



REQUEST FOR PROPOSALS IRVINE LAKE LONG-TERM GROUND LEASE

**ISSUED: TBD, 2024
PROPOSALS DUE: TBD, 2024**



[Click here for photo gallery and video of the Property!](#)

4621 E Santiago Canyon Rd, Silverado, CA 92676



COUNTY OF ORANGE
COUNTY EXECUTIVE OFFICE
CEO REAL ESTATE /
LAND DEVELOPMENT
400 W. Civic Center Dr., 5th Floor
Santa Ana, CA 92701

REQUEST FOR PROPOSALS



ORANGE COUNTY
 CEO Real Estate
 400 W. Civic Center Dr., 5th Floor
 Santa Ana, CA 92701



**PROPOSALS MUST BE RECEIVED
 AT OR PRIOR TO
 4:00 P.M. PDST
 ON**

TBD XX, 2024

INSTRUCTIONS:

1. EMAIL PROPOSAL TO: Ryan.Rigali@ocgov.com WITH THE SUBJECT LINE "GROUND LEASE PROPOSAL FOR IRVINE LAKE."
2. PROPOSAL MUST INCLUDE (1) SIGNED COPY IN **PDF**, (1) COPY IN **WORD**, and all **FINANCIAL MODELS IN EXCEL**.
3. RETURN THIS PAGE SIGNED, WITH PROPOSAL.
4. FOR FURTHER INFORMATION, CONTACT:
 Ryan Rigali
 CEO Real Estate
Ryan.Rigali@ocgov.com

REQUEST FOR PROPOSALS ("RFP")

The County of Orange ("County"), Serrano Water District ("SWD") and Irvine Ranch Water District ("IRWD") (IRWD and SWD are collectively the "Districts") are soliciting Proposals from qualified entities interested in entering into one long-term mutual master ground lease with the County and Districts for recreational uses at and around Irvine Lake. Based on the evaluation of Proposals, a Primary and Secondary Proposer (if applicable), will be recommended to negotiate the terms of an Option Agreement ("Option") and Ground Lease Agreement ("Lease"). The Primary or Secondary Proposer (if applicable) and Option and Lease will then be recommended to the County Board of Supervisors ("Board") and the governing boards of the Districts ("Board(s) of Directors") for approval. The Option and Lease forms are attached hereto and include the County's standard terms and conditions, including insurance requirements, improvement completion guaranty, and financial participation. This RFP is set out in the following format:

- SECTION I. Introduction and Instructions to Proposers
- SECTION II. Response Requirements

All questions and inquiries related to this RFP must be directed to: County Project Contact, Ryan Rigali, CEO Real Estate, at Ryan.Rigali@ocgov.com by TBD, 2024. **Proposers are not to contact other County or Districts' staff personnel with any questions or clarifications concerning this RFP.** The County Project Contact will provide all official communication concerning this RFP. Any County or District response relevant to this RFP other than through County Project Contact is unauthorized and will be considered invalid.

I HAVE READ, UNDERSTOOD AND AGREE TO ALL STATEMENTS IN THIS REQUEST FOR PROPOSALS, AND TO THE TERMS, CONDITIONS AND EXHIBITS REFERENCED HEREIN.

Proposer/Company Legal Name (as if appears on W-9): _____

Legally Authorized Signature	Title	Date
Legally Authorized Signature	Title	Date

If Proposer is a corporation, two (2) signatures are required: one (1) signature by the Chairman of the Board, the President or any Vice President; and one (1) signature by the Secretary, any Assistant Secretary, the Chief Financial Officer or any Assistant Treasurer. If Proposer's officer holds dual title, Proposer must sign this instrument twice; each time indicating his or her office title, that qualifies under the above-described provision. In the alternative, a single corporate signature is acceptable when accompanied by a corporate resolution demonstrating the legal authority of the signatory to bind the corporation.

RETURN THIS SIGNED COVER PAGE WITH YOUR RESPONSE



Irvine Lake RFP

TABLE OF CONTENTS

	<u>Page No.</u>
COVER PAGE.....	2
TABLE OF CONTENTS.....	3
EXHIBITS	4
ATTACHMENTS.....	5
DEFINITIONS.....	6
 SECTION I: INTRODUCTION AND INSTRUCTIONS TO PROPOSERS	
A. Introduction.....	9
B. Recreation Rights and Fishing at Irvine Lake.....	9
C. Property.....	10
D. RFP Vision/Goals/Objectives	13
E. Land Use, Entitlements & Permitting.....	14
F. Considerations.....	15
G. Stakeholders	18
H. Utilities & Other Infrastructure	19
I. Taxes	19
J. No Warranties or Representations	19
K. RFP Schedule	20
L. Instructions to Proposers and Procedures for Submittal	20
M. Evaluation Process and Criteria.....	26
N. Selection....	27
O. Form W-9 Requirements.....	28
P. Levine Act Requirements.....	28
Q. County of Orange Local Small Business (OCLSB) and Disabled Veteran Business Enterprise (DVBE) Preference.....	28
 SECTION II: RESPONSE REQUIREMENTS	
<u>Part 1</u>	
1. Cover Letter/Executive Summary	31
2. Proposer Profile	31
3. Campaign Contribution Disclosure Forms.....	31
4. Submittal Response Checklist.....	31
5. Validity of Proposal.....	31
6. Certification of Understanding	31
7. Certificate of Insurance	32
8. W-9 Requirements	32
9. Statement of Compliance	32
10. Option Payment.....	33
11. Good Faith Deposit.....	33
12. Conflict of Interest.....	33



Irvine Lake RFP

13. Litigation 34
 14. Name/Ownership Changes 34

Part 2

A. Project Team 36
 B. Project Vision 37
 C. Development Plan..... 37
 D. Capital Structure, Financial Capability and Feasibility 40
 E. Financial Offer 41
 F. Management and Operations..... 42
 G. Public Benefit..... 43
 H. Option Agreement and Ground Lease Agreement..... 43

EXHIBITS:

Exhibit 1 – Property/Location Map.....46
 Exhibit 2 – Legal Description for “Reservoir Property”47
 Exhibit 3 – Depiction of “Reservoir Property”48
 Exhibit 4 – County’s Property Map.....50
 Exhibit 5 – Open Space Encumbrance Map.....51
 Exhibit 6 – Legal Description for Portion of “Recreation Parcel”52
 Exhibit 7 – Depiction of Portion of “Recreation Parcel”54
 Exhibit 8 – Legal Description for “License Parcel”56
 Exhibit 9 – Depiction of “License Parcel”60
 Exhibit 10 – General Plan Land Use Element Map.....64
 Exhibit 11 – Land Use Allowable Uses.....65
 Exhibit 12 – Zoning Map.....66
 Exhibit 13 - Permitted Recreational Uses.....67
 Exhibit 14 – Inundation Map.....68
 Exhibit 15 – Parcel Map.....70
 Exhibit 16 – Irvine Lake Entrance RV Access Area.....71
 Exhibit 17 – Agricultural Irrigation Line.....72



Irvine Lake RFP

ATTACHMENTS:

Attachment A – Form Option Agreement.....74

Attachment B – Form Ground Lease Agreement103

Attachment C – Submittal Response Checklist.....198

Attachment D - Proposer Profile.....202

Attachment E - County of Orange Local Small Business (OCLSB) and Disabled Veteran Business Enterprise (DVBE) Preference Certification Requirements.....203

Attachment F – County of Orange, Irvine Ranch Water District, and Serrano Water District Campaign Contribution Disclosure Information & Campaign Contribution Disclosure Forms.....205

Attachment G - Preliminary Title Reports.....214

**DEFINITIONS**

1. **“Board”** refers to County of Orange Board of Supervisors.
2. **“Board(s) of Directors”** refers to each (or both) of the governing boards for Irvine Ranch Water District and Serrano Water District.
3. **“County of Orange General Plan”** refers to the policy planning document that provides the framework for management and utilization of the County’s physical, economic and human resources.
4. **“Contract”** refers to the Option Agreement and Ground Lease Agreement, collectively, between the County, Districts and the Board/Boards of Directors’ approved Proposer(s).
5. **“Contract Date”** refers to the latest date that the Board or Boards of Directors approves the Option Agreement and Ground Lease Agreement between the County, Districts and the Board/Boards of Directors’ approved Proposer(s).
6. **“County”** refers to the County of Orange, a political subdivision of the State of California, who is the land use authority for the development of the Project.
7. **“Development Plan”** refers to the Preliminary Conceptual Plan, Budget, Schedule, Entitlements & Permitting, and a Marketing & Leasing Plan for the Project.
8. **“Development Team”** refers to the Proposer and the participants engaged by the Proposer to assist in the planning, design, permitting, funding, development, construction, renovation, marketing, operation, leasing, management, and maintenance of the Project.
9. **“Districts”** refers to Irvine Ranch Water District and Serrano Water District, collectively.
10. **“IRWD”** refers to Irvine Ranch Water District, a California water district organized under and existing pursuant to Section 34000, *et seq.* of the California Water Code.
11. **“Master Lease”** or **“Lease”** or **“Ground Lease Agreement”** refers to the mutual master ground lease agreement between the County, Districts, and the Tenant that includes the terms and conditions for the tenancy, entitlement, financing, development, construction, operation, and management of the Project, the form of which is attached to this RFP.
12. **“Option Agreement”** or **“Option”** refers to the option agreement between the County, Districts, and the Board/Boards of Directors’ approved Proposer that is awarded an option to lease by the County and Districts pursuant to this RFP process, the form of which is attached to this RFP.
13. **“Project”** refers to the Proposer’s Development Plans, including the proposed leasing, planning, design, permitting, funding, development, construction, marketing, operation, management, and maintenance of the Property.



Irvine Lake RFP

14. **“Property”** refers to land and improvements owned by the County within APNs 105-361-68, -85, -87, -88, -90, -91, -93 and land and improvements owned by the Districts within APNs 105-361-10 and -11 that is being offered for lease and recreation use development pursuant to this RFP.
15. **“Proposal(s)”** refers to the formal response to this RFP submitted to the County by a Proposer(s).
16. **“Proposer”** refers to the individual, partnership, corporation, or any other legal entity that is submitting a Proposal in response to this RFP.
 - A. **“Primary Proposer”** or **“Recommended Proposer”** refers to the individual, partnership, corporation, or any other legal entity that is recommended to the Board/Boards of Directors as the highest ranked Proposer.
 - B. **“Secondary Proposer”** refers to the individual, partnership, corporation, or any other legal entity that may be recommended to the Board/Boards of Directors as an alternate to the Primary Proposer.
17. **“Request for Proposal”** or **“RFP”** refers to this RFP, which includes the solicitation process wherein the Parties are seeking Proposals for a long-term ground lease.
18. **“Shall”** refers to a mandatory requirement.
19. **“SWD”** refers to Serrano Water District, a special governmental district formed under the Irrigation District Law, Sections 20500, *et seq.* California Water Code.
20. **“Tenant”** or **“Master Tenant”** refers to the Board/Boards of Directors’ approved Proposer that is awarded a Master Lease by the County and Districts pursuant to this RFP process.
21. **“TIC”** refers to The Irvine Company LLC, a Delaware limited liability company, who is the predecessor-in-interest to most of the County-owned property surrounding and adjacent to Irvine Lake and who, together with its affiliates, is the owner and developer of a landholding in Orange County that is served by Irvine Lake and which continues to master-plan its property.

Section I

Introduction and Instructions to Proposers



SECTION I: INTRODUCTION AND INSTRUCTIONS TO PROPOSERS

A. INTRODUCTION

The County, in partnership with the Districts, issues this RFP seeking proposals from qualified Proposers interested in entering into one mutual Option and Lease with the County and Districts to develop and operate recreational and other consistent uses at and around Irvine Lake, including a public fishing concession.

Irvine Lake, equally owned in fee by the Districts, was constructed in the early 1930's and principally serves as a dam and reservoir facility, also known as the Santiago Reservoir, to store and supply water for the Districts' customers. Located in the unincorporated community of Silverado, Irvine Lake lies at the base of the Santa Ana Mountains in eastern Orange County. The lake is located approximately two miles east of State Route (SR) 241, just east of the County's closed Santiago Canyon Landfill, and is largely surrounded by open space lands predominately owned by the County. See **Exhibit 1** for Property/Location Map depicting Irvine Lake's location within Orange County.

B. RECREATION RIGHTS AND FISHING AT IRVINE LAKE

Irvine Lake and the surrounding lands have historically been used for fishing and other recreational purposes, but were closed to the public from 2016 to 2019. With the cooperation of the Districts, public shoreline fishing was reopened in 2019 and currently remains open pursuant to an agreement between the County and Districts, along with contracts between the County and various private contractors who provide services, maintenance and operations for shoreline fishing, fish stocking and parking. **Figure 1** on the next page depicts the currently approved shoreline fishing locations at Irvine Lake and the entrance to Irvine Lake off Santiago Canyon Road.

Fishing operations and other recreational activities on the water are conducted consistent with Irvine Lake's surface recreational rights. SWD owns a twenty-five percent (25%) interest and the County owns a seventy-five percent (75%) interest, respectively, in the right to conduct recreational activities in and on the waters at Irvine Lake (the "Recreation Rights").¹ Exclusive use of the Recreation Rights owned by SWD

¹ See recorded "Assignment Agreement for the Transfer of Recreation Rights and Consents of IRWD and SWD to such Transfer" here: <https://orangecountygov.box.com/s/o8tp7tkh6blfdenyju1r74c784f6kob5>.



and the County will be authorized for the future Master Tenant's use of Irvine Lake's waters for recreational uses.



Figure 1

C. PROPERTY

District Property

The Districts are the fee owners to that certain dam and reservoir facility, commonly known as Irvine Lake or the Santiago Reservoir (together with SWD's Recreation Rights, the "Reservoir Property"). The Reservoir Property is comprised of the following real property which is described in [Exhibit 2](#) and depicted in [Exhibit 3](#): (1) the "Flats" and (2) the "Lake and Dam." The "Flats" is a 34.39-acre area of filled lakebed and the "Lake and Dam" constitutes that portion of the Reservoir Property outside of the "Flats," including the dam, reservoir, related equipment such as intake towers, and the land under Irvine Lake waters.



The “Flats” is the only portion of Reservoir Property that is available for ground lease. The Lake and Dam are not available for ground lease, though access to Irvine Lake waters upon, over and across designated dry lakebed areas within Reservoir Property will be provided during negotiation of the Option and Ground Lease Agreement, and memorialized in the final Ground Lease, as necessary.

The future Master Tenant will be responsible for preparing, maintaining, and repairing designated dry lakebed areas, including, but not limited to, dirt roads or pathways, within Reservoir Property necessary to access the water, in a manner that is sufficiently safe and appropriate for shoreline fishing and other recreational activities as approved by the County and Districts.

County Property

The County owns real property adjacent to and surrounding the Reservoir Property (together with its Recreation Rights, the "County's Property"). Most of the County's Property, as depicted in the County's Property Map in Exhibit 4, is open space land that was acquired as part of a large land donations from The Irvine Company LLC (“TIC”) in 2010 and 2014. TIC, as predecessor-in-interest to most of the County's Property, previously entered into various ancillary agreements with the Districts related to the management of Irvine Lake. These ancillary agreements, which became unnecessary due to the passage of time or subsequent agreements, were terminated pursuant to a “Termination Agreement (Irvine Lake Ancillary Agreements)” effective March 18, 2022.² Most of the County's Property, such as Blackstar Wilderness Park, Limestone Canyon Nature Preserve, and Fremont Canyon Nature Preserve, is encumbered with conservation easements or protected as Natural Communities Conservation Plan (“NCCP”) Reserve as depicted in the Open Space Encumbrance Map included as Exhibit 5.

The following portions of the County's Property, which are not encumbered with conservation easements or NCCP designations, are available for ground lease and included in this RFP:

- (a) 10.07-acre portion of “Recreation Parcel” described in Exhibit 6 and depicted in Exhibit 7. This portion facilitates shoreline fishing and includes the entrance to Irvine Lake, tackle shop, and parking area. The other portion of the “Recreation Parcel” includes an RV storage area which is not available for ground lease and not included in this RFP.

² See “Termination Agreement (Irvine Lake Ancillary Agreements)” here: <https://orangecountygov.box.com/s/yhg8mhyoc95dfa7712j1z6p8kdmlg4k2>.



(b) 73.9-acre “License Parcel” described in **Exhibit 8** and depicted in **Exhibit 9**, which is primarily used as an outdoor special events facility. The facility, named Oak Canyon Park, is very popular for group picnics, parties, themed events, and is improved with a landscaped park, pond with bridge, sports fields, parking areas, and other amenities. The “License Parcel” does not include the access road running through the parcel; the road of which is described in detail below.

Haul Road/Blue Diamond Haul Road

Included in the County’s Property are two segments of Haul Road/Blue Diamond Haul Road (the “Access Road”) which is a paved road that provides access to the “License Parcel” and the “Flats” from Santiago Canyon Road. The gap between the County’s two Access Road segments is a segment of the Access Road owned by the Districts and belonging to the Reservoir Property. This portion of the Access Road dips to where Limestone Creek flows across it as an Arizona-type crossing and requires occasional sediment clearing after heavy rainstorms and creek flow. The County and Districts each hold reciprocal non-exclusive access easements over each other’s segments of the Access Road.³ The Access Road is not available for ground lease, but the County and Districts will provide the future Master Tenant access to, and use of, the Access Road for reasonable vehicle ingress and egress, and potentially other access rights to the Access Road as necessary to accommodate its operations. The Access Road is aging, but is suitable for park, County and District uses and is maintained for access by the County and Districts. If the Proposer desires that the Access Road be improved to support more intense uses or maintained to a higher standard, then such improvements or maintenance will be the responsibility of the future Master Tenant. The Access Road segments owned by the County and the gap owned by the Districts are depicted in the County’s Property Map in **Exhibit 4**.

RFP Property

In summary, the land available for ground lease and included in this RFP includes: the “Flats,” the “License Parcel” and a portion of the “Recreation Parcel” (collectively, the “Property”). **Figure 2** on the next page depicts an approximate map of the Property, which totals +/-118.36 acres.

³ See recorded “Easement Agreement (Access and Utilities at Santiago Reservoir)” from County to IRWD here: <https://orangecountygov.box.com/s/mr6s2yhs0lyl0soxo1n7iop8p1xhdo21>. See recorded “Easement Agreement (Access and Utilities at Santiago Reservoir)” from County to SWD here: <https://orangecountygov.box.com/s/ojym234iw7gkzxy8hahgapd3r5h5s7u>. See recorded “Easement Agreement (Access Road at Santiago Reservoir)” from Districts to County here: <https://orangecountygov.box.com/s/jtod2palsiuhr55gbz4igmhh2rawatgv>.



In addition to the Property and the exclusive use of Recreation Rights owned by the County and SWD provided in the Ground Lease Agreement, the County and Districts will also provide in the Lease any additional rights necessary for the successful operations of a Development Team, including access upon, over, and across the lake, shoreline, dry lakebeds, the Access Road, and the County's Property. These rights may take the form of an additional license right to use those areas, and will be memorialized in the Ground Lease Agreement.

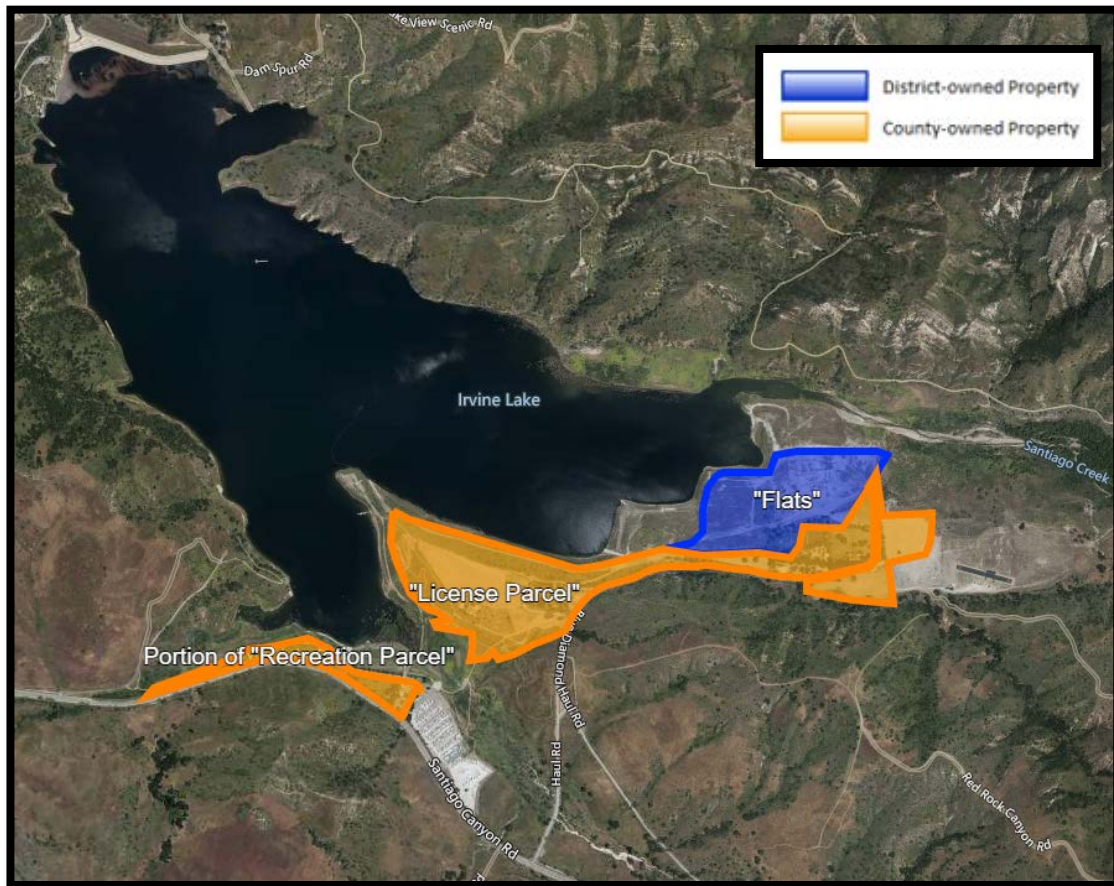


Figure 2

D. RFP VISION/GOALS/OBJECTIVES

The County and Districts have established the following goals for this RFP:

1. Select a Proposer with sufficient experience, financial resources, entitlement experience and personnel to enter into one mutual Option and Lease with the County and Districts to plan, design, permit, fund, develop, construct, renovate, operate, manage, and maintain the Property for public



recreational and other consistent uses that do not interfere with the Districts' use of Irvine Lake for reservoir purposes.

2. Proposer shall develop and operate other recreational uses at the Property consistent with the uses allowed, including a public fishing concession, and subject to the reasonable operational restrictions set forth by the Districts associated with reservoir purposes, as well as any applicable requirements of regulatory authorities.
3. Maximize the recreational use development potential for the Property to provide a fair market financial return to the County, Districts and the Proposer, including ongoing operation and maintenance of the Property, based on the value of the Property today and in the future.

E. LAND USE, ENTITLEMENTS & PERMITTING

All Proposers shall be responsible for conducting their own review of the various documents and approvals relevant to the Property and shall not depend on any summaries set forth herein. All summaries are provided for convenience only.

The County is the land use authority for the Property and the successful Proposer will be required to apply to the County's OC Development Services for any necessary entitlements. The Property's General Plan land use designation is Open Space. The Open Space category includes the Open Space (5) land use category and the Open Space Reserve (OSR) land use overlays. The Property lies within the Open Space (5) land use category, while surrounding lands are located in the Open Space Reserve (OSR) land use overlay, as shown in the depiction of the County's General Plan Land Use Element Map in Exhibit 10. According to the County's General Plan Land Use Element, "The Open Space (5) category indicates the current and near-term use of the land, most of which is zoned agricultural. It is not necessarily an indication of a long-term commitment specific uses, except where one of the three overlay categories applies." The allowable uses within the Open Space (5) category from table III-1 of the County's General Plan Land Use Element are included hereto as Exhibit 11.

The Property is predominately zoned A1-General Agricultural with some portions of the Property zoned Sand and Gravel Extraction and A1(SR) as shown in Exhibit 12. According to the County's Codified Ordinances ("Ordinances"), "The A1 'General Agricultural' District is established to provide for agriculture, outdoor recreational uses, and those low-intensity uses which have a predominately open space character.



It is also intended that this district may be used as an interim zone in those areas which the General Plan may designate for more intensive urban uses in the future.” The A1(SR) zoning is General Agricultural as the base district and the SR (Sign Restrictions) suffix constitutes the combining district, meaning additional limitations on signs, specified by Section 7-9-51 of the Ordinances, shall apply. According to Section 7-9-51.1 of the Ordinances, “The purpose of the ‘SR Sign Restriction’ Combining District is to establish standards for the control of signs in areas of the County that require protection of vistas of the natural landscape, scenic corridors and highways, recreational facilities and routes used for access to recreational areas and facilities. The intent of these regulations is to minimize the number of signs and to encourage the use of sound planning and design principles in the use of signs to complement the main use of the property and not disrupt nearby visual amenities and vistas within the scenic corridors.” Section 7-9-35 of the Ordinances provides regulations for the Sand and Gravel Extraction District. Section 7-9-35.1 states that, “Rock, sand, aggregate, gravel, earth, clay and similar materials are valuable natural resources whose recovery in a responsible manner is encouraged. These regulations are intended to provide for surface mining, and quarrying, and processing of these materials in a manner that is both environmentally sensitive and compatible with existing and future land uses.”

Pursuant to the Property’s General Plan land use designation and current zoning, no housing, or habitation, of any kind is permitted on the Property.

F. CONSIDERATIONS

- **Covenants and Restrictions**

Use of the Reservoir Property is subject to and limited by certain covenants and restrictions (“Restrictions”) pursuant to a “Declaration of Covenants and Restrictions and Termination of Reversionary Rights (Irvine Lake)” (“Covenant Agreement”) recorded March 18, 2022.⁴ These Restrictions run with the land for the purpose of maintaining Irvine Lake as a reservoir in perpetuity, and permitting and prohibiting specific recreational uses on and adjacent to Irvine Lake in order to protect its use as a drinking water supply. The Restrictions are also an integral part of both the County’s use of the County’s Property and TIC’s master plan for, and use and development of, its landholdings that are served by the Reservoir Property (“TIC Property”). The Restrictions are included in a general plan for the purpose of assuring the enhancement and

⁴ See recorded “Declaration of Covenants and Restrictions and Termination of Reversionary Rights (Irvine Lake)” here: <https://orangecountygov.box.com/s/spqlk1s0flinkkm81y1vwc1usn4i8gpi>.



protection of the value, desirability and attractiveness of both the County's Property and TIC Property. The Permitted Recreational Uses of the Reservoir Property included in the Covenant Agreement's Restrictions are included hereto as **Exhibit 13**. The County's Property available for ground lease and included in this RFP is not subject to these Restrictions, however use of Irvine Lake's Recreation Rights, which are owned by the County and SWD, *are* subject to these Restrictions.

- **Future Construction**

In 2019, the Districts completed a condition assessment of the Reservoir Property's nearly 90-year old spillway structure and determined the spillway is nearing the end of its useful life. The Districts communicated the findings with Division of Safety of Dams ("DSOD") and DSOD agreed with the Districts' recommendation to replace the spillway by 2029, which effectively made the deadline a mandate. The Districts have started the preliminary design process and developed a concept for improving the Lake's Outlet Tower and Spillway (the "Districts' Construction Project"). The new spillway will be located in the same general location and will have a crest of elevation of 796-feet, which is two feet higher than the existing spillway. The spillway crest controls the maximum water surface elevation during normal operation. Final construction design should be completed by November 2024. The Districts' construction and replacement of the Santiago Dam spillway and outlet tower will involve draining the lake, which is anticipated to begin in July 2024. The Districts cannot guarantee the provision of water service during the Districts' Construction Project. If domestic water is made available, it would be provided at IRWD's current rate for the type and usage. If untreated lake water is made available, it would be provided at current untreated water rates. The Districts' Construction Project will require use of the Flats and access roads, including the Access Road, for construction staging and other activities. The active construction phase is estimated to begin in early 2025 and will involve the use of heavy machinery and may increase noise and dust above current levels and decrease visibility below current levels. The Districts' Construction Project is anticipated to be completed in late 2028 to early 2029, although the exact timing is subject to change. Any activities proposed under the Master Lease must take into account the Districts' Construction Project and non-use of the Flats during the construction period. The Districts will restore any portions of the Reservoir Property under the Master Lease and used for the Districts' Construction Project, to a condition reasonably similar to the condition existing prior to the Districts' Construction Project.



- **Easements for Flooding Purposes**

The Districts each hold an easement over portions of the County's Property for flooding purposes. These flooding easements were originally conveyed from TIC to Carpenter Irrigation District and Serrano Irrigation District by deed recorded August 25, 1934, and from TIC to IRWD by deed recorded February 25, 1971, respectively.⁵ These deeds provide the Districts a right, or easement, for flooding purposes only, over what is now the County's Property, up to but not exceeding the dam crest elevation 810-feet. **Exhibit 14** provides an Inundation Map depicting different water levels along the southern edge of Irvine Lake. On the Inundation Map, the light blue line represents the existing maximum water surface elevation at 794-feet. The dark blue line represents the future maximum water surface elevation at 796-feet based on the proposed new spillway. The shaded blue area between the two contours represents additional areas that will be flooded. While the light and dark blue lines represent normal operating levels, water levels can exceed these levels when passing water through the spillway. Everything below the dam crest (elevation 810-feet) is within the Districts' flooding easements. The contour shown in red represents elevation 807-feet, which will be the design maximum water surface elevation when passing water through the new spillway. The difference between 807-feet and 810-feet (dam crest) is called "freeboard" and is a design requirement to ensure a buffer exists in the event there is wave-action in the lake at the time of spilling. Although not shown on the Inundation Maps, the limit of the flooding easements is contour 810-feet, which is a little further beyond the red contour in the direction outward from the lake.

- **Water Levels**

The water levels at Irvine Lake will fluctuate in accordance with the operational and maintenance requirements of the Districts. The Districts estimate that Irvine Lake will be drained for the District's Construction Project from July 2024 through late 2028 to early 2029. In addition, pursuant to the Covenant Agreement, the Districts and County shall meet, at a minimum, on an annual basis to allow the Districts to inform the County of projected water levels and water quality status, especially quality and/or quantity issues that may negatively impact fishing activities. These meetings will ensure that the Master Tenant has sufficient information to plan and coordinate its

⁵ See recorded deed from TIC to Carpenter Irrigation District and Serrano Irrigation District here: <https://orangecountygov.box.com/s/eq0j1j2k74wx6ewva0pwkvy7n01i7luk>. See recorded deed from TIC to IRWD here: <https://orangecountygov.box.com/s/ykzme9ezb1f7w13mcmg2evjxm7b4hdk>.



recreational activities. In addition to these meetings, the County, Districts and Master Tenant shall also meet annually during the Option/Lease term to review the condition of the Property and the state of the Option/Lease.

- **Irvine Lake Entrance RV Access Area**

Adjacent to the Irvine Lake entrance shown in **Figure 1** is an RV storage area that is not included in the Property and is licensed by the County to a licensee. According to the license agreement for the RV storage area, licensee has non-exclusive access rights over the Irvine Lake entrance area (“RV Access Area”) solely for access to and from the RV storage area by licensee and its invitees and sublicensees. The RV Access Area is shown in **Exhibit 16**.⁶

G. STAKEHOLDERS:

The following are the roles of the known public agencies, special districts and stakeholders:

- 1) Board of Supervisors – the governing board for the County that approves all matters related to County-owned properties.
- 2) County Executive Office, Real Estate and Orange County Community Resources/OC Parks – the County departments that provide direct oversight for the Project and real estate matters for the Property.
- 3) County of Orange – the governing jurisdiction over land use planning, entitlement, constructing, permitting, and lead agency under the California Environmental Quality Act (“CEQA”).
- 4) Board(s) of Directors – each (or both) of the governing boards for Irvine Ranch Water District and Serrano Water District that approve all matters related to IRWD and SWD-owned properties.
- 5) Serrano Water District and Irvine Ranch Water District – the governing jurisdictions who set operational restrictions and the water levels at Irvine Lake.
- 6) The Irvine Company LLC – the predecessor-in-interest to most of the County’s Property, and together with its affiliates, continues to master-plan TIC Property and will, along with the mutual agreement of the Districts and County, approve any other proposed recreational or ancillary uses of the Reservoir Property pursuant to the Covenant Agreement.

The County of Orange does not require and neither encourages nor discourages the use of lobbyists or other consultants for the purpose of securing business.

⁶ See RV Storage Area License here: <https://orangecountygov.box.com/s/5t84d5zfgmqj82qaua7af9uz2mr0qxp8>.



H. UTILITIES & OTHER INFRASTRUCTURE

Certain utilities (“Utilities”) exist at the Property. There are two water sources at the Property, both metered by IRWD. There is a main (treated) water line and an agricultural irrigation (untreated water) line with a pump setup to pull water from Irvine Lake and transport it to a water tank on the Property as per attached Exhibit 17. The Property has no sewer lines and runs on septic. There is a standard SCE electric utility connection, but no gas utility lines or propane tanks on the Property. The successful Proposer, at its sole cost and expense, shall bear the sole financial responsibility for all Utility connection permits, fees, design, construction, installation costs and any costs associated with compliance with County, Districts or utility provider requirements.

Analysis, testing and due diligence of existing environmental conditions shall be at the Proposer’s sole expense. Proposers shall comply with all federal, state and local environmental regulatory requirements associated with the development, operation and maintenance of the Property.

I. TAXES

Applicable property tax and all tax related to the Property and the Proposal will be the sole responsibility of the Proposer. The Proposer is responsible for paying any Possessory Interest Tax (“PIT”) that may become due for the land and improvements due to the Lease. The Proposer is responsible for any such taxes that may become due and is responsible for payment of all such taxes, including PIT. These interests are typically found where private individuals, companies, or corporations lease, rent or use government-owned facilities and/or land for their own beneficial use.

J. NO WARRANTIES OR REPRESENTATIONS

The Property is offered for recreational use development, option, and long-term ground lease to the Proposer **“AS-IS / WHERE-IS” AND WITHOUT WARRANTY OR REPRESENTATION**. Proposer acknowledges that the Property will be under construction for the District's Construction Project, which is currently estimated to have an active construction period from early 2025 through late 2028 to early 2029, and that Irvine Lake will be drained from approximately July 2024 through late 2028 to early 2029, although exact timing is subject to change. It is the Proposer’s sole responsibility to verify all existing land uses, zoning, environmental conditions, permits, entitlements, improvement and utility conditions, Property encumbrances, metes and bounds, total acreage, and the feasibility of the Proposer’s proposed Project,



including Development Plan. It is also the Proposer's sole responsibility as part of its due diligence to confirm the size, configuration, and condition(s) of the Property, including, but not limited to, title and environmental conditions. County and Districts make no representations or warranties as to the accuracy, completeness or pertinence of any and all documents referenced in this RFP or otherwise, and, in addition, County and Districts shall not be responsible for any conclusions Proposer may draw therefrom. Proposer assumes all risk when relying on the information provided by the County, Districts, or any of its employees, contractors or agents.

K. RFP SCHEDULE

The County reserves the right to amend this RFP and the following proposed key dates.

TABLE 1: RFP SCHEDULE	
Release of the Request for Proposals (RFP)	January 22, 2024
Written Questions from Proposers due by 4:00 P.M.	February 12, 2024
Proposals Due/RFP Closing Date and Time - 4:00 P.M.	April 23, 2024
RFP Proposer Interviews, if necessary	Q3 2024 (est.)
Evaluation Committee Selection of Primary and Secondary Proposer (if applicable)	Q3 – Q4 2024 (est.)
Negotiation of Option Agreement and Ground Lease Agreement with Primary Proposer and, if necessary, Secondary Proposer	Q4 2024 – Q1 2025 (est.)
IRWD Board of Directors Approval of Primary or Secondary Proposer (if applicable) and Approval of Option Agreement and Ground Lease Agreement	Q2 2025 (est.)
SWD Board of Directors Approval of Primary or Secondary Proposer (if applicable) and Approval of Option Agreement and Ground Lease Agreement	Q2 2025 (est.)
County Board of Supervisors Approval of Primary or Secondary Proposer (if applicable) and Approval of Option Agreement and Ground Lease Agreement	Q3 2025 (est.)
Option Agreement Executed and Option Period Begins	Q3-Q4 2025 (est.)

L. INSTRUCTIONS TO PROPOSERS AND PROCEDURES FOR SUBMITTAL



1. Proposal Due Date and Submission:

Proposals are due by 4:00 P.M. Pacific Daylight Savings Time on the date as specified on the Cover Page and are to be emailed to the County Project Contact, Mr. Ryan Rigali, at Ryan.Rigali@ocgov.com. The email subject line should read "Ground Lease Proposal for Irvine Lake." A confirmation email will be sent to each Proposer indicating receipt of Proposal. If Proposal is too large to send via email, email the County Project Contact to arrange for alternative method of delivery.

It is the responsibility of the Proposer to ensure the delivery is made to the address stated above on or before the Due Date and Time. Delivery receipts are available upon request. The County and Districts will not consider submittals or modifications thereof received after the Due Date and Time. Failure by a messenger delivery service or printing service to meet the deadline will not excuse the Proposer from the deadline requirement.

2. Format and Copies:

Each Proposer must provide: **(1) signed electronic copy in PDF** and **(1) electronic Word copy of their Proposal with Financial Models in electronic Excel format.**

All proposals shall be formatted to be printable on standard 8.5 x 11-inch paper. Maps and spreadsheets shall be formatted to be printable on 11 x 17-inch paper. All pages must be numbered and identified sequentially by section. Proposals must be tabbed and indexed in accordance with the information requested in Section II, Proposal Response Requirements.

3. Questions:

All questions must be submitted in writing via e-mail to the County Project Contact at Ryan.Rigali@ocgov.com on the date as specified on the Cover Page. Please reference the RFP name in the subject line of e-mail. Do not discuss this RFP or your Proposal, directly or indirectly, with any County, SWD or IRWD elected official, officer, staff, or employee other than the County Project Contact. The County and Districts will only acknowledge and respond to written questions. Telephone calls regarding this RFP are NOT permitted. If you suspect an error in this RFP, please notify the County in the manner stated herein. Failure to adhere to these instructions may be grounds for disqualification.

**4. Clarifications:**

The County and Districts have attempted to provide all information available. It is the responsibility of each Proposer to review, evaluate, and, where necessary, request any clarification prior to submission of a Proposal. If any Proposer is in doubt as to the true meaning of any part of the solicitation documents attached hereto or finds discrepancies in or omissions from the specifications, they may submit a written request for clarification/interpretation to the County Project Contact at Ryan.Rigali@ocgov.com.

5. Submittal Response Checklist:

Proposers responding to this RFP must comply, exactly and completely, with the instructions and procedures for this RFP. Each Proposal must include a completed Submittal Response Checklist (**Attachment C**) verifying that the Proposal includes all the required information. A Proposal that does not include all the information may be deemed non-responsive.

6. Conflict of Interest:

Each Proposer shall exercise reasonable care and diligence to avoid submitting a Proposal that could result in a conflict of interest if Proposer were to be selected as the Primary Proposer. This obligation shall apply to the Proposer; the Proposer's employees, agents, and relatives, sub-contractors, and third parties associated with accomplishing work and services in Proposal. In the event Proposer has done work for the County or Districts on this Project in the past or has reason to believe that a conflict of interest may exist for Proposer in regard to this Project, Proposer should consult with its legal counsel prior to responding to this RFP. Any Proposer who is found to have an actual conflict of interest may have its Proposal rejected on that ground.

7. Communications:

After this RFP has been issued, any Proposer or member of a Development Team that undertakes to discuss any matter related to this RFP with anyone within the County or Districts other than the identified County Project Contact may be presumed to have gained an unfair competitive advantage and may be disqualified. All communications regarding this RFP and any matter related thereto shall be in accordance with this RFP.

8. Property of County/Districts:



All materials and documents received by County in response to this RFP shall become the property of the County and Districts and will not be returned to the Proposer. Regardless of the Proposer selected, the County and Districts reserve the right to use as permitted by law any and all information contained in such materials and documents.

9. Confidentiality and Public Records Act:

All materials submitted in response to this RFP will remain confidential until the conclusion of negotiations and execution of a Lease, unless otherwise ordered by a court of competent jurisdiction. All Proposals and supporting documents will be subject to the provisions of the California Public Records Act (California Code Government Code 6250, *et seq.*) ("PRA") and will be disclosed or withheld in accordance therewith.

Proposers should not request that certain information be treated as exempt, and statements in the Proposals should not be marked as confidential or proprietary. In the event that any information is marked as confidential or proprietary, as it may be absolutely necessary, Proposers have the sole responsibility of obtaining any applicable injunctive reliefs to prevent the disclosure of such confidential proprietary information in connection with any request made to County or Districts pursuant to the PRA or a subpoena for disclosure of such information.

In the event of litigation concerning the disclosure of any information submitted by the Proposer in connection with this RFP and wherein the County and Districts are not a party or parties, the sole involvement by the County and/or Districts will be as a stakeholder, complying with all applicable laws concerning the disclosure of such information. The Proposer, at its sole expense and risk, shall be responsible for any and all fees and costs for prosecuting or defending any action concerning the disclosure of such information, and shall indemnify and hold the County and Districts harmless from all costs and expenses, including attorney's fees County and/or Districts incur in connection with any such action.

10. Bidder Reimbursement Prohibition:

The County and Districts shall not be liable for any costs or expenses incurred by Proposers, Development Teams or their vendors in connection with the preparation and submission of their Proposals, as well as the negotiation of the terms and conditions of the Option and Master Lease. The County and Districts may, in their sole discretion, require the Proposers to participate in an on-site interview and/or a presentation of their proposed Development Plan. Proposers shall be solely responsible for all costs associated with



such interview or presentation. By submitting a Proposal, the Proposer waives all right, if any, to seek payment for aforesaid costs.

11. Right of Rejection:

The County and Districts reserve the right to: (1) accept or reject any and all Proposals or any part of any Proposal, and to waive minor defects or technicalities in same; (2) request clarification of any information contained in a Proposal; (3) solicit new Proposals on the same project, or on a modified project, which may include portions of the original RFP, as the County may deem necessary; (4) disregard all non-conforming, non-responsive, or conditional Proposals; (5) reject any Proposal that does not pass the evaluation to the satisfaction of the County and Districts; (6) allow for the correction of errors and/or omissions; (7) select the Proposal that will best meet the needs of the County and Districts; and/or (8) negotiate an Option and Master Lease with the Primary Proposer or Secondary Proposer (if applicable).

In no event shall the County and Districts be bound by, or liable for, any obligation with respect to a proposed Project by a Proposer until such time (if at all) as an Option and Lease between the County, Districts and the Proposer, in form and substance acceptable and satisfactory to the sole discretion of County and Districts, has been approved by the Board and Board of Directors for each of the Districts.

12. Protest Procedures:

In the event a Proposer believes that this RFP solicitation is unfairly restrictive or ambiguous or contains conflicting provisions or the Proposer believes that any resulting Lease would be commercially impractical to perform, the Proposer must file a written protest with the County Project Contact.

- **Protest Procedure:** All protests shall be typed under the protestor's letterhead and submitted in accordance with the provisions stated herein. All protests shall include at a minimum the following information:
 - The name, address and telephone number of the protestor;
 - signature of the protestor or the protestor's representative;
 - solicitation or contract number;
 - detailed statement of the legal and/or factual grounds for the protest; and
 - form of relief requested.
- **Protest of RFP Specifications:** All protests related to the RFP specifications must be submitted to the County Project Contact no later than thirty (30) business days prior to



the Proposal due date. Protests received after the thirty (30) business day deadline will not be considered by the County.

- o In the event the protest of the RFP specifications is denied and the protester wishes to continue in this solicitation process, they must still submit a Proposal prior to the close of solicitation in accordance with Proposal submittal procedures provided in this RFP.
- **Protest of Award of the Option and/or Lease (Contract):** In protests related to the award of Contract, the protest must be submitted no later than five (5) business days after the notice of proposed Contract award is provided by the County Project Contact. Protests relating to a proposed Contract award, which are received after the five (5) business day deadline will not be considered by the County and Districts.
 - o Protest Process
 - In the event of a timely protest, the County and Districts shall not proceed with the solicitation or award of the Contract until the County Project Contact or the Procurement Appeals Board renders a decision regarding the protest.
 - Upon receipt of a timely protest, the County Project Contact will within ten (10) business days of the receipt of the protest, issue a decision in writing which shall state the reasons for the actions taken.
 - The County and Districts may, after providing written justification, make the determination that an immediate award of the Contract is necessary to protect the substantial interests of the County and Districts. The award of a Contract shall in no way compromise the protester's right to the protest procedures outlined herein.
 - If the protester disagrees with the decision of the County Project Contact, the protestor may submit a written notice to the Office of the County Purchasing Agent requesting an appeal to the Procurement Appeals Board, in accordance with the process stated below.
 - o Appeal Process
 - If the protester wishes to appeal the decision of the County Project



Contact, the protester must submit, within three (3) business days from receipt of the County Project Contact's decision, a written appeal to the Office of the County Purchasing Agent.

- Within fifteen (15) business days, the County Purchasing Agent will review all materials in connection with the grievance, assess the merits of the protest and provide a written determination that shall contain his or her decision on whether the protest shall be forwarded to the Procurement Appeals Board.
- The decision of the County Purchasing Agent on whether to allow the appeal to go forward will be final and there shall be no right to any administrative appeals of this decision.

M. EVALUATION PROCESS AND CRITERIA

An Evaluation Committee will conduct evaluations of the Proposals. The committee will consider the information supplied or not supplied by Proposers. If it finds a failure or deficiency in the Proposals or any information provided in connection thereto, the Evaluation Committee may reject said Proposal or information or reflect the failure or deficiency in the evaluation.

The County and Districts may request clarifications, or otherwise verify the contents of the Proposal, including information about the Proposer, Development Team members, consultants, and sub-consultants. If the County and Districts consider clarification or interpretation of this solicitation necessary, a written addendum shall be issued. Any addenda issued will become part of the RFP. Each Proposer must follow the directions in the Addenda. The County and Districts reserve the right to seek publicly available information about the Proposers and their Development Teams.

Proposals will be evaluated on the basis of the responsiveness to the questions and requirements in this RFP. Proposals will be competitively evaluated on the basis of the following criteria listed in a random sequence to their order of importance:

- Demonstrated understanding of RFP Objectives
- Quality of the proposed Development Plan
- Feasibility of proposed Development Plan



- Composition of the proposed Development Team
- Relevant experience of proposed Development Team
- Project Schedule and Phasing
- Quality of the Proposer's proposed Financing Capability and Structure
- Financial Offer
- Proposed Option and/or Ground Lease Amendments and Exceptions
- Public Benefit
- Completeness of Submittal
- Oral Interview, as needed

The County and Districts will mutually conduct Oral Interviews with Proposers, as needed. Proposers shall be ready to attend the Oral Interview within fifteen (15) business days of notification. The County and Districts may also send written questions and ask for written responses within five (5) business days. The interviews will be evaluated based on the following criteria listed in a random sequence to their order of importance:

- Presentation / Communication Skills
- Project Lead / Key Team Members
- Proposer's response to questions
- Overall understanding of the Project and articulation of "Project Vision"

Proposals will be scored based on established criteria, which have been weighted and will be assigned points that measure the responsiveness to each identified criterion.

N. SELECTION

The total number of points earned for the written Proposals and Oral Interviews (if applicable) will be combined for each Proposer, and rank ordered. Based on said ranking, the Evaluation Committee will recommend a Primary Proposer and Secondary Proposer (if applicable) to enter into Option and Ground Lease Agreement negotiations. The Primary or Secondary Proposer (if applicable), and the Option Agreement and Ground Lease Agreement will be submitted to the Board and Board of Directors for each of the Districts, respectively, for approval.

It is the intention of the County and Districts to negotiate one mutual Option and Master Lease with the Primary Proposer as recommended by the Evaluation Committee. Should the parties fail to reach



agreement on Option and/or Master Lease terms, County and Districts may begin negotiations with the Secondary Proposer, if applicable. The County and Districts reserve the right to make no award, or award the Contract in its entirety to a sole Proposer.

O. FORM W-9 REQUIREMENTS

Department of the Treasury, Internal Revenue Service Form W-9 Requirement

Effective June 3, 2006, all Contractors, entering into a contract with the County, who are not already established in the Countywide Accounting and Personnel System (CAPS) as an Auditor-Controller vendor, will be required to submit to the County a federal Form W-9, or form W-8 for foreign vendors. The County will inform the Primary Proposer, at the time of award, if the Form W-9 or W-8, will be required.

In order to comply with this County requirement, within ten (10) days of notification of selection of award of Contract but prior to official award of Contract, the Primary Proposer agrees to furnish to the County Project Lead, or the agency/department deputy-purchasing agent, the required W-9 or W-8. A 587/590 Form may be required for out of State Proposers.

P. LEVINE ACT REQUIREMENTS

Senate Bill 1439 (2022) makes Government Code section 84308, otherwise known as the "Levine Act", applicable to members of the Board, other County officials, the Boards of Directors, and other District officials, effective January 1, 2023.

To facilitate the County's and Districts' compliance with the Levine Act, each Proposal shall contain three (3) total completed and signed Campaign Contribution Disclosure Forms, one form for each of the County, IRWD, and SWD, respectively, which are attached hereto in **Attachment E**. When completing the forms, please provide the requested information in relation to contributions made on or after January 1, 2023. Failure to complete the Campaign Contribution Disclosure Forms may delay or prevent County and/or Districts' staff from presenting your Proposal to the Board and/or Boards of Directors for consideration.

Q. COUNTY OF ORANGE LOCAL SMALL BUSINESS (OCLSB) AND DISABLED VETERAN BUSINESS ENTERPRISE (DVBE) PREFERENCE POLICIES



1. **OCLSB:** Effective January 1, 2020, the Orange County Board of Supervisors adopted the OCLSB Preference policy. Implementation of the OCLSB Preference policy supports local businesses, the local economy and the development of the County's tax base.

To be certified as a Local Small Business by the County of Orange, a business shall meet (1) and (2) below:

(1) Local Business requirements:

- a. Maintains their principal center of operations (i.e., headquarters) within Orange County; and,
- b. Has:
 - i. a business address located in the County of Orange that is not a post office box, or
 - ii. a valid business license or certificate of occupancy issued by the County of Orange or by an Orange County city, or other documentation acceptable to the County of Orange.

(2) Small Business Requirements:

- a. Must be certified as a Small Business by the State of California Department of General Services (DGS); and,
- b. DGS Small Business requirements must be valid at the time of bid/proposal submittal.

2. **DVBE:** Effective January 1, 2021, County of Orange Board of Supervisors adopted the DVBE Preference policy. The DVBE Preference policy supports local business opportunity, economy and the development of the County's tax base, and in addition recognizes the service and sacrifice given by the men and women of our Armed Forces.

To be certified as a Disabled Veteran Business Enterprise by the County of Orange, a business shall meet (1) and (2) below:

- (1) Must be certified as a DVBE by the State of California Department of General Services (DGS); and,
- (2) DGS DVBE requirements must be valid at the time of bid/proposal submittal.

To participate as an OCLSB and/or DVBE please read and follow the process outlined in ATTACHMENT E - COUNTY OF ORANGE LOCAL SMALL BUSINESS (OCLSB) AND DISABLED VETERAN BUSINESS ENTERPRISE (DVBE) CERTIFICATION REQUIREMENTS.

Section II

Response Requirements



SECTION II: RESPONSE REQUIREMENTS

Proposals must be prepared simply and economically, providing a straightforward, concise description of capabilities to satisfy the requirements of this RFP. Emphasis should be on completeness and clarity of content with sufficient detail to allow for accurate evaluation and comparative analysis.

Proposals must include two tabbed sections, Part 1 & Part 2, and must be indexed in the order outlined below. List questions and your responses and/or attachments as numbered and listed within each section.

Part 1:

(Complete this section and submit as **Part 1** in the first tabbed section of Proposal.)

1. Cover Letter/Executive Summary

All Proposals must be accompanied by the cover letter of introduction and executive summary of the Proposal. The cover letter must be signed by person(s) with authority to bind the Proposer. An unsigned or improperly signed Proposal submission is grounds for rejection of the Proposal and disqualification from further participation in this RFP process. All Proposals shall include in this first tabbed section, the Cover Page of this RFP and any subsequent addenda issued to this RFP with appropriate signatures as required.

2. Proposer Profile

A completed and signed Proposer Profile, **Attachment D**, must accompany all Proposals.

3. Campaign Contribution Disclosure Forms

Three (3) total completed and signed Campaign Contribution Disclosure Forms, one form for each of the County, IRWD, and SWD, respectively, included in **Attachment E**, must accompany all Proposals.

4. Submittal Response Checklist

A completed Submittal Response Checklist, **Attachment C**, verifying that the Proposal includes all the required information, must accompany all Proposals. An unsigned and/or incomplete Submittal Response Checklist may deem the Proposal non-responsive.

5. Validity of Proposal

The County and Districts require that all Proposals be valid for at least **365** days. Submissions not valid for at least **365** days will be considered non-responsive. The Proposer shall state the length of time for which the submitted Proposal shall remain valid below:

Validity of Proposal (in days)

Legally Authorized Signature (required)

6. Certification of Understanding



The County and Districts assume no responsibility for any understanding or representation made by any of its officers, employees or agents during or prior to the execution of any Contract resulting from this solicitation unless:

- A. the binding nature of such understanding or representations is expressly stated in the Contract; and
- B. the Contract expressly provides that the County and Districts therefore assumes the responsibility.

Representations made but not expressly stated and for which liability is not expressly assumed by the County and Districts in the Contract shall be deemed only for the information of the Proposer.

By signing below, Proposer certifies that such understanding has been considered in this response.

Legally Authorized Signature (required)

7. Certificate of Insurance

The Proposer shall certify its willingness and ability to provide the required insurance coverage and certificates commensurate with the scope of the Project proposed herein.

Legally Authorized Signature (required)

8. Form W-9 Requirements

The Proposer shall certify its willingness and ability to provide Form W-9 Requirements as indicated in Section I by signing below.

Legally Authorized Signature (required)

9. Statement of Compliance

A statement of compliance with all parts of this RFP or a listing of exceptions and suggested changes must be submitted in response to this RFP. **Proposer must certify either A or B by signing below:**

- A. This response is in strict compliance with said Request for Proposals and no exceptions thereto are proposed.

Legally Authorized Signature (required)

OR

- B. This response is in strict compliance with said Request for Proposals except for those proposed exceptions listed in a separate attachment hereto.



Legally Authorized Signature (required)

- Attachment for each proposed exception must include:
 - i. the RFP page number and section of the provision Proposer is taking exception to;
 - ii. complete provision Proposer is taking exception to;
 - iii. Proposer’s suggested rewording;
 - iv. reason(s) for submitting the proposed exception; and
 - v. any impact the proposed exception may have on cost, scheduling, or other areas.

10. Option Payment

The Proposer shall certify its willingness and ability to provide the required Option Payment as indicated in Section II by signing below (DO NOT submit at this time).

Legally Authorized Signature (required)

11. Good Faith Deposit

The Proposer shall certify its willingness and ability to provide the required Good Faith Deposit as indicated in Section II by signing below (DO NOT submit at this time).

Legally Authorized Signature (required)

12. Conflict of Interest

Proposer must certify either 1 or 2 by signing below:

1. Proposer certifies current/past financial, business or other relationship(s) with the County and/or Districts exist/existed as follows:
 - i. Disclose any financial, business or other relationship with the County and/or Districts, any other entity that the County Board of Supervisors or Districts’ Board of Directors governs, or any County Board member, Districts Board member, officer or employee, which may have an impact, effect or influence on the outcome of the services you propose to provide. Provide a list of current clients, employees, principals or shareholders (including family members) who may have a financial interest in the outcome of services you propose to provide.
 - ii. Disclose any financial, business or other relationship within the last three (3) years with any firm or member of any firm who may have a financial interest in the outcome of the work.

Legally Authorized Signature (required)



OR

Proposer certifies that no relationships exist/existed as outlined in item 1 above.

Legally Authorized Signature (required)

13. Litigation

Proposer must certify either 1 or 2 by signing below:

1. Proposer certifies current/past litigation as follows:
 - i. Proposer shall provide detailed information regarding any litigation (court and case number), liens, or claims involving Proposer, or any company Proposer holds a controlling interest in, or any company that holds an interest in Proposer, or any of the principal officers of the Proposer’s firm in the past seven (7) years.
 - ii. Proposer shall provide detailed information regarding any litigation (court and case number), liens, or claims involving any proposed subcontractors, or any company proposed subcontractors hold a controlling interest in, or any company that holds an interest in subcontractor firm(s), or any of the principal officers of the subcontractor’s firm in the past seven (7) years.

Legally Authorized Signature (required)

OR

2. Proposer certifies that Proposer or proposed subcontractors do not have any past or current litigation.

Legally Authorized Signature (required)

14. Name/Ownership Changes

Proposer must certify either 1 or 2 by signing below:

1. Proposer certifies past company name changes and/or ownership changes as follows:
 - i. Proposer shall provide detailed information regarding any company name changes (including legal business names) in the past seven (7) years.
 - ii. Proposer shall provide detailed information regarding any company ownership changes (including legal business names) in the past seven (7) years.
 - iii. Proposer shall provide detailed information regarding any company name changes for proposed subcontractors (including legal business names) in the past seven (7) years.
 - iv. Proposer shall provide detailed information regarding any company ownership changes for proposed subcontractors (including legal business names) in the past seven (7) years.

Legally Authorized Signature (required)

OR



2. Proposer certifies that Proposer or proposed subcontractors have not had any company name changes or ownership changes in the past seven (7) years.

Legally Authorized Signature (required)



Part 2: PROPOSER'S PROPOSAL

(Complete this section and submit as *Part 2* in the second tabbed section of Proposal.)

A. PROJECT TEAM

- 1) **Management and Staffing** - Proposer must include an organization chart that describes the Development Team, anticipated team structure and key team staff for the entitlement, construction, and operation phases of their Proposal.

Proposer must identify the individuals occupying the positions shown and state the length of experience of these key individuals in their respective fields, as presented in the organizational chart. Resumes are to be included for the key individuals who will be managing, directing or supervising the entitlement, construction and operation phases of the Project. Proposer shall provide sufficient detail to indicate a chain of executive authority from the president or comparable chief executive down through to the project director(s) who will be directly responsible for Project delivery on schedule and on budget and Lease compliance.

The resources, in terms of personnel, equipment, material and supplies to be used on the Project must be available and not committed to other projects. Accordingly, the Proposal must include an affirmative commitment to provide all key management personnel identified in the Proposal on a full-time basis for the periods necessary to fulfill their responsibilities.

Proposers shall be licensed as required by applicable laws. Architects, engineering, and construction contractors must possess the necessary credentials to conduct business in California. Proposers with out-of-state headquarters or corporations not incorporated in California must include with their Proposal a copy of their respective registration or authorization or other legal document to do business in California. Proposers must submit their evidence or certificate of good standing with the California Secretary of State.

If subcontractors will be used, there must be a description of their qualifications and experience relevant to their anticipated involvement in the Project. Letters of agreement to participate, as subcontractors, must be submitted from each participant. Proposers must submit evidence or certificate of good standing with the California Secretary of State for their proposed subcontractors.

- 2) **Structure of Proposer** - Proposer must include a detailed discussion of its legal and ownership structures including providing copies of its organizational documents (i.e., partnership or operating agreement, articles of incorporation or organization, bylaws, or equivalent documents).

If Proposer is a joint venture, each party to the venture must be identified and the roles that each will have in the development and/or operation of the Project must be described. A letter of agreement to participate in the joint venture as well as the percentage of participation must be submitted from each joint venture partner.



The Proposer must represent and warrant that (i) Proposer has the power and authority to execute and deliver the Proposal, and (ii) the Proposal has been duly and validly executed and is a legal, valid and binding obligation of Proposer.

- 3) **Experience and Qualifications** - Provide a brief description of the Development Team's experience and qualifications, particularly relative to the proposed Project. Proposer must include two (2) projects completed within the last seven (7) years that indicate relevant experience and success in delivering projects similar to their proposed Project. Projects should highlight work experience of the proposed Development Team members and highlight the Proposer's success in delivering development projects similar to the proposed Project.

For each of the two (2) highlighted development project examples, provide the following information:

- Name, location, and owner
- Total development cost
- Nature of your team's involvement (scope of services provided)
- Development program including land area and description of recreational use(s)
- Members of the Development Team that participated on the project
- Year of predevelopment start, and year completed

B. PROJECT VISION

Proposer shall describe the overall proposed Project Vision, including a summary of its approach to this opportunity, how it anticipates that the proposed Development Plan will achieve the goals/objectives of its proposed Project, and highlight the strengths the Proposer, its Development Team and approach will bring to the Project. Include a summary of Proposer's:

- Plan and timing to implement its Development Plan for the Proposal;
- Ability and plan to finance the Project without subordinating the Property;
- Marketing plan and if applicable, leasing plan for the Project;
- Parking and circulation plans during construction;
- Term of the Lease and the justification for the length of the Lease term;
- Management and operations plan for the Project during the Lease term; and
- Financial offer to the County and Districts

C. DEVELOPMENT PLAN

1. Certain Goals for a Development Plan include:

- Improving the long-term overall performance of the Property through recreational use development which shall include a public fishing concession;
- Minimizing impact to the environment by providing a high level of environmental stewardship;
- Providing high-quality facilities;



- Providing resource efficient (water and energy), high performing facilities utilizing green building or sustainable construction, operation and maintenance techniques where required (e.g., California Code of Regulations, Title 24), appropriate and feasible;
- Minimizing short-term and long-term maintenance and energy costs;
- Minimizing the duration of initial reconstruction and future renovations;
- Demonstrating the best life-cycle solutions for the Property;
- Accommodating periodic renovation, expansion, realignment of services with minimal interruption or interference to services or operations;
- Effectively plan, maintain and manage the Project portfolio life cycle costs for long-term results using industry standard “best management practices methodologies;”
- Employ quantifiable and verifiable metrics to demonstrate performance, utilization and operational efficiencies are being improved and/or maintained to industry standards, and;
- Provide and describe in detail the proposed Development Plan, including site plans, a budget, a schedule, a leasing plan, a parking and circulation plan for the Property, and any plan to improve the Access Road (Haul Road/Blue Diamond Haul Road) to support more intense uses, if applicable; and
- Demonstrating ability to implement the Development Plan, and operation and maintenance of recreational facilities during the period of the Master Lease, without interfering with, or frustrating, the Districts’ Construction Project and the Districts’ use of the Santiago Reservoir for its primary purpose, that of a water supply reservoir.

2. Site Plans, Architectural Drawings and Renderings

Proposer shall prepare and submit the following for the Property:

- Each plan shall, at a minimum, be of schematic design form and quality, which shall include an initial design scheme that seeks to define the general scope and conceptual design including scale and relationships between building components.
- A site demolition and removal plan indicating improvements and utility elements that will be demolished.
- A construction mobilization and staging plan which shall identify the location and configuration of construction staging areas, temporary access routes and parking areas.
- A site Development Plan that shows the redeveloped site including landscape, parking (including handicap parking), entrances, traffic flow and circulation, sidewalks and pedestrian access paths, bike lanes, trash facilities and screening, outdoor seating, open space and recreation areas, signs, loading, delivery and storage spaces, and architectural elements.
- A map depicting areas of dry lakebed within Reservoir Property, but not included in the Property, necessary to access the waters of Irvine Lake for shoreline fishing and other recreational activities; and any other driveways, rights of ways, walkways, or access roads or areas within County Property, but not included in the Property, necessary for access to accommodate operations.
- Building elevations, including building height, detailed exterior building materials, colors, and description of any special building treatments.



- Schematic floor plans indicating functional areas.
- A basis of design - narrative and analytical documentation to explain how the project goals/requirements are met by the proposed design. It describes the technical approach used for system selections, integration, and sequence of operations, focusing on design features critical to overall performance. Include a basis of design for architecture and civil, environmental, structural, mechanical, electrical, plumbing, communication and fire protection engineering. Include finish materials, key equipment proposed, and the capability for expansion.

3. Budgets

A detailed description of anticipated hard costs, soft costs and financing costs to design, construct, finance, operate and maintain, and lease the entire Project including:

- A detailed description of Proposer's plan to finance costs of entitlement, design and construction, including the mix and material terms of equity and debt financing.
- A pre-development sources and uses budget. These costs should include all estimated pre-development costs necessary to complete the entitlement, permitting, and CEQA processes. Provide any background or supporting information to verify the funding for pre-development costs.
- A development budget for all direct/hard and indirect/soft costs and financing expenses. Cost and expense detail should include lease payments, hard construction costs, parking costs, on and off-site infrastructure and mitigation costs, all indirect soft costs, and all construction financing costs. Soft development costs should be detailed as appropriate, including architecture and engineering, construction insurance, legal fees, developer overhead, administration, brokerage fees and leasing commissions, and lease reserves. The detailed development budget should be consistent with the estimated phasing plan for the budget.

4. Schedule

A detailed schedule for the proposed development of the Property including:

- A summary timeline or other similar graphic representation of the Development Plan for the Project. Each schedule should focus on significant portions of work or milestones.
- A detailed development schedule indicating expected timeline for due diligence, environmental reviews, entitlements, design, permitting, financing, community engagement, phasing of construction, leasing and anticipated absorption rates.
- A detailed explanation, qualifications, assumptions, or other relevant discussion to explain each estimated schedule.
- A detailed description of Proposer's approach to identifying critical path issues to ensure adherence to Project budget and schedules.

5. Entitlements and Permitting



An evaluation of existing entitlement and, if applicable, a detailed explanation and approach for obtaining new entitlements, permits, amendments and approvals anticipated to allow for the construction of the Development Plan and which will support the RFP goal of maximizing the recreational use development potential for the Property.

6. Marketing and Leasing

A plan to attract and recruit tenants, customers, businesses and individuals to the Property, including:

- If Letters of Interest are available from potential users or tenants, please include with the Proposal.
- Provide a market analysis with specific detail and analytics to establish the market support for the proposed tenants and uses based upon analysis of demand generators, competitive supply, market pricing, competitive position and anticipated market share and capture. The market analysis shall identify primary and secondary markets for the Property, as applicable.
- Provide a marketing plan with specific detail about the proposed marketing approaches for each targeted market segment and a description of the strategies utilized for attracting and strengthening those markets, such as how and where the Property will be advertised. Specific discussion shall be presented as to marketing strategies to attract business, recreational and the leisure tourist markets.
- Describe the expected lease-up period, amount of lease commissions, and assumed escalation and inflation rate assumptions. Describe any evidence of pre-leasing commitments, expected anchor tenants and in-line tenants. Describe in detail any financial assumptions or conditions affecting the financial feasibility of the Project.

D. CAPITAL STRUCTURE, FINANCIAL CAPABILITY AND FEASIBILITY

1. Capital Structure and Financial Capability

Proposer shall include a financial plan, which provides evidence of financial capacity of Proposer to finance, bond or otherwise ensure completion of the Project as contemplated in the Proposal so that an objective determination can be made that Proposer is capable of undertaking the Project, and the managing of the Property during the term of the Lease.

A Proposal shall indicate the anticipated source of Project funding, both in the construction and permanent financing phases. Describe anticipated capital structure terms, including anticipated leverage ratios, debt interest rates, target investment rates, loan terms, financing costs, and any other relevant Project financing assumptions.

Proposer must demonstrate its ability to source equity and debt capital from credible sources to undertake and successfully complete the construction, operation, and management of the Project.



Proposer shall provide at least a three (3) year financial history detailing financial soundness, financial capability, background in obtaining complex financial commitments, specifically detailing the type of project, financing source, and amounts committed. Proposer shall detail the amount of capital, size of the Project and any other pertinent information that will assist the County and Districts in determining the capability, availability of equity and debt to fund the Project.

Proposers shall provide a letter of commitment from each capital source for the proposed Project.

2. Financial Feasibility

Proposals shall include:

- Detailed financial feasibility models and cash flow analyses for the Project. The financial feasibility shall be presented to allow for a clear understanding of the revenue and capital inflows and expense and debt outflows, specifically including the projected tenant rents, operating expenses, debt service and any rent or other financial return to the County and Districts over the Board/Boards of Directors approved Lease term.
- An Internal Rate of Return (“IRR”) cash flow analysis integrating revenues, operating expenses, renovation costs, and debt service for the construction period and term of the Lease. IRR revenue projections shall be reasonable and realistic and shall be based on relative historic data whenever possible. The analysis shall be structured and presented in a manner, which enables the testing of alternate assumptions on the financial feasibility of the Project.
- All financial models shall be provided in a useable Excel format.

3. References

Proposer must provide at least three (3) business references for all organizations that will principally be involved in the financing, development and operation of the Project. References for each organization should be for projects that are similar to the Development Plan.

E. FINANCIAL OFFER

Proposer shall describe in detail the formulation and amount of Proposer’s financial offer to the County and Districts during the term of Lease, which shall describe the following:

- The financial offer for the Property, including proposed minimum base rents and percentage rents and the basis for periodic escalations and adjustments.
 - The financial offer should be cumulative for the entire Property and not itemized for separate portions owned by the Districts and County, respectively.
 - Financial offerings, including rent, will be paid to County for the entire Property, who will collect on behalf of the Districts and will later distribute to the Districts pursuant to a separate agreement between the County and Districts.



- A detailed explanation of the basis of Proposer's financial offer so that the County and Districts can understand the rationale of the offer and why other types, percentages and amounts of rent are not offered.
- The sources of and projected amounts of all revenues from which the financial offer is derived and of all expenses that will be offset against such revenues.
- The County and Districts require a mutual Option Payment of not less than **\$30,000** to be paid to County (who will collect on behalf of Districts).
- Any offer for the County and Districts to financially participate in the proceeds from a sale and a refinancing of the leasehold estate by Proposer (which is a requirement pursuant to Section 3.4 Value Appreciation Rent of the form Ground Lease Agreement).
- Any other financial terms or offer from Proposer.

F. MANAGEMENT AND OPERATIONS

1. Proposer shall describe a methodology for operation of the Property, which shall include:
 - Fishing concession plan, including a fish stocking plan.
 - A safety and security plan including use of private security and others, as appropriate.
 - A parking management strategy which provides both short and long-term parking solutions. The parking management strategy will incorporate both planned infrastructure improvements and operational tactics which maximize the ease and availability of parking/loading spaces.
 - A quality service plan including oversight of transitions from the current operators, operations and maintenance, and customer service.
 - A financial management plan including transparent systems accounting for sales, rents, revenues, costs, expenses, lease compliance, and making payments to the County (who will collect on behalf of the Districts).
 - An environmental stewardship plan that demonstrates the ability to comply with all applicable state, federal and local environmental and land use regulations and compliance with the Covenant Agreement for Santiago Reservoir and other applicable agreements governing recreational activity at Santiago Reservoir.
2. Proposer shall describe a methodology for maintaining the Property and any associated development, assets, amenities, and areas of dry lakebed necessary to access the water in a safe, efficient, competent and clean manner, which shall include:
 - A plan for cleaning, trash disposal, litter removal and pest control
 - A preventative routine maintenance program
 - A landscape, sidewalks, paved areas and grounds maintenance program
 - A water quality management program
 - A plan for wildfire prevention
3. Proposer shall describe an effective approach to facilities management, which shall include Proposer's overall approach to:



- Emergency incident response
- Furniture, fixtures and equipment
- Utilities, energy and plant management
- Environmental compliance and pollution prevention

4. Proposer shall describe an effective approach to funding ongoing maintenance, future capital replacement and/or renovations.

G. PUBLIC BENEFIT

Proposer shall describe in detail the public benefits provided by its proposed Project (e.g., local employment, fiscal impacts, recreational opportunities and sustainability).

H. OPTION AGREEMENT AND GROUND LEASE AGREEMENT

Prior to the start of negotiation of the Option and Lease with the County and Districts, the Primary Proposer must provide a Good Faith Deposit of **\$15,000** in the form of a certified check payable to the County of Orange (who will collect the mutual Good Faith Deposit on behalf of the Districts). The Good Faith Deposit will be held by the County and Districts subject to the terms and conditions of a letter agreement between the Primary Proposer and the County and Districts, which will specify the terms and conditions upon which such deposit may be forfeited or refunded. However, by way of example, and without limitation, the deposit will be at risk if, during negotiations, Primary Proposer changes the terms of their Financial Offer; changes the proposed Development Plan or schedule; fails to respond to the County's and/or Districts' requests for additional information or clarifications in a timely manner; fails to provide proof of financing, insurance, or bonding; or previously failed to disclose substantive background information (e.g., major civil litigation in regard to prior projects, bankruptcies, criminal convictions, or any other matter that would reflect poorly on the County and/or Districts). In any of these instances the County's and/or Districts' staff, attorney, and consultant time and fees during negotiations and in addressing these unanticipated issues may be deducted from the Good Faith Deposit at the County's and Districts' discretion. Prior to entering into a Master Lease with the County and Districts, the Primary Proposer must enter into an Option Agreement with the County and Districts. The Option will afford the Primary Proposer a reasonable opportunity to conduct a thorough due diligence investigation of the Property prior to exercising the Master Lease. The terms and provisions of the Option must be satisfied prior to exercising the Lease. The County and Districts will require a mutual Option Payment of not less than **\$30,000** as negotiated by the Proposer and the County and Districts based on various factors, including the proposed length of the Option term. The Option Payment and any payments to extend the Option Term will be non-refundable to Proposer when made.

The form Option Agreement is included as **Attachment A** and the form Ground Lease Agreement as **Attachment B**. This is the Proposer's opportunity to submit comments, a redlined document, or proposed changes to the Option and/or the Master Lease. If there are no substantial changes required by the Proposer, to either the Option or the Master Lease, *provide an affirmative statement to that effect*. Proposer shall specify any exceptions to terms contained in or proposed amendments to the Option and/or Master Lease. Any exceptions or proposed amendments must contain sufficient justification to permit evaluation. An exception to specific terms or



provisions to the Option and/or the Master Lease implies that Proposer cannot or does not intend to meet the requirements of that item or provision. The County and Districts are evaluating each Proposer in part on their proposed comments and/or changes to the Option and the Master Lease. As such, if selected to be a Primary or Secondary Proposer, such Proposer shall not be permitted to make any further material changes to the Option or the Master Lease beyond those submitted during this RFP process. Notwithstanding the foregoing, the County's and Districts' selection of a Primary Proposer or Secondary Proposer (if applicable), shall not be deemed to be, or construed as, the County's and/or District's acceptance of such Proposer's proposed changes to the Option or the Master Lease, or any other portions of the Proposal.



Exhibits



Irvine Lake RFP

Exhibits

EXHIBIT 1 PROPERTY/LOCATION MAP





EXHIBIT 2

RESERVOIR PROPERTY "LAKE AND DAM" AND "FLATS"

LEGAL DESCRIPTION

Those certain parcels of land situated in the unincorporated territory of the County of Orange, State of California being those portions of Blocks 69, 70, 78 and 79 of Irvine's Subdivision as shown on a map thereof filed in Book 1, Page 88 of Miscellaneous Record Maps in the Office of the County Recorder of said County, being more particularly described as follows:

"LAKE AND DAM":

Being that certain parcel of land described as Irvine Lake in that certain grant deed recorded April 3, 2002 as Instrument No. 20020279521 of Official Records in said Office of the County Recorder.

EXCEPTING THEREFROM that portion of said Irvine Lake described as follows and hereinafter referred to as the **"FLATS"**:

BEGINNING at a point on the southeasterly line of said Irvine Lake being the northeasterly terminus of that certain course described in said deed as having a bearing and distance of South 32°05'59" West 917.93 feet; thence along the southeasterly and southerly line of said Irvine Lake the following courses: South 32°05'59" West 917.93 feet; thence North 86°38'06" West 418.44 feet; thence South 11°45'04" West 194.87 feet; thence South 35°19'28" West 157.49 feet; thence North 79°30'38" West 338.67 feet; thence South 88°04'40" West 598.06 feet; thence North 79°48'42" West 361.00 feet; thence leaving said southerly line of Irvine Lake North 79°00'00" East 229.00 feet; thence North 53°00'00" East 164.00 feet; thence North 4°30'00" West 298.00 feet; thence North 9°30'00" East 130.00 feet; thence North 16°00'00" East 83.00 feet to the beginning of a tangent curve concave southeasterly and having a radius of 200.00 feet; thence northeasterly and easterly along said curve through a central angle of 78°00'00" an arc distance of 272.27 feet; thence tangent from said curve South 86°00'00" East 86.00 feet; thence East 396.00 feet thence North 16°30'00" East 154.00 feet; thence North 80°00'00" East 242.00 feet; thence North 80°30'00" East 842.85 feet; thence South 77°00'00" East 136.45 feet to the **POINT OF BEGINNING**.

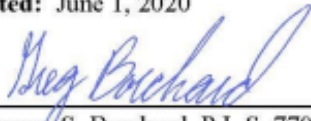
CONTAINING: 34.930 Acres, more or less.

SUBJECT TO: Covenants, conditions, reservations, restrictions, rights-of-way, and easements of record, if any.

EXHIBIT "B" attached hereto and by this reference made a part hereof.

Prepared by me or under my direction:

Dated: June 1, 2020



Gregory S. Borchard, P.L.S. 7705
License expires December 31, 2020





EXHIBIT 3

DEPICTION OF RESERVOIR PROPERTY, INCLUDING "FLATS" and "LAKE AND DAM" SUB-PARCELS

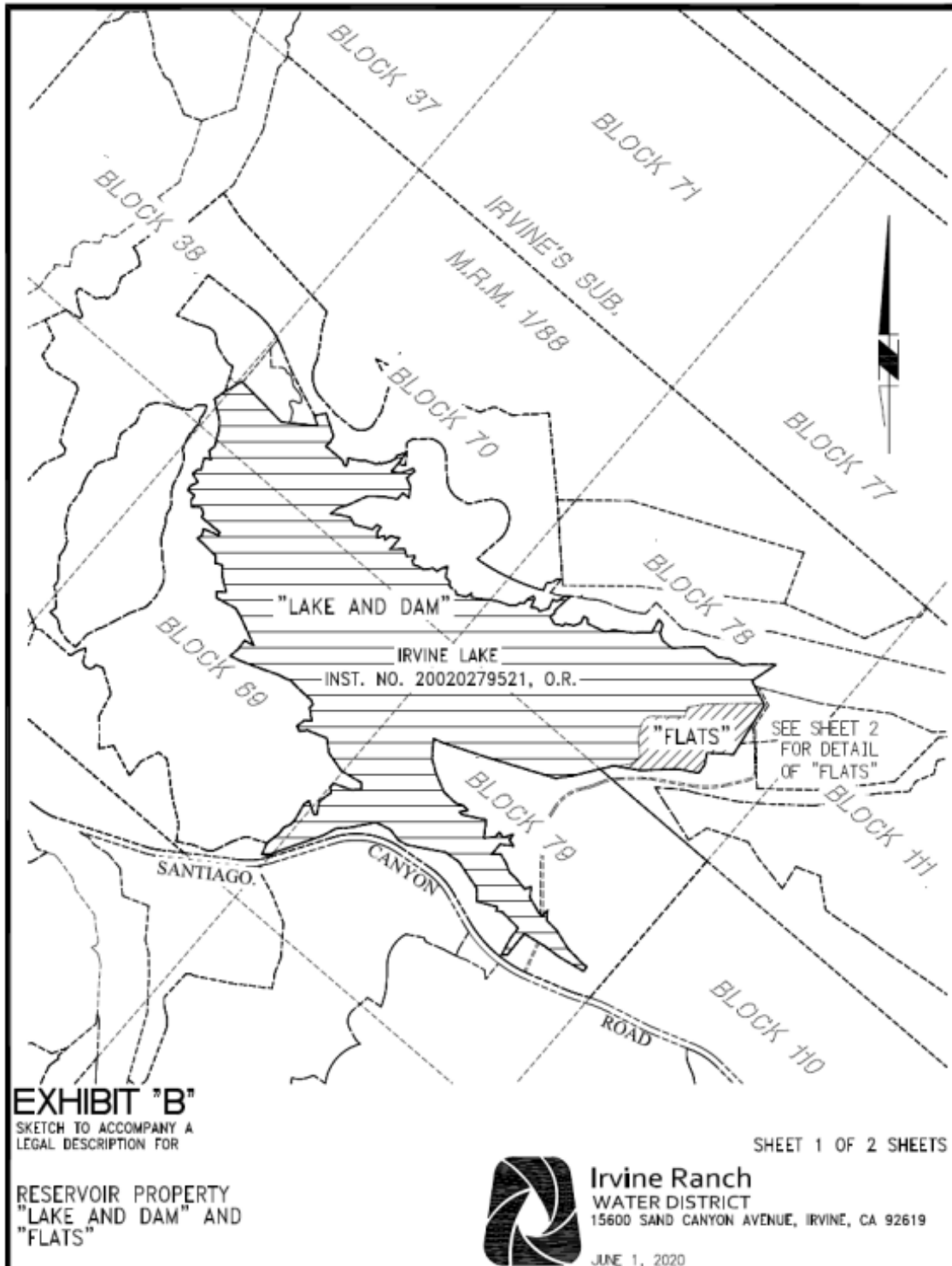




EXHIBIT 4 COUNTY'S PROPERTY MAP

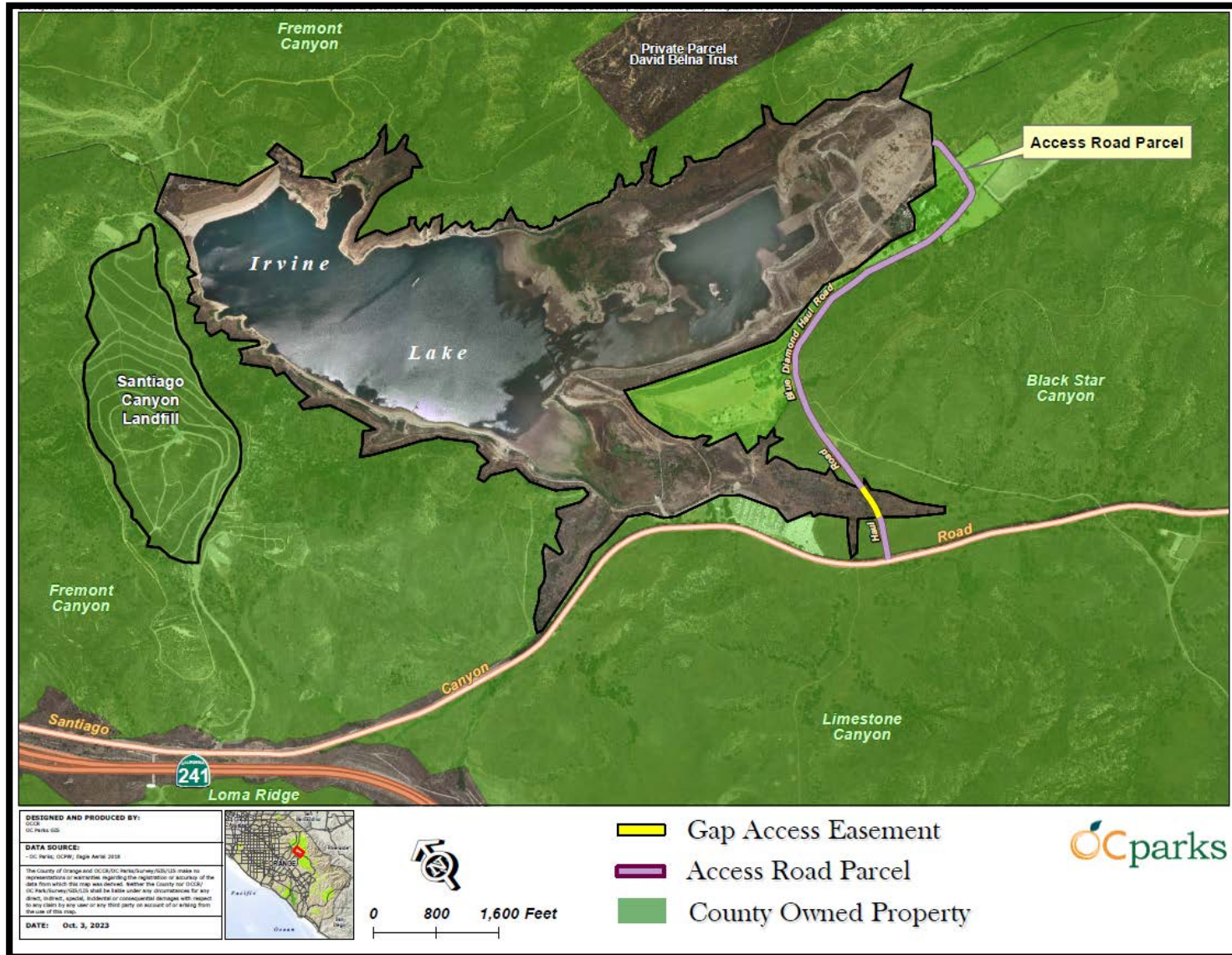




EXHIBIT 5
OPEN SPACE ENCUMBRANCE MAP



* TNC means The Nature Conservancy (“TNC”). TNC is a non-profit corporation that is responsible for ensuring that the “Conservation Values” described in the easements are monitored and protected.

** OCPF means the Orange County Parks Foundation (“OCPF”). The OCPF is a non-profit corporation that is responsible for ensuring that the “Conservation Values” described in the easements are monitored and protected.

**EXHIBIT 6****LEGAL DESCRIPTION FOR PORTION OF "RECREATION PARCEL"**

Open Space
 Facility No.: OS31D
 Parcel No.: 105

That certain portion of land in the Unincorporated Territory of the County of Orange, State of California, over the land described in Gift Deed to County of Orange recorded June 12, 2019 as Instrument No. 2019000205217 of Official Records in the Office of the County Recorder of said County, lying northwesterly of the following described line:

COMMENCING at the northwesterly terminus of that certain line labeled "33" and being "N54°01'28"W 260.53' " as shown on Record of Survey 2001-1044 filed in Book 188, Pages 25 through 29 of Records of Survey in the Office of the County Recorder of said County said terminus also being an angle point along the northerly boundary of said Gift Deed;

Thence southeasterly along said line, coincident with said boundary, South 54°01'28" East 59.10 feet to the **TRUE POINT OF BEGINNING**;

Thence leaving said boundary South 00°18'36" West 0.51 feet;
 Thence South 39°03'54" East 21.48 feet;
 Thence South 35°17'53" West 9.23 feet;
 Thence South 39°10'00" East 20.30 feet;
 Thence South 52°42'29" East 2.15 feet;
 Thence South 38°00'47" West 25.96 feet;
 Thence North 60°28'59" West 40.82 feet;
 Thence South 45°41'36" West 9.23 feet;
 Thence South 28°24'15" West 140.35 feet;
 Thence South 28°13'17" West 77.58 feet;
 Thence South 09°58'44" West 4.66 feet;
 Thence South 06°37'40" West 7.12 feet;
 Thence South 20°03'57" West 4.74 feet;
 Thence South 16°39'11" West 24.34 feet;
 Thence South 28°30'38" West 19.25 feet;
 Thence South 12°28'10" West 26.77 feet;
 Thence South 43°08'34" West 43.24 feet to an intersection with the southerly boundary of aforementioned Gift Deed;

EXCEPT that portion lying within Santiago Canyon Road, 60.00 feet in width, as described in the Deed of Right of Way, recorded September 29, 1958 in Book 4430, Page 94 of Official Records in said Office of the County Recorder.



EXHIBIT 6 (CONT.)

Containing 10.07 Acres, more or less.

See EXHIBIT B attached and by reference made a part.

APPROVED
Kevin Hills, County Surveyor, L.S. 6617

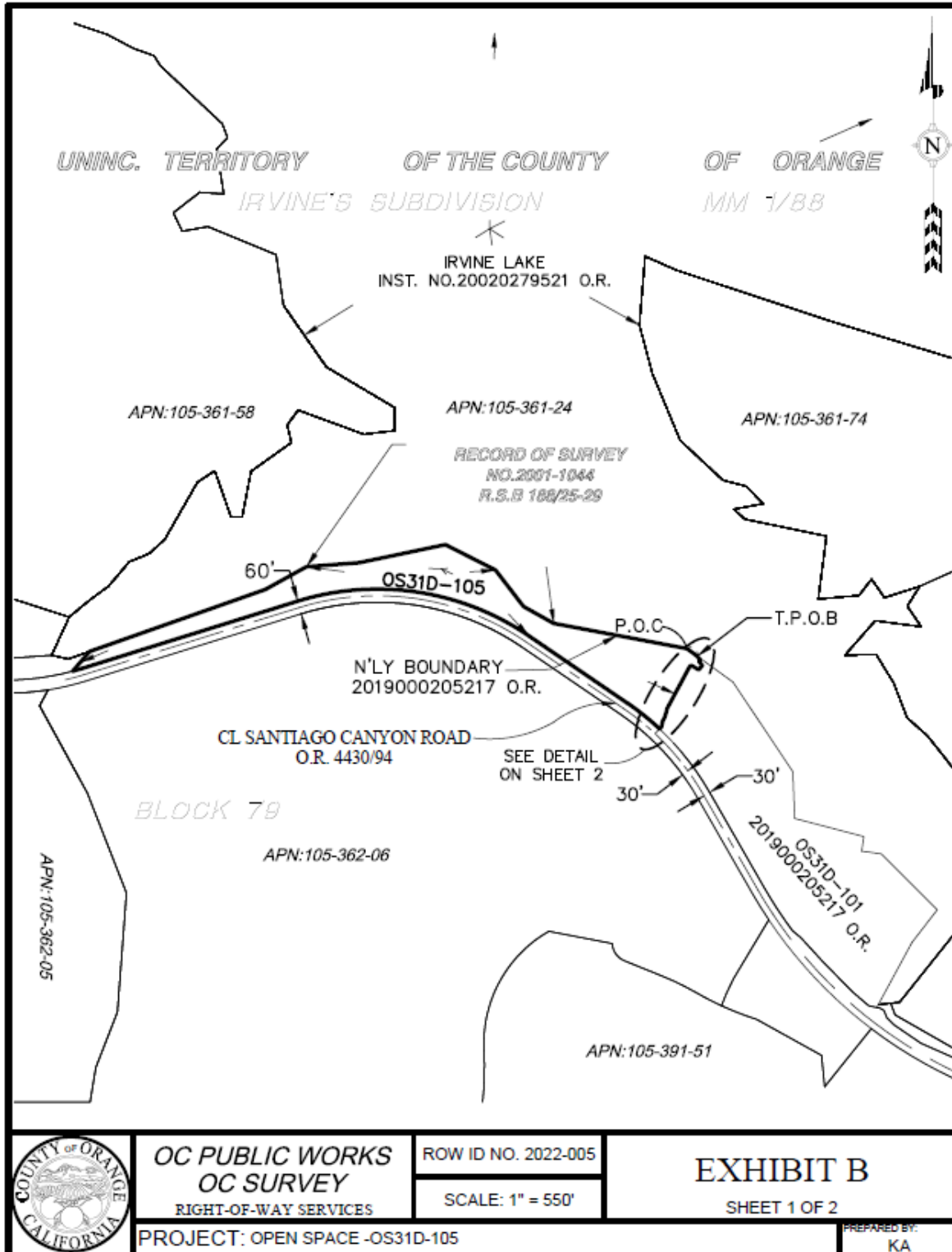
By: Raymond J. Rivera, L.S. 8324

Date: 05-18-2022





EXHIBIT 7
DEPICTION OF PORTION OF "RECREATION PARCEL"



OC PUBLIC WORKS
OC SURVEY
 RIGHT-OF-WAY SERVICES

ROW ID NO. 2022-005
 SCALE: 1" = 550'

EXHIBIT B
 SHEET 1 OF 2

PROJECT: OPEN SPACE -OS31D-105

PREPARED BY:
 KA



EXHIBIT 7 (CONT.)

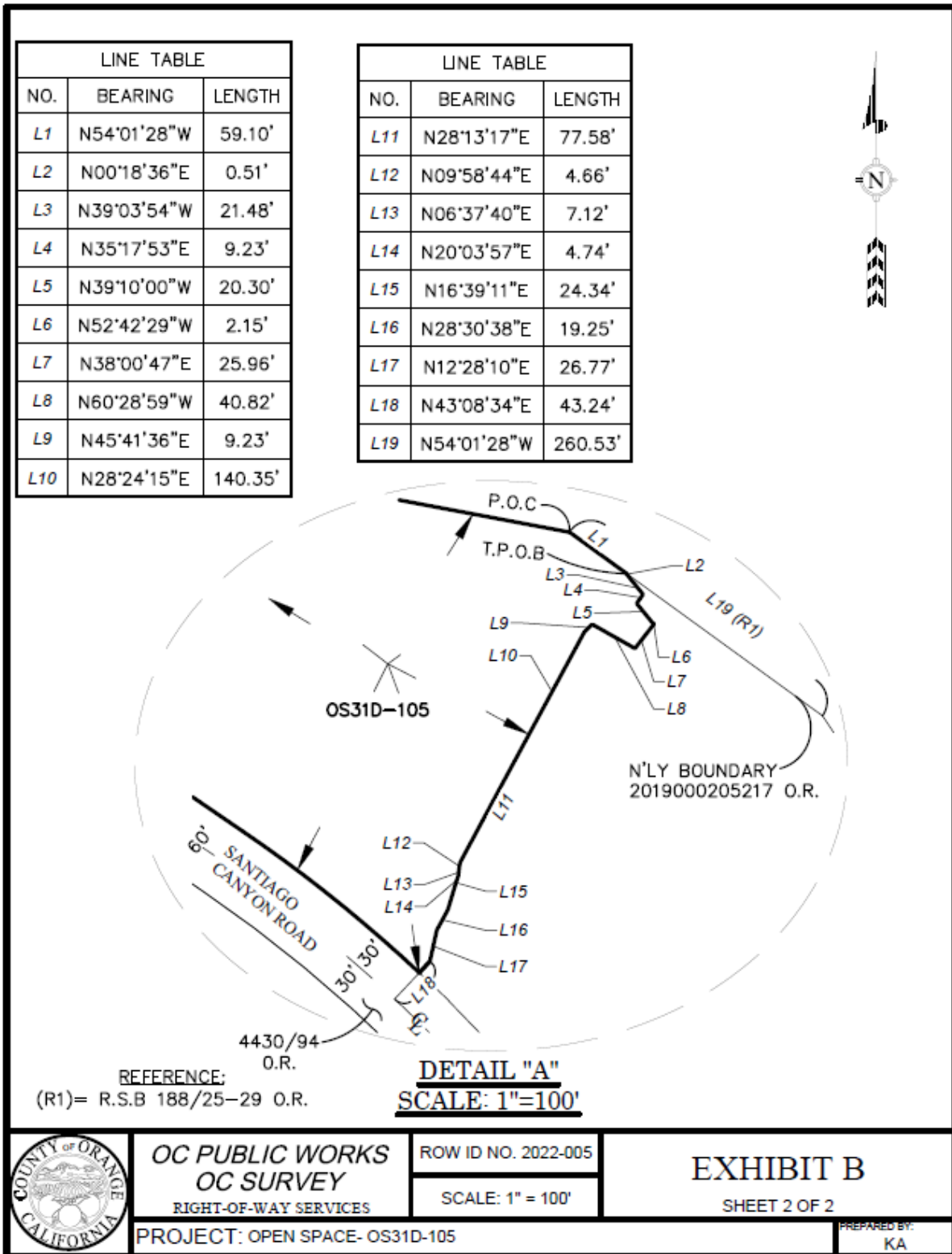




EXHIBIT 8
LEGAL DESCRIPTION FOR "LICENSE PARCEL"

That certain parcel of land situated in the unincorporated territory of the County of Orange, State of California, lying within Blocks 78, 79 and 111 of Irvine's Subdivision as shown on a map thereof filed in Book 1, Page 88 of Miscellaneous Record Maps in the Office of the County Recorder of said Orange County, described as follows:

COMMENCING at a point on the centerline of Santiago Canyon Road, 60.00 feet wide, as described in the right-of-way document recorded September 29, 1958 in Book 4430, Page 94 of Official Records in said Office of the County Recorder, distant northwesterly 72.49 feet, along a curve concave northeasterly having a radius of 2038.00 feet, from the southeasterly terminus of the curve described as concave northeasterly, having a radius of 2038.00 feet, a delta of 37°03'00" and an arc length of 1317.86 feet in said document, a radial line to said point bears South 25°11'00" West;

thence leaving said centerline non-tangent from said curve, North 24°44'44" East 541.52 feet to a curve concave westerly having a radius of 600.00 feet;

thence northerly 252.79 feet along said curve through a central angle of 24°08'23";

thence tangent from said curve North 0°36'21" East 1326.73 feet to a curve concave easterly having a radius of 900.00 feet; the following eleven (11) courses shall be collectively hereafter referred to as Centerline "A":

along said Centerline "A" and said curve northerly 492.78 feet through a central angle of 31°22'16";

thence tangent from said curve North 31°58'37" East 139.46 feet to a curve concave southeasterly having a radius of 635.00 feet;

thence along said curve northeasterly 493.33 feet through a central angle of 44°30'47";

thence tangent from said curve North 76°29'24" East 132.49 feet to a curve concave northerly having a radius of 685.00 feet;

thence along said curve easterly 111.06 feet through a central angle of 9°17'22";

thence tangent from said curve North 67°12'02" East 110.22 feet to a curve concave southerly having a radius of 735.00 feet;

thence along said curve easterly 279.75 feet through a central angle of 21°48'27";

thence tangent from said curve North 89°00'29" East 381.51 feet to a curve concave southerly having a radius of 785.00 feet;

thence along said curve easterly 148.22 feet through a central angle of 10°49'05";

thence tangent from said curve South 80°10'26" East 633.40 feet to a curve concave northerly having a radius of 1415.00 feet;

thence along said curve easterly 266.49 feet through a central angle of 10°47'27";

thence leaving said Centerline "A", radial from said curve South 00°57'53" East 15.00 feet to a curve concentric with and 15.00 feet southerly of said last curve and the **TRUE POINT OF BEGINNING**;



EXHIBIT 8 (CONT.)

thence concentric and parallel with and 15.00 feet southerly of the hereinbefore described Centerline "A" through the following courses:

along said last concentric curve westerly 269.32 feet through a central angle of 10°47'27";
 thence tangent from said curve North 80°10'26" West 633.40 feet to the beginning of a tangent curve concave southerly and having a radius of 770.00 feet;
 thence along said curve westerly 145.38 feet through a central angle of 10°49'05";
 thence tangent from said curve South 89°00'29" West 381.51 feet to the beginning of a tangent curve concave southerly and having a radius of 720.00 feet;
 thence along said curve westerly 274.04 feet through a central angle of 21°48'27";
 thence tangent from said curve South 67°12'02" West 110.22 feet to the beginning of a tangent curve concave northerly and having a radius of 700.00 feet;
 thence along said curve westerly 113.49 feet through a central angle of 09°17'22";
 thence tangent from said curve South 76°29'24" West 132.49 feet to the beginning of a tangent curve concave southeasterly and having a radius of 620.00 feet;
 thence along said curve southwesterly 481.68 feet through a central angle of 44°30'47";
 thence tangent from said curve South 31°58'37" West 139.46 feet to the beginning of a tangent curve concave southeasterly and having a radius of 885.00 feet;
 thence along said curve southwesterly 50.54 feet through a central angle of 03°16'20";

thence leaving said concentric and parallel courses, non-tangent from said curve South 65°50'09" West 636.67 feet to the northeasterly terminus of the that certain course described as "North 72°01'50" East 170.12 feet" in the general southerly line of the Irvine Lake boundary in the Grant Deed recorded April 3, 2002 as Instrument No. 20020279521 of Official Records in said Office of the County Recorder;
 thence along said general southerly line through the following courses:

South 72°01'50" West 170.12 feet;
 thence North 34°18'01" West 103.37 feet;
 thence South 37°49'22" West 95.26 feet;
 thence South 85°06'27" West 186.09 feet;
 thence North 07°26'13" East 289.50 feet;
 thence North 78°12'09" West 380.79 feet;
 thence North 48°34'28" West 68.39 feet;
 thence North 79°22'15" East 137.33 feet;
 thence North 44°25'50" West 111.71 feet;
 thence North 75°20'01" West 109.84 feet;
 thence North 46°59'17" West 266.83 feet;
 thence North 22°37'09" West 330.80 feet;
 thence North 14°59'24" West 228.93 feet;
 thence North 04°45'27" East 315.18 feet;
 thence South 66°09'29" East 158.14 feet;
 thence South 71°44'01" East 746.25 feet;
 thence South 73°05'37" East 1118.62 feet;
 thence North 82°17'27" East 253.02 feet;
 thence North 76°13'44" East 686.51 feet;
 thence South 79°48'42" East 417.87 feet;



EXHIBIT 8 (CONT.)

thence North 88°04'40" East 598.06 feet;
 thence South 79°30'38" East 338.67 feet;
 thence North 35°19'28" East 157.49 feet;
 thence North 11°45'04" East 194.87 feet;
 thence South 86°38'06" East 418.44 feet;
 thence North 32°05'59" East 688.41 feet;

thence leaving said general southerly line South 06°38'23" East 450.98 feet;
 thence North 87°58'26" East 522.86 feet;
 thence South 00°07'45" West 109.55 feet;
 thence South 06°17'39" West 175.26 feet;
 thence South 20°47'17" West 151.94 feet;
 thence South 77°08'24" West 401.41 feet;
 thence South 06°38'23" East 421.39 feet to the general southwesterly line of Parcel L-1 as described in the Gift Deed recorded July 1, 2010 as Instrument No. 2010000312153 of Official Records and by reference to Certificate of Compliance No. 2009-01 recorded February 16, 2010 as Instrument No. 2010000072885 of Official Records, both in said Office of the County Recorder;

thence along last said general southwesterly line of said Parcel L-1 through following courses:

North 87°29'49" West 120.64 feet;
 thence North 85°06'01" West 320.24 feet;
 thence North 78°31'41" West 484.33 feet to a line which bears South 00°57'53" East and passes through the TRUE POINT OF BEGINNING;

thence leaving said general southwesterly line of Parcel L-1 North 00°57'53" West 118.87 feet to the TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM (Access Road) a strip of land 30.00 feet wide, the centerline of which is described as follows:

COMMENCING at a point on the centerline of Santiago Canyon Road, 60.00 feet wide, as described in the right-of-way document recorded September 29, 1958 in Book 4430, Page 94 of Official Records in said Office of the County Recorder, distant northwesterly 72.49 feet, along a curve concave northeasterly having a radius of 2038.00 feet, from the southeasterly terminus of the curve described as concave northeasterly, having a radius of 2038.00 feet, a delta of 37°03'00" and an arc length of 1317.86 feet in said document, a radial line to said point bears South 25°11'00" West;

thence leaving said centerline non-tangent from said curve, North 24°44'44" East 541.52 feet to a curve concave westerly having a radius of 600.00 feet;

thence northerly 252.79 feet along said curve through a central angle of 24°08'23";

thence tangent from said curve North 0°36'21" East 1326.73 feet to a curve concave easterly having a radius of 900.00 feet;

thence northerly 492.78 feet along said curve through a central angle of 31°22'16";

thence tangent from said curve North 31°58'37" East 139.46 feet to a curve concave southeasterly having a radius of 635.00 feet;

thence northeasterly 493.33 feet along said curve through a central angle of 44°30'47";



EXHIBIT 8 (CONT.)

thence tangent from said curve North $76^{\circ}29'24''$ East 132.49 feet to a curve concave northerly having a radius of 685.00 feet;
 thence easterly 111.06 feet along said curve through a central angle of $9^{\circ}17'22''$;
 thence tangent from said curve North $67^{\circ}12'02''$ East 110.22 feet to a curve concave southerly having a radius of 735.00 feet;
 thence easterly 279.75 feet along said curve through a central angle of $21^{\circ}48'27''$;
 thence tangent from said curve North $89^{\circ}00'29''$ East 381.51 feet to a curve concave southerly having a radius of 785.00 feet;
 thence easterly 148.22 feet along said curve through a central angle of $10^{\circ}49'05''$;
 thence tangent from said curve South $80^{\circ}10'26''$ East 633.40 feet to a curve concave northerly having a radius of 1415.00 feet;
 thence easterly 577.88 feet along said curve through a central angle of $23^{\circ}23'58''$;
 thence tangent from said curve North $76^{\circ}25'36''$ East 327.88 feet to a curve concave northwesterly having a radius of 145.00 feet;
 thence northeasterly and northerly 192.62 feet along said curve through a central angle of $76^{\circ}06'44''$;
 thence tangent from said curve North $0^{\circ}18'52''$ East 351.69 feet;
 thence North $2^{\circ}19'12''$ West 253.59 feet to a curve concave southwesterly having a radius of 80.00 feet;
 thence northwesterly 66.57 feet along said curve through a central angle of $47^{\circ}40'48''$;
 thence North $50^{\circ}00'00''$ West 48.52 feet to the general southerly line of the Irvine Lake boundary described in the Grant Deed recorded April 3, 2002 as Instrument No. 20020279521 of Official Records in said Office of the County Recorder;

CONTAINING: 73.9 Acres, more or less

Unless otherwise described, all distances shown hereon are in ground. To obtain grid distances, multiply the distances herein by 0.99994914.

EXHIBIT "B" attached and by this reference made a part hereof.

Kurt R. Troxell, L.S. 7854

10/28/2014
Date



RBF Consulting
 14725 Alton Parkway
 Irvine, California 92618
 Project No. 140077



EXHIBIT 9
DEPICTION OF "LICENSE PARCEL"

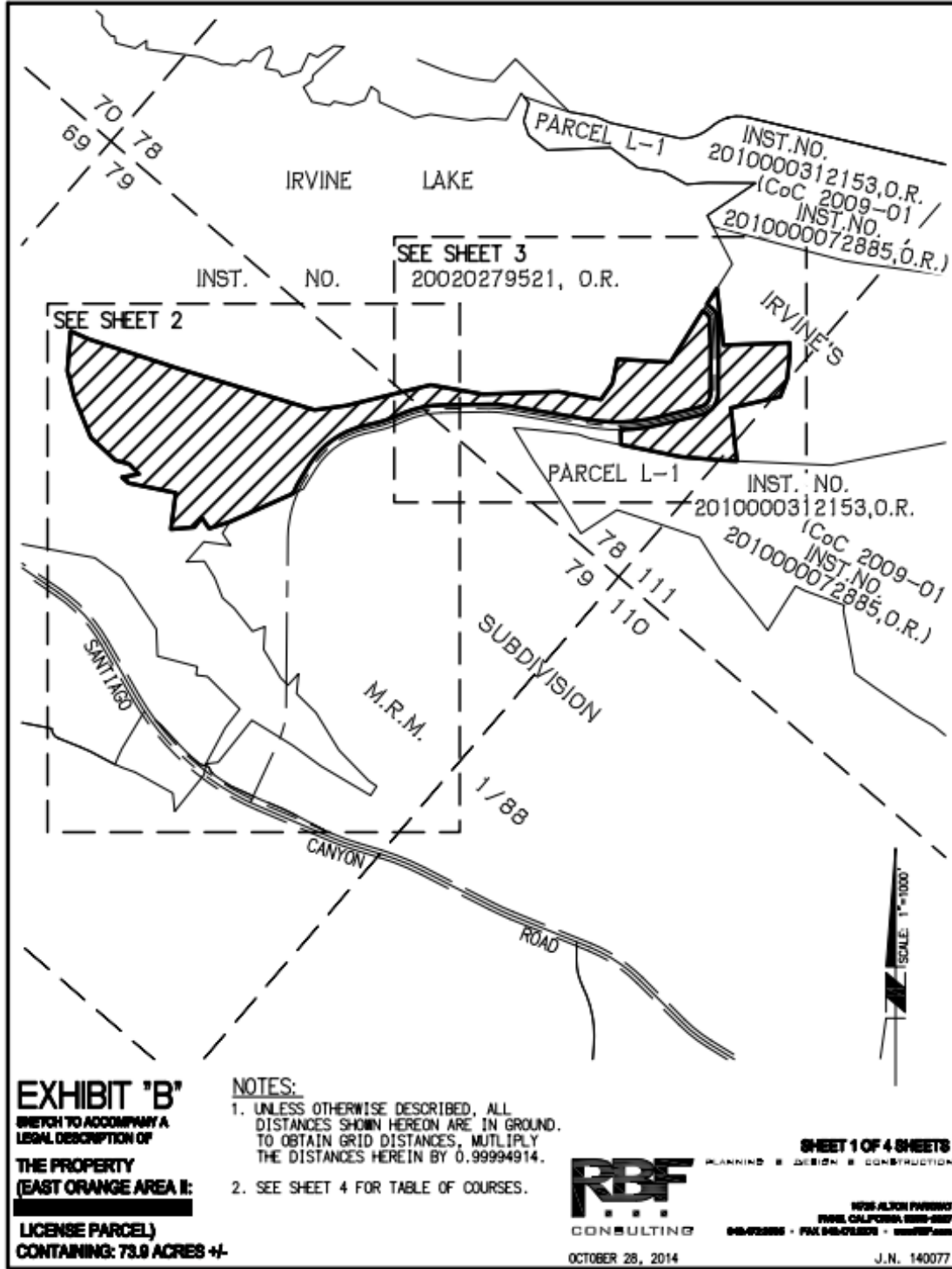


EXHIBIT "B"
 SKETCH TO ACCOMPANY A
 LEGAL DESCRIPTION OF
 THE PROPERTY
 (EAST ORANGE AREA II:
 LICENSE PARCEL)
 CONTAINING: 73.0 ACRES +/-

NOTES:
 1. UNLESS OTHERWISE DESCRIBED, ALL DISTANCES SHOWN HEREON ARE IN GROUND. TO OBTAIN GRID DISTANCES, MULTIPLY THE DISTANCES HEREIN BY 0.99994914.
 2. SEE SHEET 4 FOR TABLE OF COURSES.

RBF
 CONSULTING
 PLANNING • DESIGN • CONSTRUCTION
SHEET 1 OF 4 SHEETS
 NEW ALVIN PERRY
 CIVIL CALIFORNIA LICENSE #00472
 949-422-0200 • FAX 949-422-0201 • www.rbf.com
 OCTOBER 28, 2014 J.N. 140077



EXHIBIT 9 (CONT.)

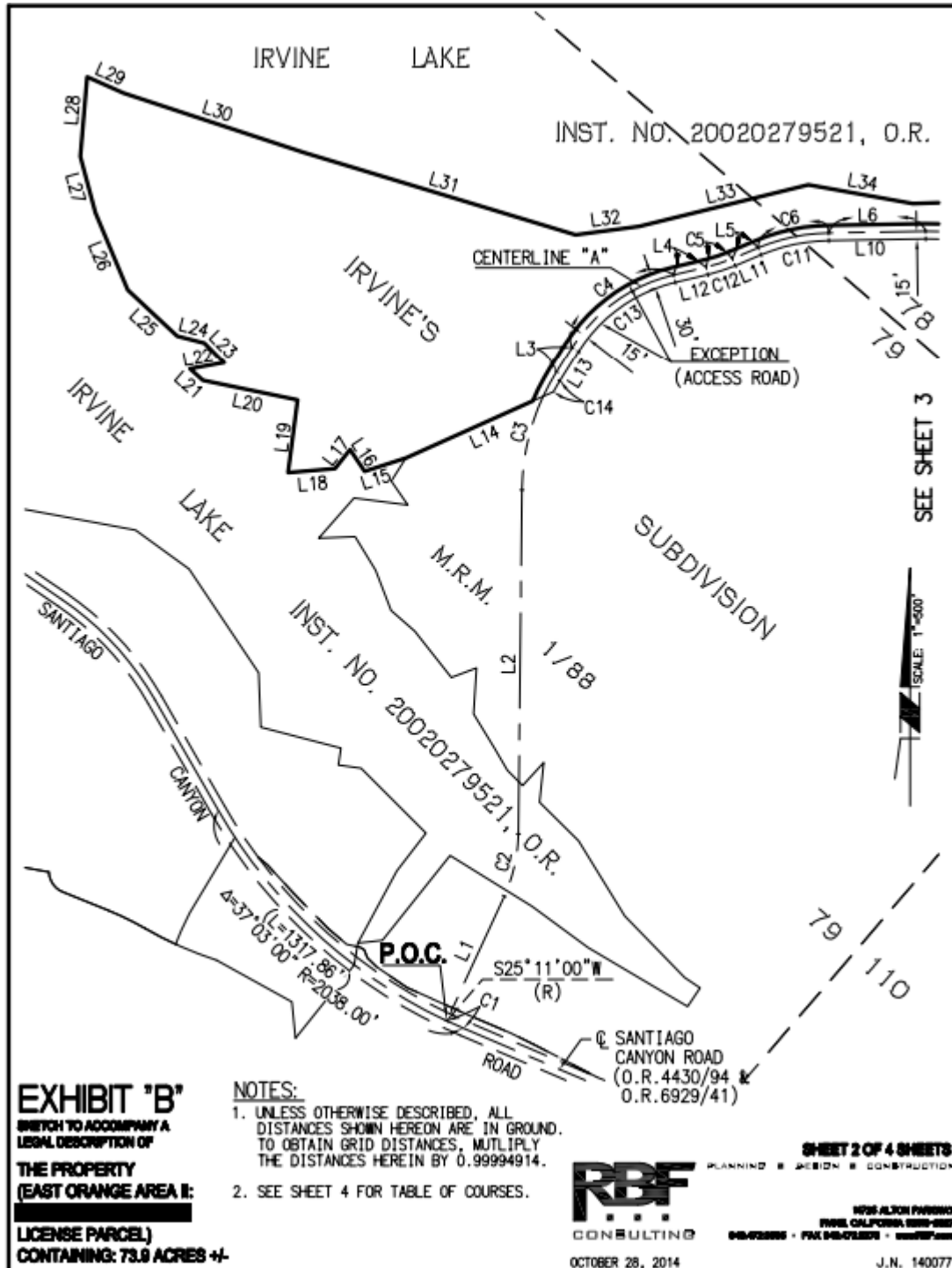


EXHIBIT "B"
 SHEET TO ACCOMPANY A
 LEGAL DESCRIPTION OF
 THE PROPERTY
 (EAST ORANGE AREA II:
 LICENSE PARCEL)
 CONTAINING: 73.9 ACRES +/-

- NOTES:**
1. UNLESS OTHERWISE DESCRIBED, ALL DISTANCES SHOWN HEREON ARE IN GROUND. TO OBTAIN GRID DISTANCES, MULTIPLY THE DISTANCES HEREIN BY 0.99994914.
 2. SEE SHEET 4 FOR TABLE OF COURSES.

RBF
 CONSULTING
 PLANNING • DESIGN • CONSTRUCTION

SHEET 2 OF 4 SHEETS

1926 ALTON PARKWAY
 FULLER, CALIFORNIA 92630-2827
 949-472-8800 • FAX 949-472-8801 • www.rbf.com

OCTOBER 28, 2014 J.N. 140077



EXHIBIT 9 (CONT.)

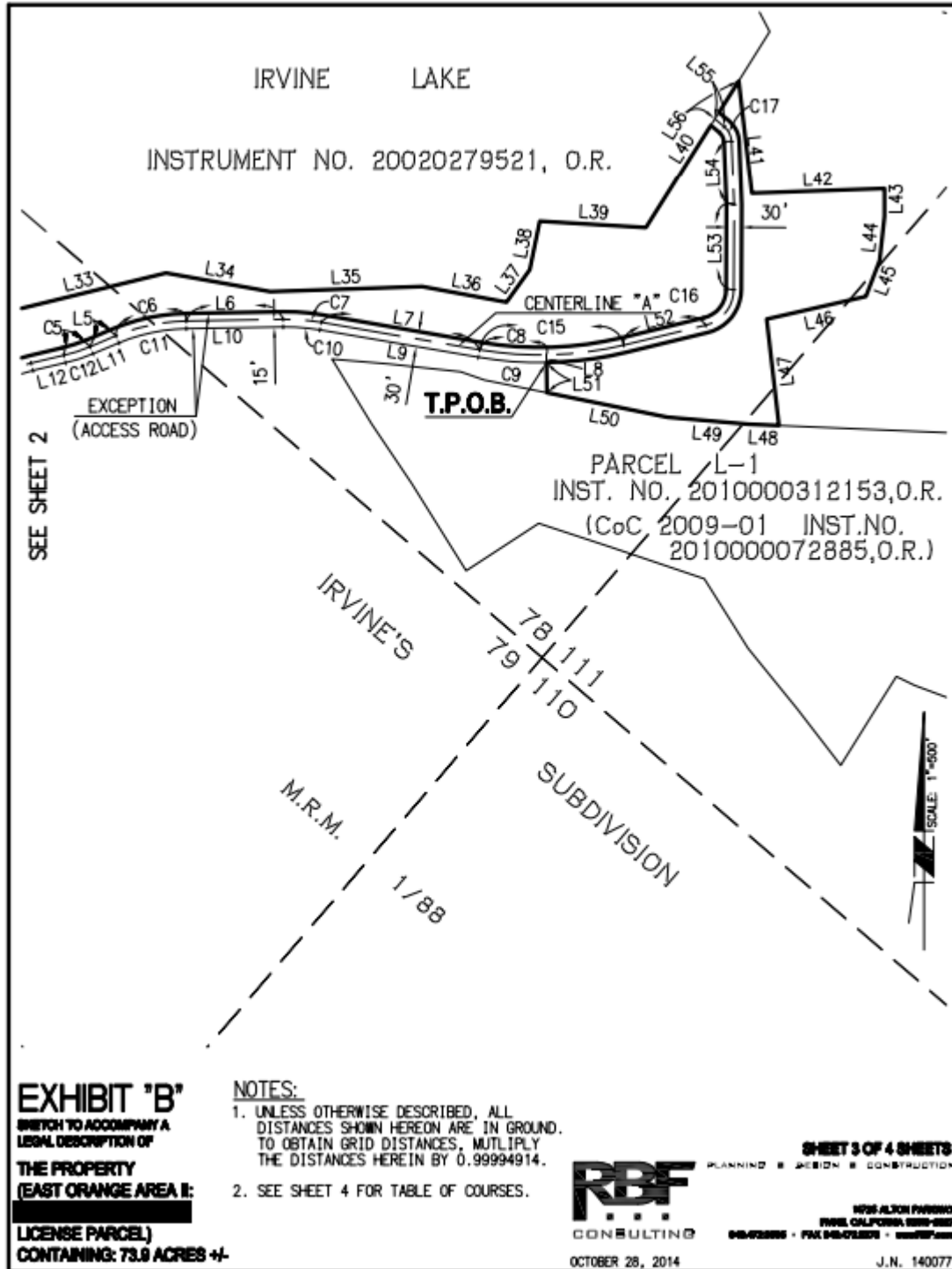




EXHIBIT 9 (CONT.)

LINE TABLE		
NO.	BEARING	LENGTH
L1	N24°44'44"E	541.52'
L2	N00°36'21"E	1326.73'
L3	N31°58'37"E	139.46'
L4	N76°29'24"E	132.49'
L5	N67°12'02"E	110.22'
L6	N89°00'29"E	381.51'
L7	S80°10'26"E	633.40'
L8	S00°57'53"E	15.00'
L9	N80°10'26"W	633.40'
L10	S89°00'29"W	381.51'
L11	S67°12'02"W	110.22'
L12	S76°29'24"W	132.49'
L13	S31°58'37"W	139.46'
L14	S65°50'09"W	636.67'
L15	S72°01'50"W	170.12'
L16	N34°18'01"W	103.37'
L17	S37°49'22"W	95.26'
L18	S85°06'27"W	186.09'
L19	N07°26'13"E	289.50'
L20	N78°12'09"W	380.79'
L21	N48°34'28"W	68.39'
L22	N79°22'15"E	137.33'
L23	N44°25'50"W	111.71'
L24	N75°20'01"W	109.84'
L25	N46°59'17"W	266.83'
L26	N22°37'09"W	330.80'
L27	N14°59'24"W	228.93'
L28	N04°45'27"E	315.18'
L29	S66°09'29"E	158.14'
L30	S71°44'01"E	746.25'
L31	S73°05'37"E	1118.62'
L32	N82°17'27"E	253.02'
L33	N76°13'44"E	686.51'
L34	S79°48'42"E	417.87'
L35	N88°04'40"E	598.06'
L36	S79°30'38"E	338.67'
L37	N35°19'28"E	157.49'
L38	N11°45'04"E	194.87'
L39	S86°38'06"E	418.44'
L40	N32°05'59"E	688.41'

LINE TABLE		
NO.	BEARING	LENGTH
L41	S06°38'23"E	450.98'
L42	N87°58'26"E	522.86'
L43	S00°07'45"W	109.55'
L44	S06°17'39"W	175.26'
L45	S20°47'17"W	151.94'
L46	S77°08'24"W	401.41'
L47	S06°38'23"E	421.39'
L48	N87°29'49"W	120.64'
L49	N85°06'01"W	320.24'
L50	N78°31'41"W	484.33'
L51	N00°57'53"W	118.87'
L52	N76°25'36"E	327.88'
L53	N00°18'52"E	351.69'
L54	N02°19'12"W	253.59'
L55	N50°00'00"W	48.52'
L56	N32°05'59"E	176.65'

CURVE TABLE			
NO.	DELTA	RADIUS	LENGTH
C1	02°02'17"	2038.00'	72.49'
C2	24°08'23"	600.00'	252.79'
C3	31°22'16"	900.00'	492.78'
C4	44°30'47"	635.00'	493.33'
C5	09°17'22"	685.00'	111.06'
C6	21°48'27"	735.00'	279.75'
C7	10°49'05"	785.00'	148.22'
C8	10°47'27"	1415.00'	266.49'
C9	10°47'27"	1430.00'	269.32'
C10	10°49'05"	770.00'	145.38'
C11	21°48'27"	720.00'	274.04'
C12	09°17'22"	700.00'	113.49'
C13	44°30'47"	620.00'	481.68'
C14	03°16'20"	885.00'	50.54'
C15	23°23'58"	1415.00'	577.88'
C16	76°06'44"	145.00'	192.62'
C17	47°40'48"	80.00'	66.57'

EXHIBIT "B"
 SKETCH TO ACCOMPANY A
 LEGAL DESCRIPTION OF
 THE PROPERTY
 (EAST ORANGE AREA II:
 LICENSE PARCEL)

NOTES:
 1. UNLESS OTHERWISE DESCRIBED, ALL
 DISTANCES SHOWN HEREON ARE IN GROUND.
 TO OBTAIN GRID DISTANCES, MULTIPLY
 THE DISTANCES HEREIN BY 0.99994914.



SHEET 4 OF 4 SHEETS
 PLANNING • DESIGN • CONSTRUCTION

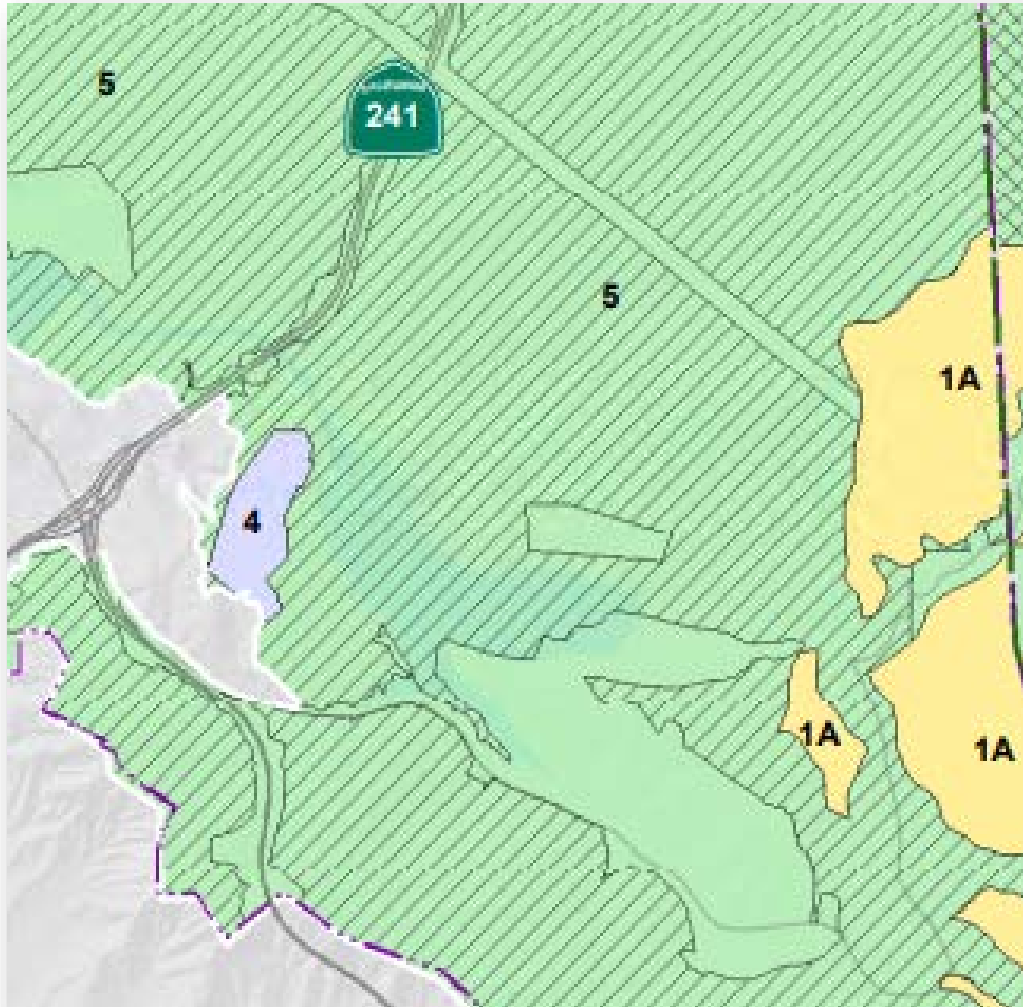
1125 ALTON FURNACE
 IRVINE, CALIFORNIA 92614
 949-422-8888 • FAX 949-422-8889 • www.rbf.com

OCTOBER 28, 2014

J.N. 140077



EXHIBIT 10 GENERAL PLAN LAND USE ELEMENT MAP



LAND USE DESIGNATIONS	
RESIDENTIAL	PUBLIC FACILITIES
1A Rural Residential <i>Rural Residential Communities (.025 - 0.5 DU/Ac.)</i>	4 Public Facilities
1B Suburban Residential <i>Suburban Residential Communities (0.5 - 18 DU/Ac.)</i>	4 (LS) Landfill Site <i>(An overlay designation)</i>
1C Urban Residential <i>Urban Residential Communities (18 and above DU/Ac.)</i>	OPEN SPACE
COMMERCIAL	5 Open Space
2A Community Commercial	5 Open Space Reserve <i>Generalized reserve boundaries for informational purposes only.</i>
2B Regional Commercial	Cleveland National Forest <i>For informational purposes only. May contain private inholdings.</i>
EMPLOYMENT	URBAN ACTIVITY CENTER
3 Employment	6 Urban Activity Center
<p>--- Cleveland National Forest Congressional Boundary</p> <p>--- City/County Jurisdiction</p> <p>--- Sphere of Influence Boundary</p>	

Orange County General Plan

Land Use Element Amendment 14-02



Pursuant to California Government Code Section 65300, this Land Use Element map is a component of the Orange County General Plan. It reflects the General Plan Amendment, LUE (Land Use Element) 14-02, that was recommended for approval by the Orange County Planning Commission Resolution No. 15-02 on January 14, 2015 and adopted with Resolution No. 15-048 by the Orange County Board of Supervisors on March 10, 2015.



EXHIBIT 11
LAND USE ALLOWABLE USES

CATEGORY	TYPICAL CHARACTERISTICS/USES	INTENSITY/DENSITY CHARACTERISTICS AND STANDARDS*
Open Space (5)**	<ul style="list-style-type: none"> • Indicates the current and near-term use of the land, most of which is zoned agricultural • Provides for limited land uses that do not require a commitment of significant urban infrastructure • Examples of compatible uses include: • Land containing non-renewable and renewable resource areas, prime agricultural soils and water resource areas • Materials recovery/recycling facilities if the design of the facility does not adversely impact its open space surroundings, or if the facility is operated in conjunction with other refuse-oriented facilities (i.e., landfills) • Employment uses in conjunction with large open space areas if they are consistent with the open space character of the area • Opportunities for low-intensity, high technology, industrial, research and development, office and educational uses and childcare facilities which do not require a commitment of significant urban infrastructure 	<ul style="list-style-type: none"> • Generally, building sites within this category should be large • Max. Bldg. Height: 35' • Max. Site Coverage: the area covered by structures and parking should not exceed 20% in order to blend development with the natural surroundings. • 9 Employees per Acre

* These standards refer to the maximum amount of development permitted for each land use designation. Development must also comply with the Zoning Code or Specific Plan requirements, and is not guaranteed to achieve the designated intensity.

** Estimated employees per acre for non-residential land use categories are calculated using FARs, the following building square footage per employee factors, and the following formula:

$$(\text{FAR} \times 43,560 \text{ sf per acre}) \div (\text{sf per employee factor}) = \text{employees per acre}$$

Commercial	500 sf/emp
Public Facilities	250 sf/emp
Employment	250 sf/emp
UAC	250 sf/3mp
Open Space	Not applicable



EXHIBIT 12
ZONING MAP





EXHIBIT 13

PERMITTED RECREATIONAL USES OF RESERVOIR PROPERTY

All recreational uses are subject to the primary purpose of water impoundment and storage, and protection of the water quality of Irvine Lake.

Lake (County/Serrano)

Recreation such as

- Fishing
- Boating - County, District, or concessionaire/operator fleet (but not public/personal vessels)
- Walking
- Bicycling
- Picnicking
- Bird watching
- Operational facilities and equipment to support the uses described above, including docks, vehicle parking, and related amenities such as sanitation facilities, subject to design and location approval by the Districts.
- Any other recreational and ancillary uses mutually agreed upon by Districts, TIC and the County pursuant to Section 2.a(vi) of the Agreement

Note: swimming and any other bodily contact with the water impounded in the Reservoir is strictly prohibited.

To ensure the County, or any County operator, has sufficient information to plan and coordinate the County recreational activities, the Districts and County shall meet, at a minimum, on an annual basis to allow the Districts to inform the County of projected water levels (whether impacted by natural causes or drawdown by the Districts due to business operations) and water quality status, especially quality issues that may negatively impact fishing activities. Further, the Districts will provide immediate notice of any water level or water quality issues to the County that may arise from emergency situations, including but not limited to those situations that may threaten public health and public safety.

Flats (Serrano/IRWD)

Recreation such as

- | | |
|---|--|
| <ul style="list-style-type: none"> ▪ Walking ▪ Bicycling ▪ Bird watching ▪ Fishing ▪ Picnicking ▪ Barbeques ▪ Group parties or events ▪ Concerts ▪ Car shows | <ul style="list-style-type: none"> ▪ Festivals ▪ Camping (including with recreational vehicles) and associated vehicle parking and related amenities, such as sanitation facilities ▪ Any other recreational and ancillary uses mutually agreed upon by Districts, TIC and the County pursuant to Section 2.a(vi) of the Agreement. |
|---|--|



EXHIBIT 14 INUNDATION MAP (1 OF 2)

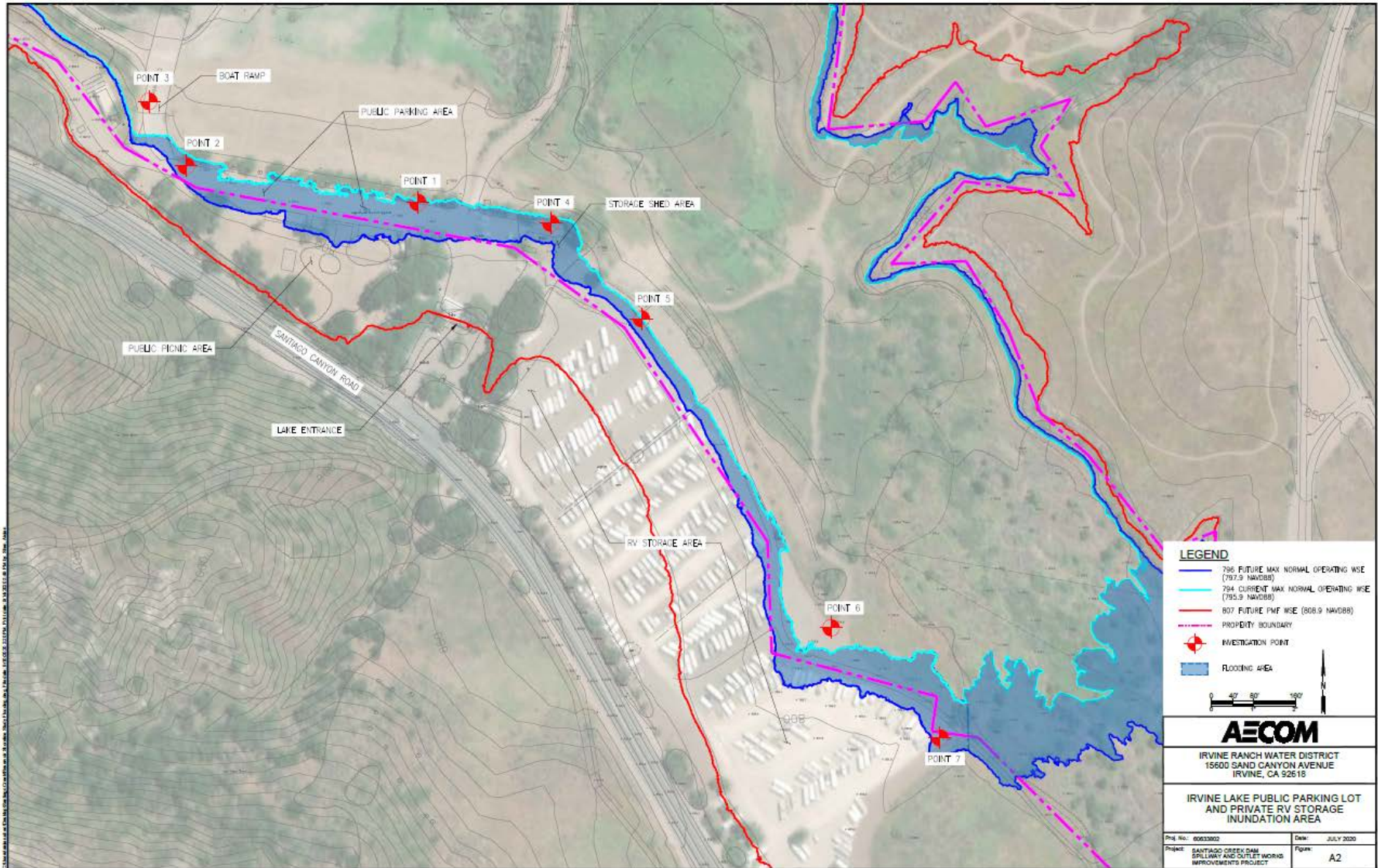




EXHIBIT 14 (CONT.) INUNDATION MAP (2 OF 2)

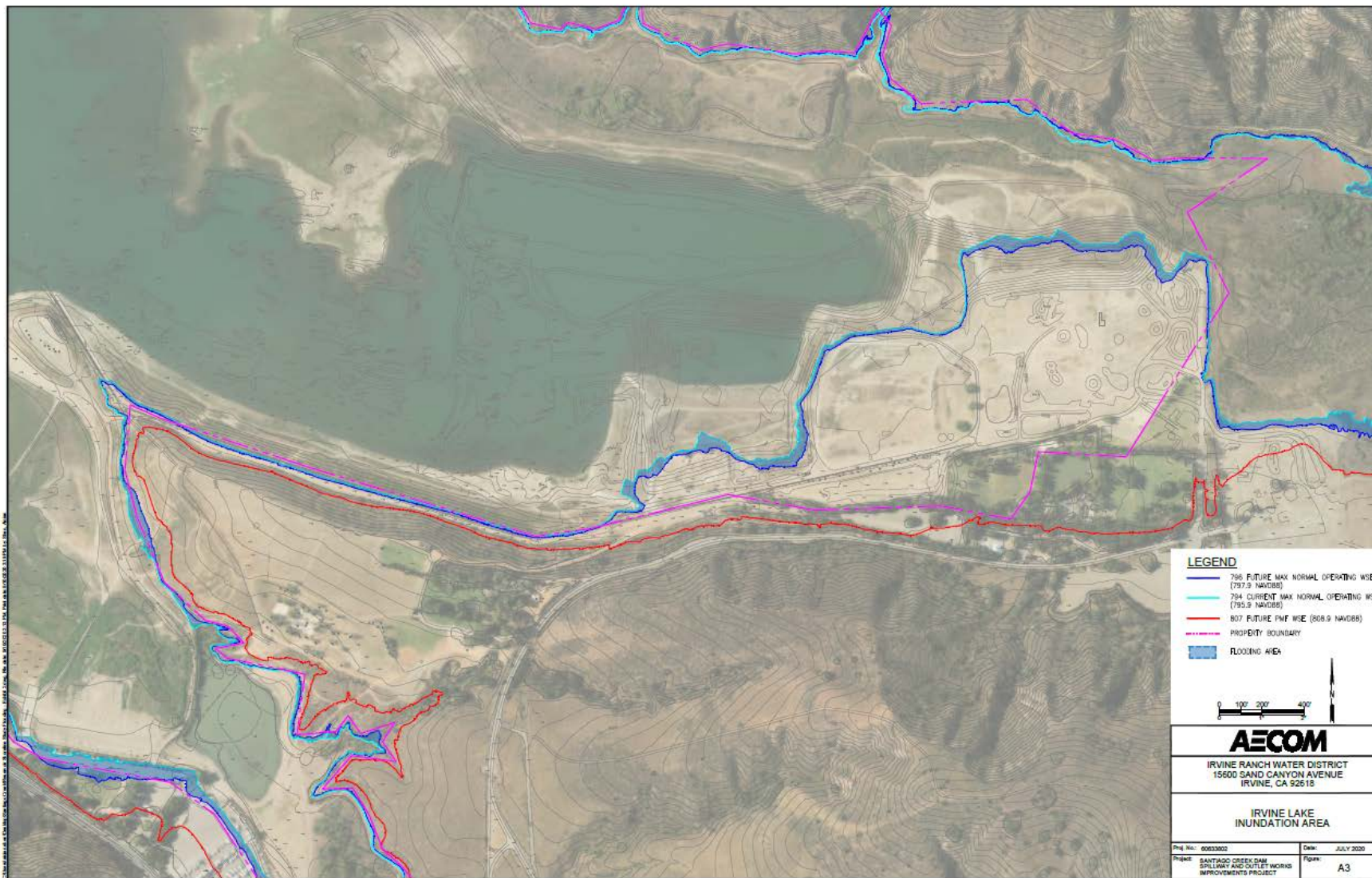




EXHIBIT 15
PARCEL MAP

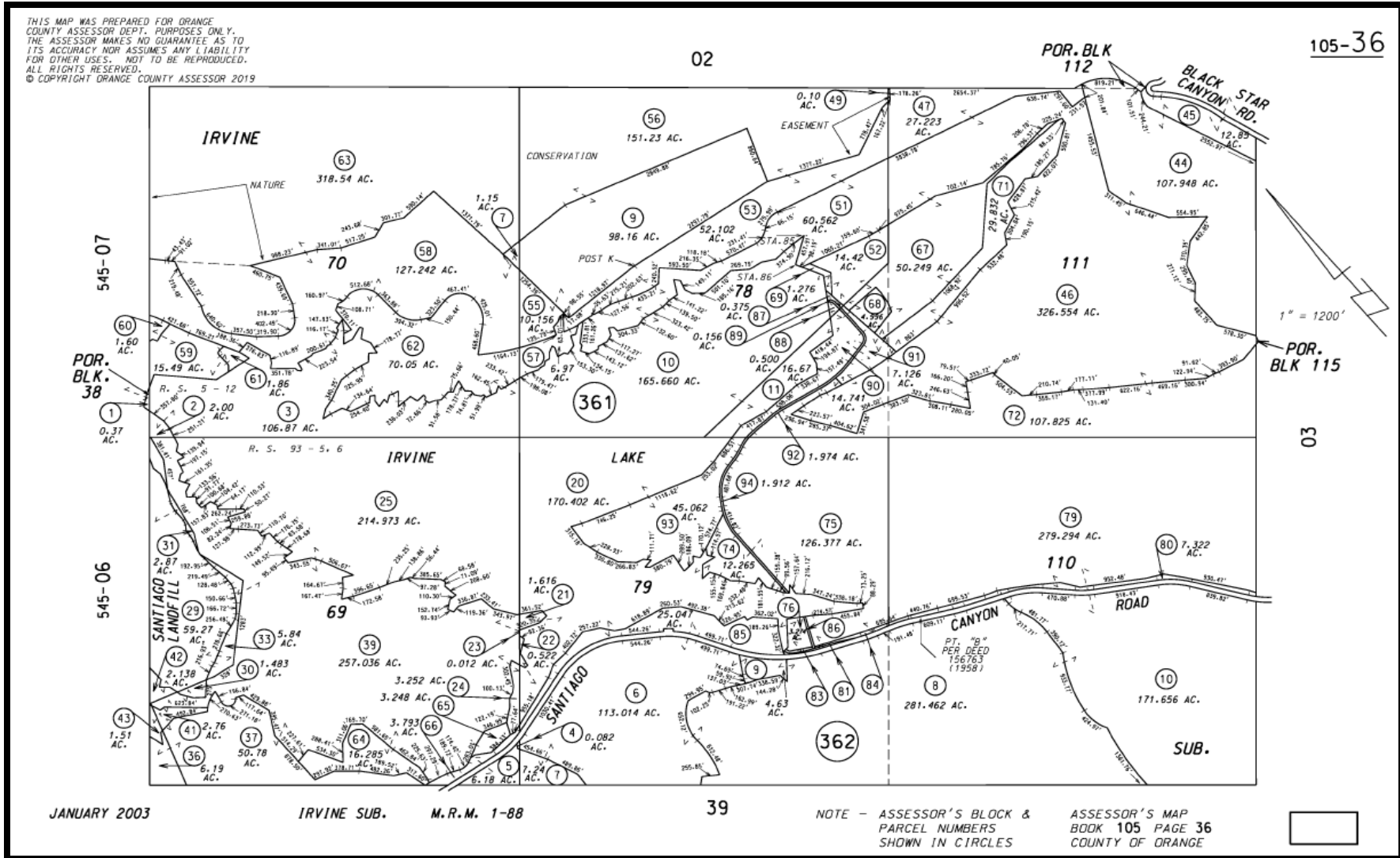




EXHIBIT 16
IRVINE LAKE ENTRANCE RV ACCESS AREA



Approximate boundaries/depiction for informational purposes only. Proposers should refer to the legal description/depiction for Portion of "Recreation Parcel" in [Exhibit 6](#) and [Exhibit 7](#) for RFP Property Boundary and the RV Storage Area License for RV Access Area Boundary.



EXHIBIT 17
AGRICULTURAL IRRIGATION (UNTREATED WATER) SUPPLY LINE





Attachments



ATTACHMENT A
FORM OPTION AGREEMENT



OPTION AGREEMENT

THIS OPTION AGREEMENT (“**Option Agreement**”) is made _____, 20 ____ (“**Effective Date**”) by and between IRVINE RANCH WATER DISTRICT, a California water district organized under and existing pursuant to Sections 34000, *et seq.* of the California Water Code (“**IRWD**”), SERRANO WATER DISTRICT, a political subdivision of the State of California formed and operating under the Irrigation District Law, California Water Code Sections 20500, *et seq.* (“**SWD**”) (IRWD and SWD are collectively the “**Districts**”), the COUNTY OF ORANGE, a political subdivision of the State of California (the “**County**”), (IRWD, SWD, and County are collectively referred to as the “**Landlord**” or “**Optionor**”) and _____, a _____ (“**Optionee**”). Landlord and Optionee may sometimes individually be referred to as “**Party**” or jointly as “**Parties.**”

Recitals

- A. Optionee desires to obtain an option to lease certain real property described as the “**Premises**” as defined below and in Exhibit D to that certain ground lease, the form of which is attached hereto as Attachment I and made a part hereof (“**Ground Lease**”), for the purposes and uses provided in the Ground Lease.
- B. The Districts and County are fee owners of the Premises and are willing to enter into a mutual option to lease the Premises for such purposes and uses as set forth herein and in the Ground Lease.
- C. The Districts are the fee owners of a dam and reservoir facility commonly known as “Irvine Lake” or the “Santiago Reservoir” (together with SWD’s Recreation Rights identified below, the “**Reservoir Property**”). The Reservoir Property is comprised of the following real property which is described in Exhibit A and depicted in Exhibit A-1 of the Ground Lease: (1) the “Flats” and (2) the “Lake and Dam” constituting that portion of the Reservoir Property outside of the Flats.
- D. SWD owns a twenty-five percent (25%) interest and the County owns a seventy-five percent (75%) interest, respectively, in the right to conduct recreational activities in the waters at Irvine Lake (the “**Recreation Rights**”), as defined in that prior agreement between the Districts, County, and The Irvine Company LLC entitled *Declaration of Covenants and Restrictions and Termination of Reversionary Rights (Irvine Lake)* (the “**Covenant Agreement**”) and further described in Exhibit C of the Covenant Agreement, recorded as Document No. 2022000107214 in the Official Records of Orange County on March 18, 2022 and attached to the Ground Lease as Exhibit B.
- E. The County owns real property adjacent to and surrounding the Reservoir Property (together with its Recreation Rights, the “**County’s Property**”) as described in Exhibit C and depicted in Exhibit C-1 of the Ground Lease.
- F. The Districts use water from the Reservoir Property to store water and conduct activities consistent with those “**Restrictions**” as defined and set forth and recorded in the Covenant Agreement (“**Reservoir Purposes**”). Nothing in this Option shall restrict the Districts’ abilities to operate,

maintain, or improve the Reservoir Property in other ways compatible with the use of Irvine Lake for Reservoir Purposes or to otherwise comply with the requirements imposed by law, and the Parties acknowledge that water levels in the Reservoir will be significantly diminished during the Districts' Construction Project (as hereinafter described), and that the Optionee will have no guarantee of water levels in the Reservoir, which will fluctuate from time to time.

NOW, THEREFORE the Parties agree as follows:

1. DEFINITIONS (PM02.1 S)

- a. **“Access Road”** means the Haul Road/Blue Diamond Haul Road, which provides access to the Premises from Santiago Canyon Road. Two segments of the Access Road are owned by the County. The gap between the County's two Access Road segments is a segment of the Access Road owned by the Districts and belonging to the Reservoir Property. The County and Districts each hold reciprocal non-exclusive access easements over each other's segments of the Access Road.
- b. **“Access and Common Areas”** shall refer to the following areas, which are not included in the Premises, but to which non-exclusive, in common use will be granted to the Optionee pursuant to the Ground Lease for the access and purposes as set forth therein:
 - i. dry lakebed areas within Reservoir Property, including, but not limited to, dirt roads or paths, necessary to reach the waters of Irvine Lake, but only as such areas are identified from time-to-time in writing by the Chief Real Estate Officer, on behalf of Landlord;
 - ii. the Access Road; and
 - iii. Landlord's driveways, rights of ways, and other access roads for reasonable vehicle ingress and egress, pedestrian walkways, and common areas appurtenant to the Premises, but only as such areas are identified from time-to-time in writing by the Chief Real Estate Officer, on behalf of Landlord.
- c. **“Board(s) of Directors”** means each (or both) of the governing boards of IRWD and SWD.
- d. **“Board of Supervisors”** means the Board of Supervisors of the County of Orange.
- e. **“Chief Real Estate Officer”** means the Chief Real Estate Officer, County Executive Office, County of Orange, or designee, or upon written notice to Optionee, such other person as may be designated by the Board of Supervisors.
- f. **“County”** or **“County of Orange”** means the County of Orange, a political subdivision of the State of California, and shall include its Board of Supervisors, its elected and appointed officials, officers, agents, employees, and contractors.
- g. **“General Manager”** means the General Manager of Irvine Ranch Water District or Serrano Water District (as the case may be), or their designee, or upon written notice to Optionee, such other person as may be designated by their Boards of Directors, respectively.
- h. **“Ground Lease”** has the meaning set forth in Recital A, above.

- i. “**IRWD**” means Irvine Ranch Water District, a California water district organized under and existing pursuant to Sections 34000, *et seq.* of the California Water Code, and includes its Board of Directors, its elected and appointed officials, officers, agents, employees, and contractors.
- j. “**Landlord**” means IRWD, SWD, and County, collectively; however, County, through its Chief Real Estate Officer, shall serve as the administrator of the Option Agreement. Therefore, any plans, documents, permits, or other approvals otherwise required by the Landlord shall be performed by County and County shall act on behalf of IRWD and SWD in the capacity as Landlord for all the purposes of administration and enforcement of the terms and conditions of this Option. Landlord is also sometimes referred to in this Option Agreement as “Optionor.”
- k. “**Premises**” means that certain real property containing the Flats and the County’s Property, approximately _____ square feet [acres] with an address of _____ in unincorporated Orange County, together with all easements, Recreation Rights, and other rights and privileges appurtenant thereto, to be leased to Optionee pursuant to the Ground Lease for the uses and purposes as set forth therein. The legal description of the Premises is attached to the Ground Lease as Exhibit D. A depiction showing the approximate boundaries of the Premises is also attached to the Ground Lease as Exhibit D-1.
- l. “**SWD**” means Serrano Water District, a special governmental district formed under the Irrigation District Law, Sections 20500, *et seq.* California Water Code, and shall include its Board of Directors, its elected and appointed officials, officers, agents, employees, and contractors.

2. **OPTION (PM03.1 S)**

Landlord hereby grants to Optionee the option (“**Option**”) to lease the Premises in accordance with the covenants and conditions set forth herein and in the Ground Lease.

3. **TERM (PM05.1 S)**

Subject to Section 5 below, the term of this Option Agreement (the “**Option Term**”) shall be _____ months commencing upon on the Effective Date and upon receipt of the Option Price set forth in Section 4, below.

4. **OPTION PRICE (PM04.2 N)**

A. As independent consideration for the Option, Optionee shall pay to County upon the full execution of this Option Agreement, _____ Dollars (\$_____) (the “**Option Price**”). The Option Term shall not commence and this Option Agreement shall not become effective until the Option Price is paid to the County.

B. The Option Price shall be retained by County, on behalf of Landlord, and no portion of the Option Price shall be refunded to Optionee under any circumstances nor credited to rent payments owed under the Ground Lease.

C. The Parties acknowledge that prior to the Effective Date, Optionee paid to County, who collected on behalf of the Landlord, the sum of Fifteen Thousand dollars (\$15,000) as a good faith deposit (the

“**Good Faith Deposit**”), as required under that certain Request for Proposals for Irvine Lake Long-Term Ground Lease (the “**Request for Proposals**”). For the avoidance of doubt, the Good Faith Deposit shall not be applied towards payment of the Option Price or rent payable under the Ground Lease and the use of the Good Faith Deposit shall be governed solely by the terms and conditions of the Request for Proposals and not this Option Agreement.

5. OPTION TERM EXTENSION (PM06.1 N)

Optionee may extend the Option Term by up to an additional _____ (___) days (the “**Extended Option Period**”) (all days in this Option Agreement will be calendar days unless otherwise designated) with the prior written approval of the County’s Chief Real Estate Officer, on behalf of Landlord, which approval may be granted or withheld in the sole and absolute discretion of the Landlord, and then only if (i) Optionee is delayed in fulfilling the requirements of this Option through no fault of its own, and (ii) each of the following acts are accomplished by Optionee prior to the granting of such an extension:

A. At least one hundred twenty (120) days prior to expiration of the Option Term, Optionee shall have submitted written notice to Landlord requesting that the Option Term be extended and clearly declaring the length of such proposed extension.

B. At least one hundred twenty (120) days prior to expiration of the Option Term, Optionee shall have submitted to the Chief Real Estate Officer a cashier’s check made payable to the “*County of Orange*” for the sum of _____ Dollars (\$_____) (the “**Extension Fee**”). The Extension Fee shall be in addition to the Option Price. Whether or not Optionee exercises the Option in accordance with the terms of this Option Agreement, the Extension Fee shall be retained by County, on behalf of Landlord, as consideration for extending the Option Term. Under no circumstances will any portion of the Extension Fee be refunded to Optionee or credited to rent payments owed under the Ground Lease regardless of whether Optionee exercises the Option prior to the expiration of the Extended Option Period.

C. The Option Term shall not be extended beyond the Extended Option Period without the approval by the Board of Supervisors and Boards of Directors (collectively, “**Landlord’s Governing Boards**”), which may be granted or withheld in the sole and absolute discretion of Landlord’s Governing Boards.

6. CONDITIONS (PM07.1 N)

The Option may not be exercised until all the following terms and conditions have been satisfied:

A. Preliminary Plans. The County’s Chief Real Estate Officer, on behalf of Landlord, shall have initially reviewed and approved the Preliminary Plans (defined below) in writing and in accordance with the following procedure. Within _____ (___) days following the Effective Date, Optionee shall submit preliminary plans for the development of the Premises (the “**Project**”) in accordance with the uses contemplated under the Ground Lease (“**Preliminary Plans**”) to the County’s Chief Real Estate Officer for approval. The Preliminary Plans shall be prepared by an architect licensed in the State of California and who is adequately insured for the purposes of performing under this Option and shall include:

- 1) A detailed site plan of the Premises showing:
 - a. all improvements planned for the Premises;
 - b. any existing and/or proposed easements affecting the Premises;
 - c. ingress and egress to and from the Premises;

- d. parking;
 - e. location of all utilities;
 - f. drainage plan; and
 - g. grade elevations of all structures;
- 2) Finalized landscape development plans including irrigation plans;
 - 3) Structural, mechanical, and lighting systems;
 - 4) Colored rendering or model of the planned development;
 - 5) An Urban Runoff Management Plan;
 - 6) A detailed cost estimate of all improvements; and
 - 7) A detailed estimate of the construction schedule.

Within fifteen (15) days of receipt of the Preliminary Plans, the County's Chief Real Estate Officer, on behalf of Landlord, shall approve, rule on, reject or comment on the Preliminary Plans. The Chief Real Estate Officer's review will be limited only to reviewing the Preliminary Plans for conformity with this Option Agreement and shall not provide any representations or warranties regarding the sufficiency of the Preliminary Plans for the required land use approvals for or construction of improvements for the Project. Within ten (10) days following the Chief Real Estate Officer's approval of the Preliminary Plans, Optionee shall submit the plans to the County's OC Development Services and apply for approval of the planned development.

B. Construction Contract Documents. The County's Chief Real Estate Officer, on behalf of Landlord, shall have approved the Construction Contract Documents (defined below) in writing and in accordance with the following procedure. Within _____ () days following the date of the Chief Real Estate Officer's approval of the Preliminary Plans, Optionee shall submit to the Chief Real Estate Officer construction contract documents including those documents listed below (collectively, the "**Construction Contract Documents**") for development of the Project:

- 1) Complete architectural, landscape, and engineering working drawings;
- 2) Complete specifications;
- 3) Construction contract form;
- 4) Architect contract form;
- 5) Construction cost estimate; and
- 5) Construction schedule.

The County's Chief Real Estate Officer, on behalf of Landlord, will approve, rule on, reject, or comment on the Construction Contract Documents within _____ () days following the Chief Real Estate Officer's receipt of the Construction Contract Documents.

Within _____ () days following Optionee's receipt of written comments on the Construction Contract Documents from the Chief Real Estate Officer, Optionee shall complete all corrections and adjustments to the Construction Contract Documents required by the Chief Real Estate Officer, and resubmit the revised Construction Contract Documents to for approval. If the Optionee fails to complete the corrections and adjustments required by the Chief Real Estate Officer, then Landlord may terminate this Option. The Chief Real Estate Officer shall have an additional _____ () days following receipt of such revised

Construction Contract Documents to approve, rule on, reject or further comment on such documents. Within five (5) days following receipt of the Chief Real Estate Officer's approval of the revised Construction Contract Documents, Optionee shall submit such approved Construction Contract Documents to the County's OC Development Services for plan check.

C. Environmental Requirements. Optionee shall have obtained environmental clearance for the Project from all appropriate authorities and governmental agencies having jurisdiction over the Premises and complied with all applicable laws including, but not limited to, the California Environmental Quality Act, and delivered written confirmation of same to the County's Chief Real Estate Officer, all in accordance with the following procedure:

1) Within ____ (____) days following the Chief Real Estate Officer's approval of the Construction Contract Documents, Optionee shall submit to the County's OC Development Services a draft Initial Study, prepared at Optionee's expense, and such other documents as the County's OC Development Services may require in order for the County's OC Development Services to determine whether a Negative Declaration or an Environmental Impact Report ("**EIR**") will be necessary for the proposed Project. Such determination will be made in accordance with the County's OC Development Services' normal procedures.

2) If the County's OC Development Services determines that a Negative Declaration is appropriate, Optionee shall submit all necessary documentation and cooperate with the County's OC Development Services in order to provide the Chief Real Estate Officer with written proof of environmental clearance on this project from the appropriate governmental authority.

3) If an EIR is mandated by the County's OC Development Services, Optionee shall obtain a screen check EIR and draft EIR at its own expense and shall process same in accordance with the County's OC Development Services procedure.

D. Permits. Optionee shall have obtained, and provided the County's Chief Real Estate Officer with satisfactory evidence of, all necessary clearances and permits from the County's OC Development Services, and any other governmental authority with jurisdiction over the project, to commence construction of the Project as preliminarily approved by the Chief Real Estate Officer. Within _____ (____) days after Optionee obtains environmental clearance for the Project from all appropriate authorities and governmental agencies in accordance with paragraph B above, Optionee shall submit applications to the County's OC Development Services and all other applicable governmental agencies for the requisite permits to construct the Project. If Landlord's consent on any application for such permits is required by any governmental or regulatory agency as a condition to the issuance of permits for the Project, then Landlord shall not unreasonably withhold such consent.

Optionee acknowledges and agrees that no grading, or other construction activities shall be permitted on the Premises until all applicable permits and clearances have been obtained from the County's OC Development Services, as applicable.

E. Ground Lease Requirements. Within _____ (____) days following Optionee obtaining the requisite permits to commence construction of the Improvements, as a condition to execution of the Ground Lease by the County, Optionee shall have delivered all of the following to the County's Chief Real Estate Officer:

1) At least three (3) duplicate originals of the Ground Lease in the form attached hereto as **Attachment I**, executed in counterpart by Optionee and with all the approved Construction Contract Documents either attached thereto as exhibits or incorporated therein by reference.

2) Evidence satisfaction to the County's Chief Real Estate Officer of Optionee's ability to finance the cost of the Project in accordance with the requirements of the Ground Lease. If Optionee plans to hypothecate the leasehold as security for a loan, Optionee shall submit all documents proposed in the loan transaction along with a request and processing fees for Landlord's consent to the proposed hypothecation in accordance with the terms of the Ground Lease.

3) A cashier's or certified check made payable to the "*County of Orange*" in an amount equal to the first installment of Annual Minimum Rent due under the Ground Lease.

4) A cashier's or certified check made payable to the "*County of Orange*" in the amount of the security deposit as required by Section 3.10 (Security Deposit) of the Ground Lease, or such other alternative security permitted to serve as the security deposit in accordance with the Ground Lease.

5) Assurance of construction completion in accordance with Section 5.2 (Tenant's Assurance of Construction Completion) of the Ground Lease, or a letter of intent bond that is sufficient to assure Landlord, in Landlord's sole discretion, that a completion bond is forthcoming.

6) Evidence of insurance coverage which fully complies with Section 8.1 (Insurance) of the Ground Lease.

F. General Plan Conformity. Optionee shall have obtained a finding from the County's OC Development Services that the proposed Project is in conformance with the County's General Plan pursuant to Government Code Section 65402 and shall have provided written evidence of such conformity to the County's Chief Real Estate Officer.

G. Annual Meeting with Landlord. Optionee shall meet with the Landlord to review the condition of the Premises and the state of the Option annually, if applicable. The County, on behalf of Landlord, shall deliver written notice at least sixty (60) days prior to each annual meeting. If the County fails to timely send notice or convene the meeting, then either of the Districts may send written notice of the meeting.

7. REVIEW BY LANDLORD (PM08.1 N)

Optionee hereby acknowledges that one of the purposes of this Option Agreement is to afford Optionee and Landlord the opportunity to determine whether Optionee is able to meet the various conditions of this Option Agreement and is able to obtain the required approvals as set forth in this Option Agreement. Several of those conditions involve obtaining reviews and approvals from officers, employees or agents of Landlord. Each of those reviews shall be conducted in an independent manner and nothing contained herein shall be deemed to limit the jurisdiction or authority otherwise possessed by said officers, employees or agents in the conduct of such review.

Optionee hereby acknowledges that any approval by the Landlord, or by the County's Chief Real Estate Officer on behalf of Landlord, under this Section shall be deemed approval by the County and Districts solely in their proprietary capacity as owners of the Premises, respectively, and not in any governmental capacity. Accordingly, nothing contained in this Option Agreement shall be deemed to imply that required approvals

will be forthcoming, and the failure to issue any such approval or permit by any officer, employee or agent of the Landlord shall not be deemed in any manner a breach of this Option Agreement by Landlord, nor shall any such denial give rise to any claim, liability, obligation, or cause of action against the County, IRWD or SWD with respect to this Option Agreement or the attached Ground Lease.

No permit, approval, or consent given by the County's Chief Real Estate Officer on behalf of Landlord, or by Landlord, or any of its respective officers, employees, or agents, acting in its/their governmental capacity, shall affect or limit Optionee's obligations under this Option Agreement or under the Ground Lease, nor shall any approvals or consents given under this Option Agreement by Landlord be deemed approval as to compliance or conformance with applicable governmental codes, laws, rules, and/or regulations, or be deemed a waiver of Optionee's obligations under this Option Agreement and the Ground Lease to obtain all required governmental approvals and permits.

With respect to the documents submitted by Optionee and approved by Landlord, or by the County's Chief Real Estate Officer on behalf of Landlord, under this Option Agreement, nothing herein shall be deemed a representation or covenant on the part of Landlord that such submittals will ultimately be approved by County of Orange officials acting in their governmental capacity or by any other governmental agency with jurisdiction over the Premises and no approvals granted by Landlord, or by the County's Chief Real Estate Officer on behalf of Landlord, under this Option Agreement shall give rise to any claim that Landlord is estopped from rejecting, in its respective governmental capacities, any applications for approval of the Project subsequently submitted by Optionee to Landlord in its respective regulatory capacities.

8. DISCLAIMER OF REPRESENTATIONS OF WARRANTIES (PM015.1 N)

Optionee acknowledges and agrees that Landlord has made no representations, warranties, or agreements as to any matters concerning the Premises or Access and Common Areas, including, but without being limited to, the land, the environmental condition thereof, marketability of title, topography, climate, air, water, water rights, utilities, present or future zoning, soil, subsoil, hazardous substances, waste or materials, the purposes for which the Premises is suited, drainage, access to public roads, proposed routes of roads or extensions thereof or the availability of governmental permits or approvals of any kind. As such, Landlord hereby disclaims any and all express warranties, implied warranties, warranties of fitness for a particular purpose or use, warranties of merchantability, warranties of habitability and other similar warranties.

Furthermore, Optionee represents and warrants to Landlord that it and the Optionee Parties (as hereinafter defined) have made, or prior to the exercise of the Option will make, their own independent inspection and investigation of such matters concerning the Premises and Access and Common Areas. Optionee also represents and warrants to Landlord that it is experienced in the leasing and development of land similar to the Premises and accessing land similar to the Access and Common Areas, and that Optionee is qualified to make such inspections and investigations. Optionee acknowledges that it is fully relying on Optionee's own inspections and investigations of the Premises and Access and Common Areas, and not upon any statements (oral or written) or due diligence materials or information which may have been made or provided (or purportedly made or provided) by Landlord, or any of the Landlord's Parties (defined below).

9. OPTIONEE'S RIGHT TO ENTER PREMISES, INDEMNIFICATION, DISTRICTS' CONSTRUCTION PROJECT (PM09.1.1 S)

A. Commencing upon the Effective Date and continuing for the duration of the Option Term, Optionee shall have the right to enter upon the Premises and Access and Common Areas, subject to Section 9(D) below, to conduct such due diligence investigations and inspections of the Premises and Access and

Common Areas as Optionee shall deem necessary in order to determine the viability of the Premises, Access and Common Areas, and the Ground Lease for Optionee's intended purposes; provided that: (i) all such investigations and inspections shall be at Optionee's sole cost and expense without any obligation of Landlord to contribute to the same, (ii) Optionee shall provide Landlord with no less than forty-eight (48) hours' advance written notice of the need for entry upon the Premises and Access and Common Areas to perform such investigations, (iii) Optionee shall abide by all conditions to such entry as may be specified by Landlord from time to time, (iv) Optionee shall not perform any intrusive or destructive testing, including, without limitation, any so called "Phase II" environmental assessment or boring, without (a) submitting to Landlord a written proposal for such testing or investigation, which shall include, without limitation, the scope and nature of the inspections to be included in such testing, and (b) obtaining the prior written consent of the County's Chief Real Estate Officer, on behalf of Landlord, to conduct such testing, which consent may be granted or withheld in Landlord's sole and absolute discretion, and (v) prior to entering upon the Premises and Access and Common Areas, Optionee and all of Optionee's consultants, members, directors, officers, employees, agents and representatives (collectively, "**Optionee Parties**") entering upon the Premises and Access and Common Areas for purpose of such due diligence, shall provide the County's Chief Real Estate Officer with a certificate of insurance evidencing that Optionee and each of the Optionee Parties have the insurance required under Section 11 below.

B. Optionee covenants and agrees as follows: (i) Optionee shall, and shall cause all Optionee Parties to, conduct all work or studies performed on the Premises and Access and Common Areas in a diligent and safe manner and not create any dangerous or hazardous condition on the Premises or Access and Common Areas; (ii) Optionee shall, and shall cause all Optionee Parties to, comply with all applicable laws and governmental regulations in connection with such work or studies; (iii) Optionee shall, and shall cause the Optionee Parties to, keep the Premises and Access and Common Areas free and clear of all materialmen's liens, lis pendens and other liens arising out of the entry upon the Premises and Access and Common Areas and work performed by Optionee or any Optionee Parties upon the Premises and Access and Common Areas; (iv) following Optionee's entry, or entry by any of the Optionee Parties, upon the Premises and Access and Common Areas for the purposes of performing investigations or inspections of the Premises and Access and Common Areas, Optionee shall, in a timely manner, repair any and all damage to the Premises and Access and Common Areas caused by such inspections or investigations, and (v) Optionee shall provide the County's Chief Real Estate Officer with copies of all reports, test results, updates to surveys and other written materials obtained by Optionee in connection with its investigation of the Premises and Access and Common Areas promptly following Optionee's receipt thereof.

C. Optionee shall indemnify, defend, protect and hold the County, IRWD, SWD, the Landlord's Governing Boards and each of their respective, officers, elected and appointed officials, representatives, other entities for which any of the Landlord's Governing Boards are the governing body (including any Joint Powers Authority formed in the future for ownership and maintenance of the dam and spillway), agents, consultants, contractors, counsel, employees, volunteers, successors and assigns (collectively with the Landlord's Governing Boards, the "**Landlord Parties**"), and the Premises, and Access and Common Areas free and harmless from and against any and all losses, liabilities, claims, damages and expenses (including, but not limited to, reasonable attorneys' fees and costs) arising from Optionee's or any of the Optionee Parties' entry upon the Premises or Access and Common Areas, or from Optionee's or any of the Optionee Parties' failure to comply with the conditions to Optionee's or any of the Optionee Parties' right to enter upon the Premises and Access and Common Areas. Such undertaking of indemnity shall survive the expiration or earlier termination of this Option Agreement for any reason or the exercise of the Option, as applicable. The indemnity described herein shall not extend to (i) any willful misconduct or concurrent active or sole gross negligence of Landlord or any Landlord Parties, or (ii) any pre-existing condition on or about the Premises or

Access and Common Areas, except to the extent such pre-existing condition has been exacerbated by Optionee or any of the Optionee Parties.

D. The Districts will commence a construction and improvement project of the Santiago Dam spillway and outlet tower (“**Districts’ Construction Project**”) which is currently anticipated to begin in early 2025 and conclude in late 2028 to early 2029. The Districts’ Construction Project will involve draining the lake, which is anticipated to begin in July 2024 prior to the active construction period. The Optionee’s ability to access the Premises and Access and Common Areas and conduct due diligence during the Districts’ Construction Project may be restricted, limited or impacted. The Districts cannot guarantee the provision of water service during the Districts’ Construction Project. If domestic water is made available, it would be provided at IRWD’s current rate for the type and usage. If untreated lake water is made available, it would be provided at current untreated water rates. Nothing contained in this Option shall prevent the Landlord from restricting the Optionee’s access to or activities conducted at the Premises or Access and Common Areas as necessary or convenient for the Districts’ Construction Project. During the Districts’ Construction Project, the Districts will require use of the Flats and access roads, including the Access Road, for construction staging and other activities. The Optionee’s use of the Access Road and any other access roads shall not impede or unreasonably interfere with the Districts’ use of the access road for access to the Flats or for construction of the project. After completion of the Districts’ Construction Project, the Districts shall restore the Flats and any other portions of the Premises and Access and Common Areas used for the Districts’ Construction Project to a condition reasonably similar to the condition existing prior to the Districts’ Construction Project. Additionally, the Districts’ Construction Project will involve the use of heavy machinery and may increase noise and dust above current levels and decrease visibility below current levels.

10. RELEASE; HOLD HARMLESS (PMGE10.1 S)

A. Optionee hereby releases and waives all claims and recourse against Landlord, the Landlord Parties and the Premises and Access and Common Areas, including the right of contribution for loss or damage of persons or property, arising from, growing out of or in any way connected with or related to this Option Agreement except claims arising from the concurrent active or sole negligence of Landlord, or any of the Landlord Parties. It is the intention of the Parties that the foregoing release shall be effective with respect to all matters, past and present, known and unknown, suspected and unsuspected. Optionee realizes and acknowledges that factual matters now unknown to it may have given or may hereafter give rise to losses, damages, liabilities, costs and expenses which are presently unknown, unanticipated and unsuspected, and Optionee further agrees that the waivers and releases herein have been negotiated and agreed upon in light of that realization and that Optionee nevertheless hereby intends to release, discharge and acquit Landlord and the Landlord Parties from any such unknown losses, damages, liabilities, costs and expenses. In furtherance of this intention, Optionee hereby expressly waives any and all rights and benefits conferred upon it by the provisions of California Civil Code Section 1542, which provides as follows:

“A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.”

Optionee acknowledges that the foregoing acknowledgments, releases and waivers including, without limitation, the waiver of the provisions of California Civil Code Section 1542 were expressly bargained for.

Optionee Initials
Page 10 of 23

B. Optionee hereby agrees to indemnify, defend (with counsel approved in writing by Landlord), and hold harmless, Landlord, the Landlord Parties and the Premises and Access and Common Areas from and against any and all claims, losses, demands, damages, cost, expenses or liability for injury to any persons or property, arising out of Optionee's exercise of the rights under this Option Agreement, except for liability arising out of the concurrent active or sole negligence of Landlord, or the Landlord Parties including the cost of defense of any lawsuit arising therefrom. If Landlord, any Landlord Party or the Premises or Access and Common Areas is named as co-defendant in a lawsuit relating to this Option Agreement or the exercise of Optionee's rights under this Option Agreement, then Optionee shall represent Landlord and any named Landlord Parties in such legal action unless Landlord or any such Landlord Parties elects to represent itself as co-defendant in such legal action, in which event Optionee shall reimburse Landlord and such Landlord Parties for all litigation costs, expenses, and attorneys' fees incurred by Landlord and such Landlord Parties in connection with such action. If judgment is entered against Landlord or any of the Landlord Parties and Optionee by a court of competent jurisdiction because of the concurrent active negligence of Landlord, such Landlord Parties and Optionee, then Landlord and Optionee agree that liability will be apportioned between them as determined by the court. Neither Party shall request a jury apportionment.

C. The provisions of this Section 10 shall survive the termination of this Option Agreement, as well as the exercise of the Option and execution of the Ground Lease.

11. INSURANCE (PM09.2.2S)

A. General Requirements

Optionee shall purchase and maintain, at Optionee's expense and at all times during the Option Term all insurance required under this Option Agreement and deposit with the County's Chief Real Estate Officer certificates evidencing such insurance, including all endorsements required herein.

The Option shall automatically terminate upon termination of any insurance coverage required to be carried by Optionee under this Option Agreement. If, within ten (10) business days after such termination, Optionee obtains and provides the Chief Real Estate Officer with evidence that the required insurance coverage has been procured by Optionee, then this Option Agreement may be reinstated at the sole discretion of Landlord. Optionee shall pay County Seven Hundred Fifty Dollars (\$750.00) for processing the reinstatement of this Option Agreement.

Optionee agrees that Optionee shall not operate on the Premises or Access and Common Areas at any time the required insurance is not in full force and effect as evidenced by a certificate of insurance and necessary endorsements or, in the interim, an official binder being in the possession of the Chief Real Estate Officer. In no cases shall assurances by Optionee, its employees, agents, including any insurance agent, be construed as adequate evidence of insurance. The Chief Real Estate Officer will only accept valid certificates of insurance and endorsements, or in the interim, an insurance binder as adequate evidence of insurance. Optionee also agrees that upon cancellation, termination, or expiration of Optionee's insurance, Landlord may take whatever steps are necessary to prevent Optionee and any Optionee Parties from accessing the Premises or Access and Common Areas or from continuing any work on the Premises or Access or Common Areas until such time as Landlord reinstates this Option Agreement.

Optionee's failure to provide the Chief Real Estate Officer with a valid certificate of insurance and endorsements, or binder at any time during the Option Term, shall constitute a material breach of this Option Agreement. Whether or not a notice of default has or has not been sent to Optionee, said material breach shall

permit Landlord to take whatever steps necessary to interrupt any operation from or on the Premises or Access and Common Areas, and to prevent any persons, including, but not limited to, members of the general public, and the Optionee's Parties, from entering the Premises or Access and Common Areas until such time as the Chief Real Estate Officer is provided with adequate evidence of insurance required herein. Optionee further agrees to hold Landlord harmless for any damages resulting from such interruption of business and possession, including, but not limited to, damages resulting from any loss of income or business resulting from Landlord's action.

All contractors and subcontractors performing work on behalf of Optionee pursuant to this Option Agreement shall obtain insurance subject to the same terms and conditions as set forth herein for Optionee. Optionee shall not allow any contractor or subcontractor to enter upon the Premises or Access and Common Areas if such party work if contractors have less than the level of coverage required by Landlord from the Optionee under this Option Agreement. It is the obligation of the Optionee to provide written notice of the insurance requirements to every contractor and subcontractor and to receive proof of insurance prior to allowing any contractor or subcontractor to enter upon the Premises or Access and Common Areas. Such proof of insurance must be maintained by Optionee through the entirety of the Option Term and be available for inspection by a Landlord representative at any reasonable time.

All self-insured retentions (SIRs) and deductibles shall be clearly stated on the Certificate of Insurance. If no SIRs or deductibles apply, indicate this on the Certificate of Insurance with a zero (0) by the appropriate line of coverage. Any SIR or deductible in excess of \$25,000 (\$5,000 for automobile liability), shall specifically be approved by County Executive Office/Office of Risk Management, or Landlord designee ("**Risk Manager**").

If the Optionee fails to maintain insurance acceptable to Landlord for the full term of this Option Agreement, Landlord may terminate this Option Agreement.

B. Qualified Insurer

The policy or policies of insurance must be issued by an insurer licensed to do business in the state of California (California Admitted Carrier) or have a minimum rating of A- (Secure A.M. Best's Rating) and VIII (Financial Size Category) as determined by the most current edition of the Best's key Rating Guide/Property-Casualty/United States or ambest.com.

If the insurance carrier is not an admitted carrier in the state of California and does not have an A.M. Best rating of A-/VIII, the Risk Manager retains the right to approve or reject a carrier after a review of the company's performance and financial ratings.

C. Minimum Limits

Optionee shall, for the duration of the Option Term, maintain the following policies of insurance with the following minimum limits and coverage:

<u>Coverages</u>	<u>Minimum Limits</u>
Commercial General Liability	\$1,000,000 per occurrence \$2,000,000 aggregate

<u>Coverages</u>	<u>Minimum Limits</u>
Automobile Liability including coverage for owned, non-owned and hired vehicles	\$1,000,000 limit per occurrence
Workers' Compensation	Statutory
Employers' Liability Insurance	\$1,000,000 per occurrence

D. Coverage Forms

The Commercial General Liability insurance policy shall be written on Insurance Services Office (ISO) form CG 00 01, or a substitute form providing liability coverage at least as broad.

The Business Auto Liability coverage shall be written on ISO form CA 00 01, CA 00 05, CA 00 12, CA 00 20, or a substitute form providing liability coverage as broad.

E. Required Endorsements

- 1) The Commercial General Liability policy shall contain the following endorsements, which shall accompany the Certificate of insurance:
 - a. an Additional Insured endorsement using ISO form CG 2010 or CG 2033 or a form at least as broad naming the Landlord and its elected and appointed officials, officers, employees, agents as Additional Insureds;
 - b. a primary non-contributing endorsement evidencing that the Optionee's insurance is primary and any insurance or self-insurance maintained by Landlord shall be excess and non-contributing; and
- 2) All insurance policies required by this Option Agreement shall waive all rights of subrogation against the Landlord and Landlord Parties when acting within the scope of their appointment or employment.
- 3) The Workers' Compensation policy shall contain a waiver of subrogation endorsement waiving all rights of subrogation against Landlord and Landlord Parties.
- 4) All insurance policies required by this contract shall give Landlord thirty (30) days' advance written notice in the event of cancellation and ten (10) days for non-payment of premium. This shall be evidenced by policy provisions or an endorsement separate from the Certificate of Insurance.

F. Severability of Interest Clause - Commercial General Liability

The Commercial General Liability policy shall contain a severability of interests clause, also known as a "separation of insureds" clause (standard in the ISO CG 001 policy).

G. Delivery

Optionee shall deliver all required insurance certificates to the County's Chief Real Estate Officer at the address provided in Section 17 (Notices) below or to an address provided by Landlord. Optionee has ten (10) business days to provide adequate evidence of insurance or Landlord may terminate this Option Agreement.

H. Insurance Requirement Changes

Landlord expressly retains the right to require Optionee to increase or decrease insurance of any of the above insurance types throughout the term of this Option Agreement. Any increase or decrease in insurance will be as deemed by the Risk Manager as appropriate to adequately protect Landlord.

County, on behalf of Landlord, shall notify Optionee in writing of changes in the insurance requirements. If Optionee does not deposit copies of acceptable certificates of insurance and endorsements with County incorporating such changes within thirty (30) days of receipt of such notice, then Optionee shall be in material breach of this Option Agreement and Landlord shall be entitled to all legal remedies.

I. No Limitation on Indemnity Obligations

The procuring of the policies of insurance required under this Option Agreement shall not (i) be construed to limit Optionee's liability under this Option Agreement (ii) fulfill the indemnification provisions and requirements of this Option Agreement, or (iii) in any way to reduce the policy coverages and limits available from the insurer.

12. ASSIGNMENT (PM010.1 S)

This Option shall not be sold, assigned, or otherwise transferred without the prior written consent of Landlord, which consent may be withheld in the Landlord's sole and absolute discretion. Failure to obtain Landlord's required written consent shall render said sale, assignment, or transfer void and Landlord may terminate this Option.

If Optionee hereunder is a corporation, limited liability company, or an unincorporated association or partnership, the sale, transfer, or assignment of any stock or interest in said corporation, company, association, or partnership in the aggregate exceeding twenty-five percent (25%) shall be deemed an assignment within the meaning of this clause.

13. EXERCISE OF OPTION TO LEASE (PM011.1 S)

Provided that Optionee shall have satisfied all the conditions to exercise the Option set forth in Section 6 (Conditions) above, Optionee may exercise the Option at any time during the Option Term by delivering to Landlord written notice of Optionee's election do so.

14. EXECUTION OF LEASE (PM012.1 N)

Following the satisfaction of all the conditions to exercise the Option set forth in Section 6 (Conditions) above, and Optionee's timely exercise of the Option, the Chief Real Estate Officer, as County's designated representative, shall have authority to execute the Ground Lease on behalf of County; IRWD's General Manager shall have authority to execute the Ground Lease on behalf of IRWD; and SWD's President and General Manager, as SWD's designated representatives, shall have authority to execute the Ground Lease on behalf of SWD.

15. GROUND LEASE DATE (PM013.1 S)

It is understood and agreed by the Parties hereto that the effective date of the Ground Lease shall be the date of execution of the Ground Lease by Landlord.

16. TERMINATION (PM014.1 N)

A. This Option Agreement, and the Option, shall automatically terminate and be of no further force or effect upon the expiration of the Option Term, unless Optionee exercises the Option during the Option Term in accordance with Section 13 above.

B. Landlord shall have the right to terminate this Option Agreement if Optionee breaches any of its obligations under this Option Agreement and fails to cure such breach within ten (10) days following receipt of written notice from the County's Chief Real Estate Officer.

C. Optionee shall have the right to terminate this Option Agreement for any reason, or no reason, in Optionee's sole and absolute discretion, during the Option Term upon written notice to Landlord.

D. Upon execution of this Option Agreement, Optionee shall execute, acknowledge, and deliver to the County's Chief Real Estate Officer a quitclaim deed(s), in a form(s) as approved by the Chief Real Estate Officer attached hereto as **Attachment II**, quitclaiming all right title and interest created by this Option Agreement back to the County, IRWD, and SWD, respectively ("**Quitclaim Deed(s)**"). The Quitclaim Deed(s) shall be retained by the Chief Real Estate Officer, on behalf of Landlord, for the duration of the Option Term and shall be recorded in the event of the termination of this Option Agreement for any reason to remove any cloud on title created by this Option Agreement.

E. If this Option Agreement is terminated for any reason, Optionee shall promptly return to Landlord all due diligence materials delivered by Landlord or any Landlord Party to Optionee with respect to the Premises and Access and Common Areas and shall provide Landlord with copies of all non-proprietary reports and studies prepared by third parties for Optionee with respect to the Premises and Access and Common Areas, at no cost to Landlord, but without representation or warranty as to the quality, accuracy or completeness of any of such materials.

17. NOTICES (PM018.1 N)

All notices, documents, correspondence and communications concerning this Option Agreement shall be addressed as set forth in this Section 17, or as the Parties may hereafter designate by written notice, and shall be sent through the United States certified mail, return receipt requested or with other proof of delivery, with postage prepaid, by personal delivery, Federal Express or similar courier service, or by facsimile. Notices so given shall be deemed to have been given upon receipt with the exception of transmittals via facsimile which shall be deemed delivered on the day transmitted provided transmitted by 4:30 P.M. (Pacific Time) on the receiving Party's regular business day, otherwise delivery shall be deemed to have been given on the next business day.

To Landlord:

County of Orange
 CEO Real Estate
 400 W. Civic Center Drive, 5th Floor
 Santa Ana, CA 92701
 Attn: Chief Real Estate Officer

To Optionee:

xx
 xx
 xx
 xx

With a copy to:

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

With a copy to:

Irvine Ranch Water District
15600 Sand Canyon Avenue
P.O. Box 57000
Irvine, CA 92619-7000
Attention: General Manager

With a copy to:

Serrano Water District
18021 East Lincoln Street
Villa Park, CA 92861
Attn: General Manager

Either Party may change the address for notices by giving the other Party at least ten (10) days' prior written notice of the new address.

18. VENUE (PMES13.1S)

The Parties hereto agree that this Option Agreement has been negotiated and executed in the State of California and shall be governed by and construed under the laws of California. In the event of any legal action to enforce or interpret this Option Agreement, the sole and exclusive venue shall be a court of competent jurisdiction located in the County of Orange, California, 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.

19. SEVERABILITY (PMES15.1S)

If any term, covenant, condition, or provision of this Option Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

20. ATTORNEYS' FEES (PMES16.1S)

In any action or proceeding brought to enforce or interpret any provision of this Option Agreement, or where any provision hereof is validly asserted as a defense, each Party shall bear its own attorney fees and costs in connection with such action or proceeding.

21. SUCCESSORS AND ASSIGNS (PMES18.1S)

Subject to the restrictions against sale, assignment or other transfer above, the terms, covenants, and conditions contained herein shall inure to the benefit of, and be binding on, the heirs, successors, executors, administrators, and permitted assigns of the Parties hereto.

22. AUTHORITY (PMES20.1S)

Each individual signing below represents and warrants that he/she has the requisite authority to bind the entity on whose behalf he/she is signing. Furthermore, each Party to this Option Agreement represents and warrants to the other Party that it has been duly authorized to execute this Option Agreement, and once executed, this Option Agreement shall constitute a legally binding obligation of such Party, enforceable in accordance with its terms.

23. ENTIRE AGREEMENT (PM017.1 S)

This Option Agreement contains the entire agreement between the Parties relating to the Option granted herein and all negotiations and agreements between the Parties hereto or their agents with respect to this transaction are merged herein. Any oral representations, modifications, or waivers concerning this instrument shall be of no force and effect, except in a subsequent instrument made in writing and signed by both Parties. Time is of the essence in the performance of the Parties' respective obligations herein contained. The attachments to this Option Agreement are hereby incorporated by referenced herein.

24. CONFIDENTIALITY AND PUBLIC RECORDS ACT

Optionee acknowledges that all materials submitted by Optionee to Landlord pursuant to this Option Agreement and/or the Ground Lease will be subject to the provisions of the California Public Records Act (California Code Government Code 6250, *et seq.*) (the "PRA") and will be disclosed or withheld in accordance therewith. Optionee shall not request that certain information be treated as exempt from the PRA, and any such documents submitted to the Landlord should not be marked as confidential or proprietary. In the event that any information is marked as confidential or proprietary, as it may be absolutely necessary, Optionee shall have the sole responsibility for obtaining any applicable injunctive relief or other protective order to prevent the disclosure of such confidential or proprietary information. In the event of litigation concerning the disclosure of any information submitted by the Optionee in connection with this Option Agreement and/or the Ground Lease and wherein the Landlord is not a party, the Landlord's sole involvement will be as a stakeholder, complying with all applicable laws concerning the disclosure of such information. Optionee, at its sole expense and risk, shall be responsible for any and all fees and costs relating to the prosecution or defense of any action relating to the disclosure of such information, and shall indemnify and hold the Landlord and Landlord Parties harmless from all costs and expenses, including attorney's fee, Landlord incurs in connection with any such action.

Notwithstanding the foregoing, during the Option Term, neither party shall make any further public announcements regarding Optionee's anticipated development of the Premises (the "Project") or the specific terms of this Option Agreement or the Ground Lease without the prior written approval of the other party, which approval shall not be unreasonably withheld. Before responding to any request for information regarding the Project or the specific terms of this Option Agreement or the Ground Lease which Landlord believes it has a legal duty to provide, Landlord shall afford Optionee a reasonable opportunity to challenge whether such information is in the public domain or to assert that it is exempt from such disclosure.

25. COUNTERPARTS.

This Option Agreement, including any exhibits attached hereto, may be executed by the Parties in several counterparts, each of which shall be deemed to be an original copy.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the Parties have executed this Option Agreement the day and year first above written.

OPTIONEE:

a _____

By:

By: _____

Name:

Title:

By: _____

Name:

Title:

IRVINE RANCH WATER DISTRICT

SERRANO WATER DISTRICT

By: _____
Paul A. Cook
General Manager

By: _____
Board President

By: _____
Jerry Vilander
General Manager

APPROVED AS TO FORM:

APPROVED AS TO FORM:

By: _____
Claire Hervey Collins
District Counsel

By: _____
Jeremy N. Jungreis
General Counsel

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

By: _____
Thomas A. Miller, Chief Real Estate Officer
By Delegated Authority
Per Minute Order dated _____

APPROVED AS TO FORM:

Deputy County Counsel
County of Orange, California

**ATTACHMENT I
FORM OF GROUND LEASE**

[to be attached]

ATTACHMENT II
FORM OF QUITCLAIM DEED

[to be attached]



ATTACHMENT B
FORM GROUND LEASE AGREEMENT



GROUND LEASE

THIS GROUND LEASE (“**Lease**”) is made _____, 20____ (“**Effective Date**”) by and between IRVINE RANCH WATER DISTRICT, a California water district organized under and existing pursuant to Sections 34000, *et seq.* of the California Water Code (“**IRWD**”), SERRANO WATER DISTRICT, a political subdivision of the State of California formed and operating under the Irrigation District Law, California Water Code Sections 20500, *et seq.* (“**SWD**”) (IRWD and SWD are collectively the “**Districts**”), the COUNTY OF ORANGE, a political subdivision of the State of California (the “**County**”), (IRWD, SWD, and County are collectively referred to as “**Landlord**”) and _____, a _____ (“**Tenant**”). Landlord and Tenant may sometimes individually be referred to as “**Party**” or jointly as “**Parties.**”

Recitals

- A. The Districts and County are fee owners of the Premises (as hereinafter defined and described).
- B. The Districts are the fee owners of a dam and reservoir facility commonly known as “Irvine Lake” or the “Santiago Reservoir” (together with SWD’s Recreation Rights identified below, the “**Reservoir Property**”). The Reservoir Property is comprised of the following real property which is described in Exhibit A and depicted in Exhibit A-1: (1) the “**Flats**” and (2) the “**Lake and Dam**” constituting that portion of the Reservoir Property outside of the Flats.
- C. SWD owns a twenty-five percent (25%) interest and the County owns a seventy-five percent (75%) interest, respectively, in the right to conduct recreational activities in the waters at Irvine Lake (the “**Recreation Rights**”), as defined in that prior agreement between the Districts, County, and The Irvine Company LLC entitled Declaration of Covenants and Restrictions and Termination of Reversionary Rights (Irvine Lake) (the “**Covenant Agreement**”) and further described in Exhibit C of the Covenant Agreement, recorded as Document No. 2022000107214 in the Official Records of Orange County on March 18, 2022 and attached hereto as Exhibit B. The Covenant Agreement is binding on the Tenant for use of any portion of the Reservoir Property included in this Lease.
- D. The County owns real property adjacent to and surrounding the Reservoir Property (together with its Recreation Rights, the “**County's Property**”) as described in Exhibit C and depicted in Exhibit C-1.
- E. The Districts use water from the Reservoir Property to supply their water customers and conduct activities consistent with those “**Restrictions**” as defined and set forth and recorded in the Covenant Agreement (“**Reservoir Purposes**”). Nothing in this Lease shall restrict the Districts’ abilities to operate, maintain, or improve the Reservoir Property in other ways compatible with the use of Irvine Lake for Reservoir Purposes or to otherwise comply with the requirements imposed by law.

F. The Parties have executed an Option Agreement, dated _____ (“**Option Agreement**”), pursuant to which the Landlord had agreed to lease the Premises to the Tenant upon the fulfillment of certain conditions precedent.

G. The Parties acknowledge that the conditions precedent required by the Option Agreement have been fulfilled, the Option has been exercised, and now therefore the Tenant and Landlord desire that Tenant shall ground lease the Premises from Landlord on the terms set forth herein.

H. Landlord and Tenant have jointly agreed to enter into this Lease as of the date set forth above.

NOW, THEREFORE, in consideration of the above recitals which are hereby incorporated into this Lease by reference, and mutual covenants and agreements hereinafter contained, Landlord and Tenant mutually agree to the following:

ARTICLE I DEFINITIONS

1.1 **Definitions:** The following defined terms used in this Lease shall have the meanings set forth below. Other terms are defined in other provisions of this Lease, and shall have the definitions given to such terms in such other provisions.

1.1.1. “**Access Road**” means Haul Road/Blue Diamond Haul Road, which provides access to the Premises from Santiago Canyon Road. Two segments of the Access Road are owned by the County. The gap between the County’s two Access Road segments is a segment of the Access Road owned by the Districts and belonging to the Reservoir Property. The County and Districts each hold reciprocal non-exclusive access easements over each other’s segments of the Access Road.

1.1.2. “**Additional Rent**” is defined in Section 3.11 below.

1.1.3. “**Adjustment Date**” is defined in Section 3.2.1 below.

1.1.4. “**Affiliate**” means, with respect to any person (which as used herein includes an individual, trust or entity), which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such person.

1.1.5. “**Aggregate Transfer**” shall refer to the total percentage of the shares of stock, partnership interests, membership interests, or any other equity interests (which other equity interests constitute “Beneficial Residual Interests” in Tenant) transferred or assigned in one transaction or a series of related transactions (other than an Excluded Transfer) occurring since the latest of (a) the Effective Date, (b) the execution by Tenant of this Lease, or (c) the most recent Tenant Ownership Change; provided, however, that there shall be no double counting of successive transfers of the same interest in the case of a transaction or series of related transactions involving successive transfers of the same interest. Isolated and unrelated transfers shall not be treated as a series of related transactions for purposes of the definition of “Aggregate Transfer.”

1.1.6. “**Annual Percentage Rent**” is defined in Section 3.2.1(c) below.

1.1.7. “**Annual Rent Date**” means the first day of the Annual Rent Period.

1.1.8. “**Annual Rent Period**” is defined in Section 3.2 below.

1.1.9. “**Approved Construction Documents**” is defined in Section 5.1.2 below.

1.1.10. “**Auditor-Controller**” means the Auditor-Controller, County of Orange, or designee, or upon written notice to Tenant, such other person as may be designated by the Board of Supervisors.

1.1.11. “**Basic Rent**” means the annual rent payable commencing on the Annual Rent Date consisting of Minimum Annual Rent and Annual Percentage Rent.

1.1.12. “**Beneficial Residual Interest**” shall refer to the ultimate direct or indirect ownership interests in Tenant, regardless of the form of ownership and regardless of whether such interests are owned directly or through one or more layers of constituent partnerships, corporations, limited liability companies, or trusts. With respect to an Aggregate Transfer, in lieu of deducting the Documented Transaction Costs (or Successor’s Documented Transaction Costs, as the case may be) in determining Net Transfer Proceeds, the Documented Transaction Cost to the transferor with respect to the interest being transferred or that was transferred in the past but constitutes a portion of an Aggregate Transfer shall be deducted; provided, however, that the amount so deducted shall in no event be greater than the pro-rata share of the Documented Transaction Costs (or Successor’s Documented Transaction Costs, as the case may be) as of the respective date of the transfer of each interest in the aggregation pool.

1.1.13. “**Board(s) of Directors**” means each of the governing boards for IRWD and SWD, respectively.

1.1.14. “**Board of Supervisors**” means the Board of Supervisors of the County of Orange, a political subdivision of the State of California.

1.1.15. “**Certificate of Occupancy**” means a temporary or final certificate of occupancy (or other equivalent entitlement, however designated) which entitles Tenant to commence normal operation and occupancy of the Improvements.

1.1.16. “**Chief Real Estate Officer**” means the Chief Real Estate Officer, County Executive Office, County of Orange, or designee, or upon written notice to Tenant, such other person as may be designated by the Board of Supervisors.

1.1.17. “**Claims**” means liens, claims, demands, suits, judgments, liabilities, damages, fines, losses, penalties, costs and expenses (including without limitation reasonable attorney’s fees and expert witness costs, and costs of suit), and sums reasonably paid in settlement of any of the foregoing.

1.1.18. “**Commencement Date**” means the same as the Effective Date.

1.1.19. “**Completion of the Construction Period**” means the last day of the Construction Period.

1.1.20. “**Construction Budget**” means the detailed line-item budget for all hard and soft costs to be incurred by Tenant in connection with the design and construction of the Initial Improvements and approved by the County’s Chief Real Estate Officer, on behalf of Landlord, prior to the exercise of the Option, a copy of which is attached hereto as **Exhibit E**, as same may be revised from time to time in accordance with this Agreement.

1.1.21. “**Construction Drawings**” means the set of construction, landscaping and engineering drawings prepared by or for the architect of record for the Initial Improvements, approved by the County’s Chief Real Estate Officer, on behalf of Landlord, prior to Tenant’s exercise of the Option and referenced on **Exhibit H** attached hereto, as same may be revised from time to time in accordance with this Agreement.

1.1.22. “**Construction Period**” means the period commencing on the Effective Date and ending on the date that is the earlier to occur of (i) the date that the Initial Improvements are deemed complete by the County’s Chief Real Estate Officer, on behalf of Landlord, or (ii) the Guaranteed Construction Completion Date.

1.1.23. “**Construction Period Rent**” shall mean an amount equal to _____ annually, payable in _____ (____) equal monthly installments.

1.1.24. “**Construction Schedule**” means that certain schedule for construction of the Initial Improvements approved by the County’s Chief Real Estate Officer, on behalf of Landlord, prior to Tenant’s exercise of the Option, a copy of which is attached hereto as **Exhibit G**.

1.1.25. “**County**” means the County of Orange, a political subdivision of the State of California, and shall include its Board of Supervisors, its elected and appointed officials, officers, agents, employees, and contractors.

1.1.26. “**CPI Index**” means the CPI Index for All Urban Consumers, All Items (1982-84=100) for Los Angeles-Anaheim-Riverside, as published by the United States Department of Labor, Bureau of Labor Statistics. If the base year is changed, the CPI Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If, for any reason, there is a major change in the method of calculation or formulation of the CPI Index, or the CPI Index is no longer published, then the County, on behalf of Landlord, shall select such other commodity index that produces substantially the same result as would be obtained if the CPI Index had not been discontinued or revised.

1.1.27. “**Effective Date**” is defined in the introductory paragraph to this Lease.

1.1.28. “**Event of Default**” is defined in Section 11.1 below.

1.1.29. “**Excess Percentage Rent**” is defined in Section 3.5.2 below.

1.1.30. “**Excluded Financing**” shall mean:

(a) Any Financing Event that occurs in connection with a simultaneous Tenant Ownership Change; or

(b) With respect to a Financing Event secured by Ownership Interests, any Financing Event, the foreclosure of the security interests of which would not result in an Aggregate Transfer.

1.1.31. “**Excluded Transfer**” shall mean any of the following:

(a) A transfer by any direct or indirect partner, shareholder, or member of Tenant (or of a limited partnership, corporation, or limited liability company that is a direct or indirect owner in Tenant’s ownership structure) as of the Effective Date or the date on which a Tenant Ownership Change occurred as to the interest transferred, to any other direct or indirect partner, shareholder, or member of Tenant (or of a limited partnership, corporation, or limited liability company that is a direct or indirect owner in Tenant’s ownership structure) as of the Effective Date, including in each case to or from a trust for the benefit of the immediate family of any direct or indirect partner or member of Tenant who is an individual;

(b) A transfer to a spouse in connection with a property settlement agreement or decree of dissolution of marriage or legal separation;

(c) A transfer of ownership interests in Tenant or in constituent entities of Tenant (i) to a member of the immediate family of the transferor (which for purposes of this Lease shall be limited to the transferor’s spouse, children, parents, siblings, and grandchildren); (ii) to a trust for the benefit of a member of the immediate family of the transferor; (iii) from such a trust or any trust that is an owner in a constituent entity of Tenant as of the Effective Date, to the settlor or beneficiaries of such trust or to one or more other trusts created by or for the benefit of any of the foregoing persons, whether any such transfer described in this subsection is the result of gift, devise, intestate succession, or operation of law; or (iv) in connection with a pledge by any partners or members of a constituent entity of Tenant to an affiliate of such partner or member;

(d) A transfer of a beneficial interest resulting from public trading in the stock or securities of an entity, when such entity is a corporation or other entity whose stock and/or securities is/are traded publicly on a national stock exchange or traded in the over-the-counter market and the price for which is regularly quoted in recognized national quotation services;

(e) A mere change in the form, method, or status of ownership (including, without limitation, the creation of single-purpose entities) as long as the ultimate beneficial ownership remains the same as of the Effective Date, or is otherwise excluded in accordance with subsections (i)–(iv) above; or

(f) Any assignment of the Lease by Tenant to an Affiliate of Tenant in which there is no change to the direct and indirect beneficial ownership of the leasehold interest.

1.1.32. “**Extension Term(s)**” is defined in Section 2.2.2.

1.1.33. “**Financing Event**” shall mean any financing or refinancing consummated by Tenant or by the holders of Ownership Interests that is not an Excluded Financing, whether with private or institutional investors or lenders, when such financing or refinancing results in any grant, pledge, assignment, transfer, mortgage, hypothecation, grant of security interest, or other encumbrance, of or in all or any portion of (A) the leasehold interest of Tenant’s or (B) Ownership Interests.

1.1.34. “**Force Majeure Event**” is defined in Article XIV below.

1.1.35. “**General Manager**” means the General Manager, Irvine Ranch Water District or Serrano Water District (as the case may be), or designee, or upon written notice to Tenant, such other person as may be designated by the Boards of Directors, respectively.

1.1.36. “**Gross Receipts**” is defined in Section 3.2.1 below.

1.1.37. “**Gross Transfer Proceeds**” shall mean an amount equal to the gross sale or transfer proceeds and other consideration given for the interests transferred (but in the case of a transfer to a party affiliated with or otherwise related to the transferor which constitutes a Tenant Ownership Change that is not an Excluded Transfer, such consideration shall in no event be deemed to be less than the fair value of the interests transferred).

1.1.38. “**Guaranteed Construction Commencement Date**” means the date that shall be [_____()] days after the Effective Date.

1.1.39. “**Guaranteed Construction Completion Date**” means the [_____()] anniversary of the Effective Date.

1.1.40. “**Hazardous Material(s)**” is defined in Section 4.6.1 below.

1.1.41. “**Improvements**” means and includes all buildings (including above-ground and below ground portions thereof, and all foundations and supports), building systems and equipment (such as HVAC, electrical and plumbing equipment), physical structures, fixtures, hardscape, paving, curbs, gutters, sidewalks, fences, landscaping and all other improvements of any type or nature whatsoever now or hereafter made or constructed on the Premises. The term Improvements means the Initial Improvements and any replacement improvements constructed in accordance with the terms of this Lease.

1.1.42. “**Includes**” means “includes but is not limited to” and “including” means “including but is not limited to.”

1.1.43. “**Initial Improvements**” means the improvements first constructed by Tenant on the Premises at its sole cost and expense as more particularly described in Exhibit E attached hereto and incorporated herein.

1.1.44. “**Institutional Lender**” shall mean: (a) a bank, savings bank, investment bank, savings and loan association, mortgage company, insurance company, trust company, commercial credit corporation, real estate investment trust, pension trust or real estate mortgage investment conduit; or (b) some other type of lender engaged in the business of making commercial loans, provided that such other

type of lender has total assets of at least \$2,000,000,000 and capital/statutory surplus or shareholder's equity of at least \$500,000,000 (or a substantially similar financial capacity if the foregoing tests are not applicable to such type of lender). Institutional Lender shall not include any so-called "sovereign wealth funds" unless otherwise approved by the County, on behalf of Landlord, in its sole discretion.

1.1.45. "**Interest Rate**" means the highest rate of interest permissible under the Laws not to exceed the rate of twelve percent (12%) per annum.

1.1.46. "**IRWD**" means Irvine Ranch Water District, a California water district organized under and existing pursuant to Sections 34000, *et seq.* of the California Water Code, and shall include its Board of Directors, its elected and appointed officials, officers, agents, employees, and contractors.

1.1.47. "**Landlord**" means IRWD, SWD, and County, collectively; however, County, through its Chief Real Estate Officer, shall serve as the administrator of the Lease. Therefore, any plans, documents, permits, or other approvals otherwise required by the Landlord shall be performed by County and County shall act on behalf of IRWD and SWD in the capacity as Landlord for all of the purposes of administration and enforcement of the terms and conditions of this Lease.

1.1.48. "**Landlord's Fee Interest**" means all of Landlord's interest in the property, the Premises, this Lease and Landlord's reversionary interest in the Premises and Improvements.

1.1.49. "**Landlord's Governing Boards**" means the County Board of Supervisors and each of the Board of Directors for SWD and IRWD, collectively.

1.1.50. "**Landlord Parties**" means the Landlord, Landlord's Affiliates, Landlord's Governing Boards and each of their respective, officers, elected and appointed officials, representatives, other entities for which any of the Landlord's Governing Boards are the governing body (including any Joint Powers Authority formed in the future for ownership and maintenance of the dam and spillway), agents, consultants, contractors, counsel, employees, members, directors, attorneys, volunteers, successors and assigns.

1.1.51. "**Laws**" means all laws, codes, ordinances, statutes, orders and regulations now or hereafter made or issued by any federal, state, county, local or other governmental agency or entity that are binding on and applicable to the Premises, Access and Common Areas, and Improvements.

1.1.52. "**Lease**" means this Ground Lease (including any and all addenda, amendments and exhibits hereto), as now or hereafter amended.

1.1.53. "**Lease Year**" means each and every period of twelve (12) consecutive months commencing upon the Effective Date and each and every subsequent anniversary thereof.

1.1.54. "**Leasehold Estate**" is defined in Section 17.1.1.

1.1.55. "**Leasehold Estate Value**" means, as of any particular date during the Term, the then fair market "as-is" value of the Ground Lease Estate, as improved by the Improvements, determined by a licensed MAI Appraiser reasonably acceptable to both parties and with at least ten years of

experience appraising commercial ground leases in Orange County), assuming a willing buyer and willing seller of the Ground Lease Estate after reasonable time to market the Ground Lease Estate for sale, and taking into consideration such factors as (i) the length of time remaining in the Term, (ii) the availability of options to extend the Term, if any, and (iii) the then condition of the Improvements.

1.1.56. “**Leasehold Foreclosure Transferee**” is defined in Section 17.1.2 below.

1.1.57. “**Leasehold Mortgage**” is defined in Section 17.1.3 below.

1.1.58. “**Leasehold Mortgagee**” is defined in Section 17.1.4 below.

1.1.59. “**Minimum Annual Rent**” is defined in Section 3.2.1(a) below.

1.1.60. “**Monthly Rent**” means the monthly payment of Construction Period Rent or Basic Rent, as applicable, due hereunder.

1.1.61. “**Net Transfer Proceeds—Original Tenant**” shall mean, in the case of a transfer of the leasehold by the original Tenant (but not a transfer of the leasehold by a successor or assignee of Tenant) constituting a Tenant Ownership Change for which Value Appreciation Rent is payable, the Gross Transfer Proceeds from the transfer, less the Improvement Costs, Documented Transaction Costs and Subsequent Refinancing Proceeds, with respect to Tenant (but not its successors or assignees), each as defined below:

(a) “**Improvement Costs**” shall mean the final actual construction costs incurred by Tenant in connection with the construction of the Improvements and in accordance with the terms of this Lease, excluding ordinary repair and maintenance costs and any Permitted Capital Expenditures paid for out of the Capital Improvement Fund.

(b) “**Documented Transaction Costs**” shall mean commissions, title and escrow costs, documentary transfer taxes, sales and use taxes, prepayment fees, penalties, or other similar charges (such as yield maintenance premiums or defeasance costs) and other bona fide closing costs actually paid to third parties and documented to the reasonable satisfaction of Landlord, which costs were directly attributable to the consummation of the particular transaction giving rise to the obligation to pay County, collecting on behalf of Landlord, the Value Appreciation Rent.

(c) “**Subsequent Refinancing Proceeds**” shall mean that portion of the principal amount of any Financing Event after the Effective Date that constituted Net Refinancing Proceeds on which Tenant paid County, collecting on behalf of Landlord, the Value Appreciation Rent.

1.1.62. “**Net Transfer Proceeds—Tenant’s Successor**” shall mean, in the case of a transfer of the leasehold by a Tenant other than the original Tenant, the Gross Transfer Proceeds received by that successor, minus the Successor’s Basis, Successor’s Improvement Costs, and Successor’s Documented Transaction Costs, each as defined below:

(a) “**Successor’s Basis**” shall mean the greatest of (a) the purchase price such successor Tenant paid to Tenant or such successor Tenant’s seller for the interest acquired, or (b) the

original principal amount of any Financing Event or Financing Events (on a non-duplicative basis) after such successor Tenant's acquisition of the leasehold, and with respect to which County, collecting on behalf of Landlord, was paid Value Appreciation Rent, plus the original principal amount of any other financing existing as of the date on which such successor's seller acquired the leasehold or any other financing subsequently obtained by Tenant, if such financing has not been refinanced, but without duplication;

(b) **“Successor's Improvement Costs”** shall mean actual costs of Improvements by such successor Tenant after such successor Tenant's acquisition of its leasehold interest in the Premises (but not duplicative of the principal amount of any Financing Event described above, the proceeds of which were used to fund such Improvement) made in accordance with the terms of this Lease; and

(c) **“Successor's Documented Transaction Costs”** shall mean Documented Transaction Costs with respect to the transfer of the interest by the successor Tenant.

1.1.63. **“Net Refinancing Proceeds”** shall mean the gross principal amount of any Financing Event after the Effective Date (plus, in the case of secondary financing, the original principal balance of any existing financing that is not repaid as a part of such secondary financing), minus (i) the greatest of (A) the Improvement Costs, (B) the original principal amount of any subsequent refinancing by Tenant in connection with which County, collecting on behalf of Landlord, was paid Value Appreciation Rent plus, if the financing described in this clause (B) was secondary financing, the original principal balance of any then-existing financing that was not repaid as a part of such secondary financing, or (C) in the case of a successor Tenant, the purchase price such successor paid to Tenant or such successor Tenant's seller for the interest acquired; (ii) any portion of the proceeds of the Financing Event that shall be used for Improvement Costs; (iii) other Improvement Costs incurred by Tenant and not paid for or repaid with the proceeds of any Financing Event; and (iv) Documented Transaction Costs with respect to such Financing Event. Notwithstanding the foregoing, there shall be no double counting of Improvement Costs.

1.1.64. **“New Lease”** is defined in Section 17.7.1.

1.1.65. **“Operating Costs”** shall have the meaning set forth in Section 3.11.5.

1.1.66. **“Option”** means the Tenant's option to lease the Premises granted pursuant to the Option Agreement.

1.1.67. **“Option Agreement”** has the meaning set forth in the Recitals to this Lease.

1.1.68. **“Ownership Interests”** shall mean the stock, partnership interests, membership interests, or other direct or indirect ownership interests in Tenant, including Beneficial Residual Interests.

1.1.69. **“Permitted Transfer”** shall have the meaning set forth in Section 10.3.

1.1.70. **“Permitted Transferee”** shall have the meaning set forth in Section 10.3.

1.1.71. “**Person**” includes firms, associations, partnerships, joint ventures, trusts, corporations and other legal entities, including public or governmental bodies, agencies or instrumentalities, as well as natural persons.

1.1.72. “**Premises**” means that certain real property containing the Flats and the County’s Property, approximately _____ square feet [_____ acres] with an address of _____ in unincorporated Orange County, together with all easements, Recreation Rights, and other rights and privileges appurtenant thereto, to be leased to Tenant pursuant to this Lease and on which Tenant intends to construct the Improvements. The legal description of the Premises is attached hereto as **Exhibit D**. A depiction showing the approximate boundaries of the Premises is attached hereto as **Exhibit D-1**.

1.1.73. “**Primary Term**” is defined in Section 2.2.1.

1.1.74. “**Project**” means _____.

1.1.75. “**Rent**” means and includes the Monthly Rent and Additional Rent payable by Tenant under this Lease.

1.1.76. “**Risk Manager**” means the Manager of County Executive Office, Risk Management, County of Orange, or designee, or upon written notice to Tenant, such other person as may be designated by the Board of Supervisors.

1.1.77. “**Security Deposit**” means a security deposit in the amount of _____ Dollars (\$ _____).

1.1.78. “**Specifications**” means those certain specifications for the Initial Improvements, prepared by the architect of record for the Initial Improvements, approved by the County’s Chief Real Estate Officer, on behalf of Landlord, prior to the exercise of the Option, and referenced on **Exhibit I** attached hereto, as same may be revised from time to time in accordance with this Agreement.

1.1.79. “**Sublease**” has the meaning set forth in Section 10.7.

1.1.80. “**Sublessees**” has the meaning set forth in Section 10.7.

1.1.81. “**SWD**” means Serrano Water District, a special governmental district formed under the Irrigation District Law, Sections 20500, *et seq.* California Water Code, and shall include its Board of Directors, its elected and appointed officials, officers, agents, employees, and contractors.

1.1.82. “**Taxes**” has the meaning set forth in Section 3.11.2.

1.1.83. “**Tenant Ownership Change**” means (a) any transfer by Tenant of the Leasehold Estate or (b) any transaction or series of related transactions that constitute an Aggregate Transfer of twenty five percent (25%) or more of the Beneficial Residual Interests in Tenant, in each case that is not an Excluded Transfer. Any transfer of an Ownership Interest owned directly or through one or more layers of constituent partnerships, corporations, limited liability companies, or trusts shall be treated as a

transfer of the Beneficial Residual Interests, the owners of which directly or indirectly own such Ownership Interest.

1.1.84. “**Term**” means the full term of this Lease including the Primary Term and any Extension Term(s).

1.1.85. “**Transfer**” has the meaning set forth in Section 10.1.1.

1.1.86. “**Transfer Notice**” has the meaning set forth in Section 10.4.

1.1.87. “**Treasurer-Tax Collector**” means the Treasurer-Tax Collector, County of Orange, or designee, or upon written notice to Tenant, such other person or entity as may be designated by the Board of Supervisors.

1.1.88. “**Utility Costs**” has the meaning set forth in Section 3.11.6.

1.1.89. “**Value Appreciation Rent**” shall have the meaning set forth in Section 3.4.

1.1.90. “**Work**” means Tenant’s construction activity with respect to the Improvements, including permitted future changes, alterations and renovations thereto and also including, without limiting the generality of the foregoing, site preparation, landscaping, installation of utilities, street construction or improvement and grading or filling in or on the Premises.

ARTICLE II LEASE OF PROPERTY

2.1 **Lease of Premises**. Landlord hereby leases the Premises to Tenant for the Term, and Tenant hereby leases the Premises from Landlord for the Term, subject to the terms and conditions of this Lease.

2.2 **Term**.

2.2.1. **Primary Term**. The “**Primary Term**” of this Lease shall commence on the Effective Date of this Lease, and shall expire at 12:00 midnight Pacific Time on _____, unless sooner terminated as a result of non-compliance with any term or condition of this Lease as hereinafter provided.

2.2.2. **Option to Extend Primary Term**. Provided that no Event of Default has occurred and remains uncured, Tenant shall have the option to extend the Primary Term of this Lease under the same terms, covenants and conditions, except for Rent which shall be adjusted as set forth in Section 3.3, for _____() additional, consecutive terms of _____() years each (“**Extension Term(s)**”). Tenant shall exercise each Extension Term by providing Landlord, with written notice of its election to extend the Primary Term, together with the declared term of such Extension Term, a minimum of thirty (30) days prior to the expiration of the Lease term then in effect. The accumulation of the Primary Term and Extension Term(s) is hereinafter referred to as the “**Term**.”

2.3 **Access and Common Areas**. Although not included in the Premises, Tenant's use of the Premises hereunder includes the non-exclusive, in common use of the following access and common areas ("**Access and Common Areas**"):

(a) designated dry lakebed areas within Reservoir Property, including, but not limited to, dirt roads or paths, necessary to access the waters of Irvine Lake, but only as such areas are identified from time-to-time in writing by the Chief Real Estate Officer, on behalf of Landlord, to accommodate the Tenant's operations, and which use shall be limited to access upon, over, and across Reservoir Property to reach the waters of Irvine Lake for the exclusive purpose of using Recreation Rights for fishing and other recreational activities;

(b) the Access Road defined in Section 1.1.1 for reasonable vehicle ingress and egress, and other access rights to the Access Road, but only as such other access rights are identified from time-to-time in writing by the Chief Real Estate Officer, on behalf of Landlord, as necessary to accommodate the Tenant's operations, and subject to any additional terms and conditions as deemed necessary by Landlord; and

(c) Landlord's driveways, rights of ways, and other access roads for reasonable vehicle ingress and egress, pedestrian walkways, and common areas appurtenant to Tenant's Premises created by this Lease, but only as such areas may be identified from time-to-time in writing by the Chief Real Estate Officer, on behalf of Landlord, and subject to any additional terms and conditions as deemed necessary by Landlord.

Tenant agrees not to use the Access and Common Areas for any other purpose nor to engage in or permit any other activity within or from the Access and Common Areas, except as set forth herein with the prior written approval of the Chief Real Estate Officer, on behalf of Landlord. Landlord reserves the right to regulate, at the Landlord's sole discretion, Tenant's use of the Access and Common Areas, including promulgating rules and regulations or to relocate the Access and Common Areas with reasonable notice to the Tenant. Tenant shall be responsible for, and pay any and all costs for Access and Common Areas as set forth in Section 6.1.2.

2.4 **Termination at End of Term**. This Lease shall terminate without need of further actions of any Party at 12:00 midnight Pacific Time on the last day of the Term (as extended pursuant hereto).

2.5 **Condition of the Premises**. **TENANT HEREBY ACCEPTS THE PREMISES AND ACCESS AND COMMON AREAS "AS IS", AND ACKNOWLEDGES THAT THE PREMISES AND ACCESS AND COMMON AREAS ARE IN SATISFACTORY CONDITION. LANDLORD MAKES NO WARRANTY, IMPLIED OR OTHERWISE, AS TO THE SUITABILITY OF THE PREMISES OR ACCESS AND COMMON AREAS FOR TENANT'S PROPOSED USES. LANDLORD MAKES NO COVENANTS OR WARRANTIES, IMPLIED OR OTHERWISE, RESPECTING THE CONDITION OF THE SOIL, SUBSOIL, OR ANY OTHER CONDITIONS OF THE PREMISES OR ACCESS AND COMMON AREAS, OR THE PRESENCE OF HAZARDOUS MATERIALS, NOR DOES LANDLORD COVENANT OR WARRANT, IMPLIED OR OTHERWISE, AS TO THE SUITABILITY OF THE PREMISES OR ACCESS AND COMMON AREAS FOR THE PROPOSED DEVELOPMENT, CONSTRUCTION OR USE BY TENANT. LANDLORD SHALL NOT BE RESPONSIBLE FOR ANY LAND SUBSIDENCE, SLIPPAGE, SOIL INSTABILITY OR DAMAGE RESULTING THEREFROM. EXCEPT AS PROVIDED IN SECTION 6.1.2, LANDLORD SHALL NOT BE REQUIRED OR OBLIGATED**

TO MAKE ANY CHANGES, ALTERATIONS, ADDITIONS, IMPROVEMENTS OR REPAIRS TO THE PREMISES OR ACCESS AND COMMON AREAS. TENANT SHALL RELY ON ITS OWN INSPECTION AS TO THE SUITABILITY OF THE PREMISES AND ACCESS AND COMMON AREAS FOR THE INTENDED USE.

TENANT INITIALS: _____

2.6 **Limitations of the Leasehold.** This Lease and the rights and privileges granted Tenant in and to the Premises and Access and Common Areas, are subject to all covenants, conditions, restrictions, and exceptions of record or apparent, including restrictions on the Reservoir Property contained in the Covenant Agreement described in Recital C of this Lease. Nothing contained in this Lease or in any document related hereto shall be construed to imply the conveyance to Tenant of rights in the Premises or Access and Common Areas, which exceed those owned by Landlord, or any representation or warranty, either express or implied, relating to the nature or condition of the Premises or Access and Common Areas, or Landlord’s interest therein.

2.7 **Tenant’s Investigation.** Tenant acknowledges that it is solely responsible for investigating the Premises and Access and Common Areas to determine the suitability thereof for the uses contemplated by Tenant. Tenant further acknowledges by executing this Lease that it completed its investigations of the Premises and Access and Common Areas, prior to exercising the Option and has made such determinations as Tenant believes may be required under the circumstances.

**ARTICLE III
RENT**

3.1 **Construction Period Rent.** Commencing on the Effective Date and continuing through the Construction Period, Tenant shall pay to County, collecting on behalf of Landlord, the Construction Period Rent.

3.2 **Annual Rent Period.** Commencing on the expiration of the Construction Period and expiring upon the last day of the Term (the “**Annual Rent Period**”), Tenant shall pay annual Basic Rent calculated pursuant to this Section 3.2.

3.2.1. Commencing on the first day of the Annual Rent Period (the “**Annual Rent Date**”) and continuing through and until the end of the Term, the annual Basic Rent shall consist of the Minimum Annual Rent and the Annual Percentage Rent, as defined and adjusted from time to time as set forth hereinafter.

(a) Minimum Annual Rent.

(1) For purposes of this Lease, the term “**Minimum Annual Rent**” means _____ per year, which amount shall automatically increase by _____ annually on the anniversary date of the commencement of the Annual Rent

Period.

(2) The Minimum Annual Rent shall be payable in twelve (12) equal monthly installments on or before the first (1st) day of each calendar month during the Annual Rent Period.

(b) Minimum Annual Rent Revision.

(1) The Minimum Annual Rent shall increase at the expiration of the five (5) year period immediately following the Annual Rent Date, and at the expiration of each successive five (5) year period thereafter during the Term (each such date on which such an adjustment takes effect under this Section 3.2.1(b) is referred to as an “**Adjustment Date**”). On each Adjustment Date, the Minimum Annual Rent in effect during the Lease Year immediately preceding such Adjustment Date shall be increased by an amount proportionate to the percentage increase, if any, in the CPI Index (as defined above) during the period from the third (3rd) month prior to the commencement of each five (5) year period through the third (3rd) month prior to the expiration of such prior five (5) year period; provided, however, that no such increase shall be less than ten percent (10%). The County, on behalf of Landlord, shall notify Tenant in writing of the increased Minimum Annual Rent thirty (30) days prior to the applicable Adjustment Date (or following such later date on which the necessary CPI Index figures have been published), and shall set forth in such notice the basis for the amount of the increased Minimum Annual Rent. Tenant shall be responsible for paying the increased Minimum Annual Rent effective from and after such Adjustment Date and in the event that such notice is delivered after the Adjustment Date, then Tenant shall pay County, collecting on behalf of Landlord, a lump sum payment equal to any unpaid amount of increased Monthly Rent that has accrued from the Adjustment Date to the date of such payment. The failure of County, on behalf of Landlord, to deliver timely notice of any adjustment to Minimum Rent under this Section shall not constitute a waiver by Landlord of its rights under this Section nor limit the effectiveness of any notice given.

(c) Annual Percentage Rent. The term “**Annual Percentage Rent**” means an amount equal to: _____ percent (____%) of Gross Receipts (as defined below) realized by Tenant from business operations on the Premises.

(d) Definition of Gross Receipts. As used in this Section, the term “**Tenant**” shall include Tenant, Tenant’s agents, sublessee concessionaires, or licensees, or any person acting under contract with Tenant. The term “**Gross Receipts**” upon which the Annual Percentage Rent is based, shall include:

(1) The sale price of all goods, wares, merchandise, and products sold on or from the Premises by Tenant, whether for cash, credit or otherwise, of all sales of goods and services and all other income and receipts whatsoever of all business conducted at, on or from the Premises, whether delivery of the items sold is made from the Premises and whether title to such items is transferred, including:

a. entry, rental, and other fees of any nature or kind charged by Tenant (including, but not limited to, deposits accepted by Tenant);

- b. sales of merchandise, food, beverages and services;
- c. gift certificates;
- d. any sums deposited into any coin-operated vending machine or other device maintained on the Premises, regardless of the ownership of the machine or device, or whether such sums are removed and counted by Tenant or others, and regardless of what percentage thereof Tenant is entitled to receive except for pay telephones and newspaper racks,
- e. any commission or surcharge received by Tenant from the operation of any automatic teller machines on the Premises;
- f. if pay telephones are owned by Tenant, gross receipts shall be the gross amount deposited or charged for use of the telephones or if pay telephones are owned and operated by a third party, gross receipts shall be the commission or payment received by Tenant;
- g. for newspaper racks gross receipts shall be the commission or payment received by Tenant from racks owned and operated by a third party;
- h. all sums received for officer and employee meals, including meals, snacks and drinks from vending machines provided solely for use by employees, the actual charge, if any, paid by officers or employees for food and beverage while on duty, and;
- i. all other funds received by Tenant from sales by any sublessee, concessionaire or licensee of Tenant on the Premises, subject to the exclusions set forth herein below.

(2) In the event that Tenant, in its discretion, chooses to utilize a franchisee or concessionaire to provide food sales or any other services on which Gross Receipts are calculated, Gross Receipts shall be calculated based upon the sum received by Tenant under any such franchise or concession agreement.

(3) Gross Receipts shall exclude the following (but Tenant shall keep separate records as part of its records): (i) any and all customer refunds, including any cash or credit refunds upon any sale made in or from the Premises, (ii) merchandise returns to shippers or manufacturers, (iii) proceeds from the sale of used equipment or trade fixtures, and (iv) sales and excise taxes and fees payable by Tenant to federal, state, county, or municipal governments as a direct result of operations under this Lease.

(4) Gross Receipts also include the fair rental value of facilities used by Tenant or its employees for purposes other than the business purposes for which the Premises are leased and the value of all consideration including consideration other than cash received by Tenant or his employees in exchange for the items sold or services rendered.

(5) Bad debt losses shall not be deducted or excluded from Gross Receipts.

3.3 **Extension Period Rent Revision.** For the first Lease Year of the Extension Term, the Minimum Annual Rent shall be increased by an amount proportionate to the percentage increase, if any, in the CPI Index during the five (5) year period that ended three (3) months prior to the commencement of such Extension Term; provided, however, that such increase shall be no less than ten percent (10%). The Minimum Annual Rent for each subsequent Lease Year during the Extension Term shall continue to be increased annually in accordance with Section 3.2.1(a). Thirty (30) days prior to the commencement of the Extension Term, County, on behalf of Landlord, shall notify Tenant in writing of the amount of the Minimum Annual Rent for the first Lease Year of the Extension Term, and shall set forth in such notice the basis for the amount of the increased Minimum Annual Rent. Tenant shall commence paying the increased Minimum Annual Rent upon commencement of the Extension Term.

3.4 **Value Appreciation Rent.** In the event of a Tenant Ownership Change or a Financing Event, Tenant shall pay to County, collecting on behalf of Landlord, concurrent with the closing of such transaction, an amount (“**Value Appreciation Rent**”) that shall be the greater of (a) the lesser of (i) the Net Transfer Proceeds, or (ii) _____ percent (____%) of the Gross Transfer Proceeds, or (b) _____ percent (____%) of Net Transfer Proceeds. For a Financing Event, Tenant shall pay County, collecting on behalf of Landlord, _____ percent (____%) of the Net Refinancing Proceeds. Before any Tenant Ownership Change or Financing Event for which Value Appreciation Rent may be due, Tenant shall provide Landlord, with its detailed calculation of the Value Appreciation Rent. No Tenant Ownership Change or Financing Event shall occur until agreement is reached on the calculation of Value Appreciation Rent; provided, however, that such Tenant Ownership Change or Financing Event shall be permitted to occur without such agreement as long as County, on behalf of Landlord, and Tenant make mutually acceptable arrangements for the preservation of any additional Value Appreciation Rent plus interest at the Interest Rate that might be due to County, collecting on behalf of Landlord, over and above that reflected in the Tenant’s calculation should any such dispute be resolved in favor of Landlord. Value Appreciation Rent shall be due and payable concurrently with the Tenant Ownership Change or Financing Event giving rise to the obligation to pay Value Appreciation Rent (or, with respect to any disputed amount, on resolution of the dispute) and, in the situation of a Tenant Ownership Change, shall be the joint and several obligation of the transferee and transferor.

3.5 **Payment of Rent.**

3.5.1. **Monthly Rent Generally.** Monthly Rent shall be payable in advance and without any deduction, offset, prior demand or notice, commencing upon the Commencement Date and thereafter on the first day of each month during the Term, and for Annual Percentage Rent more particularly as described in Section 3.5.2, below. Monthly Rent due under this Lease for any partial month shall be calculated by dividing the number of days for which Monthly Rent is actually owing by the actual number of days in the month, and multiplying the resulting percentage by the Monthly Rent amount then in effect. All Monthly Rent or other amounts owing to County, collecting on behalf of Landlord, under this Lease shall be paid, in lawful currency of the United States of America, by check delivered to County or by

electronic payment as County shall direct. All monetary payments owing by Tenant to County, collecting on behalf of Landlord, under this Lease other than Monthly Rent shall be deemed additional rent owing under this Lease. Rent payments shall be delivered to, and statements required by this Lease shall be filed with the Orange County Treasurer-Tax Collector, Revenue Recovery/Accounts Receivable Unit, P.O. Box 4005, Santa Ana, California 92702-4005 (or may be delivered to 601 N. Ross Street, Santa Ana 92702). The designated place of payment and filing may be changed at any time by the County's Chief Real Estate Officer upon ten (10) days' written notice to Tenant. Tenant assumes all risk of loss if payments are made by mail. The County offers electronic payment for any payments hereunder, thus the Tenant shall utilize such County electronic payment system for any payments under this Lease, unless otherwise directed in writing by the Chief Real Estate Officer. For electronic payments, the Tenant shall submit their payment using the following information:

Bank Name: Wells Fargo Bank
 Account Name: Revenue Recovery
 Routing / ABA: _____
 Account #: _____
 Lease Name: _____

3.5.2. Payment of Rent; Gross Receipts Statement. On or before the twentieth (20th) day of each month during the Annual Rent Period, Tenant shall deliver to Auditor-Controller a correct statement of all applicable Gross Receipts for that portion of the accounting year which ends with and includes the last day of the preceding calendar month for which Gross Receipts have been reported ("**Gross Receipts Statement**"). The Gross Receipts Statement shall be signed by Tenant or Tenant's responsible agent certifying as to its truthfulness and accuracy and shall be in the form reasonably prescribed by the Auditor-Controller. Each Gross Receipts Statement shall indicate:

(a) The total Gross Receipts for said portion of the accounting year, itemized as to each category of Gross Receipts, including a breakdown each separate concession conducted on the Premises where the concessions are run by more than one business operator;

(b) An itemized accounting of any exclusions from Gross Receipts claimed by Tenant for said portion of the accounting year;

(c) The total Annual Percentage Rent calculated based on the total Gross Receipts for said portion of the accounting year;

(d) The amount by which the Annual Percentage Rent exceeds the Annual Minimum Rent for said portion of the accounting year (if any) calculated by Tenant based on the total Gross Receipts received less the Minimum Annual Rent paid by Tenant for said portion of the accounting year (such excess, if any, is referred to herein as the "**Excess Percentage Rent**");

(e) The total rent previously paid by Tenant for the accounting year within which the preceding month falls, and;

(f) The rent due for the preceding month.

3.5.3. **Payment of Excess Percentage Rent.** Concurrently with the payment of the Minimum Annual Rent and delivery of the Gross Receipts Statement, Tenant shall pay the Excess Percentage Rent owed by Tenant (if any) based on the Gross Receipts Statement as provided in Section 3.5.2 above, if any.

3.6 **Triple Net Rent.** It is the intent of the parties that all Rent shall be absolutely net to County, collecting on behalf of Landlord, and that, except as otherwise provided herein, Tenant will pay all costs, charges, insurance premiums, taxes, utilities, expenses and assessments of every kind and nature incurred for, against or in connection with the Premises which arise or become due during the Term or any extension thereof as a result of Tenant's use and occupancy of the Premises. Under no circumstances or conditions, whether now existing or hereafter arising, or whether beyond the present contemplation of the parties, shall Landlord be obligated or required to make any payment of any kind whatsoever or be under any other obligation or liability under this Lease except as expressly provided herein.

3.7 **Insufficient Funds.** If any payment of Rent or other fees made by check is returned due to insufficient funds, or otherwise, more than once during the Term, Landlord shall have the right to require Tenant to make all subsequent Rent payments by cashier's check, certified check or ACH automatic debit system. All Rent shall be paid in lawful money of the United States of America, without offset or deduction or prior notice or demand. No payment by Tenant or receipt by County, collecting on behalf of Landlord, of a lesser amount than the Rent due shall be deemed to be other than on account of the Rent due, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and County, on behalf of Landlord, shall accept such check or payment without prejudice to County's right, on behalf of Landlord, to recover the balance of said Rent or pursue any other remedy in this Lease.

3.8 **Processing Fee.** Within thirty (30) days of the Effective Date of this Lease, Tenant shall pay to County, collecting on behalf of Landlord, a processing fee of five thousand dollars (\$5,000) for issuance of this Lease. Said processing fee is deemed earned by County, collecting on behalf of Landlord, and is not refundable. County, on behalf of Landlord, shall provide Tenant with an invoice for the processing fee and Tenant shall promptly pay the total processing fee amount within thirty (30) days after receipt of invoice and delivered to County at the address provided in Section 19.19 (Notices), below.

3.9 **Charge for Late Payment.**

3.9.1. Tenant hereby acknowledges that the late payment of Rent or any other sums due hereunder will cause Landlord, to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include but are not limited to costs such as administrative processing of delinquent notices, increased accounting costs, etc.

3.9.2. Accordingly, if any payment of Rent or of any other sum due County, collecting on behalf of Landlord, is not received by County within three (3) business days of Tenant's receipt of notice from County, on behalf of Landlord, that such payment is due, a late charge of one and one-half percent (1.5%) of the payment due and unpaid plus \$100 shall be added to the payment, and the total sum shall become immediately due and payable to County, collecting on behalf of Landlord. An additional charge of one and one-half percent (1.5%) of said payment, excluding late charges, shall be added for each

additional month that said payment remains unpaid. Any payments of any kind by Tenant that are returned for insufficient funds will be subject to an additional handling charge of Two Hundred Fifty Dollars (\$250.00). Payments will be first applied to accrued late payment, second to accrued interest, then to Rent and any remaining amount to any other outstanding costs or charges.

3.9.3. Tenant and Landlord hereby agree that such late charges represent a fair and reasonable estimate of the costs that County, on behalf of Landlord, will incur by reason of Tenant's late payment. Acceptance of such late charges (and/or any portion of the overdue payment) by County, collecting on behalf of Landlord, shall in no event constitute a waiver of Tenant's default with respect to such overdue payment, or prevent Landlord from exercising any of the other rights and remedies granted hereunder.

3.9.4. In the event that Tenant makes two (2) late payments in any on twelve (12) month period, the Tenant shall thereafter pay rent in quarterly installments in advance at the request and sole discretion of the County's Chief Real Estate Officer, in addition to any other remedies that the Landlord, may have at law or otherwise.

3.10 **Security Deposit**

3.10.1. Upon the execution of this Lease, Tenant shall provide to County, collecting on behalf of Landlord, the Security Deposit which shall be held by County, on behalf of Landlord, as security for the full and faithful performance of each of the terms hereof by Tenant, subject to use and application as set forth below. The Security Deposit may be applied by County, on behalf of Landlord, towards (i) the payment of any Rent or any other sum in default under this Lease, (ii) the cost of performing any Tenant obligation which Tenant has failed to perform and which Landlord has a right to cure under this Lease, or (iii) any other amounts or damages to which Landlord is entitled under this Lease. If County, on behalf of Landlord, applies the Security Deposit as described in the immediately preceding sentence, County, on behalf of Landlord, shall immediately notify Tenant in writing of the amount so applied, and Tenant shall, within ten (10) days after receipt of such written notice (provided that County's application, on behalf of Landlord, of such amount is not in violation of this Lease or applicable Laws), deposit with County, collecting on behalf of Landlord, an amount sufficient to restore the Security Deposit to its full amount. The Security Deposit may be commingled by County, on behalf of Landlord, with County's other funds, and no interest shall be paid thereon. The security deposit shall take one of the forms set out below and shall guarantee Tenant's full and faithful performance of all the terms, covenants, and conditions of this Lease:

(a) Cash;

(b) The assignment to County, collecting on behalf of Landlord, of a savings deposit held in a financial institution in Orange County acceptable to the County's Chief Real Estate Officer. At the minimum, such assignment shall be evidenced by the delivery to the Chief Real Estate Officer of the original passbook (if a passbook exists) reflecting said savings deposit and a written assignment of said deposit to County, collecting on behalf of Landlord, in a form approved by the Chief Real Estate Officer, on behalf of Landlord.

(c) A Time Certificate of Deposit from a financial institution in Orange County wherein the principal sum is made payable to County, collecting on behalf of Landlord, or order. Both the financial institution and the form of the certificate must be approved by the Chief Real Estate Officer, on behalf of Landlord.

(d) An instrument or instruments of credit from one or more financial institutions, subject to regulation by the state or federal government, pledging that funds necessary to secure performance of the lease terms, covenants, and conditions are on deposit and guaranteed for payment, and agreeing that said funds shall be trust funds securing Tenant's performance and that all or any part shall be paid to County, collecting on behalf of Landlord, or order upon demand by County, on behalf of Landlord. Both the financial institution(s) and the form of the instrument(s) must be approved by the Chief Real Estate Officer, on behalf of Landlord.

3.10.2. Regardless of the form in which Tenant elects to make the Security Deposit, all or any portion of the principal sum shall be available unconditionally to the Chief Real Estate Officer, on behalf of Landlord, for correcting any default or breach of this Lease by Tenant, Tenant's successors or assigns, or for payment of expenses incurred by Landlord as a result of an Event of Default hereunder by Tenant, Tenant's successors or assigns.

3.10.3. Should Tenant elect to assign a savings deposit, provide a Time Certificate of Deposit, or provide an instrument of credit to fulfill the Security Deposit requirements of this Lease, said assignment, certificate, or instrument shall have the effect of releasing depository or creditor therein from liability on account of the payment of any or all of the principal sum to County, collecting on behalf of Landlord, or order upon demand by the Chief Real Estate Officer. The agreement entered into by Tenant with a financial institution to establish the deposit necessary to permit assignment or issuance of a certificate as provided above may allow the payment to Tenant or order of interest accruing on account of the Security Deposit.

3.10.4. In the event the Chief Real Estate Officer withdraws any or all of the Security Deposit as provided herein, Tenant shall, within ten (10) days of any withdrawal by the Chief Real Estate Officer, replenish the Security Deposit to maintain it at amounts herein required. Failure to do so shall be deemed a default and shall be grounds for immediate termination of this Lease.

3.10.5. The security deposit shall be rebated, reassigned, released, or endorsed by the Chief Real Estate Officer to Tenant or order, as applicable, at the end of the Lease term, provided there is no Event of Default by Tenant as of such date.

3.11 **Additional Rent.**

3.11.1. **Additional Rent.** During the Term, the annual Basic Rent shall be absolutely net to County, collecting on behalf of Landlord, so that this Lease shall yield to Landlord, the rental amounts specified above in each year of the Term, and that all costs (including, but not limited, to Operating Costs and Utility Costs, as defined below), fees, taxes (including, but not limited to, Real Estate Taxes and Equipment Taxes, as defined below), charges, expenses, impositions, reimbursements, and obligations of every kind relating to the Premises shall be paid or discharged by Tenant as additional rent ("**Additional Rent**"). Tenant may pay, under protest, any impositions, and/or contest and defend against same. Any

imposition rebates shall belong to Tenant.

3.11.2. **Taxes.** During the Term, Tenant shall pay directly to the taxing authorities all Taxes (as herein defined) at least ten (10) days prior to delinquency thereof. For purposes hereof, “**Taxes**” shall include any form of assessment, license fee, license tax, business license fee, commercial rental tax, levy, penalty, sewer use fee, real property tax, charge, possessory interest tax, tax or similar imposition (other than inheritance or estate taxes), imposed by any authority having the direct or indirect power to tax, including any city, county, state or federal government, or any school, agricultural, lighting, drainage, flood control, water pollution control, public transit or other special County thereof, as against any legal or equitable interest of Landlord in the Premises or any payments in lieu of taxes required to be made by Landlord, including, but not limited to, the following:

(a) Any assessment, tax, fee, levy, improvement County tax, charge or similar imposition in substitution, partially or totally, of any assessment, tax, fee, levy, charge or similar imposition previously included within the definition of Taxes. It is the intention of Tenant and Landlord that all such new and increased assessments, taxes, fees, levies, charges and similar impositions be included within the definition of “**Taxes**” for the purpose of this Lease.

(b) Any assessment, tax, fee, levy, charge or similar imposition allocable to or measured by the area of the Premises or the rent payable hereunder, including, without limitation, any gross income tax or excise tax levied by the county, state or federal government, or any political subdivision thereof, with respect to the receipt of such rent, or upon or with respect to the possession, leasing, operating, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises, or any portion thereof;

(c) Any assessment, tax, fee, levy, charge or similar imposition upon this transaction or any document to which Tenant is a party, creating or transferring an interest or an estate in the Premises, including any possessory interest tax levied on the Tenant’s interest under this Lease;

(d) Any assessment, tax, fee, levy, charge or similar imposition by any governmental agency related to any transportation plan, fund or system instituted within the geographic area of which the Premises are a part.

The definition of “**Taxes**,” including any additional tax the nature of which was previously included within the definition of Taxes, shall include any increases in such taxes, levies, charges or assessments occasioned by increases in tax rates or increases in assessed valuations, whether occurring as a result of a sale or otherwise.

3.11.3. **Contest of Taxes.** Tenant shall have the right to contest, oppose or object to the amount or validity of any Taxes or other charge levied on or assessed against the Premises and/or Improvements or any part thereof; provided, however, that the contest, opposition or objection must be filed before the Taxes or other charge at which it is directed becomes delinquent. Furthermore, no such contest, opposition or objection shall be continued or maintained after the date the tax, assessment or other charge at which it is directed becomes delinquent unless Tenant has either: (i) paid such tax, assessment or other charge under protest prior to its becoming delinquent; or (ii) obtained and maintained a stay of all

proceedings for enforcement and collection of the tax, assessment or other charge by posting such bond or other matter required by law for such a stay; or (iii) delivered to Landlord a good and sufficient undertaking in an amount specified by County, on behalf of Landlord, and issued by a bonding corporation authorized to issue undertakings in California conditioned on the payment by Tenant of the tax, assessments or charge, together with any fines, interest, penalties, costs and expenses that may have accrued or been imposed thereon within thirty (30) days after final determination of Tenant's contest, opposition or objection to such tax, assessment or other charge.

3.11.4. **Payment by Landlord.** Should Tenant fail to pay any Taxes required by this Article III to be paid by Tenant within the time specified herein, and if such amount is not paid by Tenant within ten (10) days after receipt of County's written notice, on behalf of Landlord, advising Tenant of such nonpayment, County, on behalf of Landlord, may, without further notice to or demand on Tenant, pay, discharge or adjust such tax, assessment or other charge for the benefit of Tenant. In such event Tenant shall promptly on written demand of County, reimburse County for the full amount paid by County in paying, discharging or adjusting such tax, assessment or other charge, together with interest at the Interest Rate from the date advanced until the date repaid.

3.11.5. **Operating Costs.** Tenant shall pay all Operating Costs during the Term prior to delinquency. As used in this Lease, the term "**Operating Costs**" shall mean all charges, costs and expenses related to the Premises, including, but not limited to, management, operation, maintenance, overhaul, improvement or repair of the Improvements, Access and Common Areas, and/or the Premises.

3.11.6. **Utility Costs.** Tenant shall pay all Utility Costs during the Term prior to delinquency. As used in this Lease, the term "**Utility Costs**" shall include all charges, surcharges and other costs of installing and using all utilities required for or utilized in connection with the Premises and/or the Premises or the Improvements, including without limitation, costs of heating, ventilation and air conditioning for the Premises, costs of furnishing gas, electricity and other fuels or power sources to the Premises, and the costs of furnishing water and sewer services to the Premises.

ARTICLE IV USE OF PREMISES

4.1 **Permitted Use of Premises.** Tenant may use the Premises for the construction, development, entitlement, operation, maintenance, replacement and repair of the Improvements permitted hereunder. Tenant's use of the Premises also includes the exclusive use of Recreation Rights to the waters of Irvine Lake as described in Recital C of this Lease and the non-exclusive, in common, use of Access and Common Areas. Tenant agrees not to use the Premises for any other purpose nor to engage in or permit any other activity within or from the Premises, except as set forth herein with the prior written approval of the Chief Real Estate Officer, on behalf of Landlord, which approval may be granted or withheld in the sole discretion of the Chief Real Estate Officer.

4.2 **Required and Optional Facilities and Services.**

4.2.1. **Required Services and Uses.** Landlord's primary purpose for entering into this

Lease is for the management and operation of a public fishing concession and to promote the development of other recreational uses and Improvements consistent with this Lease and other uses at and around Irvine Lake. In furtherance of this purpose, Tenant shall construct and during the entire Term operate and maintain the Improvements in a manner consistent with the Laws and for one or more of the following uses (the “Permitted Uses”):

- (a) _____;
- (b) _____;
- (c) _____;
- (d) _____;
- (e) other uses which are in compliance with applicable Laws, restrictions, and approved by the Chief Real Estate Officer, on behalf of Landlord, in writing from time to time.

4.2.2. Ancillary Services and Uses. Subject to the prior written approval of the Chief Real Estate Officer, on behalf of Landlord, Tenant may provide those additional services and uses which are ancillary to and compatible with the required services and uses herein.

4.2.3. Additional Concessions or Services. Tenant may establish, maintain, and operate such other additional facilities, concessions, and services as Tenant and the Chief Real Estate Officer, on behalf of Landlord, may jointly from time to time determine to be reasonably necessary for the use of the Premises and which are otherwise permitted by Law.

4.2.4. Restricted Use. The services and uses listed in this Article IV, both required and optional, shall be the only services and uses permitted. Tenant agrees not to use the Premises for any other purpose or engage in or permit any other activity within or from the Premises except as approved in writing by the Chief Real Estate Officer, on behalf of Landlord, as set forth herein, which approval may be granted or withheld in the sole discretion of the Chief Real Estate Officer, on behalf of Landlord. The Covenant Agreement described in Recital C of this Lease is binding on the Tenant for use of any portion of the Reservoir Property granted in this Lease.

4.2.5. Continuous Use. During the Term, Tenant shall continuously conduct Tenant’s business in the Premises in the manner provided under this Lease and shall not discontinue use of the Premises for any period of time except as permitted in advance and in writing by the Chief Real Estate Officer, on behalf of Landlord.

4.2.6. Alcohol Restrictions. Tenant may sell beer, wine and/or alcoholic beverages on the Premises so long as Tenant obtains all necessary permits and licenses to permit the sale or service of

beer, wine and/or alcoholic beverages on the Premises and otherwise complies with any applicable laws and ordinances. Any such sales shall be subject to the Annual Percentage Rent above.

4.2.7. Permits and Licenses. Tenant shall be solely responsible to obtain, at its sole cost and expense, any and all permits, licenses or other approvals required for the uses permitted herein and shall maintain such permits, licenses or other approvals for the entire Term.

4.3 **Districts' Construction Project.** The Districts will commence a construction and improvement project of the Santiago Dam spillway and outlet tower ("**Districts' Construction Project**") to begin in early 2025 and conclude in late 2028 to early 2029. The Districts' Construction Project will involve draining the lake, which is anticipated to begin in July 2024 prior to the active construction period, and may restrict some of the Tenant's services and uses during the Districts' Construction Project, including _____. The Districts cannot guarantee the provision of water service during the Districts' Construction Project. If domestic water is made available, it would be provided at IRWD's current rate for the type and usage. If untreated lake water is made available, it would be provided at current untreated water rates. Nothing contained in this Lease shall prevent the Landlord from restricting the Tenants' uses or services as necessary or convenient for the Districts' Construction Project. During the Districts' Construction Project, the Districts will require use of the Flats and access roads, including the Access Road, for construction staging and other activities. Tenant's use of the Access Road and any other access roads shall not unreasonably impede the Districts' use of the Access Road or any other access roads for access to the Flats for official business or during the Districts' Construction Project. After completion of the Districts' Construction Project, the Districts shall restore the Flats, any other portions of the Premises, and Access and Common Areas used for the Districts' Construction Project to a condition reasonably similar to the condition existing prior to the Districts' Construction Project. Additionally, the Districts' Construction Project will involve the use of heavy machinery and may increase noise and dust above current levels and decrease visibility below current levels.

4.4 **Reservoir Water Levels.** The Tenant acknowledges that Landlord makes no guarantees of particular water levels in the Reservoir. The Tenant further acknowledges and understands that water levels in the Reservoir will be significantly diminished during the Districts' Construction Project, and that before and after the Districts' Construction Project, water levels in the Reservoir will fluctuate as a result of, among other things, drought, rain and runoff, withdrawals for water supply purposes, seasonal fluctuations, environmental and regulatory requirements, catastrophic events that require draining/lowing lake level, or any other unforeseen act of nature. However, the Districts will take reasonable efforts to notify County, and County, on behalf Landlord, will use reasonable efforts to notify Tenant prior to Districts taking action that is likely to significantly affect water levels in the Reservoir.

4.5 **Nuisance: Waste.** Tenant shall not maintain, commit, or permit the maintenance or commission of any nuisance as now or hereafter defined by any statutory or decisional law applicable to the Premises, Access and Common Areas, and Improvements or any part thereof. Tenant shall not commit or allow to be committed any waste in or upon the Premises, Access and Common Areas, or Improvements and shall keep the Premises and the Improvements thereon in good condition, repair and appearance, and the Access and Common Areas in good condition, repair and appearance as required in Section 6.1.2.

4.6 **Compliance with Laws.** Tenant shall not use or permit the Premises, Access and Common Areas, or the Improvements or any portion thereof to be used in any manner or for any purpose that violates any applicable Laws in any material respect. Tenant shall have the right to contest, in good faith, any such Laws, and to delay compliance with such Laws during the pendency of such contest (so long as there is no material threat to life, health or safety that is not mitigated by Tenant to the satisfaction of the applicable authorities). Landlord shall cooperate with Tenant in all reasonable respects in such contest, including joining with Tenant in any such contest if Landlord's joinder is required in order to maintain such contest; provide, however, that any such contest shall be without cost to Landlord, and Tenant shall indemnify, defend and protect the Premises, Access and Common Areas, and Landlord from Tenant's failure to observe or comply with the contested Law during the pendency of the contest.

4.7 **Hazardous Materials.**

4.6.1. **Definition of Hazardous Materials.** For purposes of this Lease, the term "**Hazardous Material**" or "**Hazardous Materials**" shall mean any hazardous or toxic substance, material, product, byproduct, or waste, which is or shall become regulated by any governmental entity, including, without limitation, the Landlord, acting in its respective governmental capacities, the State of California or the United States government.

4.6.2. **Use of Hazardous Materials.** Except for those Hazardous Materials which are customarily used in connection with any permitted use of the Premises, Access and Common Areas, and Improvements under this Lease (which Hazardous Materials shall be used in compliance with all applicable Laws), Tenant or Tenant's employees, agents, independent contractors or invitees (collectively "Tenant Parties") shall not cause or permit any Hazardous Materials to be brought upon, stored, kept, used, generated, released into the environment or disposed of on, under, from or about the Premises or Access and Common Areas, (which for purposes of this Section shall include the subsurface soil and ground water).

4.6.3. **Tenant Obligations.** If the presence of any Hazardous Materials on, under or about the Premises or Access and Common Areas, caused or permitted by Tenant or Tenant Parties results in (i) injury to any person, (ii) injury to or contamination of the Premises or Access and Common Areas, (or a portion thereof), or (iii) injury to or contamination of any real or personal property wherever situated, Tenant, at its sole cost and expense, shall promptly take all actions necessary or appropriate to return the Premises or Access and Common Areas, to the condition existing prior to the introduction of such Hazardous Materials to the Premises or Access and Common Areas, and to remedy or repair any such injury or contamination. Without limiting any other rights or remedies of Landlord under this Lease, Tenant shall pay the cost of any cleanup or remedial work performed on, under, or about the Premises or Access and Common Areas, as required by this Lease or by applicable Laws in connection with the removal, disposal, neutralization or other treatment of such Hazardous Materials caused or permitted by Tenant or Tenant Parties. Notwithstanding the foregoing, Tenant shall not take any remedial action in response to the presence, discharge or release, of any Hazardous Materials on, under or about the Premises or Access and Common Areas, caused or permitted by Tenant or Tenant Parties, or enter into any settlement agreement, consent decree or other compromise with any governmental or quasi-governmental entity without first obtaining the prior written consent of the County, on behalf of Landlord. All work performed or caused to

be performed by Tenant as provided for above shall be done in good and workmanlike manner and in compliance with all applicable Laws and with all plans, specifications, permits and other requirements for such work approved by County, on behalf of Landlord.

4.6.4. Indemnification for Hazardous Materials.

(a) To the fullest extent permitted by law, Tenant hereby agrees to indemnify, hold harmless, protect and defend (with attorneys acceptable to Landlord) County, SWD, IRWD, the Landlord's Governing Boards and each of their respective elected officials, officers, employees, agents, independent contractors, and the Premises and Access and Common Areas, from and against any and all liabilities, losses, damages (including, but not limited, damages for the loss or restriction on use of rentable or usable space or any amenity of the Premises, or Access and Common Areas, or damages arising from any adverse impact on marketing and diminution in the value of the Premises or Access and Common Areas), judgments, fines, demands, claims, recoveries, deficiencies, costs and expenses (including, but not limited to, reasonable attorneys' fees, disbursements and court costs and all other professional or consultant's expenses), whether foreseeable or unforeseeable, arising directly or indirectly out of the presence, use, generation, storage, treatment, on or off-site disposal or transportation of Hazardous Materials on, into, from, under or about the Premises or Access and Common Areas by Tenant or Tenant Parties.

(b) The foregoing indemnity shall also specifically include the cost of any required or necessary repair, restoration, clean-up or detoxification of the Premises or Access and Common Areas, and the preparation of any closure or other required plans.

4.8 Access by Landlord. Landlord reserves the right for Landlord and Landlord's authorized representatives to enter the Premises at any reasonable time during business hours, in order to (i) determine whether Tenant is complying with Tenant's obligations hereunder, or (ii) enforce any rights given to Landlord under this Lease. Landlord shall take all necessary measures not to unreasonably interfere with Tenant's or any subtenant's business at the Premises in exercising its rights under this Section.

ARTICLE V CONSTRUCTION OF IMPROVEMENTS

5.1 Construction of Improvements.

5.1.1. Initial Improvements. Tenant shall construct the Initial Improvements in a first-class workmanlike matter, in accordance with the Construction Contract, Construction Drawings, Specifications, Construction Schedule, Construction Budget (as such documents may be revised from time to time in accordance with this Lease) and all required permits and all applicable Laws.

5.1.2. Changes to Construction Documents. Tenant shall not make any changes to the Construction Drawings, Specifications, Construction Schedule, Construction Budget, the contracts with the Construction and Architect (collectively, the "**Construction Documents**") without the prior written approval of the County's Chief Real Estate Officer, on behalf of Landlord. All requests for approval of

changes to the Construction Documents shall be submitted by Tenant to the Chief Real Estate Officer together with a reasonably detailed explanation of the reasons for the requested change and any impact that such change may have on the Construction Budget and/or Construction Schedule, if any. If the Chief Real Estate Officer, on behalf of Landlord, approves the requested change, then Tenant shall provide the Chief Real Estate Officer with a copy of the approved revised Construction Documents and the Tenant shall be obligated to complete the Work in accordance with such revised Construction Documents.

5.1.3. **Construction Schedule.** Tenant shall (i) commence construction of the Initial Improvements on or before the Guaranteed Construction Commencement Date, and (ii) substantially complete construction of the Initial Improvements, as evidenced by issuance of Certificates of Occupancy for all buildings included in the Initial Improvements, on or before the Guaranteed Construction Completion Date. Following commencement of construction of the Initial Improvements, Tenant shall diligently continue performance of the Work through completion thereof in accordance with the Construction Schedule, as same may be amended from time to time with the prior written approval of the Chief Real Estate Officer, on behalf of Landlord. Tenant acknowledges that a principal inducement to Landlord to enter into this Lease, is the timely commencement, performance and completion by Tenant of the construction of the Initial Improvements. If Tenant fails to comply with its obligations under this Section 5.1.3 including, without limitation, commencing and completing the Work of the Initial Improvements by the Guaranteed Construction Commencement Date and Guaranteed Construction Completion Date, respectively (as such dates may be changed pursuant to the provisions of this Lease), then such failure shall be deemed an Event of Default.

5.1.4. **Preconditions.** No Work for development of the Initial Improvements shall be commenced, and no building or other materials shall be delivered to the Premises, until Tenant has satisfied the following preconditions:

(a) If not previously obtained prior to Tenant's exercise of the Option, Tenant shall have received all applicable entitlements and approvals for the Project from the County and other applicable government agencies with jurisdiction over the Premises;

(b) Written notice shall have been given by Tenant to Landlord of the proposed commencement of construction of the Premises or the delivery of construction materials in order to permit Landlord to take all necessary actions under California Civil Code section 3094, including posting of a notice of non-responsibility at the Premises;

(c) Tenant shall have provided to Landlord (i) evidence that Tenant has entered into architect and construction contracts in the forms approved by the County's Chief Real Estate Officer, on behalf of Landlord, prior to Tenant's exercise of the Option and with a general contractor ("**Contractor**") and architect ("**Architect**") licensed by the State of California, and who is adequately insured for the purposes of performing under this Lease, and approved by the Chief Real Estate Officer, on behalf of Landlord, prior to Tenant's exercise of the Option, and (ii) the written agreement of the Contractor and Architect that, in the event this Lease is terminated for any reason, then at Landlord's election, Architect and/or Contractor, as applicable, will recognize Landlord as the assignee of the contracts with the Architect and/or Contractor, as applicable, and Landlord may, upon such election, assume such contract with credit for payments made prior thereto; and

(d) Tenant shall have secured the construction funding required under Section 5.1.6 below, and provided Landlord with evidence of assurance of construction completion in accordance with Section 5.2 below; and

(e) Tenant shall have delivered to the Chief Real Estate Officer certificates of insurance evidencing that Tenant and Contractor have acquired all the insurance that they are obligated to carry pursuant to Section 8.1.

5.1.5. **Utilities.** To the extent not already constructed, Tenant, at no cost to Landlord, shall construct or cause to be constructed all water, gas, heat, light, power, air conditioning, telephone, and other utilities and services supplied to and/or used on the Premises at Tenant's sole cost and expense for the purposes of conducting Tenant operations thereon. All such utilities shall be separately metered from any utilities which may be used by Landlord in conducting its operations, if any, on or about the Premises, and all taxes, connection fees, or service fees related to Tenant's operations on the Premises shall be Tenant's responsibility and shall be paid prior to the delinquency date. Tenant agrees to indemnify Landlord against any liability for the late payment or non-payment of any such taxes, connection fees, or service fees. Nothing contained in this Section is to be construed or implied to give Tenant the right or permission to install or to permit any utility poles or communication towers to be constructed or installed on the Premises.

5.1.6. **Construction Funding.** Prior to commencement of construction of the Initial Improvements, Tenant shall provide to County evidence reasonably satisfactory to County, on behalf of Landlord, of funding available to Tenant that is sufficient to pay for any and all hard and soft costs to be incurred by Tenant in connection with the design and construction of the Initial Improvements, as set forth in the Construction Budget, which evidence may consist of (i) fully executed construction loan documents that complies with the requirements of Section 17.2 below evidencing a loan from an Institutional Lender secured by a Leasehold Mortgage encumbering Tenant's leasehold interest under this Lease, (ii) actual equity funds then held by Tenant and set-aside for the purpose of constructing the Initial Improvements, or (iii) any combination of the foregoing. Tenant may from time-to-time change any of the foregoing funding sources and the allocation thereof, so long as the aggregate available funding continues to be sufficient to pay for Tenant's estimated remaining cost of constructing the Initial Improvements, provided that Tenant shall promptly notify Landlord of any such change.

5.1.7. **Compliance with Laws and Permits.** Tenant shall cause all Improvements made by Tenant to be constructed in compliance with all applicable Laws, including all applicable grading permits, building permits, and other permits and approvals issued by governmental agencies and bodies having jurisdiction over the construction thereof. No permit, approval, or consent given hereunder by County or Landlord, in its respective governmental capacities, shall affect or limit Tenant's obligations hereunder, nor shall any approvals or consents given by Landlord, as a party to this Lease, be deemed approval as to compliance or conformance with applicable governmental codes, laws, rules, or regulations, or have any effect on approval rights that the Landlord may have in its respective governmental capacities.

5.1.8. **Reports.** Not less than quarterly from the commencement of construction of the Initial Improvements, Tenant shall provide Landlord with written construction status reports in the form of

AIA No. G702, augmented by oral reports if so requested by Landlord.

5.1.9. **Certificate of Occupancy.** Tenant shall provide the County's Chief Real Estate Officer with a copy of the Certificate of Occupancy of the Initial Improvements promptly following issuance thereof.

5.1.10. **Mechanic's Liens.**

(a) **Payment of Liens.** Tenant shall pay or cause to be paid the total cost and expense of all "Work of Improvement," as that phrase is defined in the California Mechanics' Lien law in effect and as amended from time to time. Tenant shall not suffer or permit to be enforced against the Premises or Improvements or any portion thereof, any mechanics', materialmen's, contractors' or subcontractors' liens arising from any work of improvement, however it may arise. Tenant may, however, in good faith and at Tenant's sole cost and expense contest the validity of any such asserted lien, claim, or demand, provided Tenant (or the Contractor or subcontractor, as applicable) has furnished the release bond (if required by Landlord or any construction lender) required in California Civil Code §3143 (or any comparable statute hereafter enacted for providing a bond freeing the Premises from the effect of such lien claim). In the event a lien or stop-notice is imposed upon the Premises as a result of such construction, repair, alteration, or installation, Tenant shall either:

- (1) Record a valid Release of Lien, or
- (2) Procure and record a bond in accordance with Section 3143 of the Civil Code, which releases the Premises from the claim of the lien or stop-notice and from any action brought to foreclose the lien, or
- (3) Post such security or provide such alternative financial arrangements as shall be required by Tenant's title insurer to insure over such lien or stop-notice, or
- (4) Should Tenant fail to accomplish either of the three optional actions above within 30 days after Tenant receives notice of the filing of such a lien or stop-notice, it shall constitute an Event of Default hereunder.

(b) **Indemnification.** Tenant shall at all times indemnify, defend with counsel approved in writing by County, on behalf of Landlord, and save County, IRWD and SWD harmless from all claims, losses, demands, damages, cost, expenses, or liability costs for labor or materials in connection with construction, repair, alteration, or installation of structures, improvements, equipment, or facilities within the Premises, and in connection with the preparation, repair, or maintenance of the Access and Common Areas, and from the cost of defending against such claims, including attorney fees and costs.

(c) **Protection against Liens.** Landlord shall have the right to post and maintain on the Premises any notices of non-responsibility provided for under applicable California law. During the course of construction, Tenant shall obtain customary mechanics' lien waivers and releases. Upon completion of the construction of any Improvements, Tenant shall record a notice of completion in accordance with applicable law. Promptly after the Improvements have been completed, Tenant shall (or

shall cause Contractor to) record a notice of completion as defined and provided for in California Civil Code Section 3093.

(d) **Landlord's Rights.** If Tenant (or the Contractor or subcontractor, as applicable) does not cause to be recorded the bond described in California Civil Code §3143 or otherwise protect the Premises and Improvements under any alternative or successor statute, and a final judgment has been rendered against Tenant by a court of competent jurisdiction for the foreclosure of a mechanic's, materialman's, contractor's or subcontractor's lien claim, and if Tenant fails to stay the execution of judgment by lawful means or to pay the judgment, County, on behalf of Landlord, shall have the right, but not the duty to pay or otherwise discharge, stay or prevent the execution of any such judgment or lien or both. Upon any such payment by County, on behalf of Landlord, Tenant shall immediately upon receipt of written request therefor by County, reimburse County for all sums paid by County, on behalf of Landlord, under this paragraph together with all Landlord's reasonable attorney's fees and costs, plus interest at the Interest Rate from the date of payment until the date of reimbursement.

5.1.1. **No Responsibility.** Any approvals by County, on behalf of Landlord, with respect to any Improvements shall not make Landlord responsible for the Improvement with respect to which approval is given, or the construction thereof. Tenant shall indemnify, defend and hold Landlord harmless from and against all liability and all claims of liability (including, without limitation, reasonable attorneys' fees and costs) arising during the term of this Lease for damage or injury to persons or property or for death of persons arising from or in connection with such Improvement or construction.

5.2 **Tenant's Assurance of Construction Completion.** Prior to commencement of construction of the Initial Improvements by Tenant, Tenant shall furnish to County evidence that assures Landlord that Tenant will complete construction of the Initial Improvements prior to the Guaranteed Construction Completion Date and in accordance with the Construction Budget. Tenant's failure to complete construction of the Initial Improvements by the Guaranteed Construction Completion Date shall be deemed an Event of Default under this Lease. Such evidence may take one of the following forms:

5.2.1. Completion bond issued to Landlord as obligee, which shall include both a performance bond and a payment bond;

5.2.2. A completion guaranty, in form and substance acceptable to County, on behalf of Landlord (which may be written jointly in favor of the Landlord and Tenant's construction lender on such lender's form or agreement), issued by a guarantor acceptable to County and pursuant to which the guarantor thereunder will guarantee to Landlord that construction of the Initial Improvements will be completed in accordance with the terms and conditions of this Lease, coupled with guaranty for payment for all materials, provisions, supplies and equipment used in, upon, for or about the construction of the Initial Improvements ("**Completion Guaranty**");

5.2.3. Irrevocable letter of credit issued to Landlord from a financial institution to be in effect until County, on behalf of Landlord, acknowledges satisfactory completion of construction, in an amount equal to one hundred percent (100%) of the anticipated construction costs for the Initial Improvements, and allowing Landlord thereon to complete construction of the Initial Improvements;

5.2.4. Cash deposited with the County (may be in the form of cashier's check or may be

electronically deposited), collecting on behalf of Landlord; and

5.2.5. Any combination of the above, provided in no event shall Tenant be responsible for providing any payment, completion or performance bonds for any work for which a Completion Guaranty, reasonably acceptable to County, on behalf of Landlord, has been provided.

All bonds and letters of credit must be issued by a company qualified to do business in the State of California and acceptable to the Chief Real Estate Officer, on behalf of Landlord. All bonds and letters of credit shall be in a form acceptable to the Chief Real Estate Officer, on behalf of Landlord, and shall insure faithful and full observance and performance by Tenant of all terms, conditions, covenants, and agreements relating to the construction of improvements within the Premises.

5.3 **Ownership of Improvements.**

5.3.1. **During Term.** Title to all Improvements constructed or placed on the Premises by Tenant and paid for by Tenant are and shall be vested in Tenant during the entire Term of this Lease, until the expiration or earlier termination thereof. The Parties agree for themselves and all persons claiming under them that the Improvements are real property.

5.3.2. **Upon Expiration of Term.** All Improvements on the Premises at the expiration or earlier termination of the Term of this Lease shall, without additional payment to Tenant, then become Landlord's property free and clear of all claims to or against them by Tenant and free and clear of all Leasehold Mortgages and any other liens and claims arising from Tenant's use and occupancy of the Premises, and with Taxes paid current as of the expiration or termination date. Tenant shall upon the expiration or earlier termination of the Term deliver possession of the Premises and the Improvements to Landlord in a well-maintained condition consistent with the requirements of this Lease, taking into account reasonable wear and tear and the age of the Improvements.

(a) Landlord retains the right to require Tenant, at Tenant's cost, to remove, demolish and clear all Improvements located on the Premises at the expiration or termination hereof. Said removal shall include leveling the Premises, the removal of any underground obstructions, and the compaction of filled excavations to ninety percent (90%) compaction.

(b) In order to ensure that Tenant has sufficient funds reserved for such removal, demolition and clearing, Landlord, may, at any time during the last ten (10) years of the Term, request an estimate showing the then estimated costs for the removal, demolition and clearing of the Improvements. Tenant shall, within sixty (60) days following receipt of such notice, provide Landlord, a report prepared by a construction and demolition expert reasonably acceptable by County, on behalf of Landlord, that details and estimates the cost and required time period for the demolition and removal of the Improvements at the expiration of the Term (the "**Demolition and Removal Report**"). If Tenant thereafter elects to exercise its option to extend the Term pursuant to Section 2.2.2, then Tenant shall, following receipt of written notice from Landlord, at any time during the Extension Term, cause the Demolition and Removal Report to be updated to reflect the extended Lease Term. Tenant shall deliver a copy of the updated Demolition and Removal Report to the Landlord within sixty (60) days following receipt of such notice from Landlord.

(c) Following Landlord's receipt of such estimate, County, on behalf of Landlord, may require Tenant to establish a separate account, in a bank or other financial establishment approved by the Chief Real Estate Officer, on behalf of Landlord, for the deposit of funds to cover such estimated anticipated expense of demolition and clearing (the "**Demolition Security**"). The Demolition Security shall be maintained for the remaining duration of the Lease Term and expended solely for the demolition and clearing under this Section. The Demolition Security shall also be explicitly available to the County, on behalf of Landlord, for such removal in the event that Tenant does not comply with the terms of this Section upon the time periods set forth herein. To the extent that Tenant does not comply with the terms of this Section upon the time periods set forth herein and the County, on behalf of Landlord, shall have the right to use the Demolition Security to pay the costs of demolition and removal and, to the extent that the amount of the Demolition Security exceeds the actual cost of such demolition and removal, the excess funds shall be delivered to Tenant within sixty (60) days after completion of such demolition and removal. Upon completion of all of Tenant's obligations under this Section 5.3.2, the remaining balance of any Demolition Security (and to the extent not used by County, on behalf of Landlord, pursuant this Section) shall be returned to Tenant.

5.4 **"AS-BUILT" Plans**. Within sixty (60) days following completion of any substantial improvement within the Premises, Tenant shall furnish the County's Chief Real Estate Officer a complete set of reproducibles and two sets of prints of "As-Built" plans and a magnetic tape, disk or other storage device containing the "As-Built" plans in a form usable by County, to County's satisfaction, on County's computer aided mapping and design ("**CAD**") equipment. CAD files are also to be converted to Acrobat Reader (*.pdf format), which shall be included on the disk or CD ROM. In addition, Tenant shall furnish the Chief Real Estate Officer copy of the final construction costs for the construction of such improvements.

5.5 **Capital Improvement Fund**

5.5.1. Commencing with the month during which the fifth (5th) anniversary of the Annual Rent Date occurs, and continuing until five (5) years prior to the expiration of the Term of the Lease, Tenant shall establish and maintain a reserve fund (the "**Capital Improvement Fund**") in accordance with the provisions of this Section 5.5 designated to pay for Permitted Capital Expenditures (as defined below) for the Improvements. Tenant and Landlord agree and acknowledge that the purpose of the Capital Improvement Fund shall be to provide sufficient funds to pay for the costs of major replacements, renovations or significant upgrades of or to the Improvements, including without limitation building facade or structure and major building systems (such as HVAC, mechanical, electrical, plumbing, vertical transportation, security, communications, structural or roof) that significantly affect the capacity, efficiency, useful life or economy of operation of the Improvements or their major systems, after the completion of the Initial Improvements ("**Permitted Capital Expenditure(s)**"). The Capital Improvement Fund shall not be used to fund any portion of the cost of the Initial Improvements. In addition, Permitted Capital Expenditures shall not include the cost of periodic, recurring or ordinary maintenance expenditures or maintenance, repairs or replacements that keep the Improvements in an ordinarily efficient operating condition, but that do not significantly add to their value or appreciably prolong their useful life. Permitted Capital Expenditures must constitute capital replacements, improvements or equipment under generally accepted accounting principles consistently applied or constitute qualifying aesthetic improvements. Permitted Capital Expenditures shall not include costs for

any necessary repairs to remedy any broken or damaged Improvements, all of which costs shall be separately funded by Tenant. All specific purposes and costs for which Tenant desires to utilize amounts from the Capital Improvement Fund shall be at Tenant's reasonable discretion and subject to the Chief Real Estate Officer's approval, on behalf of Landlord, as provided for in Section 5.5.4, below. Tenant shall furnish to the Chief Real Estate Officer applicable invoices, evidence of payment and other back-up materials concerning the use of amounts from the Capital Improvement Fund.

5.5.2. The Capital Improvement Fund shall be held in an account established with an Institutional Lender acceptable to the County, on behalf of Landlord, into which deposits shall be made by Tenant pursuant to this Section 5.5. Tenant shall have the right to partly or fully satisfy the Capital Improvement Fund obligations of this Section 5.5 with capital improvement reserves required by Tenant's Leasehold Mortgagee, as long as such capital improvement reserves are in all material respects administered in accordance, and otherwise comply, with the terms, provisions and requirements of this Section 5.6.

5.5.3. Commencing on the fifteenth (15th) day of the month during which the fifth (5th) anniversary of the Annual Rent Date occurs, and continuing on or before the fifteenth (15th) day of each month thereafter until five (5) years prior to the expiration of the Term, Tenant shall make a monthly deposit to the Capital Improvement Fund in an amount equal to one percent (1%) of total Monthly Rent for the previous month. All interest and earnings on the Capital Improvement Fund shall be added to the Capital Improvement Fund, but shall not be treated as a credit against the Capital Improvement Fund deposits required to be made by Tenant pursuant to this Section 5.5.

5.5.4. Disbursements shall be made from the Capital Improvement Fund only for costs which satisfy the requirements of this Section 5.5. For the purpose of obtaining the County's Chief Real Estate Officer's prior approval, on behalf of Landlord, of any Capital Improvement Fund disbursements, Tenant shall submit to the Chief Real Estate Officer on an annual calendar year basis a capital expenditure plan for the upcoming three (3) year period which details the amount and purpose of anticipated Capital Improvement Fund expenditures ("**Capital Improvement Plan**"). The Chief Real Estate Officer shall approve or disapprove such Capital Improvement Plan within thirty (30) days of receipt, which approval shall not be unreasonably withheld, conditioned or delayed. Any expenditure set forth in the approved Capital Improvement Plan shall be considered pre-approved by County, on behalf of Landlord, (but only up to the amount of such expenditure set forth in the Capital Improvement Plan) for the duration of the upcoming year. Tenant shall have the right during the course of each year to submit to the Chief Real Estate Officer for the Chief Real Estate Officer's approval, on behalf of Landlord, revisions to the then current Capital Improvement Plan, or individual expenditures not noted on the previously submitted Capital Improvement Plan. In the event of an unexpected emergency that necessitates a Permitted Capital Expenditure not contemplated by the Capital Improvement Plan, the Tenant may complete such work using the funds from the Capital Improvement Fund with contemporaneous or prior (if possible) written notice to the County and provide applicable documentation to the Chief Real Estate Officer thereafter for approval. If the Chief Real Estate Officer, on behalf of Landlord, disapproves the emergency expenditure, Tenant shall refund the amount taken from the Capital Improvement Fund within thirty (30) days of written notice from the County, on behalf of Landlord, of its decision.

5.5.5. All amounts then existing in the Capital Improvement Fund shall be expended for Permitted Capital Expenditures not later than five (5) years prior to the expiration of the Term.

5.5.6. Notwithstanding anything above to the contrary, if Tenant incurs expenditures that constitute Permitted Capital Expenditures but which are not funded out of the Capital Improvement Fund because sufficient funds are not then available in such fund, then Tenant may credit the Permitted Capital Expenditures so funded by Tenant out of its own funds against future Capital Improvement Fund contribution obligations of Tenant; provided, that such credit must be applied, if at all, within four (4) years after such Permitted Capital Expenditure is incurred by the Tenant.

ARTICLE VI

REPAIRS, MAINTENANCE, ADDITIONS AND RECONSTRUCTION

6.1 **Maintenance by Tenant.**

6.1.1. **Premises.** Throughout the Term of this Lease, Tenant shall, at Tenant's sole cost and expense, keep and maintain the Premises, and any and all Improvements now or hereafter constructed and installed on the Premises in good order, condition and repair (i.e., so that the Premises does not deteriorate more quickly than its age and reasonable wear and tear would otherwise dictate) and in a safe and sanitary condition and in compliance with all applicable Laws in all material respects.

6.1.2. **Access and Common Areas.** Tenant shall be responsible for, and pay all costs associated with, preparing, maintaining, and repairing the designated dry lakebed areas described in Section 2.3(a) in a manner that is sufficiently safe and appropriate for shoreline fishing and other recreational activities, at such intervals as shall be required to maintain the areas in good condition and repair, and shall be accomplished without interfering with the use and operation of the Reservoir Property for water supply purposes by SWD and IRWD. The Access Road shall be maintained by Landlord for reasonable vehicle ingress and egress. If Tenant, upon prior written approval of the Chief Real Estate Officer on behalf Landlord, has improved the Access Road to support more intense uses or desires that the Access Road be maintained to a higher standard, then such improvements or maintenance shall be the responsibility of Tenant. Further, in addition to the dry lakebed areas described in Section 2.3(a) and the Access Road responsibilities described in this section, Tenant shall be responsible for, and pay all costs associated with, any other authorized activities, terms, or conditions related to any other use of Access and Common Areas as approved by the Chief Real Estate Officer on behalf of Landlord. Landlord may relocate the Access and Common Areas with reasonable notice to the Tenant

6.2 **Interior Improvements, Additions and Reconstruction of Improvements.** Following completion of construction of the Initial Improvements, Tenant shall not commence construction of any work or series of works on the Improvements, without the prior written approval of the County's Chief Real Estate Officer, on behalf of Landlord. Tenant shall provide the Chief Real Estate Officer with written notice of all such intended work, which notice shall include copies of (I) all required permits, (II) architectural, engineering and landscaping drawings for such work, (III) Tenant's contracts with its general contractor and architect for such work, (IV) Tenant's budget for such work, (V) the construction schedule for such work, and (VI) such other documentation and information regarding such intended work as the Chief Real Estate Officer may reasonably request. Notwithstanding the foregoing, following the completion of construction of the Initial Improvements, Tenant shall have the right from time to time,

without the Chief Real Estate Officer's prior written consent, to perform the following alterations or renovations to the Improvements ("**Permitted Alterations**"): (i) to make any interior improvements to the Improvements required for tenant improvements under any approved Sublease to the extent same are consistent with the Permitted Uses; and (ii) following any damage to or destruction of the Improvements, to restore and reconstruct the Improvements (interior and exterior) in accordance with the Construction Drawings (whether or not required to do so under Article VII). Tenant shall perform all work authorized by the Chief Real Estate Officer pursuant to this Section at its sole cost and expense and in compliance with all applicable Laws in all material respects.

6.3 All Other Construction, Demolition, Alterations, Improvements and Reconstruction. Following the completion of construction of the Initial Improvements, and except as specified in Sections 6.1 and 6.2, any construction, alterations, additions, repairs, maintenance, demolition, improvements or reconstruction of any kind shall require the prior written consent of the County, on behalf of Landlord, which consent shall not be unreasonably conditioned, delayed or withheld and may require approval from the Landlord's Governing Boards, respectively. Tenant shall perform all work authorized by this Section at its sole cost and expense and in compliance with all applicable Laws in all material respects.

6.4 Requirements of Governmental Agencies. At all times during the Term of this Lease, Tenant, at Tenant's sole cost and expense, shall: (i) make all alterations, improvements, demolitions, additions or repairs to the Premises and/or the Improvements, or maintenance or repairs to the Access and Common Areas, required to be made by any law, ordinance, statute, order or regulation now or hereafter made or issued by any federal, state, county, local or other governmental agency or entity; (ii) observe and comply in all material respects with all Laws now or hereafter made or issued respecting the Premises, Access and Common Areas, and/or the Improvements (subject to Tenant's right to contest such Laws in accordance with Section 4.4); (iv) indemnify, defend and hold Landlord, the Premises, Access and Common Areas, and the Improvements free and harmless from any and all liability, loss, damages, fines, penalties, claims and actions resulting from Tenant's failure to comply with and perform the requirements of this Article VI.

6.5 Landlord Obligations. Tenant specifically acknowledges and agrees that Landlord shall not have any obligations with respect to the maintenance, alteration, improvement, demolition, addition or repair of any Improvements, except only as specifically provided in this Lease to the contrary.

6.6 Accessibility Disclosure. In compliance with its disclosure obligations under Section 1938 of the California Civil Code, Landlord hereby notifies Tenant that, as of the Effective Date, the Premises and Access and Common Areas have not been inspected by a Certified Access Specialist (as referred to in Section 1938 of the California Civil Code). As such, Landlord hereby advises Tenant as follows:

"A Certified Access Specialist ("**CASp**") can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the

payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.”

If Tenant elects to have a CASp inspect the Premises and Access and Common Areas, then Tenant shall: (a) provide Landlord with prior written notice of such election and mutually agree with Landlord on the arrangements for the time and manner of the CASp inspection, (b) promptly give Landlord a copy of the resulting report (the “**CASp Report**”) upon receipt, (c) be responsible, at its sole cost and expense, for the cost of the CASp Report and for completing any repairs or modifications that are necessary to correct violations of construction-related accessibility standards noted in the CASp Report and any additional work necessitated thereby (all of which Tenant shall complete as expeditiously as possible following the issuance of the CASp Report and in compliance with this Lease (including without limitation Section 5), unless Landlord elects at its option to perform such work at Tenant’s expense), and (d) not disclose and cause its partners, members, officers, directors, managers, shareholders, employees, agents, brokers and attorneys to not disclose the CASp Report to any person other than Landlord (and except as necessary for Tenant to complete the repairs and corrections of violations noted in the CASp Report) without first obtaining the prior written consent of County, on behalf of Landlord. Tenant’s obligation to indemnify Landlord and the Landlord Parties under Section 8.2 above shall apply equally to Claims arising out of any CASp investigation initiated by Tenant, including as a result of any violations discovered thereby.

ARTICLE VII DAMAGE AND RESTORATION

7.1 **Damage and Restoration.** In the event the whole or any part of the Improvements shall be damaged or destroyed by fire or other casualty, damage or action of the elements which is covered by insurance required to be carried by Tenant pursuant to this Lease or in fact caused by Tenant, at any time during the Term, Tenant shall with all due diligence, at Tenant’s sole cost and expense, repair, restore and rebuild the Improvements on substantially the same plan and design as existed immediately prior to such damage or destruction and to substantially the same condition that existed immediately prior to such damage, with any changes made by Tenant to comply with then applicable Laws and with any upgrades or improvements that Tenant may determine in its reasonable discretion. If Tenant desires to change the use of the Premises following such casualty, then Tenant may make appropriate changes to the Premises to accommodate such changed use after approval of such change of use by the County, on behalf of Landlord, pursuant to Article IV above. This Article shall not apply to cosmetic damage or alterations.

7.2 **Restoration.** In the event of any restoration or reconstruction pursuant to this Section, all such work performed by Tenant shall be constructed in a good and workmanlike manner according to and in conformance with the laws, rules and regulations of all governmental bodies and agencies and the requirements of this Lease applicable to the construction of the Initial Improvements.

7.3 **No Rental Abatement.** Tenant shall not be entitled to any abatement, allowance, reduction, or suspension of Rent because part or all of the Improvements become untenable as a result of the partial or total destruction of the Improvements, and Tenant’s obligation to pay Monthly Rent and other charges under this Lease, and Tenant’s obligation to keep and perform all other covenants and agreements

on its part to be kept and performed hereunder, shall not be decreased or affected in any way by any destruction of or damage to the Improvements.

7.4 **Application of Insurance Proceeds.** If following the occurrence of damage or destruction to the Premises, or Improvements, or Access and Common Areas, Tenant is obligated to or otherwise elects to restore the Premises, Access and Common Areas, and Improvements pursuant to this Article VII, then all proceeds from the insurance required to be maintained by Tenant on the Premises, and the Improvements, and Access and Common Areas shall be applied to fully restore the same, and any excess proceeds shall be paid to Tenant and any deficit in necessary funds plus the amount of any deductible shall be paid by Tenant. If the insurance proceeds are insufficient to pay all costs to fully restore the Improvements, Tenant shall pay the deficiency and shall nevertheless proceed to complete the restoration of the Improvements and pay the cost thereof. Upon lien free completion of the restoration, any balance of the insurance proceeds remaining over and above the cost of such restoration shall be paid to Tenant.

7.5 **Exclusive Remedies.** Notwithstanding any destruction or damage to the Premises, Access and Common Areas, and/or the Improvements, Tenant shall not be released from any of its obligations under this Lease, except to the extent and upon the conditions expressly stated in this Article VII. Landlord and Tenant hereby expressly waive the provisions of California Civil Code Sections 1932(2) and 1933(4) with respect to any damage or destruction of the Premises, Access and Common Areas, and/or the Improvements and agree that their rights shall be exclusively governed by the provisions of this Article VII.

ARTICLE VIII INSURANCE AND INDEMNITY

8.1 **Tenant's Required Insurance.**

8.1.1. Tenant agrees to purchase all required insurance at Tenant's expense and to deposit with the County's Chief Real Estate Officer, certificates of insurance, including all endorsements required herein, necessary to satisfy the Chief Real Estate Officer that the insurance provisions of this Lease have been complied with and to keep such insurance coverage and the certificates and endorsements therefore on deposit with the Chief Real Estate Officer during the entire term of this Lease. It shall constitute an Event of Default hereunder if Tenant's insurance coverage is terminated and not reinstated within ten (10) business days after notice from County, on behalf of Landlord, of such termination.

8.1.2. Tenant agrees that it shall not operate on the Premises or use the Access and Common Areas, at any time the required insurance is not in full force and effect as evidenced by a certificate of insurance and necessary endorsements or, in the interim, an official binder being in the possession of the Chief Real Estate Officer; rent however shall not be suspended. In no cases shall assurances by Tenant, its employees, agents, including any insurance agent, be construed as adequate evidence of insurance. The Chief Real Estate Officer will, on behalf of Landlord, only accept valid certificates of insurance and endorsements, or in the interim, an insurance binder as adequate evidence of insurance. Tenant also agrees that upon cancellation, termination, or expiration of Tenant's insurance, the Chief Real Estate Officer may take whatever steps are necessary to interrupt any operation from or on the

Premises, or use of the Access and Common Areas, until such time as the Chief Real Estate Officer reinstates the Lease.

8.1.3. If Tenant fails to provide the Chief Real Estate Officer with a valid certificate of insurance and endorsements, or binder at any time during the term of the Lease, Landlord and Tenant agree that this shall constitute a material breach of the Lease. Whether or not a notice of default has or has not been sent to Tenant, said material breach shall permit the Chief Real Estate Officer, on behalf of Landlord, to take whatever steps are necessary to interrupt any operation from or on the Premises, or use of the Access and Common Areas, and to prevent any persons, including, but not limited to, members of the general public, and Tenant's employees and agents, from entering the Premises or Access and Common Areas, until such time as the Chief Real Estate Officer is provided with adequate evidence of insurance required herein. Tenant further agrees to hold Landlord harmless for any damages resulting from such interruption of business and possession, including, but not limited to, damages resulting from any loss of income or business resulting from the Chief Real Estate Officer's action, on behalf of Landlord.

8.1.4. All contractors performing work on behalf of Tenant pursuant to this Lease shall obtain insurance subject to the same terms and conditions as set forth herein for Tenant. Tenant shall not allow contractors or subcontractors to work if contractors have less than the level of coverage required by County, on behalf of Landlord, from the Tenant under this Lease. It is the obligation of the Tenant to provide written notice of the insurance requirements to every contractor and to receive proof of insurance prior to allowing any contractor to begin work within the Premises or Access and Common Areas. Such proof of insurance must be maintained by Tenant through the entirety of this Lease and be available for inspection by Landlord at any reasonable time.

8.1.5. All self-insured retentions (SIRs) and deductibles shall be clearly stated on the Certificate of Insurance. If no SIRs or deductibles apply, indicate this on the Certificate of Insurance with a "0" by the appropriate line of coverage. Any self-insured retention (SIR) or deductible in excess of \$25,000 (\$5,000 for automobile liability) shall require specific approval by County's Risk Manager following review of Tenant's current audited financial reports.

8.1.6. All policies of insurance required under this Article VIII must be issued by an insurer with a minimum rating of A- (Secure A.M. Best's Rating) and VIII (Financial Size Category as determined by the most current edition of the **Best's Key Rating Guide/Property-Casualty/United States or ambest.com**). The insurer must be licensed to do business in the state of California. If the insurance carrier does not have an A.M. Best Rating of A-/VIII, the Chief Real Estate Officer retains the right to approve or reject a carrier after a review of the carrier's performance and financial ratings.

(a) If the insurance carrier is not an admitted carrier in the state of California and does not have an A.M. Best rating of A-/VIII, the Chief Real Estate Officer retains the right to approve or reject a carrier after a review of the company's performance and financial ratings.

(b) The policy or policies of insurance maintained by the Tenant shall provide the minimum limits and coverage as set forth below:

Coverages	Minimum Limits
Builder's Risk (during the Construction Period)	\$ _____
Professional Liability (all design professionals providing services in connection with construction, renovation or alteration of Improvements)	\$ _____
Commercial General Liability	\$1,000,000 per occurrence \$2,000,000 aggregate
Sexual Misconduct including Abuse and Molestation	\$1,000,000 per occurrence \$2,000,000 aggregate
Liquor Liability (if applicable)	\$1,000,000 per occurrence
Umbrella/Excess Liability with Follow Form Coverage	\$25,000,000
Automobile Liability including coverage for owned, non-owned and hired vehicles	\$1,000,000 limit per occurrence
Workers' Compensation	Statutory Minimum
Employers' Liability Insurance	\$1,000,000 per occurrence
Commercial Property Insurance on an "All Risk" or "Special Causes of Loss" basis covering all buildings, contents and any tenant improvements including Business Interruption/Loss of Rents with a 12-month limit	100% of the Replacement Cost Value and no coinsurance provision
Environmental/Pollution Liability	\$1,000,000 per claims made or per occurrence

8.1.7. **Required Coverage Forms.**

- (a) The Commercial General Liability coverage shall be written on Insurance Services Office (ISO) form CG 00 01, or a substitute form providing liability coverage at least as broad.
- (b) The Business Auto Liability coverage shall be written on ISO form CA 00

01, CA 00 05, CA 00 12, CA 00 20, or a substitute form providing liability coverage as broad.

8.1.8. **Required Endorsements.** The Commercial General Liability policy shall contain the following endorsements, which shall accompany the Certificate of insurance:

(a) An Additional Insured endorsement using ISO form CG 2010 or CG 2033 or a form at least as broad naming Landlord, its elected and appointed officials, officers, employees, and agents as Additional Insureds.

(b) A primary non-contributing endorsement evidencing that the Tenant's insurance is primary and any insurance or self-insurance maintained by Landlord shall be excess and non-contributing.

(c) All insurance policies required by this contract shall waive all rights of subrogation against Landlord, its elected and appointed officials, officers, agents and employees when acting within the scope of their appointment or employment.

(d) The Workers' Compensation policy shall contain a waiver of subrogation endorsement waiving all rights of subrogation against Landlord and its elected and appointed officials, officers, agents and employees.

(e) The Commercial Property policy shall be endorsed to include Landlord as a Loss Payee. A Loss Payee endorsement shall be submitted with the Certificate of Insurance as evidence of this requirement.

(f) To the extent available and pursuant to the terms and conditions of the respective insurance policies, insurance policies required by this contract shall give Landlord, 30 days' notice in the event of cancellation and 10 days for non-payment of premium. This shall be evidenced by policy provisions or an endorsement separate from the Certificate of Insurance.

(g) The Commercial General Liability policy shall contain a severability of interests clause, also known as a "separation of insureds" clause (standard in the ISO CG 001 policy).

(h) Insurance certificates should be forwarded to County address provided in Section 19.20 below or to an address provided by the Chief Real Estate Officer. Tenant has ten (10) business days to provide adequate evidence of insurance or it shall constitute an Event of Default.

(i) Landlord expressly retains the right to require Tenant to increase or decrease insurance of any of the above insurance types throughout the term of this Lease to a level consistent with then commercially reasonable limits of coverage required by commercial landowners or commercial lenders for improvements like the Improvements used for purposes like those for which the Improvements are used.

(j) The Chief Real Estate Officer, on behalf of Landlord, shall notify Tenant

in writing of changes in the insurance requirements consistent with subsection (i) above. If Tenant does not deposit copies of certificates of insurance and endorsements with the Chief Real Estate Officer incorporating such changes within thirty (30) days of receipt of such notice, it shall constitute an Event of Default.

(k) The procuring of such required policy or policies of insurance shall not be construed to limit Tenant's liability hereunder nor to fulfill the indemnification provisions and requirements of this Lease, nor in any way to reduce the policy coverage and limits available from the insurer.

8.2 **Indemnification.** Tenant hereby releases and waives all claims and recourse against County, IRWD, and SWD including the right of contribution for loss or damage of persons or property, arising from, growing out of or in any way connected with or related to this Lease except claims arising from the concurrent active or sole negligence of Landlord, Landlord's Governing Boards, Landlord's officers, agents, employees and contractors. Tenant hereby agrees to indemnify, defend (with counsel approved in writing by County, on behalf of Landlord), and hold harmless, County, IRWD, SWD, Landlord's Governing Boards, Landlord's elected and appointed officials, officers, agents, employees and contractors against any and all claims, losses, demands, damages, cost, expenses or liability for injury to any persons or property, arising out of the operation or maintenance of the property described herein, and/or Tenant's exercise of the rights under this Lease, except for liability arising out of the concurrent active or sole negligence of Landlord, Landlord's Governing Boards, Landlord's elected and appointed officials, officers, agents, employees or contractors including the cost of defense of any lawsuit arising therefrom. If Landlord or any Landlord Parties are named as co-defendant(s) in a lawsuit, Tenant shall notify Landlord and any Landlord Parties of such fact and shall represent Landlord and any Landlord Parties in such legal action unless Landlord and/or any Landlord Parties undertakes to represent itself as co-defendant in such legal action, in which event, Tenant shall pay to Landlord and/or any Landlord Parties their respective litigation costs, expenses, and attorneys' fees. If judgment is entered against Landlord and/or any Landlord Parties and Tenant by a court of competent jurisdiction because of the concurrent active negligence of Landlord and/or any Landlord Parties and Tenant, Landlord and Tenant agree that liability will be apportioned as determined by the court. Neither party shall request a jury apportionment.

Tenant acknowledges that it is familiar with the language and provisions of California Civil Code Section 1542 which provides as follows:

"A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."

Tenant, being aware of and understanding the terms of Section 1542, hereby waives all benefit of its provisions to the extent described in this paragraph.

Tenant's Initials

8.3 **Damage to Tenant's Premises.** Landlord shall not be liable for injury or damage which may be sustained by the person, goods, wares, merchandise, or other property of Tenant, of Tenant's

employees, invitees, or customers in or about the Premises or Access and Common Areas, or of any other person in or about the Premises, or the Improvements caused by or resulting from any peril which may affect the Premises, Access and Common Areas, or Improvements, including fire, steam, electricity, gas, water, or rain which may leak or flow from or into any part of the Premises, Access and Common Areas, or the Improvements, whether such damage or injury results from conditions arising upon the Premises, Access and Common Areas, or from other sources.

ARTICLE IX CONDEMNATION

9.1 **Definitions.**

9.1.1. “**Condemnation**” means (i) the taking or damaging, including severance damage, by eminent domain or by inverse condemnation or for any public or quasi-public use under any statute, whether by legal proceedings or otherwise, by a Condemnor (hereinafter defined), and (ii) a voluntary sale or transfer to a Condemnor, either under threat of condemnation or while condemnation legal proceedings are pending.

9.1.2. “**Date of Taking**” means the later of (i) the date actual physical possession is taken by the Condemnor; or (ii) the date on which the right to compensation and damages accrues under the law applicable to the Premises.

9.1.3. “**Award**” means all compensation, sums or anything of value awarded, paid or received for a Total Taking, a Substantial Taking or a Partial Taking (hereinafter defined), whether pursuant to judgment or by agreement or otherwise.

9.1.4. “**Condemnor**” means any public or quasi-public authority or private corporation or individual having the power of condemnation.

9.1.5. “**Total Taking**” means the taking by Condemnation of all of the Premises and all of the Improvements.

9.1.6. “**Substantial Taking**” means the taking by Condemnation of so much of the Premises or Improvements or both that one or more of the following conditions results: (i) The remainder of the Premises would not be economically and feasibly usable by Tenant; and/or (ii) A reasonable amount of reconstruction would not make the Premises and Improvements a practical improvement and reasonably suited for the uses and purposes for which the Premises were being used prior to the Condemnation; and/or (ii) The conduct of Tenant’s business on the Premises would be materially and substantially prevented or impaired.

9.1.7. “**Partial Taking**” means any taking of the Premises or Improvements that is neither a Total Taking nor a Substantial Taking.

9.1.8. “**Notice of Intended Condemnation**” means any notice or notification on which a reasonably prudent person would rely and which he would interpret as expressing an existing intention of

Condemnation as distinguished from a mere preliminary inquiry or proposal. It includes but is not limited to service of a Condemnation summons and complaint on a party hereto. The notice is considered to have been received when a party receives from the Condemnor a notice of intent to condemn, in writing, containing a description or map reasonably defining the extent of the Condemnation.

9.2 **Notice and Representation.**

9.2.1. **Notification.** The party receiving a notice of one or more of the kinds specified below shall promptly notify the other party of the receipt, contents and dates of such notice: (i) a Notice of Intended Condemnation; (ii) service of any legal process relating to the Condemnation of the Premises or Improvements; (iii) any notice in connection with any proceedings or negotiations with respect to such a Condemnation; (iv) any notice of an intent or willingness to make or negotiate a private purchase, sale or transfer in lieu of Condemnation.

9.2.2. **Separate Representation.** County, IRWD, SWD and Tenant each have the right to represent its respective interest in each Condemnation proceeding or negotiation and to make full proof of its claims. No agreement, settlement, sale or transfer to or with the Condemnor shall be made without the consent of Landlord and Tenant. Landlord and Tenant shall each execute and deliver to the other any instruments that may be required to effectuate or facilitate the provisions of this Lease relating to Condemnation.

9.3 **Total or Substantial Taking.**

9.3.1. **Total Taking.** On a Total Taking, this Lease shall terminate on the Date of Taking.

9.3.2. **Substantial Taking.** If a taking is a Substantial Taking, Tenant may, by notice to Landlord given within ninety (90) days after Tenant receives a Notice of Intended Condemnation, elect to treat the taking as a Total Taking. If Tenant does not so notify Landlord, the taking shall be deemed a Partial Taking.

9.3.3. **Early Delivery of Possession.** Tenant may continue to occupy the Premises and Improvements until the Condemnor takes physical possession. At any time following Notice of Intended Condemnation, Tenant may in its sole discretion elect to relinquish possession of the Premises to Landlord before the actual Taking. The election shall be made by notice declaring the election and agreeing to pay all Rent required under this Lease to the Date of Taking. Tenant's right to apportionment of or compensation from the Award shall then accrue as of the date that the Tenant relinquishes possession.

9.3.4. **Apportionment of Award.** On a Total Taking all sums, including damages and interest, awarded for the fee or leasehold or both shall be distributed and disbursed as finally determined by the court with jurisdiction over the Condemnation proceedings in accordance with applicable law. Notwithstanding anything herein to the contrary, Tenant shall be entitled to receive compensation for the value of its leasehold estate under this Lease including its interest in all Improvements, personal property and trade fixtures located on the Premises, its relocation and removal expenses, its loss of business goodwill and any other items to which Tenant may be entitled under applicable law.

9.4 **Partial Taking.**

9.4.1. **Effect on Rent.** On a Partial Taking this Lease shall remain in full force and effect covering the remainder of the Premises and Improvements, except that the Monthly Rent (including any adjustments thereto) shall be equitably reduced based on the impact (if any) of such Partial Taking on the operating income and revenue derived from Tenant's operations and the decrease (if any) in the market value of the leasehold interest.

9.4.2. **Restoration of Improvements.** Promptly after a Partial Taking, Tenant shall repair, alter, modify or reconstruct the Improvements ("**Restoring**") so as to make them reasonably suitable for Tenant's continued occupancy for the uses and purposes for which the Premises are leased.

9.4.3. **Apportionment of Award.** On a Partial Taking, Landlord shall be entitled to receive the entire award for such Partial Taking, except that (i) the proceeds of such Partial Taking shall first be applied towards the cost of Restoring the Premises pursuant to Section 9.4.2 and (ii) Tenant shall be entitled to receive any portion of such award allocated to Tenant's interest in any of Tenant's Improvements, personal property and trade fixtures taken.

9.5 **Waiver of Termination Rights.** Both parties waive their rights under Section 1265.130 of the California Code of Civil Procedure (and any successor provision) and agree that the right to terminate this Lease in the event of Condemnation shall be governed by the provisions of this Article IX.

ARTICLE X ASSIGNMENT, SUBLETTING AND ENCUMBERING

10.1 **General.** Except for Permitted Transfers (and except that Tenant may acquire a Leasehold Mortgage as set forth in Article XVII), Tenant shall not assign (including an assignment by operation of law), transfer or encumber this Lease, or any interest therein, nor sublet the Premises or Improvements. Tenant may assign or sublet this Lease without Landlord's consent, to a Permitted Transferee (as defined below). All other assignments and transfers shall require the consent of Landlord, which may not be unreasonably withheld, conditioned or delayed. Pursuant to Section 3.4, Value Appreciation Rent may also be due on certain assignments, transfers or encumbrances, as more fully set forth therein.

10.1.1. Except for the Leasehold Mortgage allowed by Article XVII and transfers to a Permitted Transferee, any mortgage, pledge, hypothecation, encumbrance, transfer, sublease of Tenant's entire Lease interest or assignment (hereinafter in this section referred to collectively as "**Transfer**") of Tenant's interest in the Premises, or assignment of any part or portion thereof, shall first be approved in writing by the Chief Real Estate Officer, on behalf of Landlord, unless otherwise provided herein. Failure to obtain the Chief Real Estate Officer's required written approval, on behalf of Landlord, of a Transfer will render such Transfer void. Occupancy of the Premises by a prospective transferee, sublessee, or assignee before approval of the Transfer by Landlord, shall constitute an Event of Default.

10.1.2. Except for a Permitted Transfer (as defined in Section 10.3, below), if Tenant

hereunder is a corporation, limited liability company, an unincorporated association or partnership, the Transfer of any stock or interest in said corporation, company, association, partnership in the aggregate exceeding 25% shall be deemed a Transfer within the meaning of this Lease that requires Landlord's written consent.

10.1.3. Should Landlord consent to any Transfer, such consent shall not constitute a waiver of any of the terms, covenants, or conditions of this Lease nor be construed as Landlord's consent to any further Transfer. Such terms, covenant or conditions shall apply to each and every Transfer hereunder and shall be severally binding upon each and every party thereto. Any document to mortgage, pledge, hypothecate, encumber, transfer, sublet, or assign the Premises or any part thereof shall not be inconsistent with the provisions of this Lease and in the event of any such inconsistency, the provisions of this Lease shall control.

10.1.4. This Section shall not be interpreted to disallow or require Landlord approval for space leases (subleases of less than Tenant's entire Lease interest) or concession agreements within the Improvements between the Tenant and a sub-tenant, which are consistent with the approved uses under this Lease.

10.2 **Leasehold Mortgage.** Tenant shall not mortgage, encumber or hypothecate Landlord's Fee Interest under any circumstances.

10.3 **Permitted Transfers.** Landlord's consent shall not be required for any of the following transfers (each a "**Permitted Transfer**" and each party to whom a Permitted Transfer may be made is a "**Permitted Transferee**"): (i) an Excluded`

10.4 **Transfer Procedure.** If Tenant desires at any time to enter into a Transfer for which Landlord's consent is required hereunder, Tenant shall provide Landlord with written notice ("**Transfer Notice**") at least ninety (90) days prior to the proposed effective date of the Transfer. The Transfer Notice shall include (i) the name and address of the proposed transferee, (ii) the nature of the Transfer (*i.e.*, whether an assignment, sublease or encumbrance), (iii) the proposed effective date of the Transfer, (iv) income statements and "fair market" balance sheets of the proposed transferee for the two (2) most recently completed fiscal or calendar years (provided however, if the proposed transferee is a newly formed entity and has not been in existence for such two (2) year period, the financial statements submitted shall be those of its principals), (v) a detailed description of the proposed transferees qualifications and experience that demonstrates the transferee meets the criteria for a Tenant as established by this Lease, (vi) a bank or other credit reference, and (viii) whether any Value Appreciation Rent is due pursuant to Section 3.4, above. Thereafter, Tenant shall furnish such supplemental information as Landlord may reasonably request concerning the proposed transferee. County shall, on behalf of Landlord, no later than ninety (90) days after Landlord's receipt of the information specified above, deliver written notice to Tenant which shall (i) indicate whether Landlord gives or withholds its consents to the proposed Transfer, and (ii) if Landlord withholds its consent to the proposed Transfer, setting forth a detailed explanation of Landlord's grounds for doing so. If Landlord consents to a proposed Transfer, then Tenant may thereafter effectuate such Transfer to the proposed transferee based upon the specific terms of the Landlord's approval and after execution of a consent to assignment, in a form approved by Landlord.

10.5 **Liability of Transferors/Transferees for Lease Obligations.** Each permitted assignee of this Lease shall assume in writing all of Tenant's obligations under this Lease. All transferees of any interest in this Lease or the Premises or Improvements (whether or not directly liable on this Lease) shall be subject to the terms and provisions of this Lease. Any transferor of any interest in this Lease or the Premises or Improvements shall remain primarily liable for all obligations hereunder and shall be subject to the terms and provisions of this Lease. The Landlord may proceed directly against the transferor in its sole and absolute discretion, with no obligation to exhaust its remedies against the transferee.

10.6 **Conditions of Certain Landlord Approvals.**

10.6.1. Landlord may withhold consent to a Transfer at its and absolute sole discretion if any of the following conditions exist:

- (a) An Event of Default exists under this Lease.
- (b) The prospective Transferee has not agreed in writing to keep, perform, and be bound by all the terms, covenants, and conditions of this Lease.
- (c) The Annual Rent Date has not passed.
- (d) The construction required of Tenant as a condition of this Lease has not been completed.
- (e) All the material terms, covenants, and conditions of the Transfer that are relevant to the Landlord approval, of the Transfer have not been revealed in writing to Landlord.
- (f) The processing fee required by Landlord, and set out below has not been paid to County, by delivery of said fee to County.

(1) A fee of \$3,000 shall be paid to County for processing each consent to Transfer submitted to County as required by this Lease. This processing fee shall be deemed earned by County, on behalf of Landlord, when paid and shall not be refundable.

(2) If a processing fee has been paid by Tenant for another phase of the same transaction, a second fee will not be charged. Such fee shall be increased every ten years during the Lease term based on any increase in the CPI Index. Under no circumstances shall the fee decrease.

10.7 **Renter Subleases.** The Parties recognize that the Tenant will be subleasing space to certain renters ("**Sublessees**") for space within the Premises or portions of the Premises for stand-alone sub-ground leases (each a "**Sublease**") for uses consistent with this Lease.

10.7.1. Tenant may enter into subleases with Sublessees of commercial or retail premises

within the Project to Sublessees that have been approved in advance by Landlord in accordance with the requirements of this Section; provided, however, Tenant shall not be required to obtain Landlord's prior approval for any Sublease (or series of Subleases to one Sublessee or affiliates of one Sublessee) if (i) such Sublease or series of Subleases covers no more than two thousand five hundred (2,500) rentable square feet of the Improvements, (ii) the term of the such Sublease or series of Subleases, including Sublessee options to extend, does not exceed five (5) years, and (iii) the Sublease or series of Subleases conforms, in all material respects, with the form of sublease previously approved by the Landlord, in writing. Prior to entering into any Sublease for which Tenant requires the Landlord's prior written approval pursuant to this Section, Tenant shall provide the Landlord with a Sublease, signed by Tenant and the proposed Sublessee, and setting forth the terms upon which such Sublessee has agreed to sublease space within the Premises from Tenant. The approval by the Landlord shall not be unreasonably withheld, conditioned or delayed and shall be given (or not) within thirty (30) days of receipt thereof. If Landlord disapproves of a proposed Sublease and/or Sublessee, then he shall provide Tenant with a written notice of disapproval setting forth specific reasons for such disapproval.

10.7.2. Tenant shall cause all Subleases to include at a minimum:

(a) an express acknowledgment by the Sublessee that the Sublease is subject and subordinate to this Lease, and that the Sublessee is bound by all applicable provisions of this Lease, and that the Landlord is not responsible for any performance or breach by Tenant, including the return of any Security Deposit.

(b) Sublessee shall not prepay rent in excess of thirty (30) days, unless approved by any Leasehold Mortgagee and Landlord.

(c) Sublessee shall maintain insurance naming Landlord as an additional insured to Sublessee's liability policies.

(d) Sublessee's obligations with respect to Hazardous Materials will be consistent with those of Tenant under this Lease, including the requirement that Sublessee indemnifies Landlord and any Landlord Parties for any failure of Sublessee to comply with such obligations.

(e) Sublessee shall agree to attorn to Landlord pursuant to Section 10.8 below.

(f) The Sublease shall specifically provide for Tenant's (in its capacity as sublessor) remedies pursuant to California Civil Code Sections 1951.2 and 1951.4 without modifications detrimental to Tenant.

(g) The term of any Sublease shall not extend beyond the expiration of the Term of this Lease.

10.7.3. All Subleases must be for Permitted Uses, and shall expressly provide that they are subject and subordinate to this Lease, and the Sublessee is bound by all provisions of this Lease

applicable to the use and occupation of the portion of the Premises subleased to Sublessee.

10.7.4. Except pursuant to Subleases as provided in this Section, Tenant shall not suffer or permit the use or occupancy of all or any portion of the Premises by any person or entity, without the prior approval of Landlord, which shall not be unreasonably withheld, conditioned, or delayed.

10.7.5. If requested in writing by Landlord, Tenant will provide Landlord with a copy of any rules, regulations or other standards of operation developed by Tenant and distributed to Sublessees and Tenants.

10.7.6. If Tenant obtains any security deposits under any sublease, all such funds shall be kept in a separate deposit account (and not comingled with any other accounts of Tenant) and shall be used only for the purposes set forth in the applicable sublease governing the use of such deposit.

10.8 **Attornment**. All subleases entered into by Tenant will be subject to all terms and conditions of this Lease, and each sublease will specifically state this fact. If this Lease terminates for any reason, all Sublessees will recognize Landlord as the successor to Tenant under their respective subleases, and will render performance thereunder to Landlord as if the sublease were executed directly between Landlord and the Sublessees; provided, however, Landlord agrees that, upon such termination, so long as a Sublessee has entered into an approved form sublease and is not in default under its sublease, Landlord agrees to be bound by all of the terms and conditions of each such sublease. All subleases entered into by Tenant will contain the following provision:

If the underlying Lease and the leasehold estate of tenant thereunder is terminated for any reason, Sublessee will attorn to the Landlord and recognize Landlord as lessor under this sublease; provided, however, Landlord agrees that so long as Sublessee has entered into an approved form sublease and the Sublessee is not in default under the sublease, Landlord agrees to be bound by all the terms and conditions of this sublease.

In the event this Lease is terminated for any reason, all Sublessees will be liable to County, on behalf of Landlord, for their payment of rents and fees and will be subject to all the provisions and terms contained in their subleases.

In the event of a termination of this Lease as a result of the default of Tenant hereunder, Landlord hereby agrees that any sublease or other occupant of the Improvements now or hereafter located on the Premises shall not be disturbed so long as any such sublease or other occupant is not then in default under the terms of the applicable sublease or other agreement after the expiration of applicable notice and cure periods. At Tenant's request, Landlord hereby agrees to provide a non-disturbance agreement in the form attached hereto as **Exhibit L** to any such subtenant or occupant within five (5) business days of written request therefor.

10.9 **Conditions Deemed Reasonable**. Tenant acknowledges that each of the conditions to a Transfer, and the rights of Landlord set forth in this **Article X** in the event of a Transfer is a reasonable restriction for the purposes of California Civil Code Section 1951.4.

ARTICLE XI
DEFAULT AND REMEDIES

11.1 **Event of Default.** Each of the following events shall constitute an “**Event of Default**” by Tenant:

11.1.1. **Miscellaneous Events of Default.** Any event or circumstance expressly referenced to elsewhere in this Lease as an “Event of Default”.

11.1.2. **Failure to Pay.** Tenant’s failure or omission to pay any Rent or other sum payable hereunder on or before the date due where such failure shall continue for a period of three (3) business days after written notice thereof from County, on behalf of Landlord, to Tenant; provided, however, that any such notice shall be in lieu of, and not in addition to, any notice required under California Code of Civil Procedure §1161 *et seq.*

11.1.3. **Failure to Perform.** The failure or inability by Tenant to observe or perform any of the provisions of this Lease to be observed or performed by Tenant, other than specified in Sections 11.1.2 or 11.1.4 herein, where such failure shall continue for a period of ten (10) days after written notice thereof from County, on behalf of Landlord, to Tenant; provided, however, that any such notice shall be in lieu of, and not in addition to, any notice required under California Code of Civil Procedure Section 1161 *et. seq.*; provided, further, that if the nature of such failure is such that it can be cured by Tenant but that more than ten (10) days are reasonably required for its cure (for any reason other than financial inability), then Tenant shall not be deemed to be in default if (i) Tenant commences such cure within said ten (10) days, (ii) thereafter diligently prosecutes such cure to completion, and (iii) completes such cure to Landlord’s reasonable satisfaction, within sixty (60) days from the date that Tenant first received written notice of the default.

11.1.4. **Abandonment.** The abandonment (as defined in California Civil Code Section 1951.3) or vacation of the Premises by Tenant; provided, however, vacancy of a portion of the Premises due to remodeling, reconstruction or as a result of casualty, condemnation, tenant vacancies or other factors beyond the reasonable control of Tenant shall not constitute a default hereunder.

11.1.5. **Assignments.**

(a) The making by Tenant of any general assignment for the benefit of creditors;

(b) A case is commenced by or against Tenant under Chapters 7, 11 or 13 of the Bankruptcy Code, Title 11 of the United States Code as now in force or hereafter amended and if so commenced against Tenant, the same is not dismissed within sixty (60) days of such commencement;

(c) the appointment of a trustee or receiver to take possession of substantially all of Tenant’s assets located at the Premises or of Tenant’s interest in this Lease, where such seizure is not

discharged within thirty (30) days; or

(d) Tenant's convening of a meeting of its creditors or any class thereof for the purpose of effecting a moratorium upon or composition of its debts. In the event of any such default, neither this Lease nor any interests of Tenant in and to the Premises shall become an asset in any of such proceedings and, in any such event and in addition to any and all rights or remedies of the Landlord hereunder or by law; provided, it shall be lawful for the Landlord to declare the term hereof ended and to re-enter the Premises and take possession thereof and remove all persons therefrom, and Tenant and its creditors (other than Landlord) shall have no further claim thereon or hereunder.

11.2 **Landlord's Remedies.** If an Event of Default occurs and is continuing, Landlord shall have the following remedies in addition to all rights and remedies provided by law or equity to which Landlord may resort cumulatively or in the alternative:

11.2.1. **Termination of Lease.** Landlord shall have the right to terminate this Lease and all rights of Tenant hereunder including Tenant's right to possession of the Premises and use of Access and Common Areas. In the event that Landlord shall elect to so terminate this Lease then Landlord may recover from Tenant:

(a) The worth at the time of award of the unpaid rent and other charges, which had been earned as of the date of the termination hereof; plus

(b) The worth at the time of award of the amount by which the unpaid rent and other charges which would have been earned after the date of the termination hereof until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(c) The worth at the time of award of the amount by which the unpaid rent and other charges for the balance of the term hereof after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided; plus

(d) Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including, but not limited to, the cost of recovering possession of the Premises, expenses of reletting, including necessary repair, renovation and alteration of the Premises or Access and Common Areas, reasonable attorneys' fees, expert witness costs, and any other reasonable costs; plus

(e) Any other amount which Landlord may by law hereafter be permitted to recover from Tenant to compensate Landlord for the detriment caused by Tenant's default.

The term "rent" as used herein shall be deemed to be and to mean the annual rent and all other sums required to be paid by Tenant pursuant to the terms of this Lease. All such sums, other than the annual rent, shall be computed on the basis of the average monthly amount thereof accruing during the 24-month period immediately prior to default, except that if it becomes necessary to compute such rental before such 24-

month period has occurred, then such sums shall be computed on the basis of the average monthly amount during such shorter period. As used in Sections 11.2.1(a) and 11.2.1(b) above, the "worth at the time of award" shall be computed by allowing interest at the maximum rate permitted by law. As used in Section 11.2.1 (c) above, the "worth at the time of award" shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%), but not in excess of the Interest Rate.

11.2.2. **Continue Lease in Effect.** Continue this Lease in effect without terminating Tenant's right to possession even though Tenant has breached this Lease and abandoned the Premises and to enforce all of Landlord's rights and remedies under this Lease, at law or in equity, including the right to recover the rent as it becomes due under this Lease; provided, however, that Landlord may at any time thereafter elect to terminate this Lease for such previous breach by notifying Tenant in writing that Tenant's right to possession of the Premises, and use of Access and Common Areas, has been terminated.

11.2.3. **Removal of Personal Property Following Termination of Lease.** Landlord shall have the right, following a termination of this Lease and Tenant's rights of possession of the Premises under Section 11.2.1 above, to re-enter the Premises and, subject to applicable law, to remove Tenant's personal property from the Premises. Such property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of Tenant in accordance with applicable California law.

11.3 **Landlord's Right to Cure Tenant Defaults.** If Tenant shall have failed to cure, after expiration of the applicable time for curing, a particular default under this Lease, County, on behalf of Landlord, may at its election, but is not obligated to, make any payment required of Tenant under this Lease or perform or comply with any term, agreement or condition imposed on Tenant hereunder, and the amount so paid plus the reasonable cost of any such performance or compliance, plus interest on such sum at the Interest Rate from the date of payment, performance or compliance until reimbursed shall be deemed to be additional rent payable by Tenant on County's demand, on behalf of Landlord. No such payment, performance or compliance shall constitute a waiver of default or of any remedy for default, or render Landlord liable for any loss or damage resulting from the same.

11.4 **Landlord's Default.** Landlord shall not be considered to be in default under this Lease unless Tenant has given Landlord written notice specifying the default, and either (i) as to monetary defaults, Landlord has failed to cure the same within ten (10) business days after written notice from Tenant, or (ii) as to nonmonetary defaults, Landlord has failed to cure the same within thirty (30) days after written notice from Tenant, or if the nature of Tenant's nonmonetary default is such that more than thirty (30) days are reasonably required for its cure, then such thirty (30) period shall be extended automatically so long as Landlord commences a cure within such thirty (30) day period and thereafter diligently pursues such cure to completion. Tenant shall have no right to offset or abate alleged amounts owing by County, collecting on behalf of Landlord, under this Lease against Monthly Rent owing by Tenant under this Lease. Additionally, Tenant's sole remedy for any monetary default shall be towards the Landlord's interest in the property and not to any other assets. Any and all claims or actions accruing hereunder shall be absolutely barred unless such action is commenced within six (6) months of the event or action giving rise to the default.

11.5 **Remedies Cumulative.** All rights and remedies of Landlord contained in this Lease shall be construed and held to be cumulative, and no one of them shall be exclusive of the other, and Landlord shall have the right to pursue any one or all of such remedies or any other remedy or relief which may be provided by law, whether or not stated in this Lease.

11.6 **Waiver by Landlord.** No delay or omission of Landlord to exercise any right or remedy shall be construed as a waiver of such right or remedy or any default by Tenant hereunder. The acceptance by County, on behalf of Landlord, of rent or any other sums hereunder shall not be (a) a waiver of any preceding breach or default by Tenant of any provision thereof, other than the failure of Tenant to pay the particular rent or sum accepted, regardless of Landlord's knowledge of such preceding breach or default at the time of acceptance of such rent or sum, or (b) waiver of Landlord's right to exercise any remedy available to Landlord by virtue of such breach or default. No act or thing done by Landlord or Landlord's agents during the term of this Lease shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept a surrender shall be valid unless in writing and signed by Landlord.

11.7 **Interest.** Any installment or rent due under this Lease or any other sums not paid to County when due (other than interest) shall bear interest at the maximum rate allowed by law from the date such payment is due until paid, provided, however, that the payment of such interest shall not excuse or cure the default.

11.8 **Waiver by Tenant.** Tenant's waiver of any breach by Landlord of any term, covenant or condition herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition herein contained.

11.9 **Tenant Covenants and Agreements.** All covenants and agreements to be performed by Tenant under any of the terms of this Lease shall be performed by Tenant at Tenant's sole cost and expenses and without any abatement of rent. If Tenant shall fail to pay any sum of money, other than rent required to be paid by it hereunder or shall fail to perform any other act on its part to be performed hereunder, or to provide any insurance or evidence of insurance to be provided by Tenant, then in addition to any other remedies provided herein, County, on behalf of Landlord, may, but shall not be obligated to do so, and without waiving or releasing Tenant from any obligations of Tenant, make any such payment or perform any such act on Tenant's part to be made or performed as provided in this Lease or to provide such insurance. Any payment or performance of any act or the provision of any such insurance by County, on behalf of Landlord, on Tenant's behalf shall not give rise to any responsibility of County, on behalf of Landlord, to continue making the same or similar payments or performing the same or similar acts. All costs, expenses, and other sums incurred or paid by County, on behalf of Landlord, in connection therewith, together with interest at the maximum rate permitted by law from the date incurred or paid by County, on behalf of Landlord, shall be deemed to be additional rent hereunder and shall be paid by Tenant with and at the same time as the next monthly installment of rent hereunder, and any default therein shall constitute a breach of the covenants and conditions of this Lease.

ARTICLE XII HOLDING OVER

If Tenant holds over after the expiration or earlier termination of the Term hereof without the

express written consent of Landlord, Tenant shall become a Tenant at sufferance only, at a monthly rental rate equal to the greater of (i) one hundred fifty percent (150%) of the last Monthly Rental in effect, or (ii) the then fair market rental value of the Premises, and otherwise subject to the terms, covenants and conditions herein specified. Acceptance by Landlord of Rent after such expiration or earlier termination shall not result in an extension of this Lease. If Tenant fails to surrender the Premises and the Improvements upon the expiration of this Lease despite demand to do so by Landlord, Tenant shall indemnify and hold Landlord and Landlord Parties harmless from all loss or liability, including any claim made by any succeeding tenant founded on or resulting from such failure to surrender and any attorneys' fees and costs incurred by Landlord.

ARTICLE XIII ESTOPPEL CERTIFICATES

At any time and from time to time, within ten (10) business days after written request by either Landlord, or Tenant (the “**requesting party**”), the other party (the “**responding party**”) shall execute, acknowledge and deliver an estoppel certificate addressed to the requesting party, and/or to such other beneficiary (as described below) as the requesting party shall request, certifying (i) that this Lease is in full force and effect, (ii) that this Lease is unmodified, or, if there have been modifications, identifying the same, (iii) the dates to which Rent has been paid in advance, (iv) that, to the actual knowledge of the responding party, there are no then existing and uncured defaults under the Lease by either Landlord or Tenant, or, if any such defaults are known, identifying the same, and (v) any other factual matters (which shall be limited to the actual knowledge of the responding party) as may be reasonably requested by the requesting party. Such certificate may designate as the beneficiary thereof the requesting party, and/or any third party having a reasonable need for such a certificate (such as, but not limited to, a prospective purchaser, transferee or lender).

ARTICLE XIV FORCE MAJEURE

Unless otherwise specifically provided herein, the period for performance of any nonmonetary obligation by either party shall be extended by the period of any delay in performance caused by Acts of God, strikes, boycotts, lock-outs, inability to procure materials not related to the price thereof, failure of electric power, riots, civil unrest, acts of terrorism, insurrection, war, declaration of a state or national emergency, weather that could not have reasonably been anticipated, changes in the Laws which would prevent the Premise from being operated in accordance with this Lease, or other reasons beyond the reasonable control of Landlord, Tenant, or their respective agents or representatives (collectively, “**Force Majeure Events**”). In no event, however, shall Force Majeure Events include the financial inability of a party to this Lease to pay or perform its obligations hereunder. Further, nothing herein shall extend the time for performance of any monetary obligation owing under this Lease (including Tenant's obligation to pay Rent owing hereunder).

ARTICLE XV RECORDS AND ACCOUNTS

15.1 **Records.** Tenant shall, at all times during the term of this Lease, keep or cause to be kept

true and complete books, records, and accounts of all financial transactions in the operation of all business activities, of whatever nature, conducted in pursuance of the rights granted herein. The records must be supported by source documents such as sales slips, cash register tapes, purchase invoices, or other pertinent documents.

15.1.1. Except as otherwise provided herein, all retail sales and charges shall be recorded by means of cash registers or other comparable devices which display to the customer the amount of the transaction and automatically issue a receipt. The registers shall be equipped with devices which lock in sales totals and other transaction records, or with counters which are not resettable and which record transaction numbers and sales details. Totals registered shall be read and recorded by Tenant at the beginning and end of each business day.

15.1.2. In the event of admission charges or rentals, Tenant shall issue serially numbered tickets for each such admission or rental and shall keep an adequate record of said tickets, both issued and unissued.

15.1.3. All retail sales and charges may be recorded by a system other than cash registers or other comparable devices provided said system is approved by Auditor-Controller, on behalf of Landlord.

15.2 **The Accounting Year.** The accounting year shall be twelve full calendar months. The accounting year may be established by Tenant, provided Tenant notifies Auditor-Controller in writing of the accounting year to be used. Said accounting year shall be deemed to be approved by Auditor-Controller, on behalf of Landlord, unless Auditor-Controller has objected to Tenant's selection in writing within sixty (60) days of Tenant's written notification.

15.2.1. In the event Tenant fails to establish an accounting year of its choice, regardless of the cause, the accounting year shall be synonymous with the twelve-month period contained in the first one-year term of the Lease.

15.2.2. Any portion of a year that is not reconciled, should the accounting year and the anniversary year of the lease commencement not be the same, shall be accounted for as if it were a complete accounting year.

15.2.3. Once an accounting year is established, it shall be continued through the term of the lease unless Auditor-Controller, on behalf of Landlord, specifically approves in writing a different accounting year. Auditor-Controller shall only approve a change in accounting years in the event of undue hardship being placed on either the Tenant or Landlord, and not because of mere convenience or inconvenience.

15.3 **Financial Statements.** Within ninety (90) days after the end of each accounting year, Tenant shall at his own expense submit to Auditor-Controller a balance sheet and income statement prepared by a Certified Public Accountant who is a member of AICPA and the California Society of CPAs, reflecting business transacted on or from the Premises during the preceding accounting year. The Certified Public Accountant must attest that the balance sheet and income statement submitted are an accurate representation of Tenant's records as reported to the United States of America for income tax purposes. At the same time, Tenant shall submit to Auditor-Controller a statement certified as to accuracy by a Public Accountant who is

a member of AICPA and the California Society of CPAs, wherein the total Gross Receipts for the accounting year are classified according to the categories of business established for percentage rent and listed in Section 3.2.1(d) and for any other business conducted on or from the Premises. Tenant shall provide Landlord with copies of any Certified Public Accountant's ("CPA") management letters prepared in conjunction with their audits of Tenant's operations from the Premises. Copies of management letters shall be provided directly to Landlord by the CPA at the same time Tenant's copy is provided to Tenant.

15.3.1. Tenant acknowledges its understanding that any and all of the Financial Statements submitted to the Landlord pursuant to this Lease become Public Records and are subject to public inspection pursuant to §§ 6250 *et. seq.* of the California Government Code.

15.3.2. All Tenant's books of account and records and supporting source documents related to this Lease or to business operations conducted within or from the Premises shall be kept and made available at one location within the limits of Orange County. Landlord shall, through its duly authorized agents or representatives, have the right to examine and audit said books of account and records and supporting source documents at any and all reasonable times for the purpose of determining the accuracy thereof, and of the monthly statements of sales made and monies received.

15.3.3. Auditor-Controller, upon request of Tenant and at said Auditor-Controller's sole discretion, may authorize the above-referenced books and records and supporting source documents to be kept in a single location outside the limits of Orange County provided Tenant shall agree to pay all expenses including, but not limited to, transportation, food, and lodging necessary for Auditor-Controller to send a representative to audit said books and records. Said right shall not be exercised by Auditor-Controller more than once each accounting year.

15.3.4. The full cost of said audit, as determined by Auditor-Controller, shall be borne by Tenant if either or both of the following conditions exist:

(a) The audit reveals an underpayment of more than two percent (2%) between the rent due as reported and paid by Tenant in accordance with this Lease and the rent due as determined by said audit;

(b) Tenant has failed to maintain true and complete books, records, accounts and supporting source documents in accordance with Section 15.1 "Records" above. The adequacy of records shall be determined at the sole discretion of Auditor-Controller.

Otherwise, County, on behalf of Landlord, shall bear the cost of said audit, excluding the aforementioned expenses related to audit of documents kept outside the limits of Orange County.

15.3.5. Upon the request of Auditor-Controller or Landlord, Tenant shall promptly provide, at Tenant's expense, necessary data to enable Landlord to fully comply with any and every requirement of the State of California or the United States of America for information or reports relating to this Lease and to Tenant's use of the Premises. Such data shall include, if required, a detailed breakdown of Tenant's receipts and expenses.

15.3.6. In addition to any other remedies available to Landlord at law or in equity or under

this Lease, in the event the Tenant fails to maintain and keep books, records, and accounts from the Premises and/or source documents relating thereto, or to make the same available to Landlord for examination and audit, or to record sales and/or to maintain registers to record sales, or to provide financial statements and other information to Landlord regarding gross sales as required by this Lease, Landlord, at Landlord's option, may:

(a) Perform such examinations, audits, and/or investigations itself or through agents or employees as Landlord and/or its auditors may deem appropriate to confirm the amount of percentage rents payable by Tenant under this Lease and any and all costs and/or expenses incurred by Landlord in connection therewith shall be promptly reimbursed to Landlord by Tenant upon demand.

(b) Provide accounting services and/or a system for recording retail sales and charges, including without limitation, cash registers, for use by Tenant in business transactions upon or from the Premises, and, at Landlord's option, maintain personnel on the Premises to observe and/or record such sales during Tenant's business hours, or from time to time, all at Tenant's sole cost and expense and, in such event, Tenant shall promptly reimburse Landlord for any and all costs incurred by Landlord in connection therewith; and/or

(c) Require that Tenant pay percentage rents based on Landlord's best good faith estimate of Tenant's gross receipts from business operations conducted on or from the premises and any such determination made by Landlord shall be conclusive and binding upon Tenant.

15.3.7. The above costs payable by Tenant shall include reimbursement to Landlord of Landlord-provided services at such rates as Landlord may from time to time, in good faith, establish for such services. In the case of services provided by Landlord's employees, such rates shall be sufficient to reimburse Landlord for employees' salaries, including employee taxes and benefits and Landlord's overhead or, at Landlord's option, may be the rate for such services that would be charged by a qualified third party or parties, approved by Landlord, if engaged by Landlord to perform such services.

ARTICLE XVI OPERATIONAL OBLIGATIONS OF TENANT

16.1 **Standards of Operation.**

16.1.1. Tenant shall operate the Premises and Access and Common Areas, in a manner reasonably comparable to other comparable facilities or businesses within the County of Orange. Tenant shall at all times during the Term provide adequate security measures to reasonably protect persons and property on the Premises and Access and Common Areas, including a patrol of all areas in the Premises and Access and Common Areas, for the purpose of preserving order and preventing theft, vandalism, or other improper or unlawful use of the Premises, Access and Common Areas, or any of the facilities.

16.1.2. The ultimate purpose of this Lease is for the management and operation of a public fishing concession and to promote the development of other recreational uses and Improvements consistent with this Lease and other uses at and around Irvine Lake. Accordingly, Tenant covenants and agrees to operate said Premises and Access and Common Areas, fully and continuously to accomplish said

purposes and not to abandon or vacate the Premises at any time.

16.1.3. The facilities on the Premises and Access and Common Areas, shall be operated during normal business hours, subject to any temporary interruptions in operations or closures due to ordinary maintenance and repair and any Force Majeure Event, defined in Article XIV above.

16.2 **Protection of Environment.** Tenant shall take all reasonable measures available to:

16.2.1. Avoid any pollution of the atmosphere, littering of land, or littering or pollution of the water caused by or originating in, on, or about Tenant's facilities.

16.2.2. Maintain a reasonable noise level on the Premises and Access and Common Areas, so that persons in the general neighborhood will be able to comfortably enjoy the other facilities and amenities in the area.

16.2.3. Prevent the light fixtures of the Premises or Access and Common Areas, if applicable, from emitting light that could negatively affect the operation of cars, boats, or airplanes in the area.

16.2.4. Prevent all pollutants from Tenant's operations on the Premises or Access and Common Areas, from being discharged, including petroleum products of any nature, except as may be permitted in accordance with any applicable permits. Tenant and all of Tenant's agents, employees and contractors shall conduct operations under this Lease so as to assure that pollutants do not enter the municipal storm drain system (including, but not limited, to curbs and gutters that are part of the street systems), or directly impact receiving waters (including, but not limited to, rivers, creeks, streams, estuaries, lakes, harbors, bays and the ocean), except as may be permitted by any applicable permits.

16.2.5. The Landlord may enter the Premises and/or review Tenant records at any time to assure that activities conducted on the Premises comply with the requirements of this Section.

16.3 **On-Site Manager.** Tenant shall employ a competent manager who shall be responsible for the day-to-day operation and level of maintenance, cleanliness, and general order for the Premises and Access and Common Areas. Such person shall be vested with the authority of Tenant with respect to the supervision over the operation and maintenance of the Premises and Access and Common Areas, including the authority to enforce compliance by Tenant's agents, employees, concessionaires, or licensees with the terms and conditions of this Lease and any and all rules and regulations adopted hereunder. Tenant expressly agrees that any notice herein required to be served upon Tenant may, at the option of Landlord, be personally served upon said Manager and that such service shall have the same force and effect as service upon Tenant. Tenant shall notify Landlord in writing of the name of the Manager currently so employed as provided in Section 19.20 of this Lease.

16.4 **Annual Meeting with Landlord.** Tenant shall meet with the Landlord to review the condition of the Premises and Access and Common Areas, and the state of the Lease annually. The County, on behalf of Landlord, shall deliver written notice at least sixty (60) days prior to each annual meeting. If the County fails to timely send notice or convene the meeting, then either of the Districts may send written notice of the meeting.

16.5 **Policies and Procedures to be Established by Tenant.** Prior to the commencement of the Annual Rent Period, Tenant shall submit to Landlord proposed policies and procedures pertinent to the operation of the Project and manner of providing the permitted services and uses required by this Lease (“**Policies and Procedures**”). Should the Landlord, upon review and conference with Tenant, decide any part of said schedules or procedures is not justified with regard to fairly satisfying the needs of the public, Tenant, upon written notice from the Chief Real Estate Officer, on behalf of Landlord, shall modify said schedules or procedures to the satisfaction of said Landlord. Said Policies and Procedures shall include, but are not limited to, the following:

16.5.1. Tenant shall at all times retain active, qualified, competent, and experienced personnel to supervise Tenant’s operation and to represent and act for Tenant.

16.5.2. Tenant shall require its attendants and employees to be properly dressed, clean, courteous, efficient, and neat in appearance at all times. Tenant shall not employ any person(s) in or about the Premises or Access and Common Areas, who shall use offensive language or act in a loud, boisterous, or otherwise improper manner.

16.5.3. Tenant shall maintain a close check over attendants and employees to ensure the maintenance of a high standard of service. Tenant shall replace any employee whose conduct is detrimental to the best interests of the public.

16.5.4. Tenant shall sell or provide or cause or permit to be sold or provided only high-quality goods, wares, merchandise, food, beverages, and services.

16.5.5. Tenant shall keep the Premises adequately and properly lighted after daylight hours and at such other times as public safety or convenience requires.

16.5.6. Tenant shall establish an appropriate maintenance schedule for all public rest rooms on said Premises to be inspected for cleanliness and supplies several times each day and shall maintain the highest standards of cleanliness therein.

ARTICLE XVII LEASEHOLD MORTGAGES

17.1 **Definitions.** The following definitions are used in this Article (and in other Sections of this Lease):

17.1.1. “**Leasehold Estate**” means Tenant’s leasehold estate in and to this Lease, including Tenant’s rights, title and interest in and to the Premises and Improvements, or any applicable portion thereof or interest therein.

17.1.2. “**Leasehold Foreclosure Transferee**” means any person (which may, but need not be, a Leasehold Mortgagee) which acquires the Leasehold Estate pursuant to a foreclosure, assignment

in lieu of foreclosure or other enforcement of remedies under or in connection with a Leasehold Mortgage.

17.1.3. “**Leasehold Mortgage**” means and includes a mortgage, deed of trust, security deed, conditional deed, deed to secure debt or any other security instrument (including any assignment of leases and rents, security agreement and financing statements) held by an Institutional Lender by which Tenant’s Leasehold Estate is mortgaged to secure a debt or other obligation, including a purchase money obligation.

17.1.4. “**Leasehold Mortgagee**” means an Institutional Lender which is the holder of a Leasehold Mortgage.

17.1.5. “**Tenant**” shall mean all of the following: (i) the Tenant under this Lease; (ii) an approved assignee, transferee or subtenant of the Tenant under this Lease who is or becomes directly and primarily liable to Landlord; and (iii) any further assignee, transferee or subtenant of any of the parties listed in (ii) who is or becomes directly and primarily liable to Landlord.

17.2 **Tenant’s Right to Encumber Leasehold Estate; No Right to Encumber Landlord’s Fee Interest.** Tenant shall not encumber the Leasehold Estate without the prior written consent of the Chief Real Estate Officer, on behalf of Landlord, and then only with a Leasehold Mortgage that complies with the following requirements:

17.2.1. the principal balance of the debt secured by such Leasehold Mortgage(s) (as of the date recorded) shall not exceed (i) 80% of the costs of the Improvements if recorded during Construction Period, or (ii) 80% of the Leasehold Estate Value if recorded after the Annual Rent Date in each case, as determined in accordance with the appraisal report prepared for the applicable Leasehold Mortgagee in connection with such Leasehold Mortgage(s);

17.2.2. the Leasehold Mortgage shall not encumber Landlord’s Fee Interest;

17.2.3. the Leasehold Mortgage and all rights acquired under it shall be subject to each and all of the covenants, conditions, and restrictions set forth in this Lease and to all rights and interests of Landlord hereunder, except as otherwise provided in this Lease;

17.2.4. nothing in this Lease shall be construed so as to require or result in a subordination in whole or in part in any way of the Landlord’s Fee Interest to any Leasehold Mortgage; and

17.2.5. in the event of any conflict between the provisions of this Lease and the provisions of any such trust Leasehold Mortgage, the provisions of this Lease shall control.

17.3 **Notification to Landlord of Leasehold Mortgage.** Tenant or any Leasehold Mortgagee shall, prior to making any Leasehold Mortgage, provide Landlord with notice of such Leasehold Mortgage and the name and address of the Leasehold Mortgagee. At the time of notice, Tenant shall furnish to the Landlord a complete copy of any trust deed and note to be secured thereby, together with the name and address of the holder thereof. Thereafter, Tenant or any Leasehold Mortgagee shall notify Landlord of

any change in the identity or address of such Leasehold Mortgagee. Landlord shall be entitled to rely upon the addresses provided pursuant to this Section for purposes of giving any notices required by this Article XVII.

17.4 **Notice and Cure Rights of Leasehold Mortgagees With Respect to Tenant Defaults.**

Landlord, upon delivery to Tenant of any notice of a default under this Lease or a matter as to which Landlord may predicate or claim a default, will endeavor to concurrently deliver a copy of such notice to each Leasehold Mortgagee. From and after the date such notice has been given to any Leasehold Mortgagee, such Leasehold Mortgagee shall have the same cure period for such default (or act or omission which is the subject matter of such notice) that is provided to Tenant under this Lease, to commence and complete a cure of such default (or act or omission which is the subject matter of such notice). Landlord shall accept any and all performance by or on behalf of any Leasehold Mortgagee(s), including by any receiver obtained by any Leasehold Mortgagee(s), as if the same had been done by Tenant. Tenant authorizes each Leasehold Mortgagee to take any such action at such Leasehold Mortgagee's option, and hereby authorizes any Leasehold Mortgagee (or any receiver or agent) to enter upon the Premises for such purpose.

17.5 **Limitation on Landlord's Termination Right.** Any Leasehold Mortgagee shall have the right, but not the obligation, at any time prior to termination of this Lease and without payment of any penalty, to pay all of the rents due hereunder, to effect any insurance, to pay any taxes and assessments, to make any repairs and improvements, to do any other act or thing required of Tenant hereunder, and to do any act or thing which may be necessary and proper to be done in the performance and observance of the agreements, covenants and conditions hereof to prevent termination of this Lease. All payments so made and all things so done and performed by a Leasehold Mortgagee shall be as effective to prevent a termination of this Lease as the same would have been if made, done and performed by Tenant instead of by a Leasehold Mortgagee.

17.5.1. Should any Event of Default under this Lease occur (other than an Event of Default relating to the non-payment of Rent), any Leasehold Mortgagee shall have sixty (60) days after receipt of written notice from County, on behalf of Landlord, setting forth the nature of such Event of Default, within which to cure the Event of Default; provided that in the case of an Event of Default which cannot with due diligence be cured within such sixty-day (60) period, the Leasehold Mortgagee shall have the additional time reasonably necessary to accomplish the cure, provided that (i) such Leasehold Mortgagee has commenced the curing within such sixty (60) days and (ii) thereafter diligently prosecutes the cure to completion. If the Event of Default is such that possession of the Premises may be reasonably necessary to cure the Event of Default, the Leasehold Mortgagee shall have a reasonable additional time after the expiration of such sixty (60) day period within which to cure such Event of default, provided that (I) the Leasehold Mortgagee shall have fully cured any Event of Default in the payment of any monetary obligations of Tenant under this Lease within such sixty (60) day period and shall continue to pay currently such monetary obligations as and when the same are due and (II) the Leasehold Mortgagee shall have acquired Tenant's leasehold estate or commenced foreclosure or other appropriate proceedings seeking such acquisition within such period, or prior thereto, and is diligently prosecuting any such proceedings.

17.5.2. Any Event of Default under this Lease which is not susceptible to remedy by a

Leasehold Mortgagee shall be deemed to be remedied if (i) within sixty (60) days after receiving written notice from County, on behalf of Landlord, setting forth the nature of such Event of Default, or prior thereto, a Leasehold Mortgagee shall have acquired Tenant's leasehold estate created hereby or shall have commenced foreclosure or other appropriate proceedings seeking such acquisition, (ii) such Leasehold Mortgagee shall have diligently prosecuted such proceedings to completion, and (iii) such Leasehold Mortgagee shall have fully cured all Events of Default relating to the payment and performance of any monetary or other obligations of Tenant hereunder which do not require possession of the Premises within such sixty (60)-day period and shall thereafter continue faithfully to perform all such monetary obligations which do not require possession of the Premises, and (iv) after gaining possession of the Premises, such Leasehold Mortgagee shall have performed all other obligations of Tenant hereunder as and when the same are due.

17.5.3. If a Leasehold Mortgagee is prohibited by any stay, order, judgment or decree issued by any court or by reason of any action by any court having jurisdiction of any bankruptcy or insolvency proceeding involving Tenant from commencing or prosecuting foreclosure or other appropriate proceedings and said Leasehold Mortgagee diligently seeks release from or reversal of such stay, order, judgment or decree, the times specified above for commencing or prosecuting such foreclosure or other proceedings shall be extended for the period of such prohibition; provided that the Leasehold Mortgagee shall have fully cured any Event of Default relating to the payment of any monetary obligations of Tenant under this Lease and shall continue to pay currently such monetary obligations as and when the same are due and prior to delinquency.

17.6 **Continuation of Lease.** So long as any Leasehold Mortgagee is complying with Sections 17.5.1, 17.5.2 and 17.5.3 above, then upon the acquisition of Tenant's Leasehold Estate by a Leasehold Foreclosure Transferee, this Lease shall continue in full force and effect as if Tenant had not defaulted under this Lease.

17.6.1. Tenant's encumbrance of its Leasehold Estate with a Leasehold Mortgage shall not constitute an assignment or other Transfer under Article X or otherwise, nor shall any Leasehold Mortgagee, as such, be deemed to be an assignee or transferee of this Lease or of the Leasehold Estate so as to require such Leasehold Mortgagee, as such, to assume the performance of any of the terms, covenants or conditions on the part of the Tenant to be performed hereunder; provided, however, that any Leasehold Foreclosure Transferee shall be deemed to be an assignee or transferee and shall be deemed to have agreed to perform all of the terms, covenants and conditions on the part of the Tenant to be performed hereunder from and after the effective date on which such Leasehold Foreclosure Transferee acquires title to the Leasehold Estate, but only for so long as such purchaser or assignee is the owner of the leasehold estate.

17.6.2. Any Leasehold Mortgagee (or its designee) that becomes a Leasehold Foreclosure Transferee, upon acquiring title to Tenant's Leasehold Estate, without causing a default under this Lease and without obtaining Landlord's consent, shall have a one-time right to assign the Leasehold Estate to an assignee having a net worth equal to or greater than two (2) times the value of the leasehold estate created by this Lease and senior management that individually have more than ten (10) years of experience managing, maintaining and operating developments like that on the Premises. Upon such assignment, the Leasehold Foreclosure Transferee shall automatically be released of all obligations thereafter accruing under this Lease, provided that, substantially concurrently with such assignment, the assignee delivers to

Landlord a written agreement assuming Tenant's obligations under the Lease thereafter accruing. Any subsequent Transfers occurring after the one-time assignment permitted under this Section shall be subject to Article X.

17.7 **Leasehold Mortgagee's Right to New Lease.**

17.7.1. Notwithstanding anything in this Lease to the contrary, if this Lease is terminated for any reason (including by reason of any Event of Default or rejection or disaffirmance of this Lease pursuant to bankruptcy law or any other law affecting creditor's rights) without the prior written consent of all Leasehold Mortgagees, other than by reason of a Total Taking, County, on behalf of Landlord, shall give prompt notice thereof to any Leasehold Mortgagee of whom Landlord has received notice pursuant to Section 17.3 above. Such Leasehold Mortgagee (subject to Section 17.8 below if more than one Leasehold Mortgagee then exists) shall then have the right, exercisable by written notice to Landlord at any time within thirty (30) days following receipt of such notice, to require Landlord to enter into a new lease of the Premises with such Leasehold Mortgagee, or its designee, which new lease ("**New Lease**") shall commence as of the date of such termination of this Lease and shall continue for the remainder of the scheduled term of this Lease, at the same Rent that is payable under this Lease, and on the same terms, covenants, conditions and agreements that are contained in this Lease (including any extension options, purchase options and rights of first refusal, if any, provided for in this Lease), and subject to the rights of any residents under resident agreements or other subtenants then in valid occupancy of the Premises and Improvements and further subject to any then existing senior Leasehold Mortgagees, provided that, substantially concurrently with the delivery of such notice requiring Landlord to enter into a New Lease, Leasehold Mortgagee shall pay to County, collecting on behalf of Landlord, all Rent or any other amounts payable by Tenant hereunder which is then due and shall commence and proceed with diligence to cure all nonmonetary defaults under this Lease, other than those nonmonetary defaults which are personal to the foreclosed tenant and impossible for the Leasehold Mortgagee to remedy.

17.7.2. If such Leasehold Mortgagee elects to enter into a New Lease pursuant to Section 17.7.1 above, then Landlord and the Leasehold Mortgagee (or its designee) shall promptly prepare and enter into a written New Lease, but until such written New Lease is mutually executed and delivered, this Lease shall be deemed to constitute the New Lease, as modified by this Section 17.7, and Leasehold Mortgagee (or its designee) shall, from and after the giving of notice pursuant to Section 17.7.1, (i) be entitled to possession of the Premises and to exercise all rights of Tenant hereunder, (ii) pay to County, collecting on behalf of Landlord, all Rent accruing under the New Lease as it becomes owing, and (iii) perform or cause to be performed all of the other covenants and agreements under the New Lease on Tenant's part to be performed. Further, at such time as the written New Lease is mutually executed and delivered, Leasehold Mortgagee (or its designee) shall pay to County, collecting on behalf of Landlord, its reasonable expenses, including reasonable attorneys' fees, incurred in connection with the termination of this Lease and with the preparation, execution and delivery of such written New Lease.

17.7.3. In the event that Landlord receives any net income (*i.e.*, gross income less gross expenses on a cash basis), if any, from the Premises and Improvements during any period that Landlord may control the same, then the tenant under the New Lease shall be entitled to an offset against the next Rent then owing under the New Lease in the amount of such net income received by Landlord except to the extent that it was applied to cure any default of Tenant.

17.7.4. All rights and claims of Tenant under this Lease shall be subject and subordinate to all right and claims of the tenant under the New Lease.

17.8 **Multiple Leasehold Mortgages.** If more than one Leasehold Mortgagee shall make a written request upon Landlord for a New Lease in accordance with the provisions of Section 17.7, then such New Lease shall be entered into pursuant to the request of the Leasehold Mortgagee holding the Leasehold Mortgage that is junior in priority to all other requesting Leasehold Mortgagees, provided that: (a) any junior Leasehold Mortgagee whose Leasehold Mortgage was made in violation of any restrictions on junior encumbrances included in any bona fide senior Leasehold Mortgage made in good faith and for value shall be disregarded for purposes of Sections 17.7 and 17.8 and shall have no rights under this Lease; (b) all Leasehold Mortgagees that are senior in priority shall have been paid all amounts then due and owing under such Leasehold Mortgagees, plus all expenses, including attorneys' fees, incurred by such senior Leasehold Mortgagees in connection with any default by Tenant under this Lease and in connection with the New Lease; (c) the new Tenant will assume, in writing, all of the obligations of the mortgagor(s) under all senior Leasehold Mortgages, subject to any nonrecourse or other exculpatory provisions (if any) therein contained; (d) the New Lease shall contain all of the same provisions and rights in favor of and for the benefit of Leasehold Mortgagees thereof as are contained in this Lease; and (e) all senior Leasehold Mortgagees (at no expense to such senior Leasehold Mortgagees or Landlord) shall have received endorsements or other assurances satisfactory to such senior Leasehold Mortgagees from their respective title insurers insuring that their respective senior Leasehold Mortgages (and any assignment of rents and other security instruments executed in connection therewith) will continue as a Leasehold Mortgage with respect to such New Lease in the same manner and order of priority of lien as existed with respect to this Lease; and thereupon the leasehold estate of the new tenant under the New Lease shall be subject to the lien of each of the senior Leasehold Mortgages in the same manner and order of priority of lien as existed with respect to this Lease.

In the event that not all of the foregoing provisions shall have been satisfied by or with respect to any such junior Leasehold Mortgagee, the Leasehold Mortgagee next senior in priority to such junior Leasehold Mortgagee shall have paramount rights to the benefits set forth in Section 17.7 above, subject nevertheless to the provisions hereof respecting the senior Leasehold Mortgagees, if any. In the event of any dispute as to the respective senior and junior priorities of any such Leasehold Mortgages, the certification of a national title company licensed in the State of California shall be conclusively binding on all parties concerned. Should there be a dispute among Leasehold Mortgagees as to compliance with the foregoing provisions, Landlord may rely on the affidavit of the most senior Leasehold Mortgagee as to compliance by any junior Leasehold Mortgagee. Landlord's obligation to enter into a New Lease with any junior Leasehold Mortgagee shall be subject to the receipt by Landlord of evidence reasonably satisfactory to it that the conditions set forth in clauses (a), (b) and (c) in the paragraph immediately above in this Section have been satisfied with respect to each senior Leasehold Mortgagee.

The right of a senior Leasehold Mortgagee under Section 17.7 above to request a New Lease may, notwithstanding any limitation of time set forth above in this Section 17.7, be exercised by the senior leasehold Mortgagee within twenty (20) days following the failure of a junior Leasehold Mortgagee to have exercised such right, but not more than sixty (60) days after the giving of notice by County, on behalf of Landlord, of termination of this Lease as set forth in Section 17.7 above.

If a junior Leasehold Mortgagee shall fail or refuse to exercise the rights set forth in this Section 17.8, any senior Leasehold Mortgagee, in the inverse order of the seniority of their respective liens, shall have the right to exercise such rights subject to the provisions of this Lease.

Notwithstanding anything herein to the contrary, Landlord shall have no duty or obligation to resolve any disputes or conflicting demands between Leasehold Mortgagees. In the event of any conflicting demands made upon Landlord by multiple Leasehold Mortgagees, Landlord may (subject to any applicable court orders to the contrary) rely on the direction of the Leasehold Mortgagee whose Leasehold Mortgage is recorded first in time in the Official Records of the County, as determined by any national title company.

17.9 **Condemnation and Insurance Proceeds.** Any condemnation proceeds or insurance proceeds to which Tenant is entitled pursuant to this Lease shall be subject to and paid in accordance with the requirement of any Leasehold Mortgage, subject, however, to any requirement in this Lease that such proceeds must be used to repair and restore the Improvements to the Premises which were damaged or destroyed by such condemnation or casualty (including, without limitation, as required in Section 7.4 following a casualty and in Section 9.4.3 following a condemnation). The handling and disbursement of any such proceeds used to repair or restore the Improvements to the Premises shall be subject to the requirements of any Leasehold Mortgage, so long as such proceeds are used towards repair or reconstruction of the Improvements to the Premises to the extent required by this Lease.

17.10 **Mortgagee Clauses.** A standard mortgagee clause naming each Leasehold Mortgagee may be added to any and all insurance policies required to be carried by Tenant hereunder, provided that any such Leasehold Mortgagee shall hold and apply such insurance proceeds subject to the provisions of this Lease.

17.11 **No Waiver.** No payment made to County, collecting on behalf of Landlord, by a Leasehold Mortgagee shall constitute agreement that such payment was, in fact, due under the terms of this Lease; and a Leasehold Mortgagee having made any payment to County, collecting on behalf of Landlord pursuant to Landlord's wrongful, improper or mistaken notice or demand shall be entitled to the return of any such payment or portion thereof.

17.12 **Fees and Costs.** Tenant agrees to reimburse Landlord for its reasonable attorney's fees and costs incurred in connection with Landlord's review and/or approval of any documentation which may be required in connection with any Leasehold Mortgage by Tenant as provided herein.

ARTICLE XVIII BEST MANAGEMENT PRACTICES

18.1 Tenant and all of Tenant's, subtenant, agents, employees and contractors shall conduct operations under this Lease so as to assure that pollutants do not enter municipal storm drain systems which systems are comprised of, but are not limited to curbs and gutters that are part of the street systems ("**Stormwater Drainage System**"), and to ensure that pollutants do not directly impact "**Receiving**

Waters” (as used herein, Receiving Waters include, but are not limited to, rivers, creeks, streams, estuaries, lakes, harbors, bays and oceans).

18.2 The Santa Ana and San Diego Regional Water Quality Control Boards have issued National Pollutant Discharge Elimination System (“**NPDES**”) permits (“**Stormwater Permits**”) to the Landlord, and to cities within Orange County, as co-permittees (hereinafter collectively referred to as “**Landlord Permittees**”) which regulate the discharge of urban runoff from areas within the County of Orange, including the Premises and Access and Common Areas. The Landlord Permittees have enacted water quality ordinances that prohibit conditions and activities that may result in polluted runoff being discharged into the Stormwater Drainage System.

18.3 To assure compliance with the Stormwater Permits and water quality ordinances, the Landlord Permittees have developed a Drainage Area Management Plan (“**DAMP**”) which includes a Local Implementation Plan (“**LIP**”) for each jurisdiction that contains Best Management Practices (“**BMPs**”) that parties using properties within Orange County must adhere to. As used herein, a BMP is defined as a technique, measure, or structural control that is used for a given set of conditions to manage the quantity and improve the quality of stormwater runoff in a cost-effective manner. These BMPs are found within the County’s LIP in the form of Model Maintenance Procedures and BMP Fact Sheets (the Model Maintenance Procedures and BMP Fact Sheets contained in the DAMP/LIP shall be referred to hereinafter collectively as “**BMP Fact Sheets**”) and contain pollution prevention and source control techniques to eliminate non- stormwater discharges and minimize the impact of pollutants on stormwater runoff.

18.4 BMP Fact Sheets that apply to uses authorized under this Lease include the BMP Fact Sheets that are attached hereto as **Exhibit J**. These BMP Fact Sheets may be modified during the term of the Lease; and the Chief Real Estate Officer, on behalf of Landlord, shall provide Tenant with any such modified BMP Fact Sheets. Tenant, its agents, contractors, representatives and employees and all persons authorized by Tenant to conduct activities on the Premises or Access and Common Areas, shall, throughout the term of this Lease, comply with the BMP Fact Sheets as they exist now or are modified, and shall comply with all other requirements of the Stormwater Permits, as they exist at the time this Lease commences or as the Stormwater Permits may be modified. Tenant agrees to maintain current copies of the BMP Fact Sheets on the Premises and Access and Common Areas throughout the term of this Lease. The BMPs applicable to uses authorized under this Lease must be performed as described within all applicable BMP Fact Sheets.

18.5 Tenant may propose alternative BMPs that meet or exceed the pollution prevention performance of the BMP Fact Sheets. Any such alternative BMPs shall be submitted to Landlord for review and approval prior to implementation.

18.6 The Landlord may enter the Premises and/or review Tenant’s records at any reasonably time during normal business hours to assure that activities conducted on the Premises comply with the requirements of this Section. Tenant may be required to implement a self-evaluation program to demonstrate compliance with the requirements of this Section.

ARTICLE XIX

GENERAL CONDITIONS & MISCELLANEOUS PROVISIONS

19.1 **Signs.** Tenant agrees not to construct, maintain, or allow any signs, banners, flags, etc., upon the Premises or Access and Common Areas, except as approved in writing in advance by the Chief Real Estate Officer, on behalf of Landlord, which approval may be withheld in the sole and absolute discretion of the Landlord. Tenant further agrees not to construct, maintain, or allow billboards or outdoor advertising signs upon the Premises or Access and Common Areas. Unapproved signs, banners, flags, etc., may be removed by the Landlord without prior notice to Tenant.

19.2 **Nondiscrimination.** Tenant agrees not to discriminate against any person or class of persons by reason of sex, age, race, color, creed, physical handicap, or national origin in employment practices and in the activities conducted pursuant to this Lease.

19.3 **Taxes and Assessments.** Pursuant to California Revenue and Taxation Code Section 107.6, Tenant is specifically informed that this Lease may create a possessory interest which is subject to the payment of taxes levied on such interest. It is understood and agreed that all taxes and assessments (including, but not limited to, said possessory interest tax) which become due and payable upon the Premises or upon fixtures, equipment, or other property installed or constructed thereon, shall be the full responsibility of Tenant, and Tenant shall cause said taxes and assessments to be paid promptly.

19.4 **Quitclaim of Interest upon Termination.** Upon execution of this Lease, Tenant shall execute, acknowledge, and deliver to the County's Chief Real Estate Officer within thirty (30) days a good and sufficient deed(s), in a form(s) as approved by the Chief Real Estate Officer, whereby all right, title, and interest of Tenant in the Premises is quitclaimed to the County, IRWD, and SWD, respectively ("**Quitclaim Deed(s)**"). The Quitclaim Deed(s) shall be retained by the County, on behalf of Landlord, for the Term and shall be recorded in the event of the termination of this Lease for any reason to remove any cloud on title created by this Lease.

19.5 **Public Records.** Tenant acknowledges that any written information submitted to and/or obtained by Landlord from Tenant or any other person or entity having to do with or related to this Lease and/or the Premises, either pursuant to this Lease or otherwise is a public record open to inspection by the public pursuant to the California Records Act (Government Code §6250, *et seq.*) as now in force or hereafter amended, or any Law in substitution thereof, or otherwise made available to the public, unless such information is exempt from disclosure pursuant to the applicable sections of the California Records Act. In the event that a public records act request is made for any financial statements and records (not including Gross Receipts Statements) and the Landlord determines that the records must be turned over, the Landlord will give Tenant fifteen (15) days written notice prior to turning over such records so that Tenant can take any necessary action.

19.6 **Attorney's Fees.** In any action or proceeding brought to enforce or interpret any provision of this Lease, or where any provision hereof is validly asserted as a defense, each Party shall bear its own attorneys' fees and costs.

19.7 **Payment Card Compliance.** Should Tenant conduct credit/debit card transactions in conjunction with Tenant's business with the Landlord, on behalf of the Landlord, or as part of the business that Tenant conducts on the Premises, Tenant covenants and warrants that it will during the course of such

activities be Payment Card Industry Data Security Standard (“**PCI/DSS**”) and Payment Application Data Security Standard (“**PA/DSS**”) compliant and will remain compliant during the entire duration of its conduct of such activities. Tenant agrees to immediately notify Landlord in the event Tenant should ever become non-compliant at a time when compliance is required hereunder, and will take all necessary steps to return to compliance and shall be compliant within ten (10) days of the commencement of any such interruption. Upon demand by Landlord, Tenant shall provide to Landlord written certification of Tenant’s PCI/DSS and/or PA/DSS compliance.

19.8 **Right to Work and Minimum Wage Laws.**

19.8.1. In accordance with the United States Immigration Reform and Control Act of 1986, Tenant shall require its employees that directly or indirectly service the Premises or Access and Common Areas, pursuant to the terms and conditions of this Lease, in any manner whatsoever, to verify their identity and eligibility for employment in the United States. Tenant shall also require and verify that its contractors or any other persons servicing the Premises or Access and Common Areas, pursuant to the terms and conditions of this Lease, in any manner whatsoever, verify the identity of their employees and their eligibility for employment in the United States.

19.8.2. Pursuant to the United States of America Fair Labor Standard Act of 1938, as amended, and State of California Labor Code, Section 1178.5, Tenant shall pay no less than the greater of the Federal or California Minimum Wage to all its employees that directly or indirectly service the Premises or Access and Common Areas, in any manner whatsoever. Tenant shall require and verify that all its contractors or other persons servicing the Premises or Access and Common Areas, on behalf of the Tenant also pay their employees no less than the greater of the Federal or California Minimum Wage.

19.8.3. Tenant shall comply and verify that its contractors comply with all other Federal and State of California laws for minimum wage, overtime pay, record keeping, and child labor standards pursuant to the servicing of the Premises, Access and Common Areas, or terms and conditions of this Lease.

19.9 **Declaration of Knowledge by Tenant.** Tenant warrants that Tenant has carefully examined this Lease and by investigation of the site and of all matters relating to the Lease arrangements has fully informed itself as to all existing conditions and limitations affecting the construction of the Lease improvements and business practices required in the operation and management of the uses contemplated hereunder.

19.10 **Governing Law.** This Lease shall be governed by and construed in accordance with the laws of the State of California.

19.11 **Venue.** The Parties hereto agree that this Lease has been negotiated and executed in the State of California and shall be governed by and construed under the laws of California. In the event of any legal action to enforce or interpret this Lease, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, 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.

19.12 **Headings and Titles.** The captions of the Articles or Sections of this Lease are only to assist the parties in reading this Lease and shall have no effect upon the construction or interpretation of any part hereof.

19.13 **Interpretation.** Whenever required by the context of this Lease, the singular shall include the plural and the plural shall include the singular. The masculine, feminine and neuter genders shall each include the other. In any provision relating to the conduct, acts or omissions of Tenant, the term “**Tenant**” shall include Tenant’s agents, employees, contractors, invitees, successors or others using the Premises or Access and Common Areas, with Tenant’s expressed or implied permission. In any provision relating to the conduct, acts or omissions of Landlord, the term “**Landlord**” shall include Landlord’s agents, employees, contractors, invitees, successors or others using the Premises or Access and Common Areas, with Landlord’s expressed or implied permission.

19.14 **Ambiguities.** Each party hereto has reviewed this Lease with legal counsel, and has revised (or requested revisions of) this Lease based on the advice of counsel, and therefore any rules of construction requiring that ambiguities are to be resolved against a particular party shall not be applicable in the construction and interpretation of this Lease or any exhibits hereto.

19.15 **Successors and Assigns.** Except as otherwise specifically provided in this Lease, all of the covenants, conditions and provisions of this Lease shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns.

19.16 **Time is of the Essence.** Time is of the essence with respect to the performance of every provision of this Lease in which time of performance is a factor.

19.17 **Severability.** If any term or provision of this Lease is held invalid or unenforceable to any extent under any applicable law by a court of competent jurisdiction, the remainder of this Lease shall not be affected thereby, and each remaining term and provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

19.18 **Integration.** This Lease, along with any exhibits, attachments or other documents affixed hereto or referred to herein, constitutes the entire agreement between Landlord and Tenant relative to the leasing of the Premises. This Lease and such exhibits, attachments and other documents may be amended or revoked only by an instrument in writing signed by both Landlord and Tenant. Landlord and Tenant hereby agree that no prior agreement, understanding or representation pertaining to any matter covered or mentioned in this Lease shall be effective for any purpose.

19.19 **Notices.** Unless otherwise expressly stated in this Agreement, all notices under this Agreement shall be effective upon (i) personal delivery, (ii) e-mail transmission, (iii) one (1) business day after deposit with an overnight courier service (e.g., Federal Express), or (iv) three (3) business days after deposit in the United States mail, registered, certified, postage fully prepaid and addressed to the applicable Party as follows:

If to Landlord:

County of Orange
CEO Real Estate
400 W. Civic Center Drive, 5th Floor
Santa Ana, CA 92701
Attn: Chief Real Estate Officer

With a copy to:

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

With a copy to:

Irvine Ranch Water District
15600 Sand Canyon Avenue
P.O. Box 57000
Irvine, CA 92619-7000
Attention: General Manager

With a copy to:

Serrano Water District
18021 East Lincoln Street
Villa Park, CA 92861
Attn: General Manager

If to Tenant:

Either Party may change the address for notices by giving the other Party at least ten (10) calendar days' prior written notice of the new address.

19.20 **Amendments.** This Lease is the sole and only agreement between the Parties regarding the subject matter hereof; other agreements, either oral or written, are void. Any changes to this Lease shall be in writing and shall be properly executed by both Parties.

19.21 **Dispositions of Abandon Property.** If Tenant abandons or quits the Premises or is dispossessed thereof by process of law or otherwise, title to any personal property belonging to and left on the Premises fifteen (15) days after such event shall, at Landlord's option, be deemed to have been transferred to Landlord. Landlord shall have the right to remove and to dispose of such property at Tenant's cost, including the cost of labor, materials, equipment and an administrative fee equal to fifteen percent (15%) of the sum of such costs without liability therefor to Tenant or to any person claiming under Tenant, and shall have no need to account therefor. Such costs shall be deducted from any security deposit

of Tenant, or at the Landlord's Option, the Chief Real Estate Officer, on behalf of Landlord, may provide Tenant with an invoice for such costs, which invoice Tenant agrees to pay within fifteen (15) days of receipt.

19.22 **Brokers.** If Tenant has engaged a broker in this transaction pursuant to a separate agreement, Tenant shall be solely responsible for the payment of any broker commission or similar fee payable pursuant to such separate agreement. Tenant each hereby agree to indemnify and hold the Landlord and Landlord Parties harmless from and against all costs, expenses or liabilities (including attorney fees and court costs, whether or not taxable and whether or not any action is prosecuted to judgment) incurred by the Landlord in connection with any claim or demand by a person or entity for any broker's, finder's or other commission or fee from the Landlord in connection with the Tenant's entry into this Lease and the transactions contemplated hereby based upon any alleged statement or representation or agreement of the Tenant. No broker, finder or other agent of any party hereto shall be a third-party beneficiary of this Lease.

19.23 **No Partnership.** This Lease shall not be construed to constitute any form of partnership or joint venture between Landlord and Tenant. Landlord and Tenant mutually acknowledge that no business or financial relationship exists between them other than as landlord and tenant, and that Landlord is not responsible in any way for the debts of Tenant or any other party.

19.24 **Authorization.** County, IRWD, SWD, and Tenant (each, a "**signing party**") each represents and warrants to the other that the person or persons signing this Lease on behalf of the signing party has full authority to do so and that this Lease binds the signing party. Concurrently with the execution of this Lease, each signing party shall deliver to the other a certified copy of a resolution of the signing party's board of directors or other governing board authorizing the execution of this Lease by the signing party.

19.25 **Recording.** This Lease itself shall not be recorded, but in the event that the Tenant encumbers the leasehold as set forth in Article XVII, a memorandum hereof may be recorded in the form of **Exhibit K** attached hereto (the "**Memorandum**"). The Memorandum may be executed concurrently with this Lease and thereafter recorded in the Official Records of the County Recorder only after the Commencement Date of this Lease has occurred. Tenant shall be responsible for the payment of all charges imposed in connection with the recordation of the Memorandum, including, without limitation, any documentary transfer tax imposed in connection with this transaction and all recording fees and charges.

19.26 **Exhibits.** This Lease contains the following exhibits, schedules and addenda, each of which is attached to this Lease and incorporated herein in its entirety by this reference:

- Exhibit A: Legal Description of the Reservoir Property
- Exhibit A-1: Depiction of the Reservoir Property
- Exhibit B: Declaration of Covenants and Restrictions and Termination of Reversionary Rights (Irvine Lake)
- Exhibit C: Legal Description of County's Property
- Exhibit C-1: Depiction of County's Property
- Exhibit D: Legal Description of the Premises
- Exhibit D-1: Depiction of the Premises

Exhibit E:	Initial Improvements
Exhibit F:	Construction Budget
Exhibit G:	Construction Schedule
Exhibit H:	Construction Drawings
Exhibit I:	Specifications
Exhibit J:	Best Management Practices Fact Sheets
Exhibit K:	Form of Memorandum of Lease
Exhibit L:	Form of Non-Disturbance Agreement

19.27 **Consent/Duty to Act Reasonably.** Except as otherwise expressly provided herein, whenever this Lease grants Landlord or Tenant the right to take any action, grant any approval or consent, or exercise any discretion, Landlord and Tenant shall act reasonably and in good faith and take no action which might result in the frustration of the other Party's reasonable expectations concerning the benefits to be enjoyed under this Lease, provided that the foregoing shall only apply to the Landlord when acting in its proprietary capacity as owner of the Premises and Access and Common Areas and not as a government agency with jurisdiction over the Premises and Access and Common Areas.

19.28 **Counterparts.** For the convenience of the parties to this Lease, this Lease may be executed in several original counterparts, each of which shall together constitute but one and the same agreement. Original executed pages may be assembled together into one fully executed document.

[Signatures On Following Pages]

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

IRVINE RANCH WATER DISTRICT

SERRANO WATER DISTRICT

By: _____
Paul A. Cook
General Manager

By: _____
Board President

By: _____
Jerry Vilander
General Manager

APPROVED AS TO FORM:

APPROVED AS TO FORM:

By: _____
Claire Hervey Collins
District Counsel

By: _____
Jeremy N. Jungreis
General Counsel

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

By: _____
Thomas A. Miller, Chief Real Estate Officer
By Delegated Authority
Per Minute Order dated _____

APPROVED AS TO FORM:

Deputy County Counsel
County of Orange, California

EXHIBIT A

LEGAL DESCRIPTION OF THE RESERVOIR PROPERTY

[to be attached]

EXHIBIT A-1

DEPICTION OF THE RESERVOIR PROPERTY

[to be attached]

EXHIBIT B

DECLARATION OF COVENANTS AND RESTRICTIONS
AND TERMINATION OF REVERSIONARY RIGHTS
(IRVINE LAKE)

[to be attached]

EXHIBIT C

LEGAL DESCRIPTION OF THE COUNTY'S PROPERTY

[to be attached]

EXHIBIT C-1

DEPICTION OF THE COUNTY'S PROPERTY

[to be attached]

EXHIBIT D

LEGAL DESCRIPTION OF THE PREMISES

[to be attached]

EXHIBIT D-1

DEPICTION OF THE PREMISES

[to be attached]

EXHIBIT E

INITIAL IMPROVEMENTS

[to be attached]

EXHIBIT F

CONSTRUCTION BUDGET

[to be attached]

EXHIBIT G

CONSTRUCTION SCHEDULE

[to be attached]

EXHIBIT H

CONSTRUCTION DRAWINGS

[to be attached]

EXHIBIT I:

SPECIFICATIONS

[to be attached]

EXHIBIT J
BEST MANAGEMENT PRACTICES
(“BMPs” Fact Sheets)

Best Management Practices can be found at: <http://ocwatersheds.com/default.aspx> which website may change from time to time.

TENANT shall be responsible for implementing and complying with all BMP Fact Sheet requirements that apply to this TENANT’s operations. TENANT is to be aware that the BMP clause within this Lease, along with all related BMP Exhibits, may be revised, and may incorporate more than what is initially being presented in this Lease. Although the Premises is not the TENANT’s leased Premises, BMPs apply to the TENANT’s defined Premises and BMPs also apply to the TENANT in their conducting business operations throughout the Premises.

Suggested BMPs Fact Sheets may include, but may not be limited to, the following list shown below and can be found at:

<http://ocwatersheds.com/IndustrialCommercialBusinessesActivities.aspx> (which website may change from time to time):

[IC3 Building Maintenance](#)

[IC4 Carpet Cleaning](#)

[IC6 Contaminated or Erodible Surface Areas](#)

[IC9 Outdoor Drainage from Indoor Areas](#)

[IC10 Outdoor Loading/Unloading of Materials](#)

[IC12 Outdoor Storage of Raw Materials, Products, and Containers](#)

IC14 Painting, Finishing, and Coatings of Vehicles, Boats, Buildings, and Equipment

[IC17 Spill Prevention and Cleanup](#)

[IC21 Waste Handling and Disposal](#)

[IC22 Eating and Drinking Establishments](#)

[IC23 Fire Sprinkler Testing/Maintenance](#)

[IC24 Wastewater Disposal Guidelines](#)

EXHIBIT K

FORM OF MEMORANDUM OF LEASE

MEMORANDUM OF LEASE

This is a Memorandum of Lease ("**Memorandum**") made and entered into as of this

day of _____20____, by and between the IRVINE RANCH WATER DISTRICT, a California water district organized under and existing pursuant to Sections 34000, *et seq.* of the California Water Code ("IRWD"), SERRANO WATER DISTRICT, a political subdivision of the State of California formed and operating under the Irrigation District Law, California Water Code Sections 20500, *et seq.* ("SWD") (IRWD and SWD are collectively the "Districts"), the COUNTY OF ORANGE, a political subdivision of the State of California (the "County"), (IRWD, SWD, and County are collectively referred to herein as "Landlord") and, _____ a _____ (hereinafter called "Tenant"). Landlord and Tenant may sometimes hereinafter individually be referred to as "Party" or jointly as "Parties."

1. **Lease.** The provisions set forth in a written lease between the Parties hereto dated _____ ("**Lease**"), are hereby incorporated by reference into this Memorandum.

2. **Subject Premises.** The Premises which are the subject of the Lease are more particularly described as on Exhibit A, attached hereto.

3. **Commencement Date of Lease.** The Lease shall be deemed to have commenced _____ as set forth within the terms of the Lease.

4. **Term.** The Term of the Lease shall be _____ years from the Commencement Date as stated in the written Lease. The initial term shall commence on the date hereof and terminate on _____. Tenant shall have the right to extend the term of the Lease by _____ extension periods of _____ years each or in any other such manner as prescribed in the Lease.

5. **Duplicate Copies** of the originals of the Lease are in the possession of the Landlord and Tenant and reference should be made thereto for a more detailed description thereof and for resolution of any questions pertaining thereto. The addresses for Landlord and Tenant are as follows:

LANDLORD:

County of Orange
CEO Real Estate
400 W. Civic Center Drive, 5th Floor
Santa Ana, CA 92701
Attn: Chief Real Estate Officer

With a copy to:

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

With a copy to:

Irvine Ranch Water District
15600 Sand Canyon Avenue
P.O. Box 57000
Irvine, CA 92619-7000
Attention: General Manager

With a copy to:

Serrano Water District
18021 East Lincoln Street
Villa Park, CA 92861
Attn: General Manager

TENANT:

6. **Purpose.** It is expressly understood and agreed by all Parties that the sole purpose of this Memorandum is to give record notice of the Lease; it being distinctly understood and agreed that said Lease constitutes the entire lease and agreement between Landlord and Tenant with respect to the Premises and is hereby incorporated by reference. The Lease contains and sets forth additional rights, terms, conditions, duties, and obligations not enumerated within this instrument which govern the Lease. This Memorandum is for information purposes only and nothing contained herein may be deemed in any way to modify or vary any of the terms or conditions of the Lease. In the event of any inconsistency between the terms of the Lease and this instrument, the terms of the Lease shall control. The rights and obligations set forth herein shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, representatives, successors, and assigns.

IN WITNESS WHEREOF, the Parties hereto have executed this Memorandum pursuant to due authorization on the dates herein acknowledged.

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

APPROVED AS TO FORM:

By: _____
Thomas A. Miller, Chief Real Estate Officer
By Delegated Authority
Per Minute Order dated _____

Deputy County Counsel
County of Orange, California

IRVINE RANCH WATER DISTRICT

SERRANO WATER DISTRICT

By: _____
Paul A. Cook
General Manager

By: _____
Board President

By: _____
Jerry Vilander
General Manager

APPROVED AS TO FORM:

APPROVED AS TO FORM:

By: _____
Claire Hervey Collins
District Counsel

By: _____
Jeremy N. Jungreis
General Counsel

TENANT:

By: _____
Name: _____
Title: _____

EXHIBIT L
FORM OF NON-DISTURBANCE AGREEMENT

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Attn: _____

(Space above this line for Recorder's use)

**SUBORDINATION, ATTORNMENT,
AND NON-DISTURBANCE AGREEMENT**

This Subordination, Attornment and Non-Disturbance Agreement (this "**Agreement**"), made as of this _____ day of _____, 20____, by _____ and between _____ ("Landlord"), as landlord under the Lease hereinafter described,

_____, ("Tenant"), tenant under the Lease hereinafter described, and IRVINE RANCH WATER DISTRICT, a California water district organized under and existing pursuant to Sections 34000, *et seq.* of the California Water Code ("**IRWD**"), SERRANO WATER DISTRICT, a political subdivision of the State of California formed and operating under the Irrigation District Law, California Water Code Sections 20500, *et seq.* ("**SWD**") and the COUNTY OF ORANGE, a political subdivision of the State of California (the "**County**"), (IRWD, SWD, and County are collectively referred to herein as "**Ground Lease Lessor**") Landlord, Tenant and Ground Lease Lessor may sometimes hereinafter individually be referred to as "**Party**" or jointly as "**Parties.**"

WITNESETH:

A. Ground Lease Lessor is the owner of certain real property consisting of _____ located in _____, California, (the "Property"), as more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference.

B. Pursuant to that certain Ground Lease dated _____, 20_) (the "Ground Lease"), Ground Lease Lessor demised to Landlord a leasehold estate in and to the Property, together with all rights and privileges appurtenant thereto.

C. Pursuant to that certain _____ by and between Landlord and Tenant (the "Lease"), Landlord has leased to Tenant that certain portion of the Property consisting of _____ (the "Premises").

D. The Parties hereto now desire to enter into this Agreement to establish certain rights and obligations with respect to their interest, and to provide for various contingencies as hereinafter set forth.

NOW, THEREFORE, for good and valuable consideration, the Parties hereto agree as

1. Subordination. The Lease shall be, and shall at all times remain, subject and subordinate to the Ground Lease, and any amendments, modifications, renewals or extensions thereof.

2. Consent. Ground Lease Lessor consents to and approves the terms and conditions of the Lease made by and between Landlord and Tenant.

3. Non-disturbance, Recognition and Attornment. In the event Ground Lease Lessor succeeds to the interest of Landlord under the Lease by reason of the termination of the Ground Lease, or by any other manner, it is agreed that, notwithstanding the subordination of the Lease provided for hereinabove:

3.1. If Tenant is not then in default under the Lease beyond any applicable notice and cure periods, then, when and if Ground Lease Lessor takes over the Lease: (a) Ground Lease Lessor shall not terminate or disturb Tenant's quiet possession of Tenant's Premises under the Lease, except in accordance with the terms of the Lease and this Agreement; (b) Ground Lease Lessor shall be bound to Tenant under all remaining terms and conditions of the Lease (except as provided in this Agreement); (c) Tenant shall recognize and attorn to Ground Lease Lessor as Tenant's direct landlord under the Lease as affected by this Agreement; and (d) the Lease shall continue in full force and effect as a direct lease, in accordance with its terms (except as provided in this Agreement), between Ground Lease Lessor and Tenant.

3.2. The provisions of this Article shall be effective and self-operative without any need for Ground Lease Lessor or Tenant to execute any further documents. Tenant and Ground Lease Lessor shall, however, confirm the provisions of this Article in writing upon request by either of them.

4. Protection of Ground Lease Lessor. Notwithstanding anything to the contrary in the Lease, Ground Lease Lessor shall not be liable for or bound by any of the following matters:

4.1. Claims Against Landlord. Any claim that Tenant may have against Landlord relating to any event or occurrence before the date of attornment, including any claim for damages of any kind whatsoever as the result of any breach by Landlord that occurred before the date of attornment.

4.2. Prepayments. Any payment of rent that Tenant may have made to Landlord more than thirty days before the date such rent was first due and payable under the Lease with respect to any period after the date of attornment other than, and only to the extent that, the Lease expressly required such a prepayment.

4.3. Payment; Security Deposit. Any obligation: (a) to pay Tenant any

sum(s) that Landlord owed to Tenant or (b) with respect to any security deposited with Landlord, unless such security was actually delivered to Ground Lease Lessor.

4.4. Surrender, Etc. Any consensual or negotiated surrender, cancellation, or termination of the Lease, in whole or in part, agreed upon between Landlord and Tenant, unless effected unilaterally by Tenant pursuant to the express terms of the Lease.

4.5. Amendment, Modification or Waiver. Any modification, amendment or extension of the Lease, or any waiver of the terms of the Lease, made without Ground Lease Lessor's prior written consent, which consent shall not be unreasonably withheld.

5. No Exercise of Remedies Against Tenant. So long as Tenant is not then in default under the Lease beyond any applicable notice and cure periods, Tenant shall not be named or joined as a party defendant or otherwise in any proceeding to enforce any rights under the Ground Lease, unless the cause of action in such proceeding relates to or arises from an act or omission by Tenant.

6. Additional Covenants.

6.1. Amendments. Tenant shall submit to Ground Lease Lessor for approval, which approval shall not be unreasonably withheld, a copy of any amendments, modifications or extensions to the Lease made by and between Landlord and Tenant.

6.2. Rent Payments. From and after Tenant's receipt of written notice from Ground Lease Lessor that the Ground Lease has been terminated (a "**Rent Payment Notice**"), Tenant shall pay all rent and additional rent under the Lease to Ground Lease Lessor or as Ground Lease Lessor shall direct in writing. Tenant shall comply with any Rent Payment Notice notwithstanding any contrary instruction, direction or assertion from Landlord. Landlord irrevocably directs Tenant to comply with any Rent Payment Notice, notwithstanding any contrary direction, instruction, or assertion by Landlord. Tenant shall be entitled to rely on any Rent Payment Notice. Landlord hereby releases Tenant from, and shall indemnify and hold Tenant harmless from and against, any and all loss, claim, damage, liability, cost or expense (including payment of reasonable attorneys' fees and disbursements) arising from any claim based upon Tenant's compliance with any Rent Payment Notice. Landlord shall look solely to Ground Lease Lessor with respect to any claims Landlord may have on account of an incorrect or wrongful Rent Payment Notice.

7. Miscellaneous.

7.1. Notices. All notices required or permitted under this Agreement to Ground Lease Lessor shall be in writing and given by certified mail (return receipt requested) or by a nationally recognized overnight courier service that regularly maintains records of items delivered or via electronic mail. Such notices shall be sent to Ground Lease Lessor at the following address:

If to Ground Lease Lessor:

County of Orange
CEO Real Estate

400 W. Civic Center Drive, 5th Floor
Santa Ana, CA 92701
Attn: Chief Real Estate Officer

With a copy to:

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

With a copy to:

Irvine Ranch Water District
15600 Sand Canyon Avenue
P.O. Box 57000
Irvine, CA 92619-7000
Attention: General Manager

With a copy to:

Serrano Water District
18021 East Lincoln Street
Villa Park, CA 92861
Attn: General Manager

or to such other address as Ground Lease Lessor may hereafter notify Tenant in writing by notice sent to Tenant as aforesaid at Tenant's address at the Tenant's Premises, or such other address as Ground Lease Lessor may hereafter be advised of in writing by notice sent to Ground Lease Lessor as aforesaid.

7.2. Successors and Assigns. This Agreement shall bind and benefit the Parties, their successors and assigns, any successor Ground Lease Lessor, and its successors and assigns.

7.3. Entire Agreement. This Agreement constitutes the entire agreement between the Parties regarding the subordination of the Lease to the Ground Lease and the rights and obligations of Tenant and Ground Lease Lessor as to the subject matter of this Agreement.

7.4. Interaction with Lease and Ground Lease. If this Agreement conflicts with the Lease, then this Agreement shall govern as between the Parties and any Ground Lease Lessor, including upon any attornment pursuant to this Agreement. This Agreement supersedes, and constitutes full compliance with, any provisions in the Lease that provide for subordination of the Lease to the Ground Lease, or for delivery of non-disturbance agreements by the Ground Lease Lessor.

7.5. Interpretation; Governing Law. The interpretation, validity and enforcement of this Agreement shall be governed by and construed under the internal laws of the State of

California, excluding its principles of conflict of laws.

7.6. Amendments. This Agreement may be amended, discharged or terminated, or any of its provisions waived, only by a written instrument executed by the party to be charged.

7.7. Execution. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned have executed this instrument as of the day and year first above written.

NOTICE: THE SUBORDINATION PROVIDED FOR IN THIS AGREEMENT RESULTS IN YOUR LEASEHOLD ESTATE IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE GROUND LEASE DESCRIBED HEREIN AND ANY AMENDMENTS, MODIFICATIONS, RENEWALS OR EXTENSIONS THEREOF.

IRVINE RANCH WATER DISTRICT

SERRANO WATER DISTRICT

By: _____
Paul A. Cook
General Manager

By: _____
Board President

By: _____
Jerry Vilander
General Manager

APPROVED AS TO FORM:

APPROVED AS TO FORM:

By: _____
Claire Hervey Collins
District Counsel

By: _____
Jeremy N. Jungreis
General Counsel

COUNTY OF ORANGE,

a political subdivision of the State of California

By: _____
Thomas A. Miller, Chief Real Estate Officer
By Delegated Authority
Per Minute Order dated _____

APPROVED AS TO FORM:

Deputy County Counsel
County of Orange, California

TENANT:

By _____
Name _____
Title _____

LANDLORD:

By _____
Name _____
Title _____

EXHIBIT A to Non-Disturbance Agreement



ATTACHMENT C

SUBMITTAL RESPONSE CHECKLIST

Responsive Proposals will include the following information:

Item #	Proposal Requirements Part 1	Completed and Provided as Instructed??	
1	Cover Letter/Executive Summary	YES <input type="checkbox"/>	NO <input type="checkbox"/>
2	Proposer Profile	YES <input type="checkbox"/>	NO <input type="checkbox"/>
3	Campaign Contribution Disclosure Forms (3)	YES <input type="checkbox"/>	NO <input type="checkbox"/>
4	Submittal Response Checklist	YES <input type="checkbox"/>	NO <input type="checkbox"/>
5	Validity of Proposal	YES <input type="checkbox"/>	NO <input type="checkbox"/>
6	Certification of Understanding	YES <input type="checkbox"/>	NO <input type="checkbox"/>
7	Certificate of Insurance	YES <input type="checkbox"/>	NO <input type="checkbox"/>
8	Form W-9 Requirements	YES <input type="checkbox"/>	NO <input type="checkbox"/>
9	Statement of Compliance	YES <input type="checkbox"/>	NO <input type="checkbox"/>
10	Option Payment	YES <input type="checkbox"/>	NO <input type="checkbox"/>
11	Good Faith Deposit	YES <input type="checkbox"/>	NO <input type="checkbox"/>
12	Conflict of Interest	YES <input type="checkbox"/>	NO <input type="checkbox"/>
13	Litigation	YES <input type="checkbox"/>	NO <input type="checkbox"/>
14	Name/Ownership Changes	YES <input type="checkbox"/>	NO <input type="checkbox"/>
Item #	Proposal Requirements Part 2	Completed and Provided as Instructed??	
A	PROJECT TEAM		
1	Management and Staffing	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	• Organizational chart of anticipated team structure	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	• Resumes	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	• Commitment to provide project specific resources	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	• Credentials	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	• Letter of Agreement from subcontractors	YES <input type="checkbox"/>	NO <input type="checkbox"/>
2	Structure of Proposer	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	• Legal and ownership structure, including copies of organizational documents	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	• Letter of Agreement for joint venture with percentage of participation, if applicable	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	• Representation and warranty	YES <input type="checkbox"/>	NO <input type="checkbox"/>
3	Experience and Qualifications	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	• Brief description	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	• Two (2) similar projects completed in last seven (7) years	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	• Name, location and owner for each of the (2) similar projects	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	• Total development costs for each of the (2) similar projects	YES <input type="checkbox"/>	NO <input type="checkbox"/>



	<ul style="list-style-type: none"> Nature of involvement in similar projects for each of the (2) similar projects 	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	<ul style="list-style-type: none"> Development program for each of the (2) similar projects including land area description of recreational use(s) 	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	<ul style="list-style-type: none"> Members of Development Team that participated in each of the (2) similar projects 	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	<ul style="list-style-type: none"> Year of predevelopment start and year completed for each of the (2) similar projects 	YES <input type="checkbox"/>	NO <input type="checkbox"/>
Item #	Proposal Requirements Part 2	Completed and Provided as Instructed??	
B	PROJECT VISION		
	<ul style="list-style-type: none"> Overall proposed Project Vision (summary, how Development Plan will achieve County's/Districts' goals for Project, Proposer's strengths) 	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	<ul style="list-style-type: none"> Summary of implementation plan and time schedule for Development Plan 	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	<ul style="list-style-type: none"> Summary of ability and plan to finance Project 	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	<ul style="list-style-type: none"> Summary of Project marketing and leasing plan 	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	<ul style="list-style-type: none"> Summary of parking and circulation plan (during construction and leasing) 	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	<ul style="list-style-type: none"> Summary of management and operations plan 	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	<ul style="list-style-type: none"> Summary of financial offer to the County and Districts 	YES <input type="checkbox"/>	NO <input type="checkbox"/>
Item #	Proposal Requirements Part 2	Completed and Provided as Instructed??	
C	DEVELOPMENT PLAN		
1	Review Goals of Development Plan	YES <input type="checkbox"/>	NO <input type="checkbox"/>
2	Site Plans, Architectural Plans, Drawings and Renderings for Property	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	<ul style="list-style-type: none"> Initial design scheme 	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	<ul style="list-style-type: none"> Site demolition and removal plan 	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	<ul style="list-style-type: none"> Construction mobilization and staging plan 	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	<ul style="list-style-type: none"> Site Development Plan 	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	<ul style="list-style-type: none"> Dry lakebed/access area map 	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	<ul style="list-style-type: none"> Building elevations 	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	<ul style="list-style-type: none"> Schematic floor plans 	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	<ul style="list-style-type: none"> Basis of design narrative and analytical documentation 	YES <input type="checkbox"/>	NO <input type="checkbox"/>
3	Budgets for Project	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	<ul style="list-style-type: none"> Detailed description of Proposer's finance plan 	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	<ul style="list-style-type: none"> Pre-development sources and uses budget 	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	<ul style="list-style-type: none"> Development budget for direct and indirect costs and financing expenses 	YES <input type="checkbox"/>	NO <input type="checkbox"/>
4	Schedule for development of Property	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	<ul style="list-style-type: none"> Summary timeline 	YES <input type="checkbox"/>	NO <input type="checkbox"/>



	• Detailed development schedule	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	• Detailed explanation of development schedule	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	• Detailed description of critical paths	YES <input type="checkbox"/>	NO <input type="checkbox"/>
5	Entitlements and Permitting	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	• Evaluation of existing entitlements	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	• Detailed approach for obtaining necessary entitlements and approvals	YES <input type="checkbox"/>	NO <input type="checkbox"/>
6	Marketing and Leasing for Property	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	• Letters of interest, if available	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	• Market analysis	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	• Marketing plan	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	• Leasing narrative	YES <input type="checkbox"/>	NO <input type="checkbox"/>
Item #	Proposal Requirements Part 2	Completed and Provided as Instructed??	
D	CAPITAL STRUCTURE, FINANCIAL CAPABILITY AND FEASIBILITY		
1	Capital Structure and Financial Capability	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	• Financial Plan	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	• Indicate anticipated sources of funding (construction and permanent financing phases)	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	• Describe anticipated capital structure terms	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	• Demonstrate ability to source equity and debt capital	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	• (3) Three years of financial history	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	• Letter of Commitment from each capital source	YES <input type="checkbox"/>	NO <input type="checkbox"/>
2	Financial Feasibility	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	• Detailed financial feasibility models and cash flow analyses	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	• Internal Rate of Return (IRR) cash flow analysis	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	• Financial models provided in Excel format	YES <input type="checkbox"/>	NO <input type="checkbox"/>
3	References	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	• (3) Three business references	YES <input type="checkbox"/>	NO <input type="checkbox"/>
Item #	Proposal Requirements Part 2	Completed and Provided as Instructed??	
E	FINANCIAL OFFER FOR PROPERTY		
	Detailed Explanation of Financial Offer	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	• Proposed minimum base rents, percentage rents, and basis for escalations and adjustments	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	• Sources & amounts of all revenue from which financial offer is derived & of all expenses that will be offset	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	• Acknowledgement of Option Payment amount and requirement	YES <input type="checkbox"/>	NO <input type="checkbox"/>



	<ul style="list-style-type: none"> Participation in proceeds from sale or refinance of leasehold estate 	YES <input type="checkbox"/>	NO <input type="checkbox"/>
Item #	Proposal Requirements Part 2	Completed and Provided as Instructed??	
F	MANAGEMENT AND OPERATIONS		
1	Methodology for Operation of Property	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	<ul style="list-style-type: none"> Fishing concession plan, including fish stocking plan 	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	<ul style="list-style-type: none"> Safety and security plan 	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	<ul style="list-style-type: none"> Parking management strategy 	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	<ul style="list-style-type: none"> Service plan 	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	<ul style="list-style-type: none"> Financial management plan 	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	<ul style="list-style-type: none"> Environmental stewardship plan 	YES <input type="checkbox"/>	NO <input type="checkbox"/>
2	Methodology for Maintaining Property	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	<ul style="list-style-type: none"> Plan for cleaning, trash disposal, litter removal and pest control 	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	<ul style="list-style-type: none"> Preventative maintenance program 	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	<ul style="list-style-type: none"> Grounds maintenance program 	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	<ul style="list-style-type: none"> Water quality management program 	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	<ul style="list-style-type: none"> Plan for wildfire prevention 	YES <input type="checkbox"/>	NO <input type="checkbox"/>
3	Facilities Management Plan including approach for:	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	<ul style="list-style-type: none"> Emergency incident response 	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	<ul style="list-style-type: none"> Furniture, fixtures and equipment 	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	<ul style="list-style-type: none"> Utilities, energy and plant management 	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	<ul style="list-style-type: none"> Environmental compliance and pollution prevention 	YES <input type="checkbox"/>	NO <input type="checkbox"/>
4	Plan for Funding Ongoing Maintenance and Future Capital Replacement and Renovations	YES <input type="checkbox"/>	NO <input type="checkbox"/>
Item #	Proposal Requirements Part 2	Completed and Provided as Instructed??	
G	PUBLIC BENEFIT		
	Detailed description of public benefits provided by proposed Project	YES <input type="checkbox"/>	NO <input type="checkbox"/>
Item #	Proposal Requirements Part 2	Completed and Provided as Instructed??	
H	OPTION AGREEMENT AND GROUND LEASE AGREEMENT		
	<ul style="list-style-type: none"> Acknowledgement of Good Faith Deposit amount & requirement 	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	<ul style="list-style-type: none"> Proposed Option Agreement exceptions, changes or amendments 	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	<ul style="list-style-type: none"> Proposed Ground Lease Agreement exceptions, changes or amendments 	YES <input type="checkbox"/>	NO <input type="checkbox"/>

Legally Authorized Signature (required)

Title

Date



ATTACHMENT D
PROPOSER PROFILE

Company Legal Name: _____

Company Legal Status (corporation, partnership, sole proprietor, etc.): _____

Business Address: _____

Website Address: _____

Telephone Number: (____) _____ Facsimile Number: (____) _____

Email Address: _____

Length of time the firm has been in business: _____ Length of time at current location: _____

Is your firm a sole proprietorship doing business under a different name? _____Yes _____No

If yes, please indicate sole proprietor's name and the name you are doing business under: _____

Is your firm incorporated? _____Yes _____No If yes, State of Incorporation: _____

Federal Taxpayer ID Number: _____

Regular business hours: _____

Regular holidays and hours when business is closed: _____

Contact person in reference to this solicitation: _____

Telephone Number: (____) _____ Facsimile Number: (____) _____

Email Address: _____

Contact person for accounts payable: _____

Telephone Number: (____) _____ Facsimile Number: (____) _____

Email Address: _____

Name of Project Manager: _____

Telephone Number: (____) _____ Facsimile Number: (____) _____

Email Address: _____

In the event of an emergency or declared disaster, the following information is required:

Name of contact during non-business hours: _____

Telephone Number: (____) _____ Facsimile Number: (____) _____

Email Address: _____ Cell or Pager Number: _____

Legally Authorized Signature (required) Title Date



ATTACHMENT E

COUNTY OF ORANGE LOCAL SMALL BUSINESS (OCLSB) AND DISABLED VETERAN BUSINESS ENTERPRISE (DVBE) PREFERENCE CERTIFICATION REQUIREMENTS

- 1) To participate as an OCLSB the following requirements must be met:
 - a) A local small business must be certified with State of California the Department of General Services (DGS) as a Small Business - <https://caleprocure.ca.gov/pages/sbdvbe-index.aspx>
 - b) Upon certification as Small Business with DGS, the local small business shall access the OCLSB Preference portal at OCLSBverify.com, search their legal company/business name in the County's database and print the OCLSB Certification.
 - c) Business name shall match the Company Legal Name specified on the Company Profile.
 - d) OCLSB Certification must be valid at the date/time solicitation is closed, and it shall remain in effect at the time of contract award. County reserves the right to verify and/or reject incomplete documents.
 - e) Complete and sign the Affirmation form attached herein. The signed Affirmation form and the OCLSB Certification are required and must be returned with the solicitation response in order to compete as an OCLSB.

- 2) To participate as a DVBE the following requirements must be met:
 - a) A business must be certified with DGS as a DVBE - <https://caleprocure.ca.gov/pages/sbdvbe-index.aspx>
 - b) DVBE Certification must be valid at the date/time solicitation is closed, and it shall remain in effect at the time of contract award. County reserves the right to verify and/or reject incomplete documents.
 - c) Complete and sign the Affirmation form attached herein. The signed Affirmation form and the DVBE Certification are required and must be returned with the solicitation response in order to compete as a DVBE.

- 3) OCLSB or DVBE Preference provides for the following:
An extra five percent (5%) shall be applied to the tallied score of each certified OCLSB or DVBE to obtain the final score. If the final score of any OCLSB or DVBE matches the final score of a non-OCLSB or non-DVBE, preference shall be given to the certified OCLSB or DVBE. If two or more OCLSBs or DVBEs have the same final score, the County shall determine final ranking or contract award based on the County's best interest.

- 4) Dual OCLSB and DVBE Preference provides for the following:
Business Certified as OCLSB and DVBE. If a State-certified OCLSB is also a State-certified DVBE, the preference given to that business shall be 8% instead of 5%. The separate OCLSB/DVBE preferences shall not be applied.



COUNTY OF ORANGE LOCAL SMALL BUSINESS (OCLSB) AND DISABLED VETERAN BUSINESS ENTERPRISE (DVBE) PREFERENCE AFFIRMATION FORM

County of Orange Local Small Business (OCLSB) and/or Disabled Veteran Business Enterprise (DVBE) Affirmation

OCLSB Certification Requirements: To be certified as a Local Small Business by the County of Orange, a business shall meet the requirements below:

Local Business requirements:

- a) maintains their principal center of operations (i.e. headquarters) within Orange County, and; b) has: i. a business address located in the County of Orange that is not a post office box, or ii. a valid business license or certificate of occupancy issued by the County of Orange or by an Orange County city, or other documentation acceptable to the County of Orange.

Small Business requirements:

- b) must be certified as a Small Business by the State of California Department of General Services (DGS); and, c) DGS Small Business requirements must be valid at the time of bid/proposal submittal.

DVBE Certification Requirements: To be certified as a Disabled Veteran Business Enterprise, a business must meet the following requirements:

- (1) Must be certified as a DVBE by the State of California Department of General Services (DGS); and, (2) DGS DVBE requirements must be valid at the time of bid/proposal submittal.

Please specify one or both preferences that apply to your business by checking below:

- OCLSB DVBE

I, certify that _____, (legal company/business name) is certified as an OCLSB and/or DVBE and currently meets the respective Certification Requirements set forth above.

Print Name

Title

Authorized Signature

Date

Please check one or both below:

- OCLSB Certificate attached State of California DVBE Certification attached

County Use Only

Solicitation Number:

Solicitation Description:

File Folder Number:



ATTACHMENT F

COUNTY OF ORANGE, IRVINE RANCH WATER DISTRICT, AND SERRANO WATER DISTRICT
CAMPAIGN CONTRIBUTION DISCLOSURE INFORMATION
AND
CAMPAIGN CONTRIBUTION DISCLOSURE FORMS

**COUNTY OF ORANGE, IRVINE RANCH WATER DISTRICT,
AND SERRANO WATER DISTRICT
CAMPAIGN CONTRIBUTION DISCLOSURE INFORMATION**

The attached Campaign Contribution Disclosure Forms must be completed by applicants or proposers for, or persons who are the subject of, any proceeding involving a license, permit, or other entitlement for use, including most contracts and franchises, pending before the Board of Supervisors of the County of Orange (or any of its affiliated agencies) and the governing boards of the Irvine Ranch Water District (“IRWD”) and Serrano Water District (“SWD”) (IRWD and SWD governing boards collectively “Boards of Directors”), respectively. For the purposes of this disclosure information, the Board of Supervisors (or any of its affiliated agencies) and the Boards of Directors shall be referred to as “Board(s)”, collectively.

IMPORTANT NOTICE

Government Code section 84308 (also known as the “Levine Act”) contains requirements that are summarized generally as follows:

- A. If you are an applicant or proposer for, or the subject of, any proceeding involving a license, permit, or other entitlement for use, you are prohibited from making a campaign contribution of more than \$250 to any member of the Boards, or other County, IRWD, or SWD official who may participate in selecting a Proposer. This prohibition begins on the date your Proposal is filed or the proceeding is otherwise initiated, and the prohibition ends 12 months after a final decision is rendered by the Boards. In addition, no Board member or County, IRWD, or SWD official who may participate in your proceeding may solicit or accept a campaign contribution of more than \$250 from you during this period.
- B. These prohibitions also apply to your agents, and, if you are a closely held corporation, to your majority shareholder as well. These prohibitions also apply to your subcontractor(s), joint venturer(s), and partner(s) in this proceeding. Also included are parent companies and subsidiary companies directed and controlled by you, and political action committees directed and controlled by you.
- C. You must file the attached disclosure forms and disclose whether you or your agent(s) have in the aggregate contributed more than \$250 to any Board member or other County, IRWD, or SWD officer who may participate in your proceeding during the 12-month period preceding the filing of the Proposal or the initiation of the proceeding.
- D. If you or your agent have in the aggregate contributed more than \$250 to any individual Board member or other County, IRWD, or SWD officer who may participate in your proceeding during the 12 months preceding the decision on the Proposal, that Board member or other County, IRWD, or SWD official must disqualify himself or herself from the decision. However, disqualification is not required if the Board member or other County, IRWD, or SWD official returns the campaign contribution within 30 days from the time the member or official knows, or should have known, about both the contribution and the fact that you are a party in the proceeding. The Campaign Contribution Disclosure Forms should be completed and filed with your Proposal, or with the first written document you file or submit after the proceeding commences.

1. A proceeding involving “a license, permit, or other entitlement for use” includes all business, professional, trade and land use licenses and permits, and all other entitlements for use, including all entitlements for land use, all contracts (other than competitively bid, labor or personal employment contracts), and all franchises.
2. Your “agent” is someone who represents you in connection with a proceeding involving a license, permit or other entitlement for use. If an individual acting as an agent is also acting in his or her capacity as an employee or member of a law, architectural, engineering, consulting firm, or similar business entity, both the business entity and the individual are “agents.”
3. To determine whether a campaign contribution of more than \$250 has been made by you, campaign contributions made by you within the preceding 12 months must be aggregated with those made by your agent within the preceding 12 months or the period of the agency relationship, whichever is shorter. Contributions made by your majority shareholder (if a closely held corporation), your subcontractor(s), your joint venturer(s), and your partner(s) in this proceeding must also be included as part of the aggregation. Campaign contributions made to different Board members or other County, IRWD, or SWD officer who may participate in your proceeding are not aggregated.
4. A list of the Board members and other County, IRWD, and SWD officials, and a disclosure form for each Board, is attached, respectively.

This notice summarizes the major requirements of Government Code section 84308 of the Political Reform Act and California Code of Regulations, Title 2 sections 18438.1-18438.8.

**COUNTY OF ORANGE
CAMPAIGN CONTRIBUTION DISCLOSURE FORM**

Proposal or Solicitation Number: _____

Proposal or Solicitation Title: _____

Was a campaign contribution, regardless of the dollar amount, made to any member of the Orange County Board of Supervisors or to any County Agency Officer on or after January 1, 2023, by the Proposer, or, if applicable, any of the Proposer's proposed subcontractors or the Proposer's agent or lobbyist?

Yes _____ No _____

If no, please sign and date below.

If yes, please provide the following information:

Proposer's Name: _____

Contributor or Contributor Firm's Name: _____

Contributor or Contributor Firm's Address: _____

Is the Contributor:

- The Proposer Yes _____ No _____
 Subcontractor Yes _____ No _____
 The Proposer's agent/or lobbyist Yes _____ No _____

Note: Under California law as implemented by the Fair Political Practices Commission, campaign contributions made by the Proposer and the Proposer's agent/lobbyist who is representing the Proposer in this Proposal or solicitation must be aggregated together to determine the total campaign contribution made by the Proposer.

Identify the Board of Supervisors Member(s) and County Agency Officer(s) to whom you, your subcontractors, and/or agent/lobbyist made campaign contributions on or after January 1, 2023, the name of the contributor, the dates of contribution(s) and dollar amount of the contribution. Each date must include the exact month, day, and year of the contribution.

Name of Board of Supervisors Member or County Agency Officer: _____

Name of Contributor: _____

Date(s) of Contribution(s): _____

Amount(s): _____

(Please add an additional sheet(s) to identify additional Board Members or County Agency Officer to whom you, your subconsultants, and/or agent/lobbyist made campaign contributions)

By signing below, I certify that the statements made herein are true and correct. I also agree to disclose to the County any future contributions made to Board Members or County Agency Officers by the Proposer, or, if applicable, any of the Proposer's proposed subcontractors or the Proposer's agent or lobbyist after the date of signing this disclosure form, and within 12 months following the approval, renewal, or extension of the requested license, permit, or entitlement to use.

Date

Signature of Proposer*

Signature of Proposer *

Print Firm Name, if applicable

Print Name & Title of Signatory

Print Name & Title of Signatory

*If Proposer is a corporation, two (2) signatures are required: one (1) signature by the Chairman of the Board, the President or any Vice President; and one (1) signature by the Secretary, any Assistant Secretary, the Chief Financial Officer or any Assistant Treasurer. If Proposer's officer holds dual title, Proposer must sign this form twice; each time indicating his or her office title, that qualifies under the above-described provision. In the alternative, a single corporate signature is acceptable when accompanied by a corporate resolution demonstrating the legal authority of the signatory to bind the corporation.

**ORANGE COUNTY BOARD OF SUPERVISORS
AND COUNTY AGENCY OFFICERS**

Board of Supervisors

Donald P. Wagner, Chairman, Third District

Andrew Do, Vice Chairman, First District

Vicente Sarmiento, Second District

Doug Chaffee, Fourth District

Katrina Foley, Fifth District

County Agency Officers

Claude Parrish, Assessor

Andrew Hamilton, Auditor-Controller

Hugh Nguyen, Clerk-Recorder

Todd Spitzer, District Attorney-Public Administrator

Don Barnes, Sheriff-Coroner

Shari A. Freidenrich, Treasurer-Tax Collector

**IRVINE RANCH WATER DISTRICT BOARD OF
DIRECTORS AND OFFICERS**

Board of Directors

Karen McLaughlin, President

Doug Reinhart, Vice President

Steve LaMar

Peer Swan

John Withers

Officers

Paul A. Cook, General Manager

Robert Jacobson, Treasurer

Cheryl Clary, Assistant Treasurer

Leslie Bonkowski, Secretary

**SERRANO WATER DISTRICT BOARD OF
DIRECTORS AND OFFICERS**

Board of Directors

Brad Reese, Board President, Division 1

Frank O. Bryant, Board Vice President, Division 4

C.L. "Larry" Pharris, Jr., Director, Division 2

Greg Mills, Director, Division 3

Jerry L. Haight, Director, Division 5

Officers

Jerry Vilander, General Manager and Secretary



ATTACHMENT G
PRELIMINARY TITLE REPORTS



Fidelity National Title Company

4210 Riverwalk Parkway, Suite 100, Riverside, CA 92505
 Phone: (951) 710-5900 • Fax: (951) 710-5955

Issuing Policies of Fidelity National Title Insurance Company

Title Officer: Justin Scott / Chris Scurti - MA
 Escrow Officer: Major Accounts OAC

Order No.: 987-**30088738**-A-1RV

TO:

OC Public Works
 601 North Ross St.
 Santa Ana, CA 92701

ATTN: **Ryan Rigali**
 YOUR REFERENCE:

PROPERTY ADDRESS: The Flats, County of Orange, CA

AMENDED PRELIMINARY REPORT

*In response to the application for a policy of title insurance referenced herein, **Fidelity National Title 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 herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions of said policy forms.*

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. 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.

The policy(s) of title insurance to be issued hereunder will be policy(s) of Fidelity National Title Insurance Company, a Florida Corporation.

Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting title to the land.

Countersigned by:

Authorized Signature

**Fidelity National Title Company**

4210 Riverwalk Parkway, Suite 100, Riverside, CA 92505
Phone: (951) 710-5900 • Fax: (951) 710-5955

AMENDED PRELIMINARY REPORT

EFFECTIVE DATE: July 5, 2022 at 7:30 a.m., Amended: July 20, 2022, Amendment No. A

ORDER NO.: 987-30088738-A-1RV

The form of policy or policies of title insurance contemplated by this report is:

A PRELIMINARY REPORT ONLY

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

A FEE

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

SERRANO WATER DISTRICT, a political subdivision of the State of California formed and operating under the Irrigation District Law, California Water Code Section 20500, et seq., as to an undivided 1/2 interest and **IRVINE RANCH WATER DISTRICT**, a political subdivision of the State of California formed and operated under the California Water District Law, California Water Code Section 34000, et seq., as to an undivided 1/2 interest

3. THE LAND REFERRED TO IN THIS REPORT IS DESCRIBED AS FOLLOWS:

See Exhibit A attached hereto and made a part hereof.

EXHIBIT A

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE UNINCORPORATED AREA OF COUNTY OF ORANGE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

THAT PORTION OF BLOCK 78 OF IRVINE'S SUBDIVISION, IN THE COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP THEREOF FILED IN [BOOK 1, PAGES 88](#) OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THAT PORTION OF THAT CERTAIN PARCEL OF LAND DESCRIBED AS THE "FLATS", BEING A PART OF THE LAND DESCRIBED IN THAT CERTAIN GRANT DEED RECORDED APRIL 3, 2002 AS [INSTRUMENT NO. 20020279521, OF OFFICIAL RECORDS](#), BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTHEASTERLY LINE OF SAID IRVINE LAKE BEING THE NORTHEASTERLY TERMINUS OF THAT CERTAIN COURSE DESCRIBED IN SAID DEED AS HAVING A BEARING AND DISTANCE OF SOUTH 32°05'59" WEST 917.93 FEET; THENCE ALONG THE SOUTHEASTERLY AND SOUTHERLY LINE OF SAID IRVINE LAKE THE FOLLOWING COURSE: SOUTH 32°05'59" WEST 917.93 FEET; THENCE NORTH 86°38'06" WEST 418.44 FEET; THENCE SOUTH 11°45'04" WEST 194.87 FEET; THENCE SOUTH 35°19'28" WEST 157.49 FEET; THENCE NORTH 79°30'38" WEST 338.67 FEET; THENCE SOUTH 88°04'40" WEST 598.06 FEET; THENCE NORTH 79°48'42" WEST 361.00 FEET; THENCE LEAVING SAID SOUTHERLY LINE OF IRVINE LAKE NORTH 79°00'00" EAST 229.00 FEET; THENCE NORTH 53°00'00" EAST 164.00 FEET; THENCE NORTH 4°30'00" WEST 298.00 FEET; THENCE NORTH 9°30'00" EAST 130.00 FEET; THENCE NORTH 16°00'00" EAST 83.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 200.00 FEET; THENCE NORTHEASTERLY AND EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 78°00'00" AN ARC DISTANCE OF 272.27 FEET; THENCE TANGENT FROM SAID CURVE SOUTH 86°00'00" EAST 86.00 FEET; THENCE EAST 396.00 FEET; THENCE NORTH 16°30'00" EAST 154.00 FEET; THENCE NORTH 80°00'00" EAST 242.00 FEET; THENCE NORTH 80°30'00" EAST 842.85 FEET; THENCE SOUTH 77°00'00" EAST 136.45 FEET TO THE POINT OF BEGINNING.

NOTE: THIS COMPANY HAS PROVIDED SAID DESCRIPTION AS AN ACCOMMODATION FOR THE PURPOSE OF FACILITATING THIS REPORT. PURSUANT TO THE SUBDIVISION MAP ACT OF THE STATE OF CALIFORNIA, SAID DESCRIPTIONS MAY NOT BE AN INSURABLE PARCEL AND SHOULD NOT BE RELIED UPON TO CONVEY, FINANCE OR ENCUMBER SAID LAND UNTIL APPROVED BY THE APPROPRIATE GOVERNING AGENCY.

PORTIONS OF [APN: 105-361-10](#) AND PORTIONS OF [APN: 105-361-11](#)

EXCEPTIONS**AT THE DATE HEREOF, ITEMS TO BE CONSIDERED AND EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:**

- A. There were no taxes levied for the fiscal year 2021 - 2022 as the property was vested in a public entity.
- Affects: [APN: 105-361-10](#) and [APN: 105-361-11](#)
- B. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Chapter 3.5 (commencing with Section 75) or Part 2, Chapter 3, Articles 3 and 4, respectively, of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the vestee named in Schedule A or as a result of changes in ownership or new construction occurring prior to Date of Policy.
1. Water rights, claims or title to water, whether or not disclosed by the public records.
 2. Easement(s) in favor of the public over any existing roads lying within said Land.
 3. Any liens and encumbrances, including bonded trust indentures, made or suffered by the Serrano Water District and the Irvine Ranch Water District.
 4. An Agreement executed by and between the Serrano Water Association and the John T. Carpenter Water Co., a corporation and the Irvine Company, a corporation, recorded December 16, 1909 in [Book 176, Page 240](#), of Deeds.

Note 1: A Contract dated February 6, 1928, between the Irvine Company and the Carpenter Irrigation District and Serrano Irrigation District, recorded April 29, 1929 in [Book 265, Page 272](#), of Official Records; Record reference is hereby made for full particulars.

Note 2: Agreements dated February 14, 1950, between Carpenter Irrigation District, a public corporation, referred to as District and Carpenter Irrigation District, a public corporation, referred to as Owner, recorded February 16, 1950 in [Book 1969, Page\(s\) 506](#) and [Book 1969, Page 517, of Official Records](#), subject to the terms and conditions provided in said Agreement; Record reference is hereby made for full particulars.

Note 3: An Agreement dated October 6, 1950, between the Serrano Irrigation District, referred to as District and Serrano Irrigation District, referred to as Owner, recorded November 17, 1950 In [Book 2103, Page 259](#), of Official Records, subject to the terms and conditions provided in said Agreement; Record reference is hereby made for full particulars.

Note 4: An Agreement dated May 15, 1955, between Carpenter Irrigation District and Serrano Irrigation District and the Irvine Company, recorded May 23, 1956 In [Book 3522, Page 181](#), of Official Records, subject to the terms and conditions provided in said Agreement; Record reference is hereby made for full particulars.

Note 5: An Agreement dated December 31, 1956, between Carpenter Irrigation District and Serrano Irrigation District and the Irvine Company, recorded January 28, 1957 In [Book 3784, Page 241](#), of Official Records, subject to the terms and conditions provided in said Agreement; Record reference is hereby made for full particulars.

**EXCEPTIONS
(Continued)**

Note 6: Recorded January 4, 1971 In [Book 9509, Page 553](#), of Official Records, is an Assignment of all right, title and interest of the Carpenter Irrigation District, under instrument recorded April 29, 1929 In [Book 265, Page 272](#), of Official Records, to the Irvine Company, a West Virginia Corporation; Record reference is hereby made for full particulars.

Note 7: Recorded June 11, 1974 In [Book 11167, Page 1987](#), of Official Records, is an Assignment of all right, title and interest of the Irvine Company, a West Virginia corporation to the Irvine Ranch Water District, a California water district, under the Agreements above mentioned and other agreements of record.

Note 8: Carpenter Irrigation District quitclaimed its interest in said Agreement to Serrano Irrigation District and the Irvine Ranch Water District by Quitclaim Deed recorded July 23, 1979 In [Book 13240, Page 73](#), of Official Records.

5. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other matters shown on

Map: Record of Survey
Recording No: [Book 5, Pages 12](#) and 13, of Record of Survey
and Recording No: [Book 93, Pages 5](#) and 6, of Record of Survey

6. Covenants, conditions and restrictions but omitting any covenants or restrictions, if any, including but not limited to those based upon age, race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, veteran or military status, genetic information, medical condition, citizenship, primary language, and immigration status, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth in the document

Recording Date: August 25, 1934
Recording No: [Book 700, Page 1](#), of Official Records

7. Intentionally Deleted

8. Matters contained in that certain document

Entitled: Agreement
Executed by: Carpenter Irrigation District, Serrano Irrigation District and the Irvine Company
Recording No: [Book 3522, Page 181](#), of Official Records

Reference is hereby made to said document for full particulars.

**EXCEPTIONS
(Continued)**

9. Matters contained in that certain document

Entitled: Agreement
 Executed by: Carpenter Irrigation District, Serrano Irrigation District and the Irvine Company
 Recording No: [Book 3784, Page 241](#), of Official Records

Reference is hereby made to said document for full particulars.

Note: The interest of Carpenter Irrigation District under said easement was quitclaimed to Serrano Irrigation District and the Irvine Company by Instrument recorded July 23, 1979 in [Book 13240, Page 73](#), of Official Records.

10. A license to transport water to and for storage in the reservoir, in and through those portions of the existing gunite canal and connection pipe line and other appurtenances, as conveyed to Frances Mutual Water Company, a mutual water corporation by instrument recorded December 5, 1960 in [Book 5536, Page 230](#), and conveyed to Barranca Mutual Water Company, a mutual water corporation, by Instrument recorded December 5, 1960 in [Book 5536, Page 241](#), both of Official Records.

11. Matters contained in that certain document

Entitled: Grant of Storage Capacity
 Executed by: The Irvine Company
 Recording Date: February 25, 1971
 Recording No: [Book 9554, Page 310](#), of Official Records

Reference is hereby made to said document for full particulars.

12. A perpetual non-exclusive easement and right of way for water transmission purposes, conveyed to the Irvine Ranch Water District by deed recorded June 11, 1974 in [Book 11167, Page 1980](#), of Official Records, over a portion of said land.

An unrecorded instrument entitled "Agreement Between Irvine Ranch Water District and the Irvine Company Relative to Irvine Lake and the Acquisition of Water Rights in the Santiago Creek, as well as Additional Storage Capacity for Irvine Lake", dated May 31, 1974, a copy of which is on file with the secretary of the Irvine Ranch Water District, upon any terms, covenants, conditions or provisions therein contained, as disclosed by the Grant Deed recorded June 11, 1974 in [Book 11167, Page\(s\) 1987](#) and [Book 11167, Page 1993](#), both of Official Records.

13. Recorded July 1, 1974 in [Book 11185, Page 1287](#), of Official Records, is an instrument entitled "Agreement Between Irvine Ranch Water District and the Irvine Company Relative to Irvine Lake and the Acquisition of Water Rights in and to Santiago Creek, as well as Additional Storage Capacity in Irvine Lake".

Record reference is hereby made for full particulars.

Note: Recorded July 1, 1974 in [Book 11185, Page 1326](#), of Official Records, is a certified copy of Resolution No. 1974-24, the same being a "Resolution of the Board of Directors of Irvine Ranch Water District Approving Execution of Agreement", entitled "Agreement Between Irvine Ranch Water District and the Irvine Company Relative to Irvine Lake and the Acquisition of Water Rights in and to Santiago Creek, as well as Additional Storage Capacity in Irvine Lake", May 31, 1974 and authorizing its execution on behalf of the Irvine Ranch Water District.

**EXCEPTIONS
(Continued)**

14. Matters contained in that certain document

Entitled: Conveyance of Water Conduit System
 Executed by: The Irvine Company and the Irvine Ranch Water District
 Recording Date: July 1, 1974
 Recording No: [Book 11185, Page 1330](#), of Official Records

Reference is hereby made to said document for full particulars.

15. Matters contained in that certain document

Entitled: Order Approving Change in Purpose of Use and Amending the License
 Recording Date: June 14, 1996
[Recording No: 19960303746](#), of Official Records

Reference is hereby made to said document for full particulars.

and Recording Date: June 14, 1996
 and [Recording No: 19960303747](#), of Official Records

and Recording Date: June 14, 1996
 and [Recording No: 19960303748](#), of Official Records

16. Matters contained in that certain document

Entitled: Notice of Intent to Preserve Interest
 Recording Date: November 8, 1999
[Recording No: 19990778645](#), of Official Records

Reference is hereby made to said document for full particulars.

17. Covenants, conditions and restrictions but omitting any covenants or restrictions, if any, including but not limited to those based upon age, race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, veteran or military status, genetic information, medical condition, citizenship, primary language, and immigration status, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth in the document

Recording Date: April 3, 2002
[Recording No: 20020279521](#), of Official Records

18. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other matters shown on

Map: Record of [Survey No. 2001-1044](#)
 Recording No: [Book 188, Pages 25](#) through 29, inclusive of Record of Survey

**EXCEPTIONS
(Continued)**

- 19. Matters which may be disclosed by an inspection and/or by a correct ALTA/NSPS Land Title Survey of said Land that is satisfactory to the Company, and/or by inquiry of the parties in possession thereof.
- 20. Any easements not disclosed by the public records as to matters affecting title to real property, whether or not said easements are visible and apparent.
- 21. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other matters which a correct survey would disclose and which are not shown by the public records.

PLEASE REFER TO THE "INFORMATIONAL NOTES" AND "REQUIREMENTS" SECTIONS WHICH FOLLOW FOR INFORMATION NECESSARY TO COMPLETE THIS TRANSACTION.

END OF EXCEPTIONS

REQUIREMENTS SECTION

1. The Company will require the following documents for review prior to the issuance of any title insurance predicated upon a conveyance or encumbrance by the corporation named below:

Name of Corporation: Serrano Water District

- a) A Copy of the corporation By-laws and Articles of Incorporation
- b) An original or certified copy of a resolution authorizing the transaction contemplated herein
- c) If the Articles and/or By-laws require approval by a 'parent' organization, a copy of the Articles and By-laws of the parent

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

2. The Company will require the following documents for review prior to the issuance of any title insurance predicated upon a conveyance or encumbrance by the corporation named below:

Name of Corporation: Irvine Ranch Water District

- a) A Copy of the corporation By-laws and Articles of Incorporation
- b) An original or certified copy of a resolution authorizing the transaction contemplated herein
- c) If the Articles and/or By-laws require approval by a 'parent' organization, a copy of the Articles and By-laws of the parent

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

3. Unrecorded matters which may be disclosed by an Owner's Affidavit or Declaration. A form of the Owner's Affidavit/Declaration is attached to this Preliminary Report/Commitment. This Affidavit/Declaration is to be completed by the record owner of the land and submitted for review prior to the closing of this transaction. Your prompt attention to this requirement will help avoid delays in the closing of this transaction. Thank you.

The Company reserves the right to add additional items or make further requirements after review of the requested Affidavit/Declaration.

END OF REQUIREMENTS

INFORMATIONAL NOTES SECTION

1. None of the items shown in this report will cause the Company to decline to attach CLTA Endorsement Form 100 to an Extended Coverage Loan Policy, when issued.
2. Note: The policy of title insurance will include an arbitration provision. The Company or the insured may demand arbitration. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. Please ask your escrow or title officer for a sample copy of the policy to be issued if you wish to review the arbitration provisions and any other provisions pertaining to your Title Insurance coverage.
3. Notice: Please be aware that due to the conflict between federal and state laws concerning the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.
4. Pursuant to Government Code Section 27388.1, as amended and effective as of 1-1-2018, a Documentary Transfer Tax (DTT) Affidavit may be required to be completed and submitted with each document when DTT is being paid or when an exemption is being claimed from paying the tax. If a governmental agency is a party to the document, the form will not be required. DTT Affidavits may be available at a Tax Assessor-County Clerk-Recorder.
5. The following Exclusion(s) are added to preliminary reports, commitments and will be included as an endorsement in the following policies:
 - A. 2006 ALTA Owner's Policy (06-17-06).
 6. Defects, liens, encumbrances, adverse claims, notices, or other matters not appearing in the Public Records but that would be disclosed by an examination of any records maintained by or on behalf of a Tribe or on behalf of its members.
 - B. 2006 ALTA Loan Policy (06-17-06).
 8. Defects, liens, encumbrances, adverse claims, notices, or other matters not appearing in the Public Records but that would be disclosed by an examination of any records maintained by or on behalf of a Tribe or on behalf of its members.
 9. Any claim of invalidity, unenforceability, or lack of priority of the lien of the Insured Mortgage based on the application of a Tribe's law resulting from the failure of the Insured Mortgage to specify State law as the governing law with respect to the lien of the Insured Mortgage.
 - C. ALTA Homeowner's Policy of Title Insurance (12-02-13) and CLTA Homeowner's Policy of Title Insurance (12-02-13).
 10. Defects, liens, encumbrances, adverse claims, notices, or other matters not appearing in the Public Records but that would be disclosed by an examination of any records maintained by or on behalf of a Tribe or on behalf of its members.
 - D. ALTA Expanded Coverage Residential Loan Policy - Assessments Priority (04-02-15).
 12. Defects, liens, encumbrances, adverse claims, notices, or other matters not appearing in the Public Records but that would be disclosed by an examination of any records maintained by or on behalf of a Tribe or on behalf of its members.
 13. Any claim of invalidity, unenforceability, or lack of priority of the lien of the Insured Mortgage based on the application of a Tribe's law resulting from the failure of the Insured Mortgage to specify State law as the governing law with respect to the lien of the Insured Mortgage.

INFORMATIONAL NOTES
(Continued)

- E. CLTA Standard Coverage Policy 1990 (11-09-18).
 - 7. Defects, liens, encumbrances, adverse claims, notices, or other matters not appearing in the public records but that would be disclosed by an examination of any records maintained by or on behalf of a tribe or on behalf of its members.
 - 8. Any claim of invalidity, unenforceability, or lack of priority of the lien of the insured mortgage based on the application of a tribe's law resulting from the failure of the insured mortgage to specify state law as the governing law with respect to the lien of the insured mortgage.
- 6. Note: There are NO conveyances affecting said Land recorded within 24 months of the date of this report.

END OF INFORMATIONAL NOTES

Justin Scott / Chris Scurti - MA/717

ATTACHMENT ONE (Revised 05-06-16)**CALIFORNIA LAND TITLE ASSOCIATION
STANDARD COVERAGE POLICY – 1990****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 or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (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 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 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 claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

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 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 notices 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, 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.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

**CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13)
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE****EXCLUSIONS**

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

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
 - a. building;
 - b. zoning;
 - c. land use;
 - d. improvements on the Land;
 - e. land division; and
 - f. environmental protection.

This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;

- c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
 6. Lack of a right:
 - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.
 This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
 7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
 8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
 9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	Your Deductible Amount	Our Maximum Dollar Limit of Liability
Covered Risk 16:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$ 10,000.00
Covered Risk 18:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 19:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 21:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$ 5,000.00

2006 ALTA LOAN POLICY (06-17-06)

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 that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
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 (however, this does not modify or limit the coverage provided under Covered Risk 11, 13 or 14); or
 - (e) resulting in loss or damage that 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 an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that 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 claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

{Except as provided in Schedule B - Part II, {t{or T}his policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

{PART I

{The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that 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; (b) proceedings by a public agency that may result in taxes or assessments, or notices 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 that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and 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.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.}

PART II

In addition to the matters set forth in Part I of this Schedule, the Title is subject to the following matters, and the Company insures against loss or damage sustained in the event that they are not subordinate to the lien of the Insured Mortgage:}

2006 ALTA OWNER'S POLICY (06-17-06)**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 that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
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 (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

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

{The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that 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; (b) proceedings by a public agency that may result in taxes or assessments, or notices 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 that are not shown in the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and that 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.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records. }
7. {Variable exceptions such as taxes, easements, CC&R's, etc. shown here.}

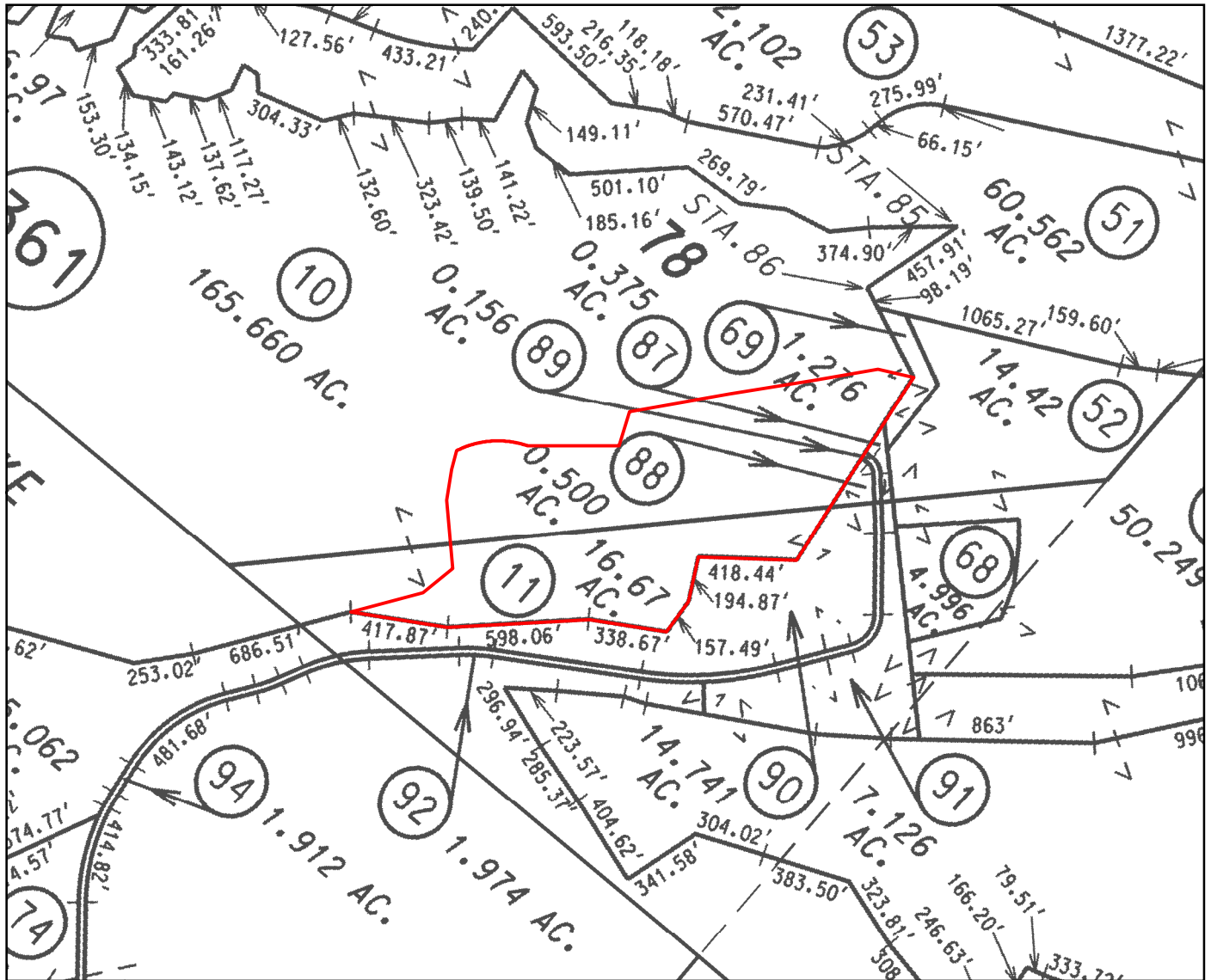
ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY – ASSESSMENTS PRIORITY (04-02-15)**EXCLUSIONS FROM COVERAGE**

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, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
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 (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - (e) resulting in loss or damage that 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 an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that 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. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.



1 inch = 710.66 feet



Legend

- Property In Question - Fee
- Item No. 9 - Matters Contained
In Bk3784 Pg241 & 07/23/1979
Bk13240 Pg73 of Official Records
The exact location of the easement cannot be determined and is not plottable
- Item No. 12 - Easement for Right of Way
In 06/11/1974 Bk11167 Pg1980
& 06/11/1974 Bk11167 Pg1987 of Official Records
The exact location of the easement cannot be determined and is not plottable

©2022
Fidelity National Title Company
 4210 Riverwalk Parkway, Suite 100
 Riverside, CA 92505
 (951) 710-5900 Fax: (951) 710-5955

This map/plat is being furnished as an aid in locating the herein described Land in relation to adjoining streets, natural boundaries and other land, and is not a survey of the land depicted. Except to the extent a policy of title insurance is expressly modified by endorsement, if any, the Company does not insure dimensions, distances, location of easements, acreage or other matters shown thereon.

Title Order No. : 30088738, Preliminary Report Dated July 5, 2022 Reference : Property : The Flats, County of Orange, CA	Drawing Date : 07/14/2022 - FNFI Assessor's Parcel No. : PORTIONS OF APN: 105-361-10 & PORTIONS OF APN: 105-361-11 Data :
Plat Showing : A PORTION OF LAND IS SITUATED IN THE UNINCORPORATED AREA OF COUNTY OF ORANGE IN THE COUNTY OF ORANGE, STATE OF CALIFORNIA	
Sheet 1 of 1 Archieve #	



Fidelity National Title Company

4210 Riverwalk Parkway, Suite 100, Riverside, CA 92505
 Phone: (951) 710-5900 • Fax: (951) 710-5955

Issuing Policies of Fidelity National Title Insurance Company

Title Officer: Justin Scott / Chris Scurti - MA
 Escrow Officer: Major Accounts OAC

Order No.: 987-**30088739**-B-1RV

TO:

OC Public Works
 601 North Ross St.
 Santa Ana, CA 92701

ATTN: **Ryan Rigali**
 YOUR REFERENCE:

PROPERTY ADDRESS: Portion of Recreation Parcel, Silverado, CA

AMENDED PRELIMINARY REPORT

*In response to the application for a policy of title insurance referenced herein, **Fidelity National Title 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 herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions of said policy forms.*

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. 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.

The policy(s) of title insurance to be issued hereunder will be policy(s) of Fidelity National Title Insurance Company, a Florida Corporation.

Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting title to the land.

Countersigned by:

Authorized Signature



Fidelity National Title Company

4210 Riverwalk Parkway, Suite 100, Riverside, CA 92505
Phone: (951) 710-5900 • Fax: (951) 710-5955

AMENDED PRELIMINARY REPORT

EFFECTIVE DATE: July 21, 2022 at 7:30 a.m., Amended: July 29, 2022, Amendment No. B

ORDER NO.: 987-30088739-B-1RV

The form of policy or policies of title insurance contemplated by this report is:

A PRELIMINARY REPORT ONLY

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

A FEE

2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS [VESTED IN:](#)

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

3. THE LAND REFERRED TO IN THIS REPORT IS DESCRIBED AS FOLLOWS:

See Exhibit A attached hereto and made a part hereof.

PRELIMINARY REPORT
Your Reference:

Fidelity National Title Company
Order No.: 987-30088739-B-1RV

EXHIBIT A

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE UNINCORPORATED AREA OF SILVERADO IN THE COUNTY OF ORANGE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

THAT CERTAIN PORTION OF LAND IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF ORANGE, STATE OF CALIFORNIA, OF THE LAND DESCRIBED IN GIFT DEED TO COUNTY OF ORANGE RECORDED JUNE 12, 2019 AS [INSTRUMENT NO. 2019000205217 OF OFFICIAL RECORDS](#) IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, LYING NORTHWESTERLY OF THE FOLLOWING DESCRIBED LINE:

COMMENCING AT THE NORTHWESTERLY TERMINUS OF THAT CERTAIN LINE LABELED "33" AND BEING "N54° 01' 28" W 260.53'" AS SHOWN ON RECORD OF SURVEY 2001-1044 FILED IN [BOOK 188, PAGES 25 THROUGH 29](#), INCLUSIVE OF RECORDS OF SURVEY IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY SAID TERMINUS ALSO BEING AN ANGLE POINT ALONG THE NORTHERLY BOUNDARY OF SAID GIFT DEED;

THENCE SOUTHEASTERLY ALONG SAID LINE, COINCIDENT WITH SAID BOUNDARY, SOUTH 54°01'28" EAST 59.10 FEET TO THE TRUE POINT OF BEGINNING.

THENCE LEAVING SAID BOUNDARY SOUTH 00° 18' 36" WEST 0.51 FEET;
 THENCE SOUTH 39° 03' 54" EAST 21.48 FEET;
 THENCE SOUTH 35° 17' 53" WEST 9.23 FEET;
 THENCE SOUTH 39° 10' 00" EAST 20.30 FEET;
 THENCE SOUTH 52° 42' 29" EAST 2.15 FEET;
 THENCE SOUTH 38° 00' 47" WEST 25.96 FEET;
 THENCE NORTH 60° 28' 59" WEST 40.82 FEET;
 THENCE SOUTH 45° 41' 36" WEST 9.23 FEET;
 THENCE SOUTH 28° 24' 15" WEST 1430.35 FEET;
 THENCE SOUTH 28° 13' 17" WEST 77.58 FEET;
 THENCE SOUTH 09° 58' 44" WEST 4.66 FEET;
 THENCE SOUTH 06° 37' 40" WEST 7.12 FEET;
 THENCE SOUTH 20° 03' 57" WEST 4.74 FEET;
 THENCE SOUTH 16° 39' 11" WEST 24.34 FEET;
 THENCE SOUTH 28° 30' 38" WEST 19.25 FEET;
 THENCE SOUTH 12° 28' 10" WEST 26.77 FEET;
 THENCE SOUTH 43° 08' 34" WEST 43.24 FEET TO AN INTERSECTION WITH THE SOUTHERLY BOUNDARY OF AFOREMENTIONED GIFT DEED.

EXCEPT PORTION LYING WITHIN SANTIAGO CANYON ROAD 60.00 FEET IN WIDTH, AS DESCRIBED IN THE DEED OF RIGHT OF WAY, RECORDED SEPTEMBER 29, 1958 IN [BOOK 4430, PAGE 94](#) OF OFFICIAL RECORDS, IN SAID OFFICE OF THE COUNTY RECORDER.

ALSO EXCEPT 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 LAND, TOGETHER WITH THE PERPETUAL RIGHT OF DRILLING, MINING, EXPLORING AND OPERATING THEREFOR, AND STORING IN AND REMOVING THE SAME FROM SAID LAND OR ANY OTHER LAND, INCLUDING THE RIGHT TO WHIPSTOCK OR DIRECTIONALLY DRILL AND MINE FROM LANDS OTHER THAN THE LAND, OIL OR GAS WELLS, TUNNELS

AND SHAFTS INTO, THROUGH OR ACROSS THE SUBSURFACE OF THE LAND, 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, WITHOUT, HOWEVER, THE RIGHT TO

PRELIMINARY REPORT
Your Reference:

Fidelity National Title Company
Order No.: 987-30088739-B-1RV

EXHIBIT A
(Continued)

DRILL, MINE, STORE, EXPLORE AND OPERATE THROUGH THE SURFACE OR THE UPPER 500 FEET OF THE SUBSURFACE OF THE LAND, AS RESERVED BY THE IRVINE COMPANY IN THE DEED RECORDED NOVEMBER 30, 2005 AS [INSTRUMENT NO. 2005000953645 OF OFFICIAL RECORDS](#).

ALSO EXCEPT ALL WATER RIGHTS, INCLUDING RIGHTS CLASSIFIED AS OVERLYING, RIPARIAN, APPROPRIATIVE OR OTHER CLASSIFICATION, DERIVED FROM USAGE, EXTRACTION OR DIVERSION UPON OR OTHERWISE PERTAINING TO THE ABOVE LAND AS CONVEYED TO IRVINE RANCH WATER DISTRICT BY QUITCLAIM DEED RECORDED JUNE 21, 2006 AS [INSTRUMENT NO. 2006000416403 OF OFFICIAL RECORDS](#).

NOTE: THIS COMPANY HAS PROVIDED SAID DESCRIPTION AS AN ACCOMMODATION FOR THE PURPOSE OF FACILITATING THIS REPORT. PURSUANT TO THE SUBDIVISION MAP ACT OF THE STATE OF CALIFORNIA, SAID DESCRIPTIONS MAY NOT BE AN INSURABLE PARCEL AND SHOULD NOT BE RELIED UPON TO CONVEY, FINANCE OR ENCUMBER SAID LAND UNTIL APPROVED BY THE APPROPRIATE GOVERNING AGENCY.

[PORTION APN 105-361-85](#)

EXCEPTIONS**AT THE DATE HEREOF, ITEMS TO BE CONSIDERED AND EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:**

- A. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2022-2023.
- B. There were no taxes levied for the fiscal year 2021-2022 as the property was vested in a public entity.
- C. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Chapter 3.5 (commencing with Section 75) or Part 2, Chapter 3, Articles 3 and 4, respectively, of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the vestee named in Schedule A or as a result of changes in ownership or new construction occurring prior to Date of Policy.
 - 1. Water rights, claims or title to water, whether or not disclosed by the public records.
 - 2. An agreement executed by and between the Serrano Water Association and the John T. Carpenter Water Co., a corporation, and The Irvine Company, a corporation, recorded December 16, 1909 in [Book 176, Page 240](#) of Deeds.

Note 1: A contract dated February 6, 1928, between The Irvine Company and the Carpenter Irrigation District and Serrano Irrigation District, recorded April 29, 1929 in [Book 265, Page 272](#) of Official Records; record reference is hereby made for full particulars.

Note 2: Agreements dated February 14, 1950, between Carpenter Irrigation District, a public corporation, referred to as District, and Carpenter Irrigation District, a public corporation, referred to as owner, recorded February 16, 1950 in [Book 1969, Pages 506](#) and in [Book 1969, Page 517](#) both of Official Records, subject to the terms and conditions provided in said agreement; record reference is hereby made for full particulars.

Note 3: An agreement dated October 6, 1950, between the Serrano Irrigation District, referred to as District, and Serrano Irrigation District, referred to as owner, recorded November 17, 1950 in [Book 2103, Page 259](#) of Official Records, subject to the terms and conditions provided in said agreement; record reference is hereby made for full particulars.

Note 4: An agreement dated May 15, 1955, between Carpenter Irrigation District and Serrano Irrigation District, and The Irvine Company, recorded May 23, 1956 in [Book 3522, Page 181](#) of Official Records, subject to the terms and conditions provided in said agreement; record reference is hereby made for full particulars.

Note 5: An agreement dated December 31, 1956, between Carpenter Irrigation District and Serrano Irrigation District, and The Irvine Company, recorded January 28, 1957 in [Book 3784, Page 241](#) of Official Records, subject to the terms and conditions provided in said agreement; record reference is hereby made for full particulars.

Note 6: Recorded March 4, 1963 in [Book 6453, Page 194](#) of Official Records is a Quitclaim Deed executed by The Irvine Company, a corporation, quitclaiming all their right, title and interest in and to said rights of way, etc., reserving, however, all of said rights in, under and along any and all existing and future public and private streets and roads within said land.

Note 7: Recorded January 4, 1971 in [Book 9509, Page 553](#) of Official Records, is an assignment of all right, title and interest of the Carpenter Irrigation District, under instrument recorded April 29, 1929 in [Book 265, Page 272](#) of Official Records, to The Irvine Company, a West Virginia corporation; record reference is hereby made for full particulars.

**EXCEPTIONS
(Continued)**

Note 7a: The terms and provisions contained in the document entitled "Grant of Storage Capacity" (Regarding Santiago Creek Reservoir) recorded as [Book 9554, Page 310](#) of Official Records

Note 8: Recorded June 11, 1974 in [Book 11167, page 1987](#) of Official Records, is an assignment of all right, title and interest of The Irvine Company, a West Virginia corporation, to The Irvine Ranch Water District, a California water district, under the agreements above mentioned and other agreements of record.

Note 8a: The terms and provisions contained in the document entitled "Agreement Between Irvine Ranch Water District and the Irvine Company relative to Irvine Lake and the Acquisition of Water Rights in and to Santiago Creek as well as additional Storage Capacity in Irvine Lake", recorded in [Book 11185, Page 1287 of Official Records](#).

Note 9: Carpenter Irrigation District quitclaimed its interest in said agreement to Serrano Irrigation District and The Irvine Ranch Water District by Quitclaim Deed recorded July 23, 1979 in [Book 13240, page 73](#) of Official Records.

3. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

In favor of:	County of Orange
Purpose:	Road, together with the privilege and right to extend drainage structures and excavation and embankment slopes beyond the limits thereof
Recording Date:	October 8, 1931
Recording No:	in Book 507, Page 343 of Official Records
Affects:	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.

4. Easements for flooding purposes as conveyed by The Irvine Company to Carpenter Irrigation District and Serrano Irrigation District, by deed recorded August 25, 1934 in [Book 700, Page 1](#) of Official Records, and as conveyed by The Irvine Company to Irvine Ranch Water District, by deed recorded February 25, 1971 in [Book 9554, Page 301](#) of Official Records, over a portion of said land.

5. A right of way conveyed to the County of Orange for public highway purposes, by deed recorded November 18, 1957 in [Book 4106, Page 421](#) of Official Records, and re-recorded December 4, 1957 in [Book 4124, Page 370](#) of Official Records, over a portion of said land.

Note 1: Affects Santiago Canyon Road.

Note 2: 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.

**EXCEPTIONS
(Continued)**

6. A right of way for public highway purposes, as conveyed to the County of Orange in an instrument recorded August 12, 1958 in [Book 4380, Page 129](#) of Official Records, 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.

The exact location and extent of said easement is not disclosed of record.

7. INTENTIONALLY DELETED

8. INTENTIONALLY DELETED

9. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other matters shown on

Map: Record of Survey
Recording No: in [Book 173, Pages 1](#) to 10 Record of Survey

10. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other matters shown on

Map: Record of Survey
Recording No: in [Book 188, Page 25](#) Record of Survey

11. Covenants, conditions and restrictions but omitting any covenants or restrictions, if any, including but not limited to those based upon age, race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, veteran or military status, genetic information, medical condition, citizenship, primary language, and immigration status, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth in the document

Recording Date: June 12, 2019
[Recording No: 2019000205217 of Official Records.](#)

12. Matters contained in that certain document

Entitled: Irvine lake Native Water Yield Agreement
Recording Date: July 23, 2019
Recording No: as [Instrument No. 2019000263766 of Official Records](#)

Reference is hereby made to said document for full particulars.

13. Matters contained in that certain document

Entitled: Declaration of Covenants and Restrictions and Termination of Reversionary Rights (Irvine Lake)
Recording Date: March 18, 2022
Recording No: as [Instrument No. 2022000107214 of Official Records](#)

Reference is hereby made to said document for full particulars.

**EXCEPTIONS
(Continued)**

14. Please be advised that our search did not disclose any open Deeds of Trust of record. If you should have knowledge of any outstanding obligation, please contact the Title Department immediately for further review prior to closing.
15. Any easements not disclosed by the public records as to matters affecting title to real property, whether or not said easements are visible and apparent.
16. Matters which may be disclosed by an inspection and/or by a correct ALTA/NSPS Land Title Survey of said Land that is satisfactory to the Company, and/or by inquiry of the parties in possession thereof.
17. Any rights of the parties in possession of a portion of, or all of, said Land, which rights are not disclosed by the public records.

The Company will require, for review, a full and complete copy of any unrecorded agreement, contract, license and/or lease, together with all supplements, assignments and amendments thereto, before issuing any policy of title insurance without excepting this item from coverage.

The Company reserves the right to except additional items and/or make additional requirements after reviewing said documents.

18. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other matters which a correct survey would disclose and which are not shown by the public records.

PLEASE REFER TO THE "INFORMATIONAL NOTES" AND "REQUIREMENTS" SECTIONS WHICH FOLLOW FOR INFORMATION NECESSARY TO COMPLETE THIS TRANSACTION.

END OF EXCEPTIONS

REQUIREMENTS SECTION

1. Furnish for review a full and complete copy of any unrecorded agreement, contract, license and/or lease together with all supplements, assignments and amendments thereto, prior to the close of this transaction.

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

2. This Company will require evidence of compliance with the statutory limitations incident to the governmental agency named below, with reference to any conveyance of an interest in the Land this Company will be asked to record and/or rely upon in the issuance of any form of title insurance.

Governmental agency: County of Orange, a political subdivision of the State of California

3. Unrecorded matters which may be disclosed by an Owner's Affidavit or Declaration. A form of the Owner's Affidavit/Declaration is attached to this Preliminary Report/Commitment. This Affidavit/Declaration is to be completed by the record owner of the land and submitted for review prior to the closing of this transaction. Your prompt attention to this requirement will help avoid delays in the closing of this transaction. Thank you.

The Company reserves the right to add additional items or make further requirements after review of the requested Affidavit/Declaration.

END OF REQUIREMENTS

INFORMATIONAL NOTES SECTION

1. Note: The policy of title insurance will include an arbitration provision. The Company or the insured may demand arbitration. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. Please ask your escrow or title officer for a sample copy of the policy to be issued if you wish to review the arbitration provisions and any other provisions pertaining to your Title Insurance coverage.
2. Notice: Please be aware that due to the conflict between federal and state laws concerning the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.
3. Pursuant to Government Code Section 27388.1, as amended and effective as of 1-1-2018, a Documentary Transfer Tax (DTT) Affidavit may be required to be completed and submitted with each document when DTT is being paid or when an exemption is being claimed from paying the tax. If a governmental agency is a party to the document, the form will not be required. DTT Affidavits may be available at a Tax Assessor-County Clerk-Recorder.
4. The following Exclusion(s) are added to preliminary reports, commitments and will be included as an endorsement in the following policies:
 - A. 2006 ALTA Owner's Policy (06-17-06).
 6. Defects, liens, encumbrances, adverse claims, notices, or other matters not appearing in the Public Records but that would be disclosed by an examination of any records maintained by or on behalf of a Tribe or on behalf of its members.
 - B. 2006 ALTA Loan Policy (06-17-06).
 8. Defects, liens, encumbrances, adverse claims, notices, or other matters not appearing in the Public Records but that would be disclosed by an examination of any records maintained by or on behalf of a Tribe or on behalf of its members.
 9. Any claim of invalidity, unenforceability, or lack of priority of the lien of the Insured Mortgage based on the application of a Tribe's law resulting from the failure of the Insured Mortgage to specify State law as the governing law with respect to the lien of the Insured Mortgage.
 - C. ALTA Homeowner's Policy of Title Insurance (12-02-13) and CLTA Homeowner's Policy of Title Insurance (12-02-13).
 10. Defects, liens, encumbrances, adverse claims, notices, or other matters not appearing in the Public Records but that would be disclosed by an examination of any records maintained by or on behalf of a Tribe or on behalf of its members.
 - D. ALTA Expanded Coverage Residential Loan Policy - Assessments Priority (04-02-15).
 12. Defects, liens, encumbrances, adverse claims, notices, or other matters not appearing in the Public Records but that would be disclosed by an examination of any records maintained by or on behalf of a Tribe or on behalf of its members.
 13. Any claim of invalidity, unenforceability, or lack of priority of the lien of the Insured Mortgage based on the application of a Tribe's law resulting from the failure of the Insured Mortgage to specify State law as the governing law with respect to the lien of the Insured Mortgage.

INFORMATIONAL NOTES
(Continued)

- E. CLTA Standard Coverage Policy 1990 (11-09-18).
 - 7. Defects, liens, encumbrances, adverse claims, notices, or other matters not appearing in the public records but that would be disclosed by an examination of any records maintained by or on behalf of a tribe or on behalf of its members.
 - 8. Any claim of invalidity, unenforceability, or lack of priority of the lien of the insured mortgage based on the application of a tribe's law resulting from the failure of the insured mortgage to specify state law as the governing law with respect to the lien of the insured mortgage.
- 5. Note: There are NO conveyances affecting said Land recorded within 24 months of the date of this report.

END OF INFORMATIONAL NOTES

Justin Scott / Chris Scurti - MA/jh

ATTACHMENT ONE (Revised 05-06-16)**CALIFORNIA LAND TITLE ASSOCIATION
STANDARD COVERAGE POLICY – 1990****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 or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (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 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 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 claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

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 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 notices 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, 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.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

**CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13)
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE****EXCLUSIONS**

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

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
 - a. building;
 - b. zoning;
 - c. land use;
 - d. improvements on the Land;
 - e. land division; and
 - f. environmental protection.
 This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;

- c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
 6. Lack of a right:
 - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.
 This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
 7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
 8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
 9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	Your Deductible Amount	Our Maximum Dollar Limit of Liability
Covered Risk 16:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$ 10,000.00
Covered Risk 18:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 19:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 21:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$ 5,000.00

2006 ALTA LOAN POLICY (06-17-06)

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 that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
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 (however, this does not modify or limit the coverage provided under Covered Risk 11, 13 or 14); or
 - (e) resulting in loss or damage that 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 an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that 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 claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

{Except as provided in Schedule B - Part II, {t{or T}his policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

{PART I

{The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that 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; (b) proceedings by a public agency that may result in taxes or assessments, or notices 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 that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and 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.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.}

PART II

In addition to the matters set forth in Part I of this Schedule, the Title is subject to the following matters, and the Company insures against loss or damage sustained in the event that they are not subordinate to the lien of the Insured Mortgage:}

2006 ALTA OWNER'S POLICY (06-17-06)**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 that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
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 (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

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

{The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that 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; (b) proceedings by a public agency that may result in taxes or assessments, or notices 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 that are not shown in the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and that 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.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records. }
7. {Variable exceptions such as taxes, easements, CC&R's, etc. shown here.}

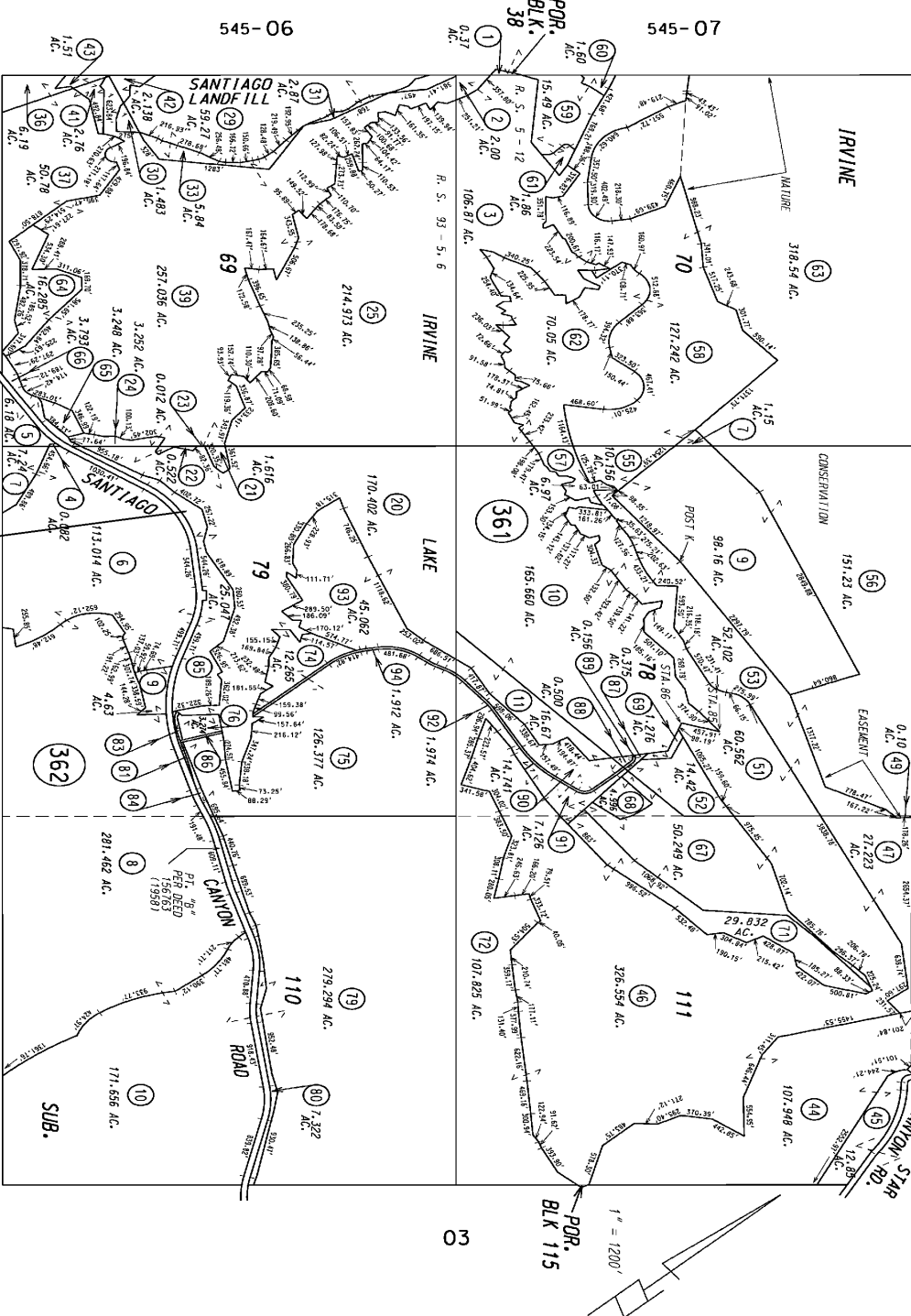
ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY – ASSESSMENTS PRIORITY (04-02-15)**EXCLUSIONS FROM COVERAGE**

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:

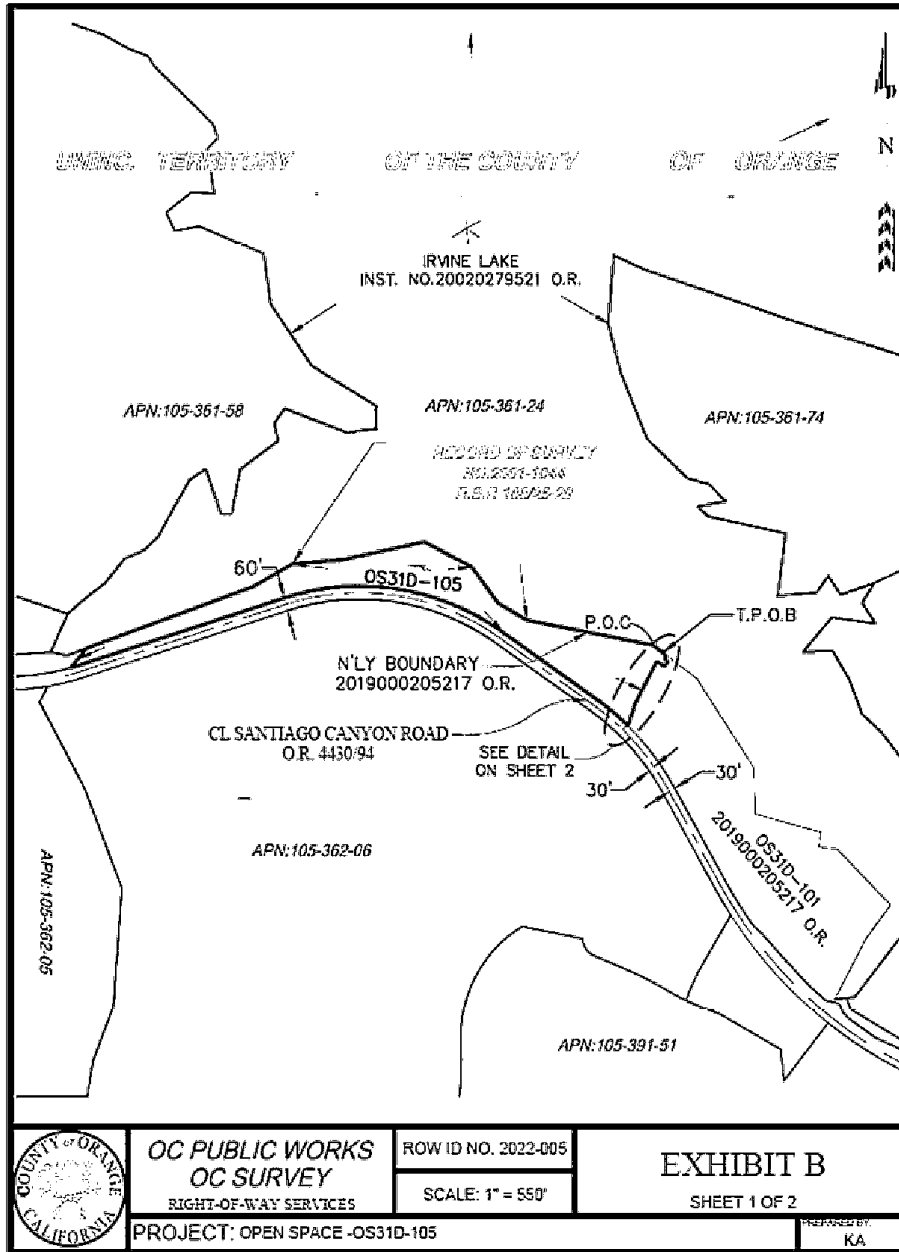
1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
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 (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - (e) resulting in loss or damage that 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 an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that 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. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

This map/plot is being furnished as an aid in locating the herein described land in relation to adjoining streets, natural boundaries and other land, and is not a survey of the land depicted. Except to the extent a policy of title insurance is expressly modified by endorsement, if any, the Company does not insure dimensions, distances, location of easements, acreage or other matters shown thereon.
Requested By: Jongmuir, Printed: 7/28/2022 1:58 PM
Page 1 of 1

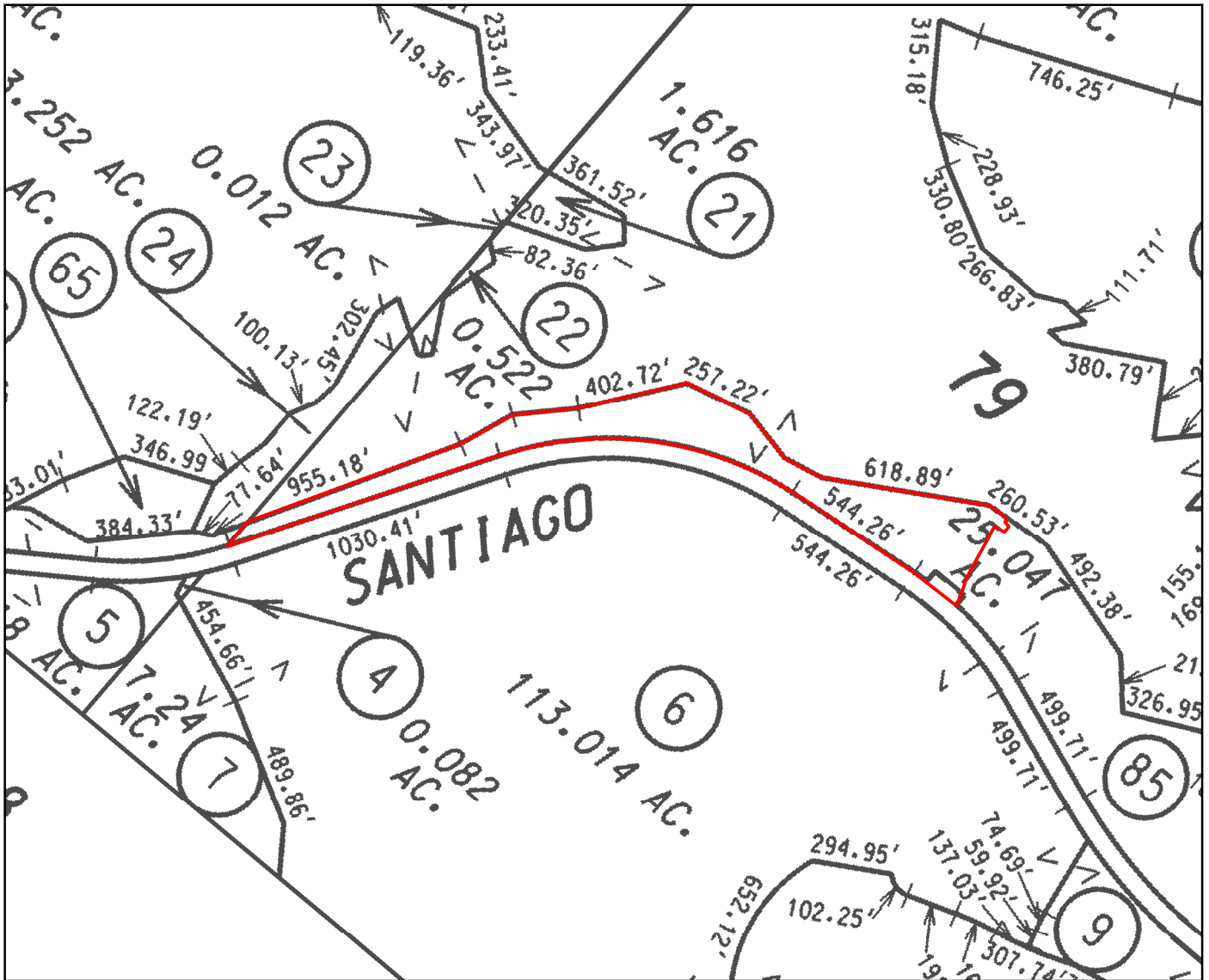
THIS MAP WAS PREPARED FOR ORANGE COUNTY ASSESSOR GENERAL PURSUANT TO THE ASSASSOR'S DUTY AND GUARANTEES AS TO ITS ACCURACY. THE ASSASSOR MAKES NO ASSUMES ANY LIABILITY FOR OTHER USES. NOT TO BE REPRODUCED. ALL RIGHTS RESERVED.
© COPYRIGHT ORANGE COUNTY ASSESSOR 2019



JANUARY 2003
IRVINE SUB. M.R.M. 1-88
NOTE - ASSESSOR'S BLOCK & PARCEL NUMBERS SHOWN IN CIRCLES
ASSESSOR'S MAP BOOK 105 PAGE 36 COUNTY OF ORANGE



1 inch = 611.57 feet



Legend

- Property In Question - Fee ("Portion of Recreation Parcel")
- Item No. 4 - Easement for Flooding
In 08/25/1934 Bk700 Pg1 &
02/25/1971 Bk9554 Pg301 of Official Records
 The exact location of the easement cannot be determined and is not plottable

©2022
Fidelity National Title Company
 4210 Riverwalk Parkway, Suite 100
 Riverside, CA 92505
 (951) 710-5900 Fax (951) 710-5955

This map/plat is being furnished as an aid in locating the herein described Land in relation to adjoining streets, natural boundaries and other land, and is not a survey of the land depicted. Except to the extent a policy of title insurance is expressly modified by endorsement, if any, the Company does not insure dimensions, distances, location of easements, acreage or other matters shown thereon.

Title Order No. : 30088739-B, Preliminary Report Dated July 29, 2022	Drawing Date : 08/04/2022 - FNFI
Reference :	Assessor's Parcel No. : 105-361-85 (Portion)
Property : Portion of Recreation Parcel, Silverado, CA	Data :
Plat Showing : A PORTION OF LAND IS SITUATED IN THE UNINCORPORATED AREA OF SILVERADO IN THE COUNTY OF ORANGE, STATE OF CALIFORNIA	
Sheet 1 of 1	Page 246 of 265
Archieve #	



Fidelity National Title Company

4210 Riverwalk Parkway, Suite 100, Riverside, CA 92505
 Phone: (951) 710-5900 • Fax: (951) 710-5955

Issuing Policies of Fidelity National Title Insurance Company

Title Officer: Justin Scott / Chris Scurti - MA
 Escrow Officer: Major Accounts OAC

Order No.: 987-**30088740**-1RV

TO:

OC Public Works
 601 North Ross St.
 Santa Ana, CA 92701

ATTN: **Ryan Rigali**
 YOUR REFERENCE:

PROPERTY ADDRESS: License Parcel, County of Orange, CA

PRELIMINARY REPORT

*In response to the application for a policy of title insurance referenced herein, **Fidelity National Title 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 herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions of said policy forms.*

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. 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.

The policy(s) of title insurance to be issued hereunder will be policy(s) of Fidelity National Title Insurance Company, a Florida Corporation.

Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting title to the land.

Countersigned by:

Authorized Signature



Fidelity National Title Company

4210 Riverwalk Parkway, Suite 100, Riverside, CA 92505
Phone: (951) 710-5900 • Fax: (951) 710-5955

PRELIMINARY REPORT

EFFECTIVE DATE: July 5, 2022 at 7:30 a.m.

ORDER NO.: 987-30088740-1RV

The form of policy or policies of title insurance contemplated by this report is:

A PRELIMINARY REPORT ONLY

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

A FEE

2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS [VESTED IN:](#)

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

3. THE LAND REFERRED TO IN THIS REPORT IS DESCRIBED AS FOLLOWS:

See Exhibit A attached hereto and made a part hereof.

EXHIBIT A

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE UNINCORPORATED AREA OF COUNTY OF ORANGE IN THE COUNTY OF ORANGE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

THAT CERTAIN PARCEL OF LAND SITUATED IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF ORANGE, STATE OF CALIFORNIA, LYING WITHIN BLOCKS 78, 79 AND 111 OF IRVINE'S SUBDIVISION AS SHOWN ON A MAP THEREOF FILED IN [BOOK 1, PAGE 88](#) OF MISCELLANEOUS RECORD MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID ORANGE COUNTY, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE CENTERLINE OF SANTIAGO CANYON ROAD, 60.00 FEET WIDE, AS DESCRIBED IN THE RIGHT-OF-WAY DOCUMENT RECORDED SEPTEMBER 29, 1958 IN [BOOK 4430, PAGE 94](#) OF OFFICIAL RECORDS IN SAID OFFICE OF THE COUNTY RECORDER, DISTANT NORTHWESTERLY 72.49 FEET, ALONG A CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 2038.00 FEET, FROM THE SOUTHEASTERLY TERMINUS OF THE CURVE DESCRIBED AS CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 2038.00 FEET, A DELTA OF 37°03'00" AND AN ARC LENGTH OF 1317.86 FEET IN SAID DOCUMENT, A RADIAL LINE TO SAID POINT BEARS SOUTH 25°11'00" WEST;
THENCE LEAVING SAID CENTERLINE NON-TANGENT FROM SAID CURVE, NORTH 24°44'44" EAST 541.52 FEET TO A CURVE CONCAVE WESTERLY HAVING A RADIUS OF 600.00 FEET;
THENCE NORTHERLY 252.79 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 24°08'23";
THENCE TANGENT FROM SAID CURVE NORTH 0°36'21" EAST 1326.73 FEET TO A CURVE CONCAVE EASTERLY HAVING A RADIUS OF 900.00 FEET; THE FOLLOWING ELEVEN (11) COURSES SHALL BE COLLECTIVELY HEREAFTER REFERRED TO AS CENTERLINE "A":

ALONG SAID CENTERLINE "A" AND SAID CURVE NORTHERLY 492.78 FEET THROUGH A CENTRAL ANGLE OF 31°22'16";
THENCE TANGENT FROM SAID CURVE NORTH 31°58'37" EAST 139.46 FEET TO A CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 635.00 FEET;
THENCE ALONG SAID CURVE NORTHEASTERLY 493.33 FEET THROUGH A CENTRAL ANGLE OF 44°30'47";
THENCE TANGENT FROM SAID CURVE NORTH 76°29'24" EAST 132.49 FEET TO A CURVE CONCAVE NORTHERLY HAVING A RADIUS OF 685.00 FEET;
THENCE ALONG SAID CURVE EASTERLY 111.06 FEET THROUGH A CENTRAL ANGLE OF 9°17'22";
THENCE TANGENT FROM SAID CURVE NORTH 67°12'02" EAST 110.22 FEET TO A CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 735.00 FEET;
THENCE ALONG SAID CURVE EASTERLY 279.75 FEET THROUGH A CENTRAL ANGLE OF 21°48'27";
THENCE TANGENT FROM SAID CURVE NORTH 89°00'29" EAST 381.51 FEET TO A CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 785.00 FEET;
THENCE ALONG SAID CURVE EASTERLY 148.22 FEET THROUGH A CENTRAL ANGLE OF 10°49'05";
THENCE TANGENT FROM SAID CURVE SOUTH 80°10'26" EAST 633.40 FEET TO A CURVE CONCAVE NORTHERLY HAVING A RADIUS OF 1415.00 FEET;
THENCE ALONG SAID CURVE EASTERLY 266.49 FEET THROUGH A CENTRAL ANGLE OF 10°47'27";

THENCE LEAVING SAID CENTERLINE "A", RADIAL FROM SAID CURVE SOUTH 00°57'53" EAST 15.00 FEET TO A CURVE CONCENTRIC WITH AND 15.00 FEET SOUTHERLY OF SAID LAST CURVE AND THE TRUE POINT OF BEGINNING;

THENCE CONCENTRIC AND PARALLEL WITH AND 15.00 FEET SOUTHERLY OF THE HEREINBEFORE DESCRIBED CENTERLINE "A" THROUGH THE FOLLOWING COURSES:

ALONG SAID LAST CONCENTRIC CURVE WESTERLY 269.32 FEET THROUGH A CENTRAL ANGLE OF 10°47'27";
THENCE TANGENT FROM SAID CURVE NORTH 80°10'26" WEST 633.40 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 770.00 FEET;

PRELIMINARY REPORT
Your Reference:

Fidelity National Title Company
Order No.: 987-30088740-1RV

EXHIBIT A
(Continued)

THENCE ALONG SAID CURVE WESTERLY 145.38 FEET THROUGH A CENTRAL ANGLE OF 10°49'05";
THENCE TANGENT FROM SAID CURVE SOUTH 89°00'29" WEST 381.51 FEET TO THE BEGINNING OF A
TANGENT CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 720.00 FEET;
THENCE ALONG SAID CURVE WESTERLY 274.04 FEET THROUGH A CENTRAL ANGLE OF 21°48'27";
THENCE TANGENT FROM SAID CURVE SOUTH 67°12'02" WEST 110.22 FEET TO THE BEGINNING OF A
TANGENT CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 700.00 FEET;
THENCE ALONG SAID CURVE WESTERLY 113.49 FEET THROUGH A CENTRAL ANGLE OF 09°17'22";
THENCE TANGENT FROM SAID CURVE SOUTH 76°29'24" WEST 132.49 FEET TO THE BEGINNING OF A
TANGENT CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 620.00 FEET;
THENCE ALONG SAID CURVE SOUTHWESTERLY 481.68 FEET THROUGH A CENTRAL ANGLE OF
44°30'47";
THENCE TANGENT FROM SAID CURVE SOUTH 31°58'37" WEST 139.46 FEET TO THE BEGINNING OF A
TANGENT CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 885.00 FEET;
THENCE ALONG SAID CURVE SOUTHWESTERLY 50.54 FEET THROUGH A CENTRAL ANGLE OF
03°16'20";

THENCE LEAVING SAID CONCENTRIC AND PARALLEL COURSES, NON-TANGENT FROM SAID CURVE
SOUTH 65°50'09" WEST 636.67 FEET TO THE NORTHEASTERLY TERMINUS OF THE THAT CERTAIN
COURSE DESCRIBED AS "NORTH 72°01'50" EAST 170.12 FEET" IN THE GENERAL SOUTHERLY LINE OF
THE IRVINE LAKE BOUNDARY IN THE GRANT DEED RECORDED APRIL 3, 2002 AS [INSTRUMENT NO.
20020279521 OF OFFICIAL RECORDS](#) IN SAID OFFICE OF THE COUNTY RECORDER;
THENCE ALONG SAID GENERAL SOUTHERLY LINE THROUGH THE FOLLOWING COURSES:

SOUTH 72°01'50" WEST 170.12 FEET;
THENCE NORTH 34°18'01" WEST 103.37 FEET;
THENCE SOUTH 37°49'22" WEST 95.26 FEET;
THENCE SOUTH 85°06'27" WEST 186.09 FEET;
THENCE NORTH 07°26'13" EAST 289.50 FEET;
THENCE NORTH 78°12'09" WEST 380.79 FEET;
THENCE NORTH 48°34'28" WEST 68.39 FEET;
THENCE NORTH 79°22'15" EAST 137.33 FEET;
THENCE NORTH 44°25'50" WEST 111.71 FEET;
THENCE NORTH 75°20'01" WEST 109.84 FEET;
THENCE NORTH 46°59'17" WEST 266.83 FEET;
THENCE NORTH 22°37'09" WEST 330.80 FEET;
THENCE NORTH 14°59'24" WEST 228.93 FEET;
THENCE NORTH 04°45'27" EAST 315.18 FEET;
THENCE SOUTH 66°09'29" EAST 158.14 FEET;
THENCE SOUTH 71°44'01" EAST 746.25 FEET;
THENCE SOUTH 73°05'37" EAST 1118.62 FEET;
THENCE NORTH 82°17'27" EAST 253.02 FEET;
THENCE NORTH 76°13'44" EAST 686.51 FEET;
THENCE SOUTH 79°48'42" EAST 417.87 FEET;
THENCE NORTH 88°04'40" EAST 598.06 FEET;
THENCE SOUTH 79°30'38" EAST 338.67 FEET;
THENCE NORTH 35°19'28" EAST 157.49 FEET;
THENCE NORTH 11°45'04" EAST 194.87 FEET;
THENCE SOUTH 86°38'06" EAST 418.44 FEET;
THENCE NORTH 32°05'59" EAST 688.41 FEET;

THENCE LEAVING SAID GENERAL SOUTHERLY LINE SOUTH 06°38'23" EAST 450.98 FEET;
THENCE NORTH 87°58'26" EAST 522.86 FEET;
THENCE SOUTH 00°07'45" WEST 109.55 FEET;
THENCE SOUTH 06°17'39" WEST 175.26 FEET;

PRELIMINARY REPORT
Your Reference:

Fidelity National Title Company
Order No.: 987-30088740-1RV

EXHIBIT A
(Continued)

THENCE SOUTH 20°47'17" WEST 151.94 FEET;
THENCE SOUTH 77°08'24" WEST 401.41 FEET;
THENCE SOUTH 06°38'23" EAST 421.39 FEET TO THE GENERAL SOUTHWESTERLY LINE OF PARCEL L-1 AS DESCRIBED IN THE GIFT DEED RECORDED JULY 1, 2010 AS INSTRUMENT NO, [2010000312153 OF OFFICIAL RECORDS](#) AND BY REFERENCE TO CERTIFICATE OF COMPLIANCE NO. 2009-01 RECORDED FEBRUARY 16, 2010 AS [INSTRUMENT NO. 2010000072885 OF OFFICIAL RECORDS](#), BOTH IN SAID OFFICE OF THE COUNTY RECORDER;
THENCE ALONG LAST SAID GENERAL SOUTHWESTERLY LINE OF SAID PARCEL L-1 THROUGH FOLLOWING COURSES:

NORTH 87°29'49" WEST 120.64 FEET;
THENCE NORTH 85°06'01" WEST 320.24 FEET;
THENCE NORTH 78°31'41" WEST 484.33 FEET TO A LINE WHICH BEARS SOUTH 00°57'53" EAST AND PASSES THROUGH THE TRUE POINT OF BEGINNING;

THENCE LEAVING SAID GENERAL SOUTHWESTERLY LINE OF PARCEL L-1 NORTH 00°57'53" WEST 118.87 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM (ACCESS ROAD) A STRIP OF LAND 30.00 FEET WIDE, THE CENTERLINE OF WHICH IS DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE CENTERLINE OF SANTIAGO CANYON ROAD, 60.00 FEET WIDE, AS DESCRIBED IN THE RIGHT-OF-WAY DOCUMENT RECORDED SEPTEMBER 29, 1958 IN [BOOK 4430, PAGE 94](#) OF OFFICIAL RECORDS IN SAID OFFICE OF THE COUNTY RECORDER, DISTANT NORTHWESTERLY 72.49 FEET, ALONG A CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 2038.00 FEET, FROM THE SOUTHEASTERLY TERMINUS OF THE CURVE DESCRIBED AS CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 2038.00 FEET, A DELTA OF 37°03'00" AND AN ARC LENGTH OF 1317.86 FEET IN SAID DOCUMENT, A RADIAL LINE TO SAID POINT BEARS SOUTH 25°11'00" WEST;
THENCE LEAVING SAID CENTERLINE NON-TANGENT FROM SAID CURVE, NORTH 24°44'44" EAST 541.52 FEET TO A CURVE CONCAVE WESTERLY HAVING A RADIUS OF 600.00 FEET;
THENCE NORTHERLY 252.79 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 24°08'23";
THENCE TANGENT FROM SAID CURVE NORTH 0°36'21" EAST 1326.73 FEET TO A CURVE CONCAVE EASTERLY HAVING A RADIUS OF 900.00 FEET;
THENCE NORTHERLY 492.78 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 31°22'16";
THENCE TANGENT FROM SAID CURVE NORTH 31°58'37" EAST 139.46 FEET TO A CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 635.00 FEET;
THENCE NORTHEASTERLY 493.33 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 44°30'47";
THENCE TANGENT FROM SAID CURVE NORTH 76°29'24" EAST 132.49 FEET TO A CURVE CONCAVE NORTHERLY HAVING A RADIUS OF 685.00 FEET;
THENCE EASTERLY 111.06 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 9°17'22";
THENCE TANGENT FROM SAID CURVE NORTH 67°12'02" EAST 110.22 FEET TO A CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 735.00 FEET;
THENCE EASTERLY 279.75 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 21°48'27";
THENCE TANGENT FROM SAID CURVE NORTH 89°00'29" EAST 381.51 FEET TO A CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 785.00 FEET;
THENCE EASTERLY 148.22 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 10°49'05";
THENCE TANGENT FROM SAID CURVE SOUTH 80°10'26" EAST 633.40 FEET TO A CURVE CONCAVE NORTHERLY HAVING A RADIUS OF 1415.00 FEET;
THENCE EASTERLY 577.88 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 23°23'58";
THENCE TANGENT FROM SAID CURVE NORTH 76°25'36" EAST 327.88 FEET TO A CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 145.00 FEET;
THENCE NORTHEASTERLY AND NORTHERLY 192.62 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 76°06'44";

PRELIMINARY REPORT
Your Reference:

Fidelity National Title Company
Order No.: 987-30088740-1RV

EXHIBIT A
(Continued)

THENCE TANGENT FROM SAID CURVE NORTH 0°18'52" EAST 351.69 FEET;
THENCE NORTH 2°19'12" WEST 253.59 FEET TO A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 80.00 FEET;
THENCE NORTHWESTERLY 66.57 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 47°40'48";
THENCE NORTH 50°00'00" WEST 48.52 FEET TO THE GENERAL SOUTHERLY LINE OF THE IRVINE LAKE BOUNDARY DESCRIBED IN THE GRANT DEED RECORDED APRIL 3, 2002 AS [INSTRUMENT NO. 20020279521 OF OFFICIAL RECORDS](#) IN SAID OFFICE OF THE COUNTY RECORDER;

EXCEPT 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 LAND, TOGETHER WITH THE PERPETUAL RIGHT OF DRILLING, MINING, EXPLORING AND OPERATING THEREFOR, AND STORING IN AND REMOVING THE SAME FROM SAID LAND OR ANY OTHER LAND, INCLUDING THE RIGHT TO WHIPSTOCK OR DIRECTIONALLY DRILL AND MINE FROM LANDS OTHER THAN THE LAND, OIL OR GAS WELLS, TUNNELS AND SHAFTS INTO, THROUGH OR ACROSS THE SUBSURFACE OF THE LAND, 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, WITHOUT, HOWEVER, THE RIGHT TO DRILL, MINE, STORE, EXPLORE AND OPERATE THROUGH THE SURFACE OR THE UPPER 500 FEET OF THE SUBSURFACE OF THE LAND, AS RESERVED BY THE IRVINE COMPANY IN THE DEED RECORDED NOVEMBER 30, 2005 AS [INSTRUMENT NO. 2005000953645 OF OFFICIAL RECORDS](#).

ALSO EXCEPTING ALL WATER RIGHTS, INCLUDING RIGHTS CLASSIFIED AS OVERLYING, RIPARIAN, APPROPRIATIVE OR OTHER CLASSIFICATION, DERIVED FROM USAGE, EXTRACTION OR DIVERSION UPON OR OTHERWISE PERTAINING TO THE ABOVE LAND AS CONVEYED TO IRVINE RANCH WATER DISTRICT BY QUITCLAIM DEED RECORDED JUNE 21, 2006 AS [INSTRUMENT NO. 2006000416403 OF OFFICIAL RECORDS](#).

[APN: 105-361-68](#)

[APN: 105-361-87](#)

[APN: 105-361-88](#)

[APN: 105-361-90](#)

[APN: 105-361-91](#)

[APN: 105-361-93](#)

EXCEPTIONS**AT THE DATE HEREOF, ITEMS TO BE CONSIDERED AND EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:**

- A. There were no taxes levied for the fiscal year 2021-2022 as the property was vested in a public entity.
1. Water rights, claims or title to water, whether or not disclosed by the public records.
 2. Easement(s) in favor of the public over any existing roads lying within said Land.
 3. An agreement executed by and between the Serrano Water Association and the John T. Carpenter Water Co., a corporation, and The Irvine Company, a corporation, recorded December 16, 1909 in [Book 176, page 240](#) of Deeds.

Note 1: A contract dated February 6, 1928, between The Irvine Company and the Carpenter Irrigation District and Serrano Irrigation District, recorded April 29, 1929 in [Book 265, page 272](#) of Official Records; record reference is hereby made for full particulars.

Note 2: Agreements dated February 14, 1950, between Carpenter Irrigation District, a public corporation, referred to as District, and Carpenter Irrigation District, a public corporation, referred to as owner, recorded February 16, 1950 in [Book 1969, pages 506 and 517 of Official Records](#), subject to the terms and conditions provided in said agreement; record reference is hereby made for full particulars.

Note 3: An agreement dated October 6, 1950, between the Serrano Irrigation District, referred to as District, and Serrano Irrigation District, referred to as owner, recorded November 17, 1950 in [Book 2103, page 259](#) of Official Records, subject to the terms and conditions provided in said agreement; record reference is hereby made for full particulars.

Note 4: An agreement dated May 15, 1955, between Carpenter Irrigation District and Serrano Irrigation District, and The Irvine Company, recorded May 23, 1956 in [Book 3522, page 181](#) of Official Records, subject to the terms and conditions provided in said agreement; record reference is hereby made for full particulars.

Note 5: An agreement dated December 31, 1956, between Carpenter Irrigation District and Serrano Irrigation District, and The Irvine Company, recorded January 28, 1957 in [Book 3784, page 241](#) of Official Records, subject to the terms and conditions provided in said agreement; record reference is hereby made for full particulars.

Note 6: Recorded March 4, 1963 in [Book 6453, page 194](#) of Official Records is a Quitclaim Deed executed by The Irvine Company, a corporation, quitclaiming all their right, title and interest in and to said rights of way, etc., reserving, however, all of said rights in, under and along any and all existing and future public and private streets and roads within said land.

Note 7: Recorded January 4, 1971 in [Book 9509, page 553](#) of Official Records, is an assignment of all right, title and interest of the Carpenter Irrigation District, under instrument recorded April 29, 1929 in [Book 265, page 272](#) of Official Records, to The Irvine Company, a West Virginia corporation; record reference is hereby made for full particulars.

Note 7a: The terms and provisions contained in the document entitled "Grant of Storage Capacity" (Regarding Santiago Creek Reservoir) recorded as [Book 9554, Page 310](#) of Official Records

Note 8: Recorded June 11, 1974 in [Book 11167, page 1987](#) of Official Records, is an assignment of all right, title and interest of The Irvine Company, a West Virginia corporation, to The Irvine Ranch Water District, a California water district, under the agreements above mentioned and other agreements of record.

**EXCEPTIONS
(Continued)**

Note 8a: The terms and provisions contained in the document entitled "Agreement Between Irvine Ranch Water District and the Irvine Company relative to Irvine Lake and the Acquisition of Water Rights in and to Santiago Creek as well as additional Storage Capacity in Irvine Lake", recorded in [Book 11185, Page 1287 of Official Records](#).

Note 9: Carpenter Irrigation District quitclaimed its interest in said agreement to Serrano Irrigation District and The Irvine Ranch Water District by Quitclaim Deed recorded July 23, 1979 in [Book 13240, page 73 of Official Records](#).

4. Easements for water line and road purposes as conveyed by The Irvine Company to Carpenter Irrigation District and Serrano Irrigation District, by deed recorded August 25, 1934 in [Book 700, page 1](#) of Official Records, and as conveyed by The Irvine Company to Irvine Ranch Water District, by deed recorded February 25, 1971 in [Book 9554, page 301](#) of Official Records, over a portion of said land.

The exact location and extent of said easement is not disclosed of record.

5. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Southern California Edison Company
Purpose: Pole lines
Recording Date: July 17, 1969
Recording No: [Book 9023, Page 886](#), Official Records
Affects: A portion of the land

The exact location and extent of said easement is not disclosed of record.

6. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Southern California Edison Company
Purpose: Pole lines, underground lines and conduits
Recording Date: October 15, 1978
Recording No: [Book 11926, Page 691](#), Official Records
Affects: A portion of the land

7. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Pacific Bell (formerly Pacific Telephone and Telegraph Company)
Purpose: Underground lines
Recording Date: March 21, 1977
Recording No: [Book 12111, Page 1641](#), Official Records
Affects: A portion of the land

8. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Southern California Edison Company
Purpose: Pole lines, underground lines and conduits
Recording Date: April 16, 1980
Recording No: [Book 13570, Page 344](#), Official Records
Affects: A portion of the land

**EXCEPTIONS
(Continued)**

9. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
- Granted to: Southern California Edison Company
Purpose: Pole lines, underground lines and conduits
Recording Date: March 13, 1981
Recording No: [Book 13986, Page 301](#), Official Records
Affects: A portion of the land
10. Matters contained in that certain document
- Entitled: Pre-Annexation and Development Agreement
Recording Date: November 23, 2005
[Recording No: 2005000944331, Official Records](#)
- Reference is hereby made to said document for full particulars.
11. Matters contained in that certain document
- Entitled: School Impact Mitigation Agreement
Recording Date: December 1, 2005
[Recording No: 2005000962740, Official Records](#)
- Reference is hereby made to said document for full particulars.
12. An unrecorded License Agreement – Rancho De Santiago Picnic Area dated February 11, 1993, as amended, and James Productions, Inc., a California Corporation, as disclosed by deed recorded June 01, 2015 as [Instrument No. 2015000281264 of Official Records](#).
13. Matters contained in that certain document
- Entitled: Declaration of Covenants and Restrictions and Termination of Reversionary Rights (Irvine Lake)
Recording Date: March 18, 2022
[Recording No: 2022000107214, Official Records](#)
- Reference is hereby made to said document for full particulars.
14. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other matters shown on
- Map: Record of Survey No. 2015-1123
Recording Date: March 16, 2022
Recording No: [Book 325, Pages 1 to 4](#), of Record of Surveys
15. Matters which may be disclosed by an inspection and/or by a correct ALTA/NSPS Land Title Survey of said Land that is satisfactory to the Company, and/or by inquiry of the parties in possession thereof.
16. Any easements not disclosed by the public records as to matters affecting title to real property, whether or not said easements are visible and apparent.
17. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other matters which a correct survey would disclose and which are not shown by the public records.

PRELIMINARY REPORT
Your Reference:

Fidelity National Title Company
Order No.: 987-30088740-1RV

**EXCEPTIONS
(Continued)**

**PLEASE REFER TO THE "INFORMATIONAL NOTES" AND "REQUIREMENTS" SECTIONS WHICH
FOLLOW FOR INFORMATION NECESSARY TO COMPLETE THIS TRANSACTION.**

END OF EXCEPTIONS

REQUIREMENTS SECTION

1. The Company will require the following documents for review prior to the issuance of any title insurance predicated upon a conveyance or encumbrance by the corporation named below:

Name of Corporation: County of Orange, a political subdivision of the State of California

- a) A Copy of the corporation By-laws and Articles of Incorporation
- b) An original or certified copy of a resolution authorizing the transaction contemplated herein
- c) If the Articles and/or By-laws require approval by a 'parent' organization, a copy of the Articles and By-laws of the parent

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

2. Unrecorded matters which may be disclosed by an Owner's Affidavit or Declaration. A form of the Owner's Affidavit/Declaration is attached to this Preliminary Report/Commitment. This Affidavit/Declaration is to be completed by the record owner of the land and submitted for review prior to the closing of this transaction. Your prompt attention to this requirement will help avoid delays in the closing of this transaction. Thank you.

The Company reserves the right to add additional items or make further requirements after review of the requested Affidavit/Declaration.

END OF REQUIREMENTS

INFORMATIONAL NOTES SECTION

1. None of the items shown in this report will cause the Company to decline to attach CLTA Endorsement Form 100 to an Extended Coverage Loan Policy, when issued.
2. Note: The policy of title insurance will include an arbitration provision. The Company or the insured may demand arbitration. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. Please ask your escrow or title officer for a sample copy of the policy to be issued if you wish to review the arbitration provisions and any other provisions pertaining to your Title Insurance coverage.
3. Notice: Please be aware that due to the conflict between federal and state laws concerning the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.
4. Pursuant to Government Code Section 27388.1, as amended and effective as of 1-1-2018, a Documentary Transfer Tax (DTT) Affidavit may be required to be completed and submitted with each document when DTT is being paid or when an exemption is being claimed from paying the tax. If a governmental agency is a party to the document, the form will not be required. DTT Affidavits may be available at a Tax Assessor-County Clerk-Recorder.
5. The following Exclusion(s) are added to preliminary reports, commitments and will be included as an endorsement in the following policies:
 - A. 2006 ALTA Owner's Policy (06-17-06).
 6. Defects, liens, encumbrances, adverse claims, notices, or other matters not appearing in the Public Records but that would be disclosed by an examination of any records maintained by or on behalf of a Tribe or on behalf of its members.
 - B. 2006 ALTA Loan Policy (06-17-06).
 8. Defects, liens, encumbrances, adverse claims, notices, or other matters not appearing in the Public Records but that would be disclosed by an examination of any records maintained by or on behalf of a Tribe or on behalf of its members.
 9. Any claim of invalidity, unenforceability, or lack of priority of the lien of the Insured Mortgage based on the application of a Tribe's law resulting from the failure of the Insured Mortgage to specify State law as the governing law with respect to the lien of the Insured Mortgage.
 - C. ALTA Homeowner's Policy of Title Insurance (12-02-13) and CLTA Homeowner's Policy of Title Insurance (12-02-13).
 10. Defects, liens, encumbrances, adverse claims, notices, or other matters not appearing in the Public Records but that would be disclosed by an examination of any records maintained by or on behalf of a Tribe or on behalf of its members.
 - D. ALTA Expanded Coverage Residential Loan Policy - Assessments Priority (04-02-15).
 12. Defects, liens, encumbrances, adverse claims, notices, or other matters not appearing in the Public Records but that would be disclosed by an examination of any records maintained by or on behalf of a Tribe or on behalf of its members.
 13. Any claim of invalidity, unenforceability, or lack of priority of the lien of the Insured Mortgage based on the application of a Tribe's law resulting from the failure of the Insured Mortgage to specify State law as the governing law with respect to the lien of the Insured Mortgage.
 - E. CLTA Standard Coverage Policy 1990 (11-09-18).

INFORMATIONAL NOTES
(Continued)

7. Defects, liens, encumbrances, adverse claims, notices, or other matters not appearing in the public records but that would be disclosed by an examination of any records maintained by or on behalf of a tribe or on behalf of its members.
 8. Any claim of invalidity, unenforceability, or lack of priority of the lien of the insured mortgage based on the application of a tribe's law resulting from the failure of the insured mortgage to specify state law as the governing law with respect to the lien of the insured mortgage.
6. Note: There are NO conveyances affecting said Land recorded within 24 months of the date of this report.

END OF INFORMATIONAL NOTES

Justin Scott / Chris Scurti - MA/en

ATTACHMENT ONE (Revised 05-06-16)**CALIFORNIA LAND TITLE ASSOCIATION
STANDARD COVERAGE POLICY – 1990****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 or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (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 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 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 claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

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 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 notices 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, 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.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

**CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13)
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE****EXCLUSIONS**

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

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
 - a. building;
 - b. zoning;
 - c. land use;
 - d. improvements on the Land;
 - e. land division; and
 - f. environmental protection.

This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;

- c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
 6. Lack of a right:
 - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.
 This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
 7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
 8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
 9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	Your Deductible Amount	Our Maximum Dollar Limit of Liability
Covered Risk 16:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$ 10,000.00
Covered Risk 18:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 19:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 21:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$ 5,000.00

2006 ALTA LOAN POLICY (06-17-06)

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 that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
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 (however, this does not modify or limit the coverage provided under Covered Risk 11, 13 or 14); or
 - (e) resulting in loss or damage that 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 an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that 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 claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

{Except as provided in Schedule B - Part II, {t{or T}his policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

{PART I

{The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that 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; (b) proceedings by a public agency that may result in taxes or assessments, or notices 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 that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and 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.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.}

PART II

In addition to the matters set forth in Part I of this Schedule, the Title is subject to the following matters, and the Company insures against loss or damage sustained in the event that they are not subordinate to the lien of the Insured Mortgage:}

2006 ALTA OWNER'S POLICY (06-17-06)**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 that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
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 (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

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

{The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that 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; (b) proceedings by a public agency that may result in taxes or assessments, or notices 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 that are not shown in the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and that 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.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records. }
7. {Variable exceptions such as taxes, easements, CC&R's, etc. shown here.}

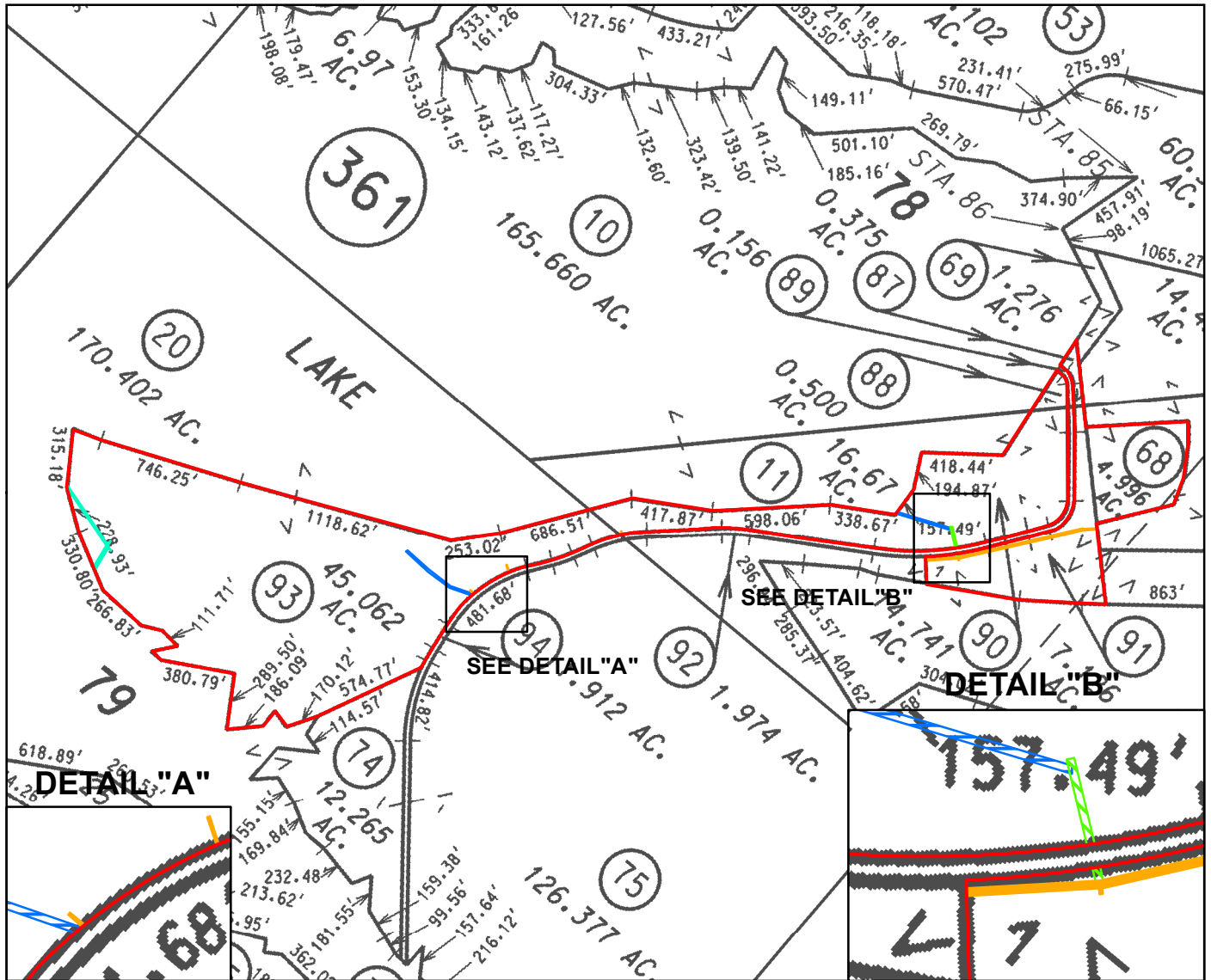
ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY – ASSESSMENTS PRIORITY (04-02-15)**EXCLUSIONS FROM COVERAGE**

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, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
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 (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - (e) resulting in loss or damage that 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 an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that 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. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.



1 inch = 853.17 feet



Legend

- Property In Question - Fee
- Item No. 4 - Easement for Water Line & Road
In 08/25/1934 Bk700 Pg1
& 02/25/1971 Bk9554 Pg301 of Official Records
The exact location of the easement cannot be determined and is not plottable
- Item No. 5 - Easement for Pole Lines
In 07/17/1969 Bk9023 Pg866 of Official Records
Affects said portion as described in the document
- Item No. 6 - Easement for Pole Lines
Underground Lines & Conduits
In 10/15/1978 Bk11926 Pg691 of Official Records
Affects said portion as described in the document
- Item No. 7 - Easement for Underground Lines
In 03/21/1977 Bk12111 Pg1641 of Official Records
Affects said portion as described in the document
- Item No. 8 - Easement for Pole Lines
Underground Lines & Conduits
In 04/16/1980 Bk13570 Pg344 of Official Records
Affects said portion as described in the document
- Item No. 9 - Easement for Pole Lines
Underground Lines & Conduits
In 03/13/1981 Bk13986 Pg301 of Official Records
Affects said portion as described in the document

©2022
Fidelity National Title Company
 4210 Riverwalk Parkway, Suite 100
 Riverside, CA 92505
 (951) 710-5900 Fax: (951) 710-5955

This map/plot is being furnished as an aid in locating the herein described Land in relation to adjoining streets, natural boundaries and other land, and is not a survey of the land depicted. Except to the extent a policy of title insurance is expressly modified by endorsement, if any, the Company does not insure dimensions, distances, location of easements, acreage or other matters shown thereon.

Title Order No. : 30088740, Preliminary Report Dated July 5, 2022

Reference :

Property : License Parcel, County of Orange, CA

Plat Showing : A PORTION OF LAND IS SITUATED IN THE UNINCORPORATED AREA OF COUNTY OF ORANGE IN THE COUNTY OF ORANGE, STATE OF CALIFORNIA

Drawing Date : 07/14/2022 - FNFI

Assessor's Parcel No. : 105-361-68, 87, 88, 90, 91 & 93

Data :

Sheet 1 of 1

Archieve #