Attachment A

COOPERATIVE AGREEMENT

THIS COOPERATIVE AGREEMENT ("**Agreement**"), dated ______ for purposes of identification, between the COUNTY OF ORANGE ("**County**") and the CITY OF YORBA LINDA ("**City**") (collectively referred to as the "**Parties**" herein) is based on the following:

RECITALS

WHEREAS, the City is in the process of annexing approximately 84 acres of property commonly known as Cielo Vista ("**Property**"). The Property, which is described in Exhibit A and depicted in Exhibit B, is currently in the unincorporated area of County. North County BRS Project, LLC, a Delaware limited liability company has an option to purchase the Property.

WHEREAS, the County has, for several years, planned for the development and use of the Property and related infrastructure on the Property.

WHEREAS, the North County BRS Project, LLC has obtained approvals from the County to develop the Property with an 80-unit residential subdivision called "Cielo Vista" ("**Project**").

WHEREAS, the Property is subject to that certain Cielo Vista Project Alternative 5 Area Plan with 80 units ("Cielo Vista Alternative 5 Area Plan") and Environmental Impact Report No. 615 ("EIR"), which were approved by the Orange County Board of Supervisors on December 13, 2016 and were not judicially challenged. The Property is also subject to the Vesting Tentative Tract Map No. 17341 approved by the Orange County Board of Supervisors on September 12, 2017, which was not judicially challenged, thereby conferring vested rights to the Project. Finally, the Property is subject to the Pre-Annexation Agreement between the City and North County BRS Project, LLC ("Pre-Annexation Agreement").

WHEREAS, City and County are public entities possessing the common power to review and approve applications for administrative and ministerial permits for development, including, but not necessarily limited to, subdivision maps, conditional use permits, grading permits, building permits, street improvement permits, storm drain improvement permits, retaining wall permits, WQMP reports, drainage reports, as-built plan processing, and bond exoneration processing and approvals related to the implementation, planning, and development of, real property ("Implementing Approvals" as defined herein).

WHEREAS, Government Code Sections 51300 *et seq.* authorize a county to contract with a city for a term of up to five (5) years, and renewable thereafter for additional five-year periods upon mutual consent of the city and county, for the performance of municipal functions common to both agencies. This Agreement fully complies with all State statutory and constitutional provisions related to the transfer of municipal functions from a city to a county.

WHEREAS, the Development Approvals (as defined below) for the Property prepared by or on behalf of the County represent an extremely complex and integrated plan for the preservation and development of the Property.

WHEREAS, City and North County BRS Project, LLC have entered into that certain Pre-Annexation Agreement, to ensure that annexation of the Property does not prevent or delay development of the Property to the full extent permitted by the Development Plan and Development Approvals.

WHEREAS, the City intends, by way of this Agreement and pursuant to California Government Code section 53100 *et seq.*, to contract with the County for the performance of certain City functions, as more specifically described herein, upon annexation of the Property, for the term set forth herein and not to exceed the limitations set forth in California Government Code section 53102. Subject to this Agreement, the County will assume the authority for Implementing Approvals, as defined herein, including but not limited to land use services until the point in time when the Property is Fully Improved, as defined herein. Implementing Approvals do not include actions on Units, Common Areas, Conservation Area, and Public Improvements on the Property once such area of the Property is Fully Improved.

WHEREAS, this Agreement achieves the objectives of the Parties, such as the efficient implementation and administration of the Development Approvals and Development Plan, by authorizing the County to exercise permit and approval processing functions of the City necessary to facilitate development consistent with the Development Plan and Development Approvals relative to each Unit, Common Areas, Conservation Area, and Public Improvements, upon annexation and until such Units, Common Areas, and Public Improvements are Fully Improved, as defined herein.

AGREEMENT

NOW, THEREFORE, in consideration of the above recitals and of the mutual covenants and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the Parties agree as follows:

1. DEFINITIONS AND EXHIBITS

- 1.1 Definitions. This Agreement uses a number of terms having specific meanings, as defined below. These specially defined terms are distinguished by having the initial letter capitalized, or all letters capitalized, when used in the Agreement. The defined terms include the following:
 - 1.1.1 "Agreement" means this Cooperative Agreement.
 - 1.1.2 "Annexation" means annexation of the Property to the City of Yorba Linda pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code §§ 56000 et seq.).
 - 1.1.3 "**Area Plan**" means the Cielo Vista Project Alternative 5 Area Plan.

- 1.1.4 "City" means the City of Yorba Linda.
- 1.1.5 "Common Area(s)" means any real property owned in fee simple by any homeowner association, or under the control of any such homeowner association by way of easement, lease, encroachment, permit or license or other agreement, as defined in Section 1351(b) of the California Civil Code, including but not limited to private streets, private parks, and other areas.
- 1.1.6 "Conservation Area" means the northern portion of the Property which North County BRS Project, LLC is required to preserve as open space pursuant to the Cielo Vista Alternate 5 Area Plan and related approvals.
- 1.1.7 "**County**" means the County of Orange, a political subdivision of the State of California.
- 1.1.8 "Development" whether or not capitalized means the improvement of the Property for the purposes of completing the structures, improvements and facilities comprising the Project. The term development includes grading, the construction of infrastructure and public facilities related to the Project located on the Property, the construction of buildings and structures and the installation of landscaping and park facilities and improvements. The term "Development" does not include any Project-related building or grading activity after the Property is Fully Improved, as defined herein, and annexed to the City.
- 1.1.9 "**Development Approvals**" means all permits, licenses, consents, inspections rights, privileges, agreements and other actions that:
 - (i) are approved by County; or
 - (ii) are subject to approval or issuance by County.

The term "Development Approvals" includes (including any modifications or amendments as described above), but is not limited to, the following Development Approvals in furtherance of the Project:

- (a) Tentative and final subdivision and parcel maps, including, without limit, Vesting Tentative Tract Map No 17341;
- (b) Cielo Vista Alternative 5 Area Plan (PA 10004) approved by the County on December 13, 2016;
- (c) Environmental Impact Report No. 615 for the Cielo Vista Project Alternative 5 Area Plan approved by the County on December 13, 2016;
 - (d) Grading and building permits; and

(e) Habitat Management Plan

Development Approvals do not include actions on Units, Common Areas, Conservation Area, or Public Improvements once such respective properties are Fully Improved.

- 1.1.10 "**Development Plan**" means the plan for Development of the Property, including the planning and zoning standards, regulations, and criteria for the Development of the Property contained in and consistent with the Development Approvals.
- 1.1.11 "Fully Improved" means, in relation to Units, that the County has issued certificates of occupancy (or similar evidence that all structures have received all inspections and fully comply with all laws such that there is no further unmet condition to occupancy) for any Unit pursuant to the Development Approvals and Development Plan. "Fully Improved" with respect to Common Areas shall mean the issuance of a certificate of use or similar evidence that all structures and improvements have received all inspections and fully comply with all laws such that there is no further unmet condition to the use of such structures and improvements. Fully Improved with respect to the Conservation Area shall mean that the Conservation Area is in compliance with the requirements of the Development Plan, the Development Approvals, all conditions of approval and any regulatory requirements. With respect to all Public Improvements within the Property, "Fully Improved" means a notice of completion or like certificate has been issued and the improvements accepted by a governmental entity and signed off as complete by that entity.
- 1.1.12 "Implementing Approvals" means the common law power to review and approve applications for administrative, discretionary and ministerial permits for development, including, but not necessarily limited to, subdivision maps, conditional use permits, grading permits, building permits, street improvement permits, storm drain improvement permits, retaining wall permits, WQMP reports, drainage reports, as-built plan processing, and bond exoneration processing and approvals related to the implementation, planning, and development of, real property and the power to review, inspect, approve and issue certificates of completion for improvements constructed pursuant to any and all such permits for areas of the Project within the Property. All areas within the current territorial limits of the City outside the Property shall be processed in accordance with City requirements. For example, portions of any roadways constructed in the City not within the Property shall be processed in accordance with City requirements.
- 1.1.13 "Land Use Regulations" means all ordinances, resolutions, codes, rules, regulations and official policies governing Development and use of land applicable to the Property pursuant to the Development Approvals, the Development Plan, and this Agreement. The term "Land Use Regulations"

also includes ordinances, resolutions, rules, regulations and official policies related to permitted use of land, development fees, exactions, impositions, the density or intensity of use, subdivision requirements and the maximum height and size of proposed buildings. The term "Land Use Regulations" also includes ordinances, resolutions, rules, regulations and official policies governing the reservation or dedication of land for public purposes, and the design, improvement and construction standards and specifications applicable on the effective date of this agreement, to the Development of the Property, which are not in conflict with the Development Approvals.

- 1.1.14 "**Project**" means the Development of the Property consistent with the Area Plan, Development Approvals, Land Use Regulations and/or Development Plan.
- 1.1.15 "**Property**" means the real property described in Exhibit A and shown on Exhibit B to this Agreement.
- 1.1.16 "**Public Improvements**" means all public streets, storm drains, street lighting, public parks and other improvements required and/or constructed pursuant to the Area Plan and Development Approvals located on the Property.
- 1.1.17 "Unit" means with respect to a single family residence, the legal lot or parcel and the residential housing unit located thereon but shall not include any exterior landscaping.
- 1.2 Exhibits: The following documents are attached to, and by this reference made a part of, this Agreement:
 - Exhibit A Legal Description of the Property
 - Exhibit B Map of the Property.
 - Exhibit C Fees and Obligations
- 1.3 Construction. The word "include" or any form of the word "include" shall be construed and interpreted to add the phrase "without limitation "
- 2. OBJECTIVES AND INTENT
- 2.1 Objectives. The objectives of this Agreement are to:
- 2.2 Ensure that, following annexation of the Property to City, the Property is timely developed in substantial compliance with, and to the full extent permitted by, the Development Approvals and the Development Plan, and that Development Approvals are timely issued so as to avoid any unnecessary delays in the planning and permitting process for the Project while continuing to meet all public safety requirements.

- 2.2.1 Ensure that development of the Property proceeds in a manner that preserves the public benefits associated with the Development Approvals and Development Plan.
- 2.2.2 Effect a contract temporarily conveying responsibility for certain municipal functions as specified in section 3 1.1 below from the City to the County upon annexation and within the term authorized by Government Code Sections 51301 and 51302.
- 2.2.3 To provide a process for the transfer of documents necessary to County's assumption of City functions and a mechanism for facilitating County's right to monitor development as provided in this Agreement.
- 2.3 Intent. The Parties, through this Agreement, intend that the County shall have and exercise after annexation the same power, right and control over the administration, approval and implementation of the Development Approvals, Development Plan, and Implementing Approvals over the Property during the development of the Property as the County exercised before annexation. The Parties intend that the County will assume City functions regarding the Development Approvals, Development Plan, and Implementing Approvals over any Unit, Common Areas, Conservation Area, and Public Improvements, until the date that the Unit, Common Areas, Conservation Area and/or Public Improvements become Fully Improved. This Agreement shall be administered, implemented, construed and interpreted in a manner that is consistent with the Development Approvals, the Development Plan and the "intent" and "purpose" provisions of this Agreement.

3. AUTHORITY TRANSFERRED TO THE COUNTY

- 3.1 Performance of Municipal Functions.
 - 3.1.1 Responsibility for Certain Municipal Functions. Pursuant to Government Code section 51300, et seq., the City hereby conveys to the County, upon annexation, and for the five (5) year period allowed under Government Code section 51302, the responsibility for the Implementing Approvals as defined in section 1.1.12 herein ("Implementing Approval Authority") over the Property on the terms within this Agreement The term of this Agreement shall automatically be extended for one additional five (5) year period as provided in Government Code section 51302 unless any of the Parties, upon sixty (60) days notice to the other Party, elects to terminate this Agreement as of the end of the initial five (5) year period. Such election shall be based on "good cause" for such termination, and the notice of termination shall specify the facts and circumstances upon which the alleged "good cause" is predicated.
 - 3.1.2 Conditions. The County shall exercise Implementing Approval Authority in substantial compliance with: (i) the provisions of the Development Approvals and Development Plan; (ii) conditions imposed by any State or

- local agency; and (iii) legally enforceable restrictions and limitations on development of the Property.
- 3.1.3 City Authority Following Areas Fully Improved. Once a Unit, a Common Area, the Conservation Area, or a Public Improvement is Fully Improved, the County's authority over the respective Unit, Common Area, Conservation Area or Public Improvement shall cease in its entirety. For example, once a certificate of occupancy has been issued for a Unit, the next permit issued for the Unit (for example, without limitation, a permit for a patio cover) shall be processed and issued by the City.
- 3.2 Term. Following annexation, County shall retain Implementing Approval Authority for the term set forth in Section 3 1.1 herein. However, the County only retains Implementing Approval Authority on a particular Unit, Common Area, Conservation Area or Public Improvement until such time the particular Unit, Common Area, Conservation Area or Public Improvement is Fully Improved. Once the entirety of the Property is Fully Improved, the County no longer has Implementing Approval Authority on the Property. The maximum term of this Agreement is 5 years, unless extended for up to an additional 5 years for a maximum term of 10 years as outlined in Section 3.1.1.
- 3.3 Fees. City and County shall be entitled to collect and keep those fees as indicated on Exhibit C attached hereto. It is understood that once a Unit, Common Area, Conservation Easement, or Public Improvement is Fully Improved, the City is entitled to receive all fees related to the respective Fully Improved Property.
- 3.4 Exoneration of Bonds. County shall be solely responsible for the inspection of any subdivision improvements installed within or outside the Project boundaries if the permits for which were issued by County. County shall be solely responsible for determining the extent to which any and all such improvements have been completed in accordance with all subdivision improvement agreements executed with the County and whether applicable subdivision bonds should be released. County has no authority over improvements constructed within the City and such improvements are subject to the processing, review, and approval of the City. Bonds for improvements within the City outside the Property shall be subject to the requirements of the City. Improvements for the purpose of this section shall include streets, storm drains, and other improvements constructed in the City but not on the Property. For example, roads constructed within the City outside the Property shall be bonded in a manner satisfactory to the City consistent with applicable City regulations and requirements.
- 3.5 Law Enforcement and Fire Protection Services. The City shall provide law enforcement, fire and emergency protection services to a Unit, Common Area, Conservation Area or Public Improvement once such area is Fully Improved or the County's authority over such Unit, Common Area, Conservation Area or Public Improvement ceases pursuant to the terms of this Agreement.

4. SPECIAL PROVISIONS

- 4.1 City Ordinance. City has, prior to the Effective Date of this Agreement, adopted Ordinance No. 2018-1055 regarding the City's prezoning for the Property consistent with the Development Approvals and Development Plan. The City Council has also authorized the execution of this Agreement by the City Manager and determined that this Agreement is fully consistent with the authority of the City and City Council pursuant to law.
- 4.2 City Commitments. Other than has outlined in this Agreement, the City does not waive any authority as to actions that occur within the jurisdictional boundaries of the City outside the Property or as to an Unit, Common Area, Conservation Area or Public Improvement once Fully Improved. Specifically, the City retains all authority over any roadway or other improvements within the jurisdiction of the City outside the Property.
- 4.3 County Consideration. County shall be entitled to charge, receive, and retain all fees for processing the Development Approvals.
- 4.4 County Officers. The County Executive Officer (CEO) shall designate the County officers and employees that are to perform the services contemplated by, and exercise the authority transferred pursuant to, this Agreement. The Parties contemplate that the CEO will designate the same officers and employees that have, prior to the effective date of this Agreement, been performing services or exercising powers related to the County's Implementing Approval Authority.
- 4.5 Transfer of Park Fees. The County shall collect park fees pursuant to the Quimby Act for the development based on Orange County Codified Ordinance section 7-9-520, *et seq.* and shall transfer to the City one hundred percent (100%) of such park fees.

5. COOPERATION

- 5.1 Cooperation. City and County shall mutually provide any assistance reasonably requested by the other Party with respect to the implementation and administration of the Development Approvals, the Development Plan and this Agreement. City and County shall cooperate with one another relative to any action necessary to ensure that County retains the authority to perform the functions required by, or to achieve the objectives of this Agreement.
- 5.2 Records. County shall provide the City the County records that would facilitate the City's assumption of City functions being performed by County, including Implementing Approval Authority, after any Unit, Common Area(s), Conservation Area, or Public Improvement is Fully Improved.
- 6. MISCELLANEOUS PROVISIONS

- 6.1 Term of Agreement. Subject to the extension provisions of Article 3, this Agreement shall continue in full force and effect with respect to the Property for a period of five (5) years following the date of the annexation of the Property to the City unless continued for an additional five (5) years pursuant to Section 3.1.1. However, the County only retains Implementing Approval Authority on a particular Unit, Common Area, Conservation Area or Public Improvement until such time the particular Unit, Common Area, Conservation Area or Public Improvement is Fully Improved. Once the entirety of the Property is Fully Improved, the County no longer has Implementing Approval Authority on the Property.
- 6.2 Entire Agreement. This Agreement sets forth and contains the entire understanding and agreement of the Parties, and all oral or written representations, understandings or agreements are expressly stated in this Agreement. No testimony or evidence of any such representations, understandings, or covenants outside the contents of this Agreement shall be admissible in any proceeding or any kind or nature to interpret or determine the terms or conditions of this Agreement.
- 6.3 Severability. If any term, provision, covenant, or condition of this Agreement is ruled invalid, void, or unenforceable by a court of competent jurisdiction, this Agreement shall nonetheless remain in full force and effect as to all remaining terms, provisions, covenants, and conditions.
- 6.4 Interpretation and Governing Law. This Agreement and any related dispute shall be governed and interpreted in accordance with the laws of the State of California. This Agreement shall be construed according to its plain language and fair and common meaning to achieve the objectives and purposes of the Parties. The rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not be employed in interpreting this Agreement since all Parties have been represented by counsel.
- 6.5 Indemnification. City shall defend, indemnify with counsel approved in writing by County pursuant to Government Code section 25203, and hold harmless the County, and its respective members, officers, employees and agents with respect to any claim, damage, loss, cause of action, lawsuit or proceeding that arises out of or is in any way related to any act or omission by City or its officers, employees or agents in the performance or non-performance of any duty or obligation pursuant to this Agreement. County shall defend, indemnify, and hold harmless the City, and its respective officers, employees and agents with respect to any claim, damage, loss, cause of action, lawsuit or proceeding that arises out of or is in any way related to any act or omission by County or its officers, employees, or agents in the performance or non-performance of any duty or obligation pursuant to this Agreement.
- 6.6 Section Headings. All section headings and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

- 6.7 Singular and Plural. As used herein, the singular of any word includes the plural.
- 6.8 Waiver. The failure of a Party to insist upon the strict performance of any of the provisions of this Agreement by any other Party, or the failure of a Party to exercise its rights upon the default of any other Party, shall not constitute a waiver of that Party's right to demand and require, at any time, any other Party's strict compliance with the terms of this Agreement.
- 6.9 Third Party Beneficiaries. This Agreement is made and entered into for the sole protection and benefit for the Parties and their successors and assigns. No other person shall have any right of action based upon any provision of this Agreement.
- 6.10 Successors in Interest. The burdens of this Agreement shall be binding upon, and the benefits of this Agreement shall inure to, all successors in interest to the Parties to this Agreement.
- 6.11 Specific Performance. The Parties acknowledge that monetary damages may be inadequate to remedy any breach of this Agreement by any other Party. Accordingly, the Parties agree that any breach of this Agreement shall also entitle any non-breaching Party to file an action for specific performance in a court of competent jurisdiction.
- 6.12 Counterparts. This Agreement may be executed by the parties and counterparts, which counterparts shall be construed together and have the same effect as if all of the parties had executed the same instrument.
- 6.13 Jurisdiction and Venue. Any action at law or in equity arising under this Agreement or brought by any Party for the purpose of enforcing, construing, or determining the validity of any provision of this Agreement shall be filed and tried in the Superior Court of the County of Orange, State of California. The Parties waive all provisions of law providing for the filing, removal or change or venue to any other court.
- 6.14 Further Actions and Instruments. All of the Parties shall cooperate with and provide reasonable assistance to the other Parties to the extent contemplated by this Agreement to achieve the objectives of this Agreement. Upon the request of any party at any time, the other Parties shall promptly execute, with acknowledgment or affidavit if reasonably required, and file or record instruments and writing. The Parties shall also take any action that may be reasonably necessary under the terms of this Agreement to carry out the intent and to achieve the objectives of this Agreement.
- 6.15 Amendments in Writing/Cooperation. This Agreement may be amended only by written consent of the Parties specifically approving the amendment and in accordance with the Government Code provisions for the amendment of Development Agreements. The Parties shall cooperate in good faith with respect to any amendment proposed in order to clarify that intent and application of this

Agreement, and shall treat any such proposal on its own merits, and not as a basis for the introduction of unrelated matters.

- 6.16 Authority to Execute. Any person or persons executing this Agreement on behalf of the City and County warrants and represents that he/she has the authority to execute this Agreement on behalf of his/her agency/entity and to bind that agency/entity to the performance of its obligations pursuant to this Agreement.
- 6.17 Notice. All notices, demands, requests or approvals to be given under this Agreement shall be given in writing and shall be deemed served when delivered personally or on the third business day after deposit in the United States mad, postage prepaid, first class mad, addressed as follows.

All notices, demands, requests or approvals to CITY shall be addressed to:

City of Yorba Linda 4845 Casa Loma Avenue City Manager's Office Yorba Linda, CA 92886

All notices, demands, requests or approvals to COUNTY shall be addressed to:

Director of Planning and Development Services County of Orange 601 N. Ross St. Santa Ana, California 92701

6.18 Effective Date. This Agreement shall become effective upon authorized execution by all necessary parties.

WITNESS THEREOF, the parties hereto have executed this Agreement on the date set forth above
COUNTY OF ORANGE, a political subdivision of the State of California
By: Chairwoman of the Board of Supervisors County of Orange, California
SIGNED AND CERTIFIED THAT A COPY OF THIS DOCUMENT HAS BEEN DELIVERED TO THE CHAIR OF THE BOARD PER G.C. SECTION 25103, RESOLUTION 79-1535
Attest:
By: Robin Stieler, Clerk of the Board of Supervisors
APPROVED AS TO FORM: County Counsel
THE CITY OF YORBA LINDA, a California municipal corporation
By: Beth Haney, Mayor Pro Tem
Attest:
By: Marcia Brown, City Clerk
APPROVED AS TO LEGAL FORM:

Todd O. Litfin, City Attorney

EXHIBIT A

LEGAL DESCRIPTION CITY OF YORBA LINDA ANNEXATION OF CIELO VISTA DEVELOPMENT (CA 19-03)

THAT CERTAIN PARCEL OF LAND SITUATED IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF ORANGE, STATE OF CALIFORNIA, BEING A 2 PORTION OF THE RANCHO CANON DE SANTA ANA. AS SHOWN ON A MAP 3 ATTACHED TO THE FINAL DECREE OF PARTITION RECORDED FEBRUARY 8, 1874 IN BOOK 28, PAGE 158 OF DEEDS, RECORDS OF LOS ANGELES 5 COUNTY, CALIFORNIA, AND BEING A PORTION OF THE CARRILLO RANCH 6 PROPERTY AS SHOWN ON A MAP FILED IN BOOK 37, PAGE 33 OF RECORDS 8 OF SURVEY, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF ORANGE 9 COUNTY, ALL LYING WITHIN SECTION 18 AND 19, TOWNSHIP 3 SOUTH, RANGE 8 WEST, SAN BERNARDINO MERIDIAN, ACCORDING TO THE 10 OFFICIAL PLAT OF SAID LAND FILED IN THE DISTRICT LAND OFFICE, 11 12 DESCRIBED AS FOLLOWS:

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BEGINNING AT THE INTERSECTION IN THE EXISTING BOUNDARY OF THE CITY OF YORBA LINDA ANNEXATION NO. 78-02 BRYANT RANCH TO THE CITY OF YORBA LINDA PER DOCUMENT RECORDED IN BOOK 12810 PAGE 369 WITH CITY OF YORBA LINDA ANNEXATION NO. 75-2 PER DOCUMENT RECORDED IN BOOK 11535 PAGE 462, BOTH OF OFFICIAL RECORDS OF SAID COUNTY, SAID INTERSECTION ALSO BEING THE WESTERLY TERMINUS OF THAT CERTAIN COURSE SHOWN IN SAID ANNEXATION NO. 78-02 AS "SOUTH 77°50'17" EAST 880.17";

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THENCE ALONG THE EXISTING EASTERLY BOUNDARY LINE OF THE CITY OF YORBA LINDA ANNEXATION NO. 75-2, NORTH 01°01'24" WEST 3578.27 FEET TO A POINT ON THE SOUTHERLY BOUNDARY LINE OF THE EXISTING CITY OF YORBA LINDA ANNEXATION NO. 80-01 PER DOCUMENT RECORDED IN BOOK 14294 PAGE 1505 AND RECORDED IN BOOK 14294 PAGE 1510, BOTH OF OFFICAL RECORDS OF SAID COUNTY, SAID POINT ALSO BEING THE NORTHEAST CORNER OF SAID ANNEXATION NO. 75-2;

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THENCE ALONG THE SAID EXISTING SOUTHERLY BOUNDARY LINE OF THE CITY OF YORBA LINDA ANNEXATION NO. 80-01, SOUTH 87°05'05" EAST 583.21 FEET AND SOUTH 86°47'07" EAST 281.78 FEET TO THE NORTHEAST BOUNDARY CORNER OF PARCEL MAP NO. 2016-156 AS PER MAP FILED IN BOOK 400, PAGES 23 THROUGH 30 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID ORANGE COUNTY;

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THENCE LEAVING SAID EASTING SOUTHERLY BOUNDARY LINE ALONG THE GENERALLY EASTERLY BOUNDARY LINES OF SAID PARCEL MAP NO. 2016-156 THROUGH THE FOLLOWING THREE COURSES;

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SOUTH 00°56'08" EAST 2863.76 FEET:

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44 SOUTH 86°40'40" EAST 619.50 FEET;

1 OF 2

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EXHIBIT A

LEGAL DESCRIPTION CITY OF YORBA LINDA ANNEXATION OF CIELO VISTA DEVELOPMENT (CA 19-03)

SOUTH 05°32'21" EAST 735.23 FEET TO A POINT ON THE NORTHERLY BOUNDARY LINE OF SAID CITY OF YORBA LINDA PER ANNEXATION NO. 78-02, SAID POINT BEING ON A CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 450.00 FEET AND TO WHICH POINT A RADIAL LINE BEARS. NORTH 15°20'27" WEST: THENCE LEAVING SAID GENERALLY EASTERLY BOUNDARY LINE AND ALONG SAID NORTHERLY BOUNDARY LINE THROUGH THE FOLLOWING: SOUTHWESTERLY ALONG SAID CURVE 95.19 FEET THROUGH A CENTRAL ANGLE OF 12°07'13"; SOUTH 62°32'20" WEST 113.62 FEET TO THE BEGINNING OF A CURVE CONCAVE NORTHERLY HAVING A RADIUS OF 550.00 FEET: WESTERLY 380.00 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 39°35'11"; NORTH 77°52'29" WEST 119.29 FEET; NORTH 00°56'08" 25.66 FEET; NORTH 77°52'29" WEST 880.23 FEET TO THE POINT OF BEGINNING. CONTAINING: 84.812 ACRES MORE OR LESS. AS SHOWN ON EXHIBIT "B" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF. PREPARED BY ME OR UNDER MY DIRECT SUPERVISION. DATED THIS 10TH DAY OF JULY

KURT R. TROXELL, L.S. 7854 FUSCOE ENGINEERING

2 OF 2

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EXHIBIT B

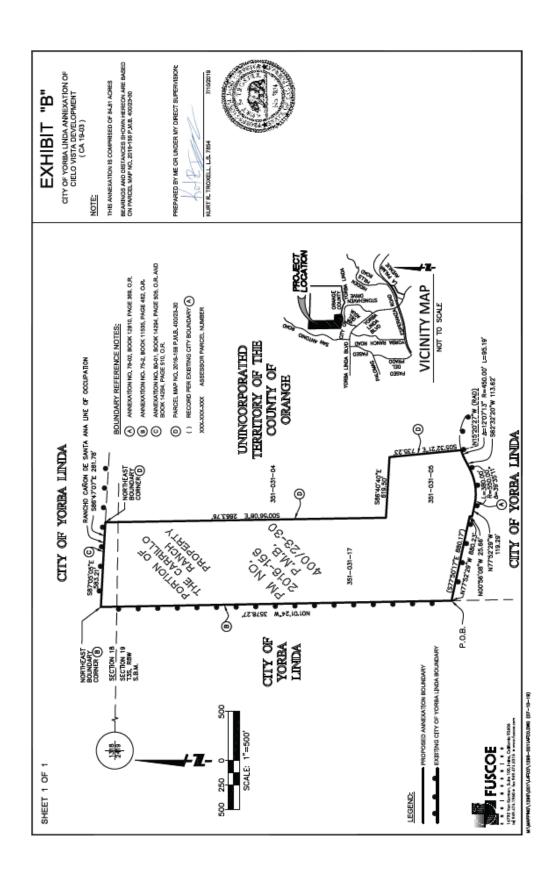


EXHIBIT C

Fees and Obligations

Fees Retained By County

Unless otherwise specified herein, County shall retain fees and obligations from the Development Approvals.

Fees Retained By City

The County shall collect park fees pursuant to the Quimby Act for the development based on Orange County Codified Ordinance section 7-9-520, *et seq.* and shall transfer to the City one hundred percent (100%) of such park fees.

Prior to the issuance of building permits, to satisfy the requirement that North County BRS Project, LLC shall comply with the development fee program for Orange County Public Libraries as provided in Sections 7-9-700 through 7-9-713 of the Codified Ordinances of the County of Orange or the development fee program for the City of Yorba Linda Library system, North County BRS Project, LLC shall pay \$250.00 per residential unit within the Project to the City of Yorba Linda for a total of \$20,000.00. The fee shall be paid to the City on a per-unit basis upon the County's issuance of a building permit for each unit – and not as a single lump sum.

The City shall receive the Public Benefit Contribution from North County BRS Project, LLC as outlined in the Pre-Annexation Agreement by and among the City of Yorba Linda a California Municipal Corporation and North County BRS Project, LLC, a Delaware Limited Liability Company.

Once a Unit, Common Area, Conservation Easement, or Public Improvement is Fully Improved, the City is entitled to receive all fees related to the respective Fully Improved Property.

All areas within the current territorial limits of the City outside the Property shall be processed in accordance with City requirements and the City shall retain all fees related thereto.

The City shall retain applicable Master Plan of Drainage fees charged by the City on the Project.

North County BRS Project, LLC shall design and construct a traffic control device as set forth in Mitigation Measure 4.14-2 of the Project's EIR at the intersection of Via del Agua Street and Yorba Linda Boulevard. The traffic signal shall be installed prior to issuance of the Project's first Certificate of Occupancy for a production (*i.e.*, not a model) home. A pro-rata share of the traffic signal expenses shall be subject to reimbursement from the Esperanza Hills developer. If a Certificate of Occupancy is issued for a production home within the Esperanza Hills development prior to the issuance of the Project's first production home Certificate of Occupancy, then North County BRS Project, LLC shall pay the City of Yorba Linda its pro-rata share cost toward installation of a traffic signal in lieu of installing said signal.