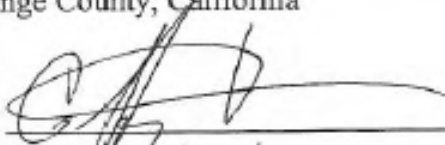
Attachment 3 – Additional Easements

Attachment 4 – Base Rent Schedule

Attachment 5 – Amendment No. 1 to Agreement D10-054

IN WITNESS WHEREOF, the Parties hereto have executed this CONTRACT on the day and year first written above.

Approved as to Form
Office of the County Counsel
Orange County, California

By: 
Date: 12/13/2010

DISTRICT

ORANGE COUNTY FLOOD CONTROL DISTRICT, a body corporate and politic

By: Bill Casbell
Chair of the Board of Supervisors
Orange County Flood Control District
Orange County, California

Approved as to Form
Office of the County Counsel
Orange County, California

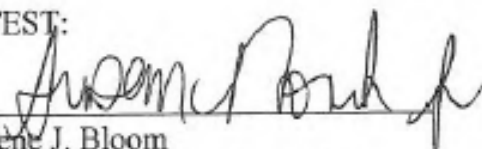
By: Thomas A. Miller
Date: 12-14-10

COUNTY

COUNTY OF ORANGE, a political subdivision of the State of California

By: Bill Casbell
Chair of the Board of Supervisors
Orange County, California

Signed and certified that a copy of this document has been delivered to the Chair of the Board per G.C. Sec. 25103, Reso 79-1535

ATTEST:

Darlene J. Bloom
Clerk of the Board of Supervisors,
Orange County, California



CRVP

CANYON RECREATIONAL VEHICLE PARK, a California general partnership

By: St. Clair Investments, Inc., a California corporation, a General Partner

By: 
Vernon St. Clair, President

(Signatures for CANYON RECREATIONAL VEHICLE PARK continues on next page)

Vernon and Anne St. Claire Trust dated
June 24, 1992


By: Vernon St. Clair, Trustee


By: Anne St. Clair, Trustee