

CAPISTRANO UNIFIED SCHOOL DISTRICT  
33122 Valle Road  
San Juan Capistrano, CA 92675

BOARD OF TRUSTEES  
Special Meeting

March 15, 2017

Closed Session: 5:00 p.m.  
Open Session: Immediately Following Closed

**AGENDA**

**CLOSED SESSION AT 5:00 P.M.**

**1. CALL TO ORDER**

**2. CLOSED SESSION COMMENTS**

**3. CLOSED SESSION** (as authorized by law)

**A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION      EXHIBIT A-1**

Susan Holliday

Attorney – Anthony P. De Marco

Significant Exposure to Litigation – One Case

*(Pursuant to Government Code § 54956.9 (d)(2))*

Kirsten M. Vital and Clark Hampton

Attorney: Stan Barankiewicz

Significant Exposure to Litigation – One Case

*(Pursuant to Government Code § 54956.9(d)(2) (3))*

**B. CONFERENCE WITH REAL PROPERTY NEGOTIATORS**

District Negotiators: Kirsten M. Vital and Clark Hampton

Attorney: Stan Barankiewicz

Property: PA2 School Site APN: 755-301-37

Negotiating Party: RMV PA2 Development, LLC, a Delaware limited liability company

Under Negotiation: Price and Terms of Payment

*(Pursuant to Education Code § 54956.8)*

**C. PUBLIC EMPLOYMENT AND EVALUATION OF PERFORMANCE**

Superintendent

*(Pursuant to Government Code § 54957(b))*

**D. CONFERENCE WITH LABOR NEGOTIATORS**

District Negotiators: Kirsten M. Vital/Gordon Amerson/Clark Hampton

Employee Organizations:

1) Capistrano Unified Education Association (CUEA)

2) California School Employees Association (CSEA)

3) Teamsters

*(Pursuant to Government Code § 54957.6)*

**RECORDING OF SCHOOL BOARD MEETINGS**

**In accordance with Board Policy 9324, Board Minutes, all Regular School Board Meetings will be audio recorded.**

## **OPEN SESSION IMMEDIATELY FOLLOWING CLOSED SESSION**

### **CALL TO ORDER – ROLL CALL**

### **PLEDGE OF ALLEGIANCE**

### **ADOPTION OF THE AGENDA**

### **REPORT ON CLOSED SESSION ACTION**

### **ORAL COMMUNICATIONS (Non-Agenda Items)**

Oral Communications will occur immediately following Board and Superintendent Comments. The total time for Oral Communications shall be twenty (20) minutes. Individual presentations are limited to a maximum of three (3) minutes per individual.

### **DISCUSSION ACTION ITEMS**

- 1. RESOLUTION NO. 1617-56, RATIFICATION OF AGREEMENT TO PURCHASE THE ESENCIA SCHOOL SITE AND DELEGATION TO ACCEPT THE DEED:**

Approval of Resolution No. 1617-56, Ratification of Agreement to Purchase the Esencia School Site and Delegation to Accept the Deed. On November 6, 2013, the Board of Trustees adopted Resolution No. 1314-25, Resolution of the Board of Trustees of the Capistrano Unified School District Approving School Facilities Financing Agreement Relating to Planning Areas No. 1 and No. 2 and County of Orange Entitlements as to Rancho Mission Viejo Project and Related Agreements, Authorizing Execution Thereof and Delegating Authority as to Related Matters. Resolution No. 1314-25 authorized District staff to arrange for financing, comply with the California Environmental Act and secure school site entitlements. It also approved the form of the Agreement for Purchase and Sale and Escrow Instructions (PA2 School Site) (Purchase Agreement) and the form of the deed for the Esencia School site. Consistent with the School Facilities and Funding Agreement and Option to Purchase School Site, the purchase price for the Esencia School Site was determined to be \$33,860,000. This determination was shared with the Board of Trustees on February 10, 2017.

With the completion of these planning efforts, the District's Deputy Superintendent, Business and Support Services executed the Purchase Agreement to open escrow and to complete the purchase on March 20, 2017. Accordingly, the Board of Trustees must ratify entering into the Purchase Agreement and delegate authority to the Deputy Superintendent, Business and Support Services to accept the executed deed for the Esencia School site. Copies of the Purchase Agreement and Form of Deed are attached as exhibits to Resolution No. 1617-56.

***CUSD WIG 3: Facilities – Optimize facilities and learning environments for all students.***

***Contact: Clark Hampton, Deputy Superintendent, Business and Support Services***

#### **Staff Recommendation**

It is recommended the Board President recognize Clark Hampton, Deputy Superintendent, Business and Support Services to present this item.

Following discussion, it is recommended the Board of Trustees adopt Resolution No. 1617-56, Ratification of Agreement to Purchase the Esencia School Site and Delegation to Accept the Deed.

Motion by \_\_\_\_\_ Seconded by \_\_\_\_\_

### **ADJOURNMENT**

DISCUSSION/  
ACTION  
Page 1  
**EXHIBIT 1**

Motion by \_\_\_\_\_ Seconded by \_\_\_\_\_

**THE NEXT REGULAR MEETING OF THE BOARD OF TRUSTEES IS  
WEDNESDAY, MARCH 22, 2017, 7:00 P.M.  
AT THE CAPISTRANO UNIFIED SCHOOL DISTRICT OFFICE BOARD ROOM  
33122 VALLE ROAD, SAN JUAN CAPISTRANO, CALIFORNIA**  
For information regarding Capistrano Unified School District, please visit our website:  
[www.capousd.org](http://www.capousd.org)

## INSTRUCTIONS FOR PRESENTATIONS TO THE BOARD BY PARENTS AND CITIZENS PRESENT AT THIS MEETING

We are pleased you can be with us at this meeting, and we hope you will return often. Your visit assures us of continuing community interest in our schools.

The members of the Board of Trustees of this District are locally elected state officials, who serve four-year terms of office, and who are responsible for the educational program of our community from grades kindergarten through twelve. They are required to conduct programs of the schools in accordance with the State of California Constitution, the State Education Code, and other laws relating to schools enacted by the Legislature, and policies and procedures which this Board adopts.

The Board is a policy-making body whose actions are guided by the school district's Mission and Goals. Administration of the District is delegated to a professional administrative staff headed by the Superintendent.

The agenda and its extensive background material are studied by each member of the Board for at least two days preceding the meeting. Board Members can call the administrative staff for clarification on any item, and many of the items on the agenda were discussed by the Board during previous meetings. These procedures enable the Board to act more effectively on agenda items than would otherwise be possible.

### WHAT TO DO IF YOU WISH TO ADDRESS THE BOARD OF TRUSTEES

**ITEMS ON THE AGENDA.** Any person may address the Board concerning any item on the agenda and may, at the discretion of the Board, be granted three (3) minutes to make a presentation to the Board at the time a specific item is under discussion. However, the time assigned for individual presentations could be fewer than three (3) minutes depending upon the total number of speakers who wish to address a specific agenda topic. Prior to the opening of the meeting, a Request to Address the Board card (located in the foyer) should be completed and submitted to the Secretary of the Board. The total time devoted to presentations to the Board shall not exceed twenty (20) minutes, unless additional time is granted by the Board. All presentations shall be heard by the Board prior to the formal discussion of the agenda topic under consideration. Once an agenda item has been opened for public comment, no additional "Request to Address the Board of Trustees" cards shall be accepted for that topic.

**ORAL COMMUNICATIONS (Non-Agenda Items).** Citizens may address the Board on any item not appearing on the agenda. Individual presentations are limited to three (3) minutes per individual, with twenty (20) minutes in total being devoted for this purpose, but could be less if there are a large number of Oral Communication speakers. Legally, the Board may not take action on items raised by speakers under Oral Communications. However, at its discretion, the Board may refer items to the administration for follow-up or place topics on a future Board agenda.

**PUBLIC HEARINGS.** Anytime the Board schedules a separate public hearing on any given topic, it shall not hear speakers on that topic before the public hearing, except as to the scheduling of the hearing, nor shall it hear speakers after the hearing, except as to changes in the policy or recommended actions which are directed at the time of the hearing.

**CLOSED SESSION.** In accordance with Education Code § 35146 and Government Code § 54957, the Board may recess to Closed Session to discuss personnel matters which they consider inadvisable to take up in a public meeting.

#### REASONABLE ACCOMMODATION

*In order to help ensure participation in the meeting of disabled individuals, appropriate disability-related accommodations or modifications shall be provided by the Board, upon request, in accordance with the Americans with Disabilities Act (ADA). Persons with a disability who require a disability-related accommodation or modification, including auxiliary aids and services in order to participate in a Board meeting, shall contact the Superintendent or designee in writing by noon on the Friday before the scheduled meeting. Such notification shall provide school district personnel time to make reasonable arrangements to assure accessibility to the meeting.*



# Esencia K-8 School

---

BACKGROUND ON SCHOOL FACILITIES AND FUNDING AGREEMENT BETWEEN  
CAPISTRANO UNIFIED SCHOOL DISTRICT AND RANCHO MISSION VIEJO

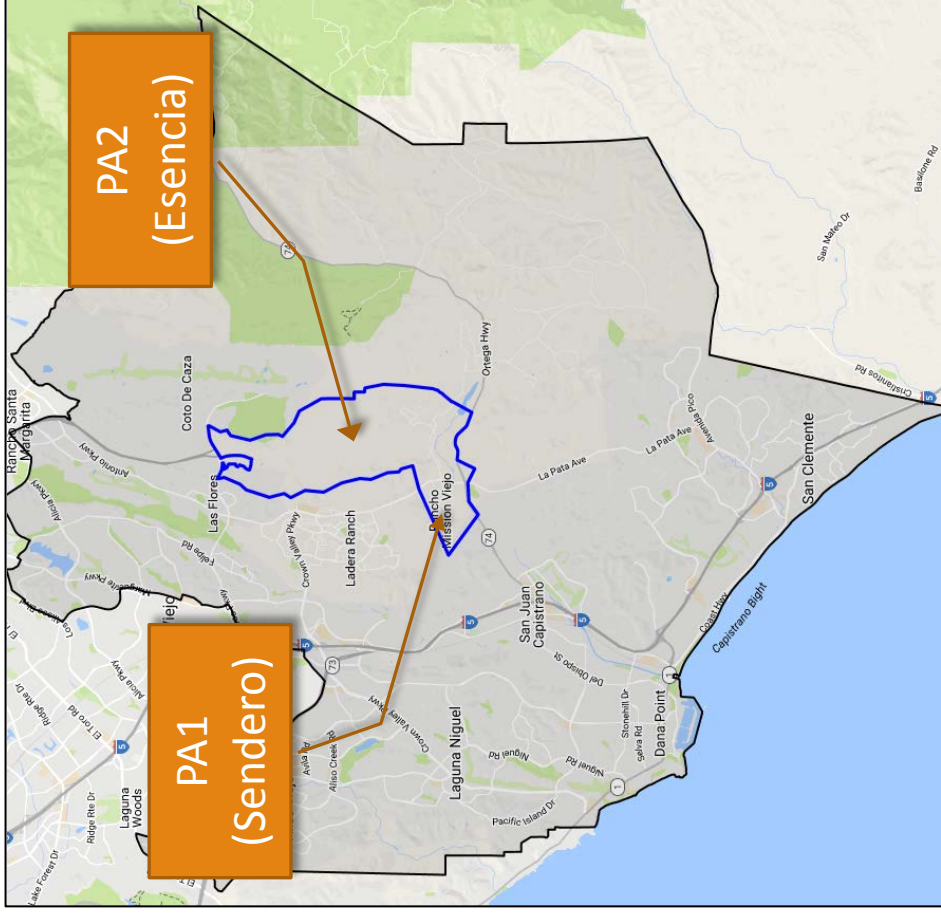
March 15, 2017

# Background

- Beginning in the early 1990's Rancho Mission Viejo (RMV), during the development of communities such as Rancho Santa Margarita, Las Flores and Ladera Ranch entered into agreements with Capistrano Unified School District to help fund school facilities to serve students from these new developments.
- In addition to the funds provided by the state for a portion of new school construction and land acquisition, the mechanism used for generating the additional required funding was through the use of Community Facilities Districts allowed by the Community Facilities Act enacted by the California State Legislature in 1982, also known as Mello-Roos named after the co-authors of the Act, Senator Mello and Assemblyman Roos.
- When homeowners purchase their homes in a CFD, the CFD tax is disclosed to the buyer prior to the sale of the home. It is the sale of CFD bonds, paid back by CFD taxes, that allows for the funding to be generated to pay for the surrounding development infrastructure such as roads, bridges and sewers, as well as public facilities such as fire stations and schools.
- These funding mechanisms also provides more to school districts than the legally required developer fees.
- Beginning in 2010, RMV and the District began discussions regarding the RMV's approved development of 14,000 homes in the eastern portion of the school district.
- Of the 14,000 homes, 6,000 are designated as "age qualified" and only required to mitigate for schools at the lower commercial developer fee rate.
- Student projections were based on the 8,000 non-age qualified homes.
- The District and RMV agreed to develop an agreement only for Planning Areas 1 and 2 and negotiate remaining planning areas in the future.

# Summary Timeline for Funding Schools in Planning Area 1 and Planning Area 2

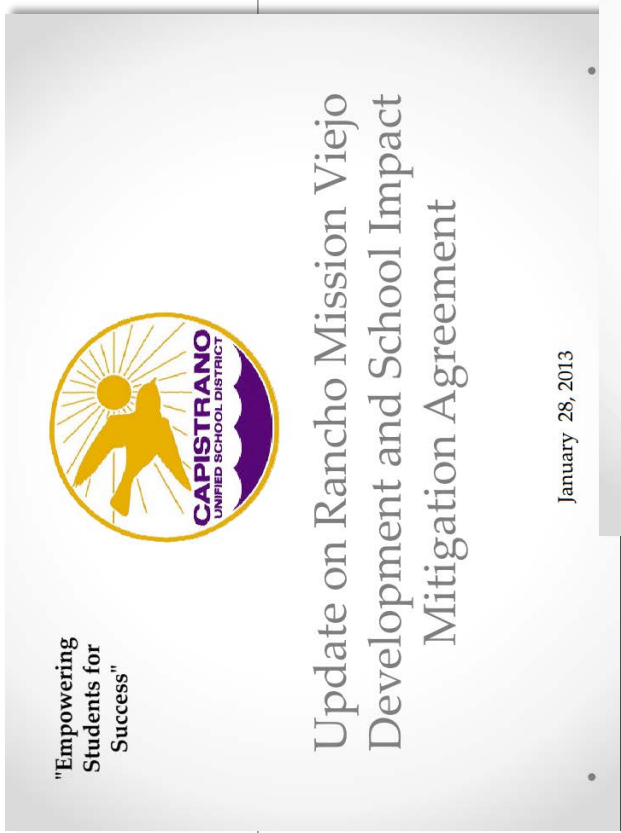
- 2004 – RMV received approval to develop Planning Areas (PA) 1 and 2. The developments were eventually renamed to Sendero and Esencia.
- Non-age qualified homes\* approved and the basis for student projections:
  - Sendero 941
  - Esencia 2,002
- 2010 – RMV and the District began formal discussions for developing a school facility funding agreement.
- 2010 – 2013 – RMV and the District together develop school funding agreement.
- 2013 – Present – RMV and the District following agreement.



\* Source Rancho Mission Viejo

# Negotiations

- 2010 – start of negotiations
- 2013 January – update to Board
  - <http://capousd.ca.schoolloop.com/file/1229223560406/1218998864154/4378738717313669779.pdf>
- 2013 September – update to Board
  - <http://capousd.ca.schoolloop.com/file/1229223560406/1218998864154/8665989652379175719.pdf>





# Agreement Approved

- 2013 November – Facilities and Funding Agreement between the District and RMV unanimously approved

Resolution 1314-25 gave staff authority to implement the mitigation agreement with RMV that included signing following documents such as the purchase agreement:

*“3. That the Board hereby authorized the Superintendent, Deputy Superintendent of Business Services, or their designees, to take all such future actions, and to execute additional documents as are necessary to implement the foregoing described agreements.”*

CAPISTRANO UNIFIED SCHOOL DISTRICT  
San Juan Capistrano, California

## RESOLUTION NO.1314-25

RESOLUTION OF THE BOARD OF TRUSTEES OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT APPROVING SCHOOL FACILITIES FINANCING AGREEMENT RELATING TO PLANNING AREAS NO. 1 AND NO. 2 AND COUNTY OF ORANGE ENTITLEMENTS AS TO RANCHO MISSION VIEJO PROJECT AND RELATED AGREEMENTS, AUTHORIZING EXECUTION THEREOF AND DELEGATING AUTHORITY AS TO RELATED MATTERS

Approved November 6, 2013

<http://capousd.ca.schoolloop.com/file/1229223560406/1218998864154/3709927292726737311.pdf>

# Esencia School Site Purchase Trigger

---

- Trigger to acquire and construct the school
- 20 months prior to when projected PA1/PA2 students would cause Ambuehl Elementary School's capacity to be exceeded by 300 students.
- In November 2015, the student projections indicated 379 students over Ambuehl's capacity for the 2018-2019 school year.

- Trigger for Site Purchase, Construction and Opening of PA 2 School
  - 300 actual K-5 students more than available permanent capacity at Ambuehl (currently 66 available permanent seats), or,
  - 1,150<sup>th</sup> dwelling unit trigger for site acquisition, 2 months to close escrow, 20 months to complete construction and open the school

From September 25, 2013 Board presentation

# Esencia School Site Appraisal

The District staff, per section 8.3 of the agreement, selected an MAI appraiser to provide an appraisal of the Esencia School site. The appraisal resulted in a value of \$33,860,000. This appraisal was presented to and accepted by RMV, setting the price for the Esencia School Site.

8.3. Timing and Process of Site and Determination of Purchase Price. RMV PA2 shall deliver title to the PA 2 School Site in accordance with the Site Purchase Agreement. The purchase price for the School Site shall be determined according to the process described below. RMV PA2 acknowledges and agrees the purchase price of the PA 2 School Site shall be paid solely from the Funding Sources and subject to all provisions of this SFF/Agreement relating to delayed or diminished State Funds.

School District, after consultation with RMV PA2, shall select an MAI appraiser to prepare a report as to the fair market value of the land, as of the agreed appraisal date ("School District Appraiser"). The School District Appraiser shall be instructed to appraise the fair market value of the PA 2 School Site based upon its highest and best use as residential development pursuant to the Entitlements, assuming the land is in Superpad Condition, and subject to all reservations and restrictions in the Site Purchase Agreement and Grant Deed incorporated therein. If RMV PA2 does not agree with the value determined by the School District Appraiser, RMV PA2 may designate an MAI appraiser to independently appraise the land, as of the agreed appraisal date, and prepare a report of the fair market value of the land as described above ("Owner Appraisal"). If the opinions of value of the two appraisers differ by 10% or less from each other, the purchase price of the land shall be the average of the two appraisals. If the opinions of the value of the two appraisers differ by more than 10%, the two appraisers shall be provided written notice by either party to agree upon a third MAI appraiser within thirty (30) days of such written notice. The third appraiser shall independently assess the land and prepare a letter opinion of the fair market value of the land as described above. In that event, the purchase price of the land shall be deemed to be the average of the two appraisals (from the previous two appraisals reports and the third appraisal letter opinion) having the closest opinions of value. The appraiser(s) shall be instructed to prepare their reports in accordance with the State Allocation Board requirements for such appraisal. The cost of the School District Appraisal and fifty percent (50%) of the third appraisal, if any, shall be funded from the Funding Sources. All other costs as to the purchase price determination shall be borne by Developers.

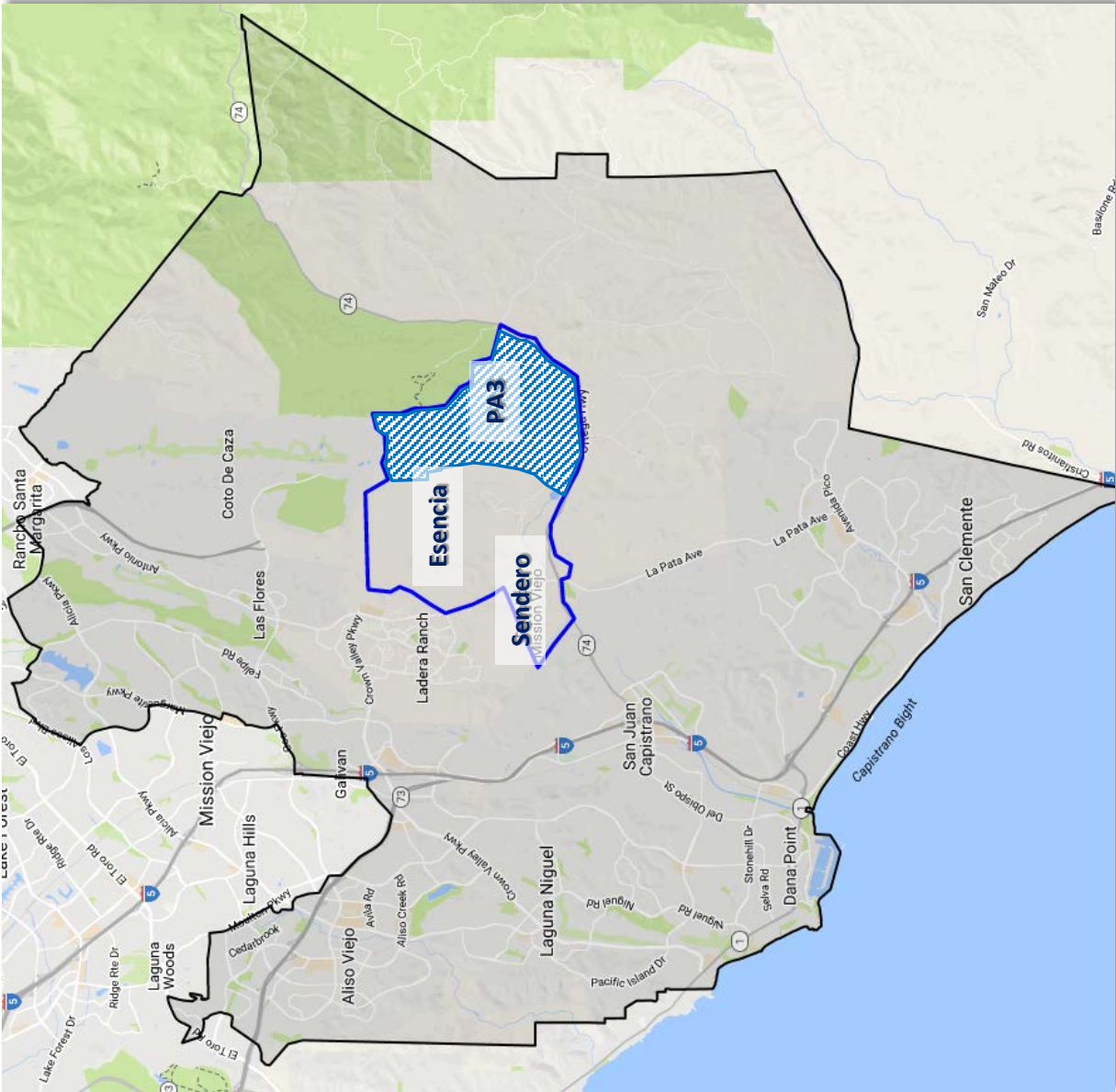
# Funding Sources & Amounts

Esencia School Site Acquisition		Amount	Esencia School Construction		Amount
<b>Purchase Price</b>		<b>\$33,860,000</b>	<b>School Construction Estimate</b>		<b>\$35,839,000</b>
Funding Sources:			Funding Sources:		
50% Site Acquisition State Funding		\$16,930,000	Ranch Contribution PA1/2 Payments		\$11,441,322
JCFA (County of Orange CFD)		\$16,930,000	JCFA (County of Orange CFD)		\$9,420,000
<b>Total:</b>		<b>\$33,860,000</b>	New Construction State Funding		\$17,969,156
<b>Site Acquisition State Funding Requested</b>			<b>Total:</b>		<b>\$38,830,478</b>
50% Site Acquisition		\$16,930,000	<b>New Construction State Funding Requested</b>		
2% escrow, fees, etc.		\$677,200	Grant Calculation		\$13,978,293
50% DTSC Fees		\$693	Fire Alarm Funding		\$260,556
<b>Total:</b>		<b>\$17,607,893</b>	General Site Funding		\$1,107,443
			Site Development Funding		\$2,622,864
			<b>Total:</b>		<b>\$17,969,156</b>



# Establishing Esencia Boundaries

- Summary Preliminary Process for establishing Esencia Boundary
  - Boundary for Esencia K-8 will include communities of Sendero, Esencia and Planning Area 3 (Esencia will accommodate 400 students on a temporary basis from PA3)
  - Committee will be formed with various district stakeholders in the community along with District staff.
  - Committee will be facilitated by the District’s demographer, DecisionInsite
  - Committee work will take place in the spring and fall of 2017 with a recommendation to the Board in December of 2017.
  - Recommendation will include Esencia boundary, administrative adjustments to existing boundaries in the Sendero, Esencia and PA3 areas and boundaries for Tesoro and San Juan Hills High School to accommodate the Esencia K-8 School.
- District staff will bring detailed plan to Board for review at the first meeting in May 2017



# Questions?

---



Esencia K-8 rendering

CAPISTRANO UNIFIED SCHOOL DISTRICT  
San Juan Capistrano, California

**RESOLUTION NO. 1617-56**

**RATIFICATION OF AGREEMENT TO PURCHASE THE ESENCIA SCHOOL SITE AND  
DELEGATION TO ACCEPT THE DEED**

*WHEREAS*, on November 6, 2013, the Capistrano Unified School District's Board of Trustees adopted Resolution No. 1314-25, Resolution of the Board of Trustees of the Capistrano Unified School District Approving School Facilities Financing Agreement Relating to Planning Areas No. 1 and No. 2 and County of Orange Entitlements as to Rancho Mission Viejo Project and Related Agreements, Authorizing Execution Thereof and Delegating Authority as to Related Matters, which authorized District staff to arrange for financing, comply with the California Environmental Quality Act (CEQA), and secure entitlements for the Esencia School site.

*WHEREAS*, the planning efforts authorized in Resolution No. 1314-25 have been completed.

*WHEREAS*, on February 24, 2016, the Board of Trustees adopted a Negative Declaration for the Esencia K-8 School Project.

*WHEREAS*, on August 17, 2016, the Board of Trustees adopted Resolution No. 1617-18, Adopt Amendment to Negative Declaration for the Esencia K-8 School Project to finally clear and approve the Esencia K-8 School Project under CEQA.

*WHEREAS*, Resolution No. 1314-25 approved the form of the Agreement for Purchase and Sale and Escrow Instructions (PA2 School Site) (Purchase Agreement) of the Esencia School site.

*WHEREAS*, consistent with the School Facilities and Funding Agreement and Option to Purchase School Site that was also approved in Resolution No. 1314-25, the purchase price for the Esencia School Site was determined to be \$33,860,000.

*WHEREAS*, the District's Deputy Superintendent, Business and Support Services executed the Purchase Agreement to open escrow and complete the purchase of the Esencia School site by March 20, 2017. A copy of the executed Purchase Agreement is attached hereto as Exhibit 1.

*WHEREAS*, the acquisition of real property, including the Esencia School site requires ratification by the Board of Trustees.

*WHEREAS*, Government Code § 27281 requires that deeds conveying any interest of real estate to a public entity for public purposes shall not be accepted for recordation without the consent of the public entity evidenced by its certificate or resolution of acceptance attached to or printed on the deed.

*WHEREAS*, the form of the deed for the Esencia School site (Deed) was approved by the Board of Trustee's adoption of Resolution No. 1314-25. A copy of the form of deed is attached hereto as Exhibit 2.

*WHEREAS*, Government Code § 27281 also states that a public entity, by a general resolution, may authorize one or more officers or agents to accept and consent to such deeds.

*THEREFORE, BE IT HEREBY RESOLVED* that the Capistrano Unified School District Board of Trustees does hereby resolve, determine, and order as follows:

1. That the Board of Trustees hereby ratifies the execution and making of the Purchase Agreement.
2. That the Board of Trustees hereby delegates to the Deputy Superintendent of Business and Support Services authority to execute the acceptance of the Deed and to take all such future actions and execute additional documents, as necessary, to complete the acquisition of the Esencia School site.

AYES:           (   )  
NOES           (   )  
ABSENT        (   )  
ABSTAIN       (   )

I, Kirsten M. Vital, Secretary of the Capistrano Unified School District Board of Trustees, hereby certify that the above and foregoing Resolution was duly and regularly adopted by the said Board at the meeting on the 15th day of March, 2017, by a roll call vote.

---

Patricia Holloway  
Clerk of the Board of Trustees

---

Kirsten M. Vital  
Superintendent  
Secretary of the Board of Trustees



**AGREEMENT FOR PURCHASE AND SALE  
AND ESCROW INSTRUCTIONS  
(PA2 School Site)**

First American Title Insurance Company  
2 First American Way  
Santa Ana, California 92707  
Attn: Hugo Tello  
Escrow No.: 5337209

THIS AGREEMENT FOR PURCHASE AND SALE AND ESCROW INSTRUCTIONS ("**Agreement**"), dated as of January 19, 2017, is entered into by and between RMV PA2 DEVELOPMENT, LLC, a Delaware limited liability company ("**Seller**"), and THE CAPISTRANO UNIFIED SCHOOL DISTRICT ("**Buyer**"), with reference to that certain property proposed to be used for the "PA 2 School Site," located in the County of Orange, State of California ("**County**" and "**State**"), as described on **Exhibit A** attached hereto and incorporated by this reference ("**Property**").

**RECITALS**

A. Seller is the owner of the Property, which consists of approximately 14.005 acres of land.

B. Seller and School District are parties to that certain School Facilities and Funding and Option to Purchase School Site Agreement dated as of November 6, 2013 ("**SFF/Agreement**"), which sets forth certain rights and obligations of the parties with respect to the Property. All capitalized terms not otherwise defined herein shall have the meaning given to them in the SFF/Agreement.

C. Seller and School District are also parties to that certain Option Agreement dated as of November 6, 2013 ("**Option Agreement**"), pursuant to which School District has an option to purchase the Property.

D. Seller is a party to the Rancho Mission Viejo Development Agreement County of Orange (Ranch Plan Project and hereafter ("**RMV/Development Agreement**") the benefits of which shall run with the Property when acquired by Buyer as therein provided. Seller remains responsible for all mitigation obligations, fees and expenses thereunder and the parties agree none of the mitigation obligations, fees and expenses are assumed by Buyer. Seller concurrent with Close of Escrow shall provide a duly executed Assignment and Assumption of Development Agreement to such effect to County and Buyer as provided in Section .1(a)(iv) of the RMV/Development Agreement. Seller hereby indemnifies Buyer as to any and all mitigation costs related thereto, which obligation shall survive the termination of this Agreement or Close of Escrow and acquisition of the Property by Buyer.

E. Seller and others have obtained from the Board of Supervisors of County General Plan Amendment (Resolution No. 04-291), Zone Change (Resolution No. 04-292/Ordinance No. 04-014), Development Agreement (Resolution No. 04-293/Ordinance No. 04-015) Environmental Impact Report No. 589 ("Project EIR"), Affordable Housing Implementation Agreement ("Affordable Housing Agreement"), and other entitlements (collectively, "Entitlements"). Seller and Buyer agree that all obligations of the Entitlements are obligations of Seller and that Seller indemnifies Buyer as to any and all costs and obligations related thereto which obligation shall survive the termination of this Agreement or Close of Escrow and acquisition of the Property by Buyer.

F. Seller and others were parties to the Rancho "Mission Viejo/Resource Organization Litigation" that was resolved by means of the Rancho Mission Viejo/Settlement and Declaration of Restrictions Agreement ("RMV/SA") recorded as to the Property and other property of Seller and others as Instrument No. 200500648330 of the Official Records of Orange County. All obligations of the RMV/SA are agreed to be obligations of Sellers and others, are not assigned to or assumed by Buyer, and Seller indemnify Buyer as to any and all costs and obligations thereof, which obligation shall survive the termination of this Agreement or Close of Escrow and acquisition of the Property by Buyer.

G. Seller and others are parties to the Secured Fire Protection Agreements with the Orange County Fire Authority recorded as Instruments No. 2007000218114 and 200700218115 in the Official Records of Orange County, recorded as to the Property and other property of Seller and others ("SFP/A"). All obligations of the SFP/A are agreed to be obligations of Seller and others, are not assigned to or assumed by Buyer and Seller indemnifies Buyer as to any and all costs and obligations thereof, which obligation shall survive the termination of this Agreement or Close of Escrow and acquisition of the Property by Buyer.

H. School District has exercised the option to purchase the Property on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual undertakings of the parties hereto, it is hereby agreed as follows:

1. Sale and Purchase. Subject to the terms and conditions set forth in this Agreement, and the above Recitals which are herein incorporated, Seller agrees to sell the Property to Buyer, and Buyer agrees to buy the Property from Seller.

2. Purchase Price. The purchase price for the Property shall be \$33,860,000.00. ("**Purchase Price**") [which amount has been determined in accordance with Section 8.3 of the SFF/Agreement including all reservations by Seller].

3. Opening of Escrow. Escrow shall open when a copy of this Agreement, properly executed by Buyer and Seller, has been deposited with First American Title Insurance Company, a California corporation ("**Escrow Holder**"). Escrow Holder shall notify all parties in writing immediately upon receipt of a copy of this Agreement so executed as of the date of the opening of escrow.

4. Buyer Title Review and Approval.

(a) Preliminary and Supplemental Title Reports. Within fifteen (15) calendar days after the Opening of Escrow, First American Title Insurance Company, in its capacity as title insurer ("**Title Insurer**"), shall deliver to Buyer, and to its legal counsel, copies of: (i) a preliminary title report ("**PTR**") covering the Property (a copy of which is attached hereto as Exhibit TR); (ii) complete and legible copies of all documents referred to in the PTR that evidence or create exceptions to title to the Property ("**Underlying Documents**"); and (iii) complete plotting reports of all easements disclosed in the PTR ("**Plotting Reports**", a copy of which is attached as Exhibit TR). If subsequently required, the Title Insurer shall deliver to each Party and to its legal counsel: (i) any amended PTR; (ii) any Underlying Documents referenced in the amended PTR, but not previously provided to the Parties; and (iii) Plotting Reports for all easements and exceptions disclosed in the amended PTR, if not previously plotted and provided to the Parties. Hereinafter, the PTR, any amended PTR, and all related Underlying Documents and Plotting Reports, may be referred to collectively as "**Title Documents**."

(b) Except for those Title Documents set forth on Schedule 1, the Buyer shall have the right to review and either approve or disapprove the Title Documents for the Property as provided in this Section. The parties shall conform to the following procedures for Buyer's review and approval of the Title Documents:

(i) Not later than thirty (30) calendar days after the date it receives the final and complete copies of all Title Documents, the Buyer may object to any one or more of the items listed in the Title Documents that affect title to the Property (each a "**Disapproved Item**") by providing written notice to Seller and Escrow Holder ("**Buyer Title Notice**"). If Buyer fails to provide a Buyer Title Notice within such thirty (30) calendar day period, the Buyer shall be deemed to have approved the Title Documents.

(ii) Upon discussion with one or both of the parties, the Title Insurer may agree to delete from the Title Documents any or all Disapproved Items specified in the Buyer Title Notice.

(iii) If Title Insurer has not agreed to delete from the Title Documents all Disapproved Items specified in the Buyer Title Notice, the Seller may elect to cure or cause the deletion of one or more of the remaining Disapproved Items, including, without limitation, through purchase at Seller's expense of any endorsement(s) to the title insurance for the Property. The Seller shall provide written notice to the Buyer and Escrow Holder, within thirty days after receipt of the Buyer Title Notice, specifying whether Seller will cure or cause the deletion of all, some or none of the remaining Disapproved Items ("**Seller Title Notice**"). If Seller fails to provide a Seller Title Notice within such thirty (30) calendar day period, the Seller shall be deemed to have elected to not cure or cause the deletion of all remaining Disapproved Items.

(iv) If the Seller Title Notice indicates that Seller has not elected to cure or cause the deletion of all remaining Disapproved Items, or if Seller fails to provide a Seller Title Notice, the Buyer may elect to either: (i) proceed with Close of Escrow on the basis of the

Disapproved Items, if any, that the Title Insurer and Seller have agreed or elected to cure or cause to be deleted from the Title Documents; or (ii) cancel the Escrow; by providing written notice to Seller and Title Insurer within twenty (20) days after receipt of the Seller Title Notice or, if no Seller Title Notice was provided, within twenty (20) calendar days of the date that was the deadline for delivery of the Seller Title Notice ("**Buyer Election Notice**"). If Buyer fails to provide a Buyer Election Notice within such twenty (20) day period, the Buyer shall be deemed to have elected to cancel the Escrow.

(v) If the Seller and/or Title Insurer are to cure or cause the deletion of any Disapproved Items in accordance with this Section 3.2, such cure or deletion shall be a condition precedent to the Close of Escrow.

(vi) Notwithstanding anything to the contrary, the Buyer shall not be required to object to items specified in the Title Documents that relate to items of a monetary nature, including, but not limited to, general taxes, special taxes, and assessment fees or charges, mortgages, improvement liens, and similar encumbrances. As a condition precedent to Close of Escrow, the Seller must pay-off or otherwise satisfy and release any and all mortgages, improvement liens and similar encumbrances on or against any portion of the Property. Section 4.10 herein provides for payment of any and all general taxes, special taxes, and assessment fees or charges and recordation of a Notice of Cancellation of liens for special taxes and assessments and liens and right of the Rancho Mission Viejo Master Maintenance Corporation ("**RMVMMC**").

If an item specified in the PTR is not either a Disapproved Item pursuant to Subsection (a) of Section 3.2 or an item of a monetary nature as described herein, then such item shall be deemed to be a Permitted Exception to Buyer's title to the Property as conveyed through the Escrow (each a "**Permitted Exception**"). It shall be a condition precedent to the Buyer's obligation to proceed to Close of Escrow that Title Insurer issue to the Buyer, at Close of Escrow, the Title Policy, insuring the Buyer's fee simple title to the Property, subject only to the Permitted Exceptions and otherwise free and clear of all mortgages, liens, charges, encumbrances, encroachments, easements, conditions, exceptions, assessments, taxes, or other defects in title as provided in this Agreement.

## 5. Close Of Escrow.

(a) The close of escrow ("**Closing Date**") shall occur on or before February 28, 2017, subject to any extension agreed to in writing by Buyer and Seller.

(b) Buyer shall deposit or cause to be deposited in escrow prior to the Close of Escrow the Purchase Price; provided Seller hereby agrees to accept the non-interest bearing "**Special Obligation Note**" of Buyer as described in the SFF/Agreement as special obligation purchase money financing in the event Buyer has not received State Funding for 50% of the Purchase Price. In such event, the balance of the Purchase Price, subject to receipt of adequate School Payments from Seller, shall be deposited by Buyer in cash from the Funding Sources as described in the SFF/Agreement. The Special Obligation Note is in the form attached hereto as **Exhibit F**, and secured by State Funds, Local Funds or Federal Funds and other Funding Sources available for purchase of the PA2 School Site, all on the terms and as set forth in Section 6.9 of the SFF/Agreement.



(c) The Purchase Price in cash or cash and the Special Obligation Note shall be delivered to Seller when Escrow Holder is in a position to obtain an ALTA standard coverage owner's policy of title insurance insuring Buyer as follows:

(i) Policy to be issued by Escrow Holder with the standard title company exceptions ("**Title Policy**");

(ii) Liability to be in the amount of the Purchase Price;

(iii) Fee title vested in Buyer;

(iv) Property vesting in Buyer free and clear of all liens, encumbrances and other defects of title and taxes, including monetary obligations, excepting the following terms listed in the order of the priority to be effected through this escrow (collectively, "**Permitted Exceptions**");

(1) Subject to Section 6 hereof, general and special taxes not yet due and payable;

(2) All items shown on the Covenant and Declaration of Restriction as set forth on Exhibit E;

(3) All items shown on the Grant Deed;

(4) Any other encumbrances caused by acts of Buyer or consented to in writing by Buyer.

(5) There shall be no special taxes, assessments and any rights or liens of the RMVMMC recorded against the Property.

(d) Close of escrow means the time Seller's Grant Deed in substantially the form attached hereto as Exhibit B ("**Grant Deed**") is recorded by the Escrow Holder in the office of the County Recorder of Orange County, California. Escrow Holder shall instruct the Orange County Recorder to mail the Grant Deed to Buyer at the address set forth herein after recordation. Title to said Property shall pass immediately upon close of escrow. The conclusive evidence of delivery of title to the Property by Seller to Buyer shall be the recordation of the Grant Deed and the issuance by Escrow Holder of the Title Policy insuring Buyer in the amount of the Purchase Price that fee simple title to the Real Property is vested in Buyer as of the close of escrow subject only to the Permitted Exceptions.

(e) Seller's obligation to sell the Property is expressly conditioned on the satisfaction of Buyer's commitments and obligations expressly set forth herein for completion or satisfaction prior to the close of escrow, including depositing with Escrow Holder all sums required hereunder prior to the close of escrow.

(f) Buyer's obligation to buy the Property is expressly conditioned on each of the following conditions precedent:

(i) Compliance with all applicable law, including Education Code Section 17211, CEQA, Government Code Section 65402, and Public Resources Code Section 21151.2.

(ii) The commitment by the Escrow Holder to issue and deliver the Title Policy;

(iii) Buyer obtaining all documents and funds, if any, accruing to Buyer pursuant to this Agreement and the SFF/Agreement;

(iv) Buyer's approval of all inspections, tests, surveys and other studies and documents, together with the grading of the Property pursuant to Sections 9 and 10;

(v) Seller's compliance with Section 8.4 of the SFF/Agreement regarding the condition of the Property as of the Closing Date;

(vi) Buyer's approval of the documents and materials more particularly described on Exhibit C attached hereto ("**Basic Materials**"); provided, if Buyer does not acquire the Property in accordance with this Agreement, the Basic Materials shall be promptly returned to the Seller;

(vii) Buyer's receipt of all necessary approvals as set forth in in Section 8.1(a) of the SFF/Agreement.

(viii) Completion by Seller of all Superpad condition improvements to the Property as described in the SFF/Agreement.

(x) Buyer's receipt of an Assignment and Assumption Agreement described in Section 6.1 (a) (iv) of the Development Agreement evidencing that Seller remains obligated as to all mitigation obligations, fees and expenses set forth in the RMV/Development Agreement and that no obligations thereof are assumed by Buyer

6. Documents to Be Delivered or Recorded Through Escrow.

(a) Seller. Seller shall deposit with Escrow Holder all of the following documents and/or funds before the close of escrow:

(i) The Grant Deed, duly executed, acknowledged and in recordable form conveying the Property to Buyer;

(ii) A Non-Foreign Status Affidavit executed by Seller attached hereto as Exhibit D;

(iii) The Covenant and Declaration of Restriction executed by Seller attached hereto as Exhibit E; and

(iv) All documents required by this Agreement and funds, including all costs referenced in Section 7, as may be necessary in order for Escrow Holder to comply with this Agreement.

(b) Buyer. Buyer shall deposit with Escrow Holder all of the following documents and/or funds before the close of escrow:

(i) The Purchase Price;

(ii) The Special Obligation Note (if required) executed by Buyer attached hereto as Exhibit F;

(iii) The Covenant and Declaration of Restriction executed by Buyer attached hereto as Exhibit E;

(iv) The Joint Use Agreement (as defined in the SFF/Agreement) executed by Buyer and Rancho Mission Viejo Master Maintenance Corporation ("RMVMMC"); and

(v) A letter from Buyer stating that Buyer (a) accepts the Property in accordance with and subject to the terms and conditions of this Agreement and (b) has received all necessary approval and authorization to purchase the Property, including without limitation State Department of Education approval to acquire the Property for its intended use.

7. Real Property Taxes. All nondelinquent general and special real property taxes and assessments levied for fiscal year 2016-2017 shall be paid by Seller on or before the close of escrow without proration and all refunds shall inure to Seller. There shall be no special taxes, assessments, rights and liens of the RMVMMC recorded against the Property. Any real property taxes which become a lien after close of escrow as a supplemental tax assessed pursuant to Chapter 3.5, commencing with Section 75 of the California Revenue and Taxation Code, for acts occurring prior to close of escrow shall be and remain the responsibility of Seller who shall promptly pay same upon notice from Buyer.

8. Payment of Costs. Escrow Holder is authorized and instructed by Seller to use the proceeds from the Purchase Price to pay the following: (i) all the escrow fees for Buyer and Seller; (ii) the premium for the Title Policy; (iii) the documentary transfer taxes, if any, in connection with the Grant Deed; (iv) recording fees for the Grant Deed, if any; (v) any costs or charges necessary so that title can be delivered to Buyer in the condition required in accordance with this Agreement; (vi) all reasonable costs not specifically referenced herein customarily allocated to Seller in Orange County, California; and (vii) the cost or charge of any other item not specified herein that may be authorized by Seller in a separate writing.

9. Time is of the Essence. Time is of the essence hereof; and if either party fails to perform any act when due, or if the conditions to the close of escrow referenced herein have not been satisfied or waived, then the non-breaching party may cancel this escrow by notice in writing to the other party deposited into escrow no later than the Closing Date (or any and all such objections or defaults shall be deemed waived or accepted), and, except as otherwise provided in this Agreement, both parties shall thereupon be released from their obligations with respect to the

Property unless the escrow is extended by mutual written agreement of the parties. Upon termination of this escrow as aforesaid, all documents deposited into escrow which have been executed by Seller shall be returned to Seller whether or not such papers have been executed by Buyer as well, and all documents executed by Buyer alone shall be returned to Buyer, and all funds deposited into escrow by Buyer shall be returned to Buyer.

10. Entry for Investigations. Seller grants to Buyer, its agents and employees the right to enter upon any portion of the Property for the purpose of conducting reasonable investigations, including without limitation, soils testing, engineering studies, geological analysis, environmental audits and studies, and all other physical inspections deemed necessary by Buyer. Any and all such investigations and entry shall be at the cost, expense and liability of Buyer. Buyer shall also have the right to investigate all matters relating to the zoning, use and compliance with applicable laws which relate to the use and occupancy of the Property. Seller shall cooperate fully to assist Buyer in completing such inspections and special investigations. Buyer agrees to indemnify, defend and hold Seller harmless from any and all loss, liability, damage, claims, demands, injury, costs or expenses, including reasonable attorney's fees, if any, directly arising or resulting from or relating to any physical inspection of the Property by Buyer or Buyer's agents pursuant hereto.

11. Grading & Site Improvements. Seller shall deliver the Property to Buyer at Closing in accordance with Section 8.4 of the SFF/Agreement, including storm drain connections stubbed out into the lower end of the Property with connections to the public storm drain system located within the adjacent streets both at the southeast corner and northeast corner of the Property. Any further onsite drainage coordination shall be the responsibility of Buyer to design, construct, own and maintain. Water quality for the Property will be handled by a water quality basin located within the Planning Area, which will be designed, constructed, owned and maintained by Seller, with ultimate ownership transferred to Rancho MMC. Notwithstanding the foregoing, Buyer shall retain responsibility for cleanup and damage to the water quality basin caused by any non-typical, specific hazardous materials spills into the drainage system originating from the Property.

12. Representations and Warranties.

(a) Seller hereby makes the following representations and warranties:

(i) To the best of Seller's knowledge (which, for purposes of this Agreement, shall be limited to the actual knowledge of Daniel Kelly without investigation or inquiry):

(1) There is no litigation or proceedings pending in connection with the Property; and

(2) There is no existing violation of any federal, state or local laws, ordinances or regulations concerning or affecting the Property.

(ii) Seller has full right, power and authority to enter into this Agreement and convey the Property pursuant to the Agreement or otherwise to perform any of its obligations hereunder.



(iii) To the best of Seller's knowledge, neither the execution of this Agreement or any documents referenced herein shall conflict with the terms of or result in a material breach of any bonds or other indebtedness, contract, indenture and/or deed of trust to which Seller is a party or which govern the use or development of the Property.

(iv) To the best of Seller's knowledge, Seller is not in default under any agreement or contract governing the use or development of the Property.

(v) To the best of Seller's knowledge, Seller has obtained, or otherwise will obtain all necessary governmental approvals and authorizations in order to construct and/or install all of the utilities, including roadways, necessary to develop the Property to a Superpad Condition as contemplated by this Agreement and the SFF/Agreement.

(vi) To the best of Seller's knowledge, Seller has not been advised or informed by any builder to whom Seller has sold any property (or otherwise with whom Seller is under contract to so sell any property) within the Planning Area 2 planned community that any such builder has any plan to develop any improvements other than residential improvements within 100 yards of the Property.

(vii) Seller has not submitted to the County any request to develop any area within 100 yards of the Property with a courthouse or liquor store; provided, Seller reserves the right, without qualification, to develop any and all property within the Planning Area 2 of the Ranch Plan in any manner permitted by applicable law and regulations.

(b) Buyer hereby makes the following representations and warranties:

(i) Buyer has full right, power and authority, subject to the provisions of the SFF/Agreement, to enter into this Agreement and acquire the Property pursuant to the Agreement or otherwise to perform any of its obligations hereunder.

(ii) Buyer has or will have obtained all necessary approval and authorization in order to perform its obligations in accordance with the terms of this Agreement.

(iii) Neither the execution of this Agreement or any documents referenced herein shall conflict with the terms of or result in a material breach of any contract to which Buyer is a party.

(iv) The closing of the transaction contemplated under this Agreement and the acquisition of the Property in accordance herewith is in conformance and compliance with that certain SFF/Agreement; and, in furtherance thereof, Seller shall be deemed to have satisfied the obligations of Seller to Buyer with respect to the delivery of the PA2 School contemplated and required under the SFF/Agreement upon the close of escrow hereunder and the completion of the improvements required under Section 8.4 of the SFF/Agreement and the School Housing Plan; provided, notwithstanding the foregoing, in the event Buyer exercises the rescission right under Section 13 of this Agreement, then Seller shall not have satisfied the foregoing referenced obligations with respect to the delivery of the PA2 School as contemplated and required under SFF/Agreement and Seller shall remain liable therefore in accordance with the SFF/Agreement.

(v) Neither Buyer nor Seller have any reporting, tax or other obligations, liabilities or requirements which arise from the transactions contemplated by this Agreement, including the purchase, ownership and development of the Property by Buyer as contemplated hereunder; and there are no disclosures, commitments, special tax forms and/or notices of special tax which Seller is required to obtain from Buyer and/or provide to any party, including Buyer, due to or arising from the transactions contemplated by this Agreement.

(c) The truth of the representations and warranties as stated above and elsewhere in this Agreement and the performance by each party of its covenants and obligations hereunder shall be conditions to the other party's obligations under this Agreement. All representations and warranties in this section or made in writing by Seller in connection with the transaction herein provided for shall be true and correct on the date hereof and on the close of escrow and the delivery of the Grant Deed and shall survive the close of escrow to the extent set forth in Section 13 of this Agreement or otherwise expressly provided in this Agreement.

13. "As Is, Where Is".

(a) Except as expressly set forth in this Agreement, Seller hereby specifically disclaims any warranty, guaranty or representation, oral or written, past, present or future, of, as to or concerning:

(i) The condition of the Property, including, but not by way of limitation, the water, soil, geology, environmental conditions (including the presence or absence of any hazardous or toxic materials), and the suitability thereof and of the Property for any and all activities and uses which Buyer may elect to conduct thereon;

(ii) The nature and extent of any right-of-way, lien, encumbrance, license, reservation, condition or otherwise; and

(iii) The compliance of the Property with any laws, ordinances or regulations of any government or other public or private body or agency.

(b) THE SALE OF THE PROPERTY AS PROVIDED FOR HEREIN IS MADE ON AN "AS IS, WHERE IS" BASIS, AND BUYER EXPRESSLY ACKNOWLEDGES THAT, EXCEPT AS EXPRESSLY PROVIDED HEREIN, IN CONSIDERATION OF THE AGREEMENTS OF SELLER HEREIN, SELLER MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, INCLUDING, BUT IN NO WAY LIMITED TO, ANY WARRANTY OF CONDITION, HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY.

(c) To the extent that Seller has an existing general construction activities storm water permit that is applicable to the Property and that may be transferable to Buyer, Seller shall provide Buyer with such storm water permit and complete all appropriate documentation to effect such transfer; provided, however, that after such transfer, Buyer shall be solely responsible for satisfying (including the continuation of the satisfaction of) all requirements and conditions under the storm water permit as applicable to the Property and comply with any and all applicable

guidelines and regulations as otherwise issued and/or promulgated by the California State Water Resources Control Board as applicable to the Property.

14. Remedies: Rescission & Reimbursement.

(a) In the event of any breach, default or violation of any representation or warranty set forth herein, then on or before the earlier of (i) one (1) year from the date hereof or (ii) the commencement of Buyer's construction on the Property (and Buyer shall notify Seller upon such commencement of construction and Seller shall have an additional fifteen (15) days in which to make any claim hereunder from the date of such notice -- provided, such notice shall not extend the time in which Buyer shall be required to make any such claim in writing), each of Seller and Buyer shall notify the other party, in writing, as to the existence of, and the basis for, any and all claims of a breach, default or violation of any representation or warranty set forth herein.

(b) The failure to make, and/or identify any such claim and the basis therefor on or before such date shall be deemed a waiver and release of the same; and, in such event, the liability and obligation of each party with respect thereto as set forth herein shall terminate and be of no further force or effect with respect to any and all claims, liabilities, costs and expenses, at law or in equity, whether known or unknown, which are not made in writing to the other party.

(c) In the event of any such breach, default or violation, the party making such claim shall have the right to "unwind" the transaction contemplated under this Agreement within the sixty (60)-day period following such notice and claim such that (i) Buyer shall convey the Property to Seller by means of a grant deed in substantial conformance with the Grant Deed (and otherwise subject only to the Permitted Exceptions) in the condition delivered and conveyed by Seller (or otherwise including any work performed by Seller in accordance with this Agreement) and (ii) Seller shall return the Purchase Price and Special Obligation Note, if any, to Buyer concurrently therewith.

(d) In addition to the right to "unwind" the transaction contemplated under this Agreement as set forth in the immediately preceding subsection (c), in the event such remedy is elected, then, in addition, the defaulting party shall be liable (and shall reimburse the other party) for the sum of the following: the out-of-pocket due diligence and inspection costs and inspections paid to third party consultants and other professionals; legal fees for the negotiation and enforcement of this Agreement; and the costs of the planning for the development of the Property as contemplated under this Agreement.

(e) Notwithstanding anything to the contrary contained in this Agreement and including in the absence of any breach or violation under this Agreement by Seller, in the event that, on or before the earlier of (i) sixty (60) days from the date hereof or (ii) the commencement of Buyer's construction on the Property, Buyer shall discover or otherwise determine, in its reasonable discretion, that any environmental, toxic contamination or similar condition of the Property shall preclude or prevent the development of the Property (or otherwise materially increase the costs and expenses thereof in excess of the budgeted or anticipated costs thereof as contemplated prior to the date hereof) as contemplated under this Agreement due to any requirements of the State School Facility Program, then Buyer shall have the one time right, which must be exercised within ninety

(90) days from the date of this Agreement, to “unwind” the transaction contemplated under this Agreement.

(f) In the event that Buyer shall exercise the right provided under the immediately preceding subsection (e), then, upon not less than fifteen (15) days written notice, (i) Buyer shall convey the Property to Seller (by means of a grant deed in substantial conformance with the Grant Deed and otherwise subject only to the Permitted Exceptions) in the condition delivered and conveyed by Seller (or otherwise including any work performed by Seller in accordance with this Agreement) and (ii) Seller shall return the Purchase Price and Promissory Note, if any, to Buyer concurrently therewith.

(g) The sole remedies of Seller and Buyer with respect to this Agreement and the Property (whether under this Agreement, as a matter of law, under equitable principles or otherwise) shall be (i) an action for specific performance to require Seller to sell and convey the Property to Buyer in accordance with this Agreement and/or (ii) an action for specific performance by either Buyer or Seller to “unwind” the transaction contemplated under this Agreement in accordance with this Section 13 together with the reimbursement of the costs and expenses set forth in the immediately preceding subsection (d); and, the parties waive and release any other remedy, right, action or interest in the event of any default or breach under this Agreement, including any right to damages, payments or any other remedy permitted as a matter of law, equity or otherwise.

15. Restriction on Use and Development and Repurchase Option. Buyer acknowledges and agrees that the Property will be subject to use restrictions, repurchase option and other covenants and restrictions specified in the Covenant and Declaration of Restriction attached hereto as **Exhibit F**. The Covenant and Declaration of Restriction shall be a covenant running with the Property for the term specified therein, shall bind Buyer’s successors and assigns and shall be recorded at the Close of Escrow.

16. Notices. Any notices or other communications between the parties hereto shall be in writing and shall be personally delivered or sent by first class mail, postage prepaid, duly registered or certified, return receipt requested, addressed to the parties as follows:

If to Buyer: c/o CAPISTRANO UNIFIED SCHOOL DISTRICT  
33122 Valle Road  
San Juan Capistrano, California 92675  
Attn: Clark Hampton

If to Seller: RMV PA2 Development, LLC  
c/o Rancho Mission Viejo, LLC  
P.O. Box 9  
San Juan Capistrano, California 92693  
Attn: Elise L. Millington

Any party may, by written notice to the Escrow Holder and to the other party, designate a different address which shall be substituted for the one specified above. If any notice is deposited in the United States Mail in Orange County, California, as aforesaid, the same shall be deemed delivered seventy-two (72) hours after the mailing thereof.



17. Attorneys' Fees. In the event any action shall be instituted in connection with this Agreement, the party prevailing in such action shall be entitled to recover from the other party all of its costs and expenses incurred therein, including without limitation reasonable attorneys' fees.

18. Waiver. No term or provision of this Agreement shall be deemed waived and no breach excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. Any consent by any party to, or waiver of, a breach by the other, whether express or implied, shall not constitute consent to, waiver of, or excuse for any different or subsequent breach.

19. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but together they shall constitute one and the same instrument.

20. Governing Law. This Agreement shall be governed by and construed under the laws of the State of California. In the event of any legal action to enforce or interpret this Agreement, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County; California, and Buyer shall submit to the jurisdiction of such court.

21. Entire Agreement. This Agreement, together with its exhibits, contains all of the agreements of the parties hereto with respect to the matters contained herein and no prior contemporaneous agreement or understanding, oral or written, pertaining to any such matters shall be effective for any purpose. No provision of this Agreement may be modified, waived, amended or added except by writing executed by all parties hereto.

22. Severability. If any paragraph, section, clause, sentence or phrase contained in this Agreement shall become illegal, null or void against public policy or unenforceable for any reason whatsoever, the remainder of the Agreement shall not be affected thereby.

[signatures on following page]


IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written, its effective date.

"Buyer"


"Seller"

CAPISTRANO UNIFIED SCHOOL  
DISTRICT

RMV PA2 DEVELOPMENT, LLC  
a Delaware limited liability company

By:   
Clark Hampton  
Deputy Superintendent  
Business and Support Services

By: Rancho Mission Viejo, LLC,  
a Delaware limited liability company,  
as its authorized agent and manager

By:   
Donald L. Vodra  
President - Chief Operating  
Officer

By:   
Dan Kelly  
Senior Vice President -  
Corporate Communications  
and Marketing

APPROVED AS TO FORM:

BY:   
Legal Counsel to Capistrano Unified  
School District

**EXHIBIT A**

**Property—Legal Description**

All of the following described real property in the Unincorporated Territory of the County of Orange, State of California:

Lot 65 of Tract No. 17561 in the Unincorporated Territory of the County of Orange, State of California, as shown on a Map filed on October 27, 2014, in Book 932, Pages 1 through 38, inclusive, of Miscellaneous Maps, Records of Orange County, California

**EXHIBIT B**

**Grant Deed**

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

CAPISTRANO UNIFIED SCHOOL DISTRICT  
33122 Valle Road  
San Juan Capistrano, California 92675  
Attn: Clark Hampton  
Deputy Superintendent  
Business and Support Services

---

(Space Above Line For Recorder's Use Only)

**GRANT DEED**

For valuable consideration, receipt of which is acknowledged, RMV PA2 Development, LLC, a Delaware limited liability company ("**Grantor**"), grants to CAPISTRANO UNIFIED SCHOOL DISTRICT ("**Grantee**") all that certain real property located in Orange County, California, and described on Exhibit A ("**Property**") attached hereto and by this reference incorporated herein.

1. **EXCEPTIONS AND RESERVATIONS FROM GRANT.** Grantor excepts from the grant of the Property (and reserves the right to assign or otherwise convey, grant, lease or license to any individuals and/or entities) the following:

(a) **Oil and Mineral Rights.** Without any right of surface entry, any and all oil, oil rights, minerals, mineral rights, natural gas rights and other hydrocarbons by whatsoever name known, geothermal steam and all products derived from any of the foregoing that may be within or under the Parcel, together with the perpetual right of drilling, mining, exploring and operating therefore and storing in and removing the same from the Parcel or any other land, including the right to whipstock or directionally drill and mine from lands other than the Parcel, oil or gas wells and borings into, through or across the subsurface of the Parcel and to bottom such whipstocked or directionally drilled wells and borings under and beneath or beyond the exterior limits thereof, and to redrill, equip, maintain, repair, deepen and operate any such wells or mines; but without, however, the right to enter the Parcel or the right to drill, mine, store, explore or operate through the surface or the upper five hundred (500) feet of the subsurface of the Parcel.

(b) **Water Rights.** Any and all riparian, appropriative, overlying or other water and water rights and any and all interests in such water, including surface water, subsurface underflow, and percolating groundwater appurtenant or relating to the Property, such rights and interests having previously been granted by RMV Community Development, LLC, to the Rancho



Mission Viejo Mutual Water Company ("MWC") in the Deed of Water Rights recorded on April 23, 2012, as Instrument No. 2012000230676 of Official Records.

(c) Surface Runoff & Cross Lot Drainage. Mutual, nonexclusive easements in gross on, over and under the turfed sports field portion of the Property and the adjoining property for the purpose of accepting minimal surface runoff (including runoff of reclaimed or other water used for irrigation, and including any requirement of the County of Orange), provided such easement shall not interfere with, or impact Grantee's development and use of the Property.

(d) Construction Easement. Temporary construction and access easements over portions of the Property for the construction, installation (including the right to connect to existing facilities), for the installation of street, sidewalk, landscaping, electric, gas, cable, telephone, communication, technology-related, water, sewer, drainage and other utility facilities, storm drain facilities, and other facilities serving PA2; provided, however, that the construction and access easements shall automatically terminate upon completion of construction of improvements by Grantor on the Property.

(e) Irrigation Easement. Permanent, nonexclusive easements in gross over portions of the Property generally depicted on Exhibit C, in order to permit the construction, installation, use, repair, replacement and maintenance of water sprinkler and irrigation system lines, and associated equipment and facilities including electrical and telecommunication facilities; provided the specific location of such facilities within such easement area shall be subject to the reasonable determination of Grantor upon consultation with Grantee; provided, Grantee shall not construct any improvements within or otherwise improve any area subject to this easement without the prior consent of Grantor, which shall not be unreasonably withheld. This easement shall be subject to any then existing security policies of Grantee and law applicable to Grantee as a public school district.

(f) Signal Transmission. Nonexclusive easements in gross within and through the airspace above and within the Property for the transmission, receipt or distribution of audio, video and any other data signals requisite for the transmission of intelligence by electrical, light wave and/or radio frequencies; provided, neither the transmission, receipt or distribution of audio, video and any other data signals shall unreasonably interfere with Grantee's development or use of the Property.

## 2. COVENANT

(a) Grantee, for itself and on behalf of its successors and assigns, hereby declares, covenants and agrees that, to the fullest extent permitted by law, no Wireless Telecommunication Facilities shall be installed, located, maintained or permitted on or about the Property and/or the improvements constructed thereon, which serve the general public or are otherwise operated on a commercial, for-profit basis (or other similar basis in which Grantee receives economic benefits in exchange for permitting Wireless Telecommunication Facilities to be located on or about the Property and/or the improvements constructed thereon); provided, nothing contained herein shall restrict or preclude Grantee from installing, operating or using Wireless Telecommunication Facilities on or about the Property for Grantee's own, internal use and

enjoyment, or for School District communications to or from the Property. As used herein, **"Wireless Telecommunication Facilities"** shall mean improvements, equipment and facilities (including, but not limited to, tower cell sites, antennas, towers, broadcasting and receiving devices, conduits, junction boxes, wires, cables, fiber optics, and any other necessary or appropriate enclosures and connections) for (i) wireless telecommunications, (ii) wireless transfer of audio, video, data or any other signals used for transmission of intelligence by electrical, light wave, wireless frequencies or radio frequencies, and (iii) any other methods of communication and information transfer facilitated by means other than cables, wires, fiber optics or other such "hard-wired conduits, and (2) power generation serving the improvements, equipment and/or facilities described in subpart (1) of this sentence. The term **"Wireless Telecommunications Facilities"** shall be interpreted as broadly as possible and shall include relocated facilities, expansion of facilities and/or facilities used for any and all new technology that replaces the Wireless Telecommunications Facilities that are used when this Grant Deed is recorded. If there is a doubt as to whether an item fits within the definition of Wireless Telecommunications Facilities, the term is to be interpreted to include that item.

(b) The declaration, covenant and agreement set forth in Section 2(a) above (**"Covenant"**) shall benefit that certain real property owned by Grantor and described on Exhibit B attached hereto (**"Benefited Property"**). In the event that any portion of the Benefited Property is transferred by Grantor to a third party (each portion thereof so transferred is hereinafter referred to as a **"Transferred Parcel"**), the Covenant shall cease to benefit such Transferred Parcel unless Grantor expressly assigns to the transferee of the Transferred Parcel the benefits of all or a portion of the Covenant, either concurrently with conveyance of the Transferred Parcel or at any time thereafter, in either case, by a recorded assignment document executed by Grantor and specifically referencing this Covenant (and general references to appurtenances or rights related to the acquired land will not suffice). Any merger of Grantor with or into another entity or any acquisition of all or a portion of the equity of Grantor by a third party will not be deemed a transfer of the Benefited Property under this Section 2(b).

### 3. GRANTOR COVENANT

(a) Grantor, for itself and on behalf of its successors and assigns, as to any of the PA 1/PA 2 Property within 600 feet of the perimeter of the PA 2 School Site as described on Exhibit I hereto and depicted on Exhibit II to this Grant Deed (**"Reciprocal Wireless Banned Property"**), hereby declares, covenants and agrees that, to the fullest extent permitted by law, no Wireless Telecommunication Facilities shall be installed, located, maintained or permitted on or about the Reciprocal Wireless Banned Property and/or the improvements constructed thereon, which serve the general public or are otherwise operated on a commercial, for-profit basis (or other similar basis located thereon and/or the improvements constructed thereon). As used herein, **"Wireless Telecommunication Facilities"** shall mean improvements, equipment and facilities (including, but not limited to, tower cell sites, antennas, towers, broadcasting and receiving devices, conduits, junction boxes, wires, cables, fiber optics, and any other necessary or appropriate enclosures and connections) for (i) wireless telecommunications, (ii) wireless transfer of audio, video, data or any other signals used for transmission of intelligence by electrical, light wave, wireless frequencies or radio frequencies, and (iii) any other methods of communication and information transfer facilitated by means other than cables, wires, fiber optics or other such "hard-wired conduits, and (2) power generation serving the improvements, equipment and/or facilities described in subpart (1) of this

sentence. The term “**Wireless Telecommunications Facilities**” shall be interpreted as broadly as possible and shall include relocated facilities, expansion of facilities and/or facilities used for any and all new technology that replaces the Wireless Telecommunications Facilities that are used when this Grant Deed is recorded. If there is a doubt as to whether an item fits within the definition of Wireless Telecommunications Facilities, the term is to be interpreted to include that item.

(b) The declaration, covenant and agreement set forth herein (“**Covenant**”) shall benefit that certain real property owned by Grantor and described on Exhibit A attached hereto (“**Benefited Property**”).

\_\_\_\_\_, 2017. IN WITNESS WHEREOF, Grantor has executed this Grant Deed on February

"Grantor"

RMV PA2 DEVELOPMENT, LLC,  
a Delaware limited liability company

By: Rancho Mission Viejo, L.L.C.,  
a Delaware limited liability company,  
its authorized agent and manager

By: \_\_\_\_\_  
Donald L. Vodra, President  
- Chief Operating Officer

By: \_\_\_\_\_  
Dan Kelly, Senior VP -  
Corporate Communications and  
Marketing

MAIL ALL TAX STATEMENT TO:  
CAPISTRANO UNIFIED SCHOOL DISTRICT  
33122 Valle Road  
San Juan Capistrano, California 92675  
Attn: Clark Hampton,  
Deputy Superintendent Business and Support Services

ACCEPTANCE:

Grantee hereby accepts this Grant Deed on the terms and conditions herein stated.

“Grantee”

CAPISTRANO UNIFIED SCHOOL DISTRICT

By: \_\_\_\_\_

\_\_\_\_\_  
Deputy Superintendent  
Business and Support Services

**EXHIBIT A TO GRANT DEED**

**Legal Description of Property**

All of the following described real property in the Unincorporated Territory of the County of Orange, State of California:

Lot 65 of Tract No. 17561 in the Unincorporated Territory of the County of Orange, State of California, as shown on a Map filed on October 27, 2014, in Book 932, Pages 1 through 38, inclusive, of Miscellaneous Maps, Records of Orange County, California.

APN: 755-301-37

**EXHIBIT B TO GRANT DEED**

**Legal Description of Benefited Property**

The real property situated in the County of Orange, State of California and described as:

Parcels 38, 39, 43, 44, 45, 72 through 77, inclusive, 83, 84, 85, 96, 97, 98, 102, 103, 114 through 119, inclusive, 125, 126, 133, 138, 143, 144, and 145 of Certificate of Compliance CC 2001-01, in the Unincorporated Territory of the County of Orange, State of California, recorded July 26, 2001 as Instrument No. 20010508635 of Official Records, in the office of the County Recorder of said County.

Together with, Parcels 1 through 91, inclusive, of Certificate of Compliance CC 2010-01, in said Unincorporated Territory, recorded December 22, 2010 as Instrument No. 2010000690527 of said Official Records.

Together with, Parcels 1 through 128, inclusive, of Certificate of Compliance CC 2011-01, in said Unincorporated Territory, recorded December 27, 2011 as Instrument No. 2011000677171 of said Official Records.

Together with, Parcel 1 of Certificate of Compliance CC 2004-096, in the City of San Clemente, in said County, recorded December 21, 2004 as Instrument No. 2004001130448 of said Official Records.

Together with, Parcel 2 and portions of Parcels 3 and 4 of Certificate of Compliance CC 87-06, in said Unincorporated Territory, recorded August 7, 1987 as Instrument No. 87-449971 of said Official Records.

Together with, Parcel C of Lot Line Adjustment LL 2002-160, in said Unincorporated Territory, recorded July 9, 2003 as Instrument No. 2003000800031 of said Official Records.

Together with, Parcel 2 of Lot Line Adjustment LL 2003-004, in said Unincorporated Territory, recorded March 19, 2003 as Instrument No. 20030294469 of said Official Records.

Together with, Parcels 1, 2 and 3 of Lot Line Adjustment LL 2004-027, in said Unincorporated Territory, recorded September 7, 2004 as Instrument No. 2004000809240 of said Official Records.

Together with, Parcels 2 and 3 of Lot Line Adjustment LL 2004-028, in said Unincorporated Territory, recorded September 7, 2004 as Instrument No. 2004000809243 of said Official Records.

Together with, Parcel 2 of Lot Line Adjustment LL 2004-029, in said Unincorporated Territory, recorded September 7, 2004 as Instrument No. 2004000809246 of said Official Records.



Together with, Parcels 2 and 3 of Lot Line Adjustment LL 2004-030, in said Unincorporated Territory, recorded September 7, 2004 as Instrument No. 2004000809251 of said Official Records.

Together with, Parcel 1 of Lot Line Adjustment LL 2004-039, in said Unincorporated Territory, recorded October 21, 2004 as Instrument No. 2004000951825 of said Official Records.

Together with, Parcels 1, 2 and 3 of Lot Line Adjustment LL 2007-002, in said Unincorporated Territory, recorded June 22, 2007 as Instrument No. 2007000398904 of said Official Records.

Together with, Parcel 2, in said Unincorporated Territory, as shown on the map filed in Book 90, Pages 23 through 27, inclusive, of Parcel Maps, in the office of said County Recorder.

Together with, Parcel 1 of Parcel Map 93-159, in said Unincorporated Territory, as shown on the map filed in Book 280, Pages 49 and 50 of Parcel Maps, in the office of said County Recorder.

Together with, Parcel 1 of Parcel Map 94-153, in said Unincorporated Territory, as shown on the map filed in Book 287, Pages 9 and 10 of Parcel Maps, in the office of said County Recorder.

Together with, Parcel 1 of Parcel Map 95-161, in said Unincorporated Territory, as shown on the map filed in Book 296, Pages 11 and 12 of Parcel Maps, in the office of said County Recorder.

Together with, That land deeded to Last Round Up, Inc., by Grant Deed recorded September 4, 1987 as Instrument No. 87-504837 of said Official Records, in the office of said County Recorder.

Together with, That land deeded to Ortega Rock Land LLC, Inc., by Grant Deed recorded March 7, 2003 as Instrument No. 2003000254085 of said Official Records, in the office of said County Recorder.

Together with, Those portions of Section 24, Township 8 South, Range 7 West, of Rancho Mission Viejo, as shown on the map sectionizing Rancho Mission Viejo, in said Unincorporated Territory, filed in Book 9, Pages 15 through 22, inclusive, of Record of Surveys, in the office of said County Recorder, described as follows:

Bounded Southerly by the Northerly line of Parcel 56 of said Certificate of Compliance CC 2010-01, bounded Easterly by the Southwesterly line of Parcel 55 of said Certificate of Compliance, bounded Northerly by the Southerly line of Parcel 31 of said Certificate of Compliance and bounded Westerly and Northwesterly by the Southeasterly line of Parcel 2 of said Lot Line Adjustment LL 2004-030.

Bounded Easterly by the Westerly lines of Parcels 56 and 57 of said Certificate of Compliance CC 2010-01, and bounded Westerly and Southerly by the general Easterly line of Parcel 5, as shown said Certificate of Compliance No. CC 87-06.



**EXHIBIT C TO GRANT DEED**

**Depiction of Irrigation Easement Reservation**

STATE OF CALIFORNIA )  
 )  
COUNTY OF \_\_\_\_\_ )

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

Signature \_\_\_\_\_ (Seal) \_\_\_\_\_

STATE OF CALIFORNIA )  
 )  
COUNTY OF \_\_\_\_\_ )

Signature \_\_\_\_\_ (Seal)

## **EXHIBIT C**

### **Basic Materials**

(Preliminary Draft – Subject to change)

#### **1. Ranch Wide Documents**

- 1.01 General Plan Amendment 01-01
  - GPA Resolution.pdf
  - GPA Map.pdf
- 1.02 Ranch Plan Planned Community Program Text
  - Final Approved PC Text GuidDoc.pdf
- 1.03 Development Agreement
  - Development Agreement 11-8-04.pdf
  - 101805 SCRIP.pdf
- 1.04 Final Program Environmental Impact Report No. 589
  - 1.04.1 Draft EIR
  - 1.04.2 Technical Appendices
  - 1.04.3 Responses to Comments
  - 1.04.4 Mitigation Monitoring and Reporting Program (MMRP)
  - 1.04.5 2006 PA1 Addendum 1.0
  - 1.04.6 2011 PA1 Addendum 1.1
- 1.05 Regulation Compliance Matrix (Ranch-wide Version)
  - Reg Compl Matrix (Ranchwide).pdf
- 1.06 Settlement Agreements
  - Exhibit A (Settlement Map).pdf
  - Settlement Agreement SummaryPA1.doc
- 1.07 Alternative Development Standards
  - 081208 Updated ADS.pdf
- 1.08 Fire Protection Program
  - 073107 Approved RPFPP.pdf
- 1.09 Local Park Implementation Plan
  - 031407 Approved LPIP.pdf
- 1.10 Affordable Housing Implementation Agreement
  - Afford Housing Impl Agreement.pdf
- 1.11 Open Space Agreement
  - 072506 Approved OS Agreement.pdf
- 1.12 Master Trail and Bikeways Implementation Plan
  - Revised Master Trails Plan.pdf
- 1.13 Solid Waste Management Plan
  - Approved Waste Mgmt Plan.pdf
- 1.14 Impact Mitigation Agreements
  - Sheriff Agreement.pdf
  - Secured Fire Prot Agreements.pdf

## **2. Planning Area 2 Documents**

- 2.1 PA2 Master Area Plan, Subarea Plans 2.1, 2.2, 2.3 and 2.4
  - Approved PA2 MAP / SAP.pdf
- 2.2 Vesting Tentative Tract Map 17561 (2.1) & 17562 (2.2)
  - Master Geometrics & Sidewalk Plan
  - 2.1 Fire Master Plan
- 2.3 Grading Plans
  - 2.1 (GA130004) Preliminary Grading
  - 2.2 (GA130006) Preliminary Grading
  - Geotechnical Studies
    - Review of Preliminary Grading Plans (2.1)
    - Review of Preliminary Grading Plans (2.2)
- 2.4 Improvement Plans (Street, Sewer & Water, Storm Drain)
  - Utility Master Plan
- 2.5 Water Quality Management Plan for PA1 Master Area Plan
  - Final Master Area Wtr Qlty Mgmnt Plan (WQMP) Dec 2006.pdf
  - RMV PA-2 Conceptual WQMP 15-March-2013.pdf
- 2.6 Water Quality Management Plan for Subarea 2.1 & 2.2
  - Interim Grading WQMP
- 2.7 Regulation Compliance Matrix (PA2 Version)
  - Reg Compl Matrix (PA2).pdf
- 2.8 Builder Materials
  - PA2 ESA

## **3. Federal, Regional and State Environmental Entitlement Documents**

- 3.1 NEPA and CEQA Clearances
  - 2006 NCCP EIR Appendices
  - EIR EIS
  - HCP
  - Implementation Agreement
  - Mapbook
  - RefMapBook
- 3.2 State and Federal Permits
  - ACOE 404 Extension.pdf
  - ACOE 404.pdf
  - CDFG SAA.pdf
  - SDRWQCB 401&WDR.pdf
  - Special Purpose Permit Renewal.pdf
  - USFWS ITP.pdf

**EXHIBIT D**

**Non-Foreign Status Affidavit**

Section 1445 of the Internal Revenue Code provides that a buyer of a U.S. real property interest must withhold tax if the seller is a foreign person. To inform CAPISTRANO UNIFIED SCHOOL DISTRICT (“**Buyer**”), that withholding of tax is not required upon the disposition of a U.S. real property interest by RMV PA2 DEVELOPMENT, LLC, a Delaware limited liability company (“**Seller**”), the undersigned hereby certifies the following on behalf of Seller.:

1. Seller is not a foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);
2. Seller’s U.S. employer identification number is 46-2664063; and
3. Seller’s office address is 28811 Ortega Highway, San Juan Capistrano, California 92675.

The undersigned understands that this certification may be disclosed to the Internal Revenue Service by Buyer and that any false statement the undersigned has made here could be punished by fine, imprisonment, or both.

Under penalty of perjury, the undersigned declares that they have examined this certification and to the best of their knowledge and belief it is true, correct and complete, and the undersigned further declares that they have the authority to sign this document on behalf of Seller.

RMV PA2 DEVELOPMENT, LLC,  
a Delaware limited liability company

By: Rancho Mission Viejo, L.L.C.,  
a Delaware limited liability company,  
its authorized agent and manager

By: \_\_\_\_\_

By: \_\_\_\_\_



**EXHIBIT E**

**Covenant and Declaration of Restrictions**

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

RMV PA2 DEVELOPMENT, LLC  
c/o Rancho Mission Viejo, LLC  
28811 Ortega Highway  
San Juan Capistrano, California 92675  
Attn: Donald L. Vodra

---

FOR RECORDER'S OFFICE USE ONLY

**COVENANT  
AND DECLARATION OF RESTRICTIONS  
AND  
REPURCHASE OPTION**

THIS COVENANT AND DECLARATION OF RESTRICTIONS AND REPURCHASE OPTION ("**Covenant**") is made and entered into as of February \_\_\_\_\_, 2017, by and between RMV PA2 DEVELOPMENT, LLC, a Delaware limited liability company ("**Seller**") and CAPISTRANO UNIFIED SCHOOL DISTRICT ("**Buyer**"), with reference to the following facts:

A. Seller is the seller of that certain real property situated in the County of Orange, State of California and legally described in **Exhibit A** attached hereto and incorporated herein by reference ("**Benefited Property**").

B. Concurrently herewith, Seller is conveying to Buyer fee title to that certain real property situated in the County of Orange, State of California that is contiguous with and/or in the vicinity of the Benefited Property, as described in **Exhibit B** attached hereto and incorporated herein by reference ("**Burdened Property**").

C. The parties desire to record this Covenant to put future owners on notice of the restrictions, conditions, covenants and reservations now or hereafter imposed by the provisions of this Covenant (collectively, "**Restrictions**").

NOW, THEREFORE, Buyer hereby covenants, agrees and declares that the Burdened Property shall be held, conveyed and transferred subject to the following restrictions:

1. **Permitted Use.** Buyer, for itself, and on behalf of its successors and assigns, hereby declares, covenants and agrees that the Burdened Property shall only be used as grades K-12 public school facilities ("**School Facilities**") for the term of this Covenant.

2. **Transfer.**

(a) Until such time as Buyer has completed construction of the PA 2 School as described in the SFF/Agreement, Buyer shall not voluntarily or by operation of law consummate a transfer to a third party without Seller's express prior consent in writing, which consent may be withheld by Seller in its sole and absolute discretion. Any attempted transfer made in violation of this Agreement shall be null and void. In the event Seller consents to a transfer, Buyer shall reimburse Seller for all costs and expenses incurred by Seller in connection with any such transfer, including, without limitation, all attorneys' fees and other costs incurred in preparing and/or reviewing assignment documentation.

(b) After Buyer has completed construction of the PA 2 School as described in the SFF/Agreement, Buyer may consummate a transfer as part of a lease financing and without Seller's consent, provided that following such transfer the Property remains subject to this Covenant and Declaration of Restrictions.

3. **Repurchase Option.** Buyer grants to Seller an option to repurchase the Property ("**Repurchase Option**") exercisable in the manner and on the terms and conditions hereafter set forth. Seller may exercise this Repurchase Option during the term of this Covenant upon the occurrence of any of the following: (1) if Buyer proposes a transfer of the Property to a third party; or (2) if Buyer fails to construct and open the PA 2 School as described in the SFF/Agreement by June 30, 2018. Upon the occurrence of any of the events specified above in this section, Seller may exercise this Repurchase Option by the delivery to Buyer of a notice ("**Notice of Repurchase**") within thirty (30) days of such occurrence. Seller's delivery of a Notice of Repurchase in accordance with the terms hereof shall create a binding contract for the purchase and sale of the Property. Upon the occurrence of the conditions specified in the subsection hereof entitled "**Transfer**" for the exercise of this Repurchase Option, if Seller fails to exercise this Repurchase Option by delivery of a Notice of Repurchase within the time periods specified above, then Buyer shall have sixty (60) days to consummate the transfer in strict accordance with the terms and conditions of a sale request notice or of which an officer of Seller had actual notice, free from this Repurchase Option. If Buyer does not so consummate such transfer within said sixty (60) days or if Buyer proposes, attempts or actually consummates such transfer on terms and conditions which are changed or modified from those of which Seller so received notice, then such transaction or any further transaction shall be deemed to be a new proposed, attempted or actual transfer and the provisions hereof shall again be applicable. In the event Buyer fails to construct and open the School Facilities prior to June 30, 2018, any failure by Seller to exercise this Repurchase Option by delivery of a Notice of Repurchase shall not be deemed or considered a waiver by Seller of the right to exercise this Repurchase Option based on a continuation of the failure to develop, which first gave Seller the right to exercise or based on succeeding failure(s); and such Repurchase Option shall continue in full force and effect in all such cases. If Seller exercises this Repurchase Option, Seller and Buyer shall immediately after delivery of the Notice of Repurchase by Seller open an escrow at Escrow Holder; provided, the parties shall execute such escrow instructions which are not inconsistent with the provisions hereof and which may be required by Escrow Holder in order to close the same. The purchase price paid by Seller therefor shall be equal to the original purchase price paid by Buyer to Seller. The purchase price paid by Seller shall be paid in cash upon the close of escrow; provided, the portion of the purchase price required to discharge any priority lien shall be paid through escrow to the holder or beneficiary of such lien. The Repurchase Option escrow shall close on or before the date which is sixty (60) days after the date of delivery of the Notice of Repurchase by Seller to Buyer. Upon the close of escrow, Buyer shall convey the Property to Seller by Escrow Holder's standard form grant deed subject only to the following (and all other exceptions

shall be removed by Buyer at its sole expense at or prior to such close of escrow): (i) nonmonetary covenants, conditions, restrictions, easements, reservations, rights and rights-of-way of record existing on the date on which this Covenant is recorded; (ii) nonmonetary encumbrances placed against the subject property by Buyer and to which Seller has subordinated its rights under this Repurchase Option; (iii) nondelinquent general, special and supplemental real property taxes and assessments; and (iv) matters shown as printed exceptions in the standard form California Land Title Association owner's policy of title insurance. Buyer shall cause to be delivered to Seller upon the close of escrow, at Buyer's sole cost and expense, a CLTA standard coverage policy of title insurance on the property transferred pursuant to this Repurchase Option issued by Escrow Holder with policy limits equal to the purchase price and insuring title to such property in the condition set forth above and otherwise vested in Seller and specifically insuring against mechanics' and materialmen's liens. All real property taxes and assessments shall be prorated as of the close of escrow.

4. Enforcement.

(a) General. Seller, any "**Successor Seller**" (as that term is defined below), and Rancho Mission Viejo LLC, a Delaware limited liability company and their successors alone shall have the right to enforce by proceedings at law or in equity, any and all of the Restrictions now or hereafter imposed by the provisions of this Covenant or any amendment thereto, including (i) the right to prevent the violation of any such Restrictions, (ii) the right to recover damages or other dues for such violation, and (iii) the right to exercise the Repurchase Option during the period which is thirty (30) years after the recording of this Covenant). Failure by Seller to enforce any Restriction in any certain instance or on any particular occasion shall not be deemed a waiver of such right on any future breach of the same or any other Restriction by Buyer. All rights, options and remedies of Seller under this Covenant are cumulative; and no one of them shall be exclusive of any other; and Seller shall have the right to pursue any one or all of such rights, options and remedies or any other remedy or relief which may be provided by law, whether or not stated in this Covenant.

(b) Successor Seller. Seller may assign any of its rights and powers under this Covenant to any other person or entity who has acquired any portion of the Benefited Property so long as such person or entity in writing agrees to assume the duties of Seller pertaining to the particular rights and powers assigned; and, upon the recordation of such writing accepting such assignment and assuming such duties, such assignee ("**Successor Seller**"), to the extent of such assignment, shall have the same rights and powers and be subject to the same obligations and duties as are given to and assumed by Seller herein and Seller shall be released and relieved of such rights and obligations. Without limiting the generality of the foregoing, Seller may make such assignments as to the entire Benefited Property or to any portion thereof. If and to the extent specifically assigned in writing as provided in this subsection, the Successor Seller shall be a third party beneficiary of this Covenant.

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

6. Governing Law and Venue. This Covenant shall be governed by and construed under the laws of the State of California. In the event of any legal action to enforce or interpret this Covenant, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County; California, and Buyer shall submit to the jurisdiction of such court.

7. Attorneys' Fees. In the event any action shall be instituted in connection with this Covenant, the party prevailing in such action shall be entitled to recover from the other party all of its costs and expenses incurred therein, including without limitation reasonable attorneys' fees.

8. Severability. In the event that any portion of this Covenant shall become illegal, null or void or against public policy, for any reason, or shall be held by any court of competent jurisdiction to be illegal, null or void or against public policy, the remaining portions of this Covenant shall not be affected thereby and shall remain in force and effect to the full extent permissible by law.

9. Gender and Number. In this Covenant (unless the context requires otherwise), the masculine, feminine and neuter genders and the singular and the plural include one another.

10. Covenants to Run with the Land: Term

(a) Restrictions. The Burdened Property shall be held, developed, conveyed, hypothecated, encumbered, leased, rented, used and occupied subject to the Restrictions. The Restrictions are intended and shall be construed as covenants and conditions running with and binding upon the Burdened Property and equitable servitudes thereupon and every part thereof; and all and each of the Restrictions shall be binding upon and burden all persons having or acquiring any right, title or interest in the Burdened Property (during their ownership of such interest), or any part thereof, and their successors and assigns. Subject to the provisions in the immediately following subsection below, the Restrictions shall inure to the benefit of the Benefited Property, the owners thereof and their successors and assigns; and the Restrictions shall be enforceable by Seller and its successors and assigns, all upon the terms, provisions and conditions set forth herein.

(b) Term. This Covenant shall continue in full force and effect for a term of thirty (30) years from the date the same is recorded in the Office of the County Recorder, at which point this Covenant shall automatically terminate and be of no further force or effect.

(c) Termination. Notwithstanding the foregoing:

(i) Notice of Termination. This Covenant, together with the Restrictions set forth or otherwise incorporated herein, shall, upon recordation in the Orange County Recorder's Office of a notice of termination executed by Seller, automatically terminate and be of no further force or effect as to any portion of the Burdened Property described in such notice of termination, but the Restrictions shall continue to apply as to the remainder of the Burdened Property.

(ii) Reacquired Property. This Covenant, together with the Restrictions set forth or otherwise incorporated herein, shall be of no further force or effect as to any portion of the Burdened Property reacquired by Seller (as to which Seller has not assigned its rights and obligations hereunder to a Successor Seller) whether by grant deed, lot line adjustment or otherwise, but the Restrictions shall continue to apply as to the remainder of the Burdened Property.

(d) Benefited Property. In the event that any portion of the Benefited Property is conveyed by Seller to a third party other than a Successor Seller (each parcel thereof so transferred is hereinafter referred to as a "**Transferred Parcel**"), the Restrictions shall cease to benefit such Transferred Parcel unless Seller expressly assigns to the transferee of the Transferred Parcel the benefits of all or a portion of the Restrictions, either concurrently with conveyance of the Transferred Parcel or at any time thereafter, in either case, by a recorded assignment document executed by Seller and specifically referencing this Covenant (and general references to



appurtenances or rights related to the acquired land will not suffice). Any merger of Seller with or into another entity or any acquisition of all or a portion of the equity of Seller by a third party will not be deemed a transfer of the Benefited Property subject hereto triggering the applicability of this subsection.

11. Notices. Any notice to be given or other document to be delivered by any party to the other or others hereunder, and any payments from Buyer to Seller, may be delivered in person to an officer of any party, or may be delivered by Federal Express, private commercial delivery or courier service for next business day delivery or may be deposited in the United States mail in the County of Orange, State of California, duly certified or registered, return receipt requested, with postage prepaid, and addressed to the party for whom intended at the address specified under each party's signature below. Notice may also be given by facsimile transmission ("Fax") to any party at the respective Fax number given under each party's signature and marked "RUSH - PLEASE DELIVER IMMEDIATELY," provided receipt of such transmission shall be confirmed by follow-up notice within seventy-two (72) hours by another method authorized above. Any party hereto may from time to time, by written notice to the other, designate a different address which shall be substituted for the one above specified. If any notice or other document is sent by mail as aforesaid, the same shall be deemed served or delivered seventy-two (72) hours after the mailing thereof as above provided. Notice by any other method shall be deemed served or delivered upon actual receipt at the address or Fax number listed above.

12. Effect of Covenant. This Covenant is made for the purposes set forth in the Recitals to this Covenant and Seller makes no warranties or representations, express or implied, as to the binding effect or enforceability of all or any portion of this Covenant, or as to the compliance of any of these provisions with public laws, ordinances and regulations applicable thereto.

13. Waiver of Jury Trial. SELLER AND BUYER HAVE EACH ACKNOWLEDGED THAT IT HAS HAD THE ADVICE OF COUNSEL OF ITS CHOICE WITH RESPECT TO RIGHTS TO TRIAL BY JURY UNDER THE CONSTITUTIONS OF THE UNITED STATES AND THE STATE OF CALIFORNIA. BOTH SELLER AND BUYER EXPRESSLY AND KNOWINGLY WAIVE AND RELEASE ALL SUCH RIGHTS TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER PARTY AGAINST THE OTHER ON ANY MATTERS ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS COVENANT, BUYER'S USE OR DEVELOPMENT OF THE BURDENED PROPERTY OR ANY ADJOINING PROPERTY AND/OR ANY CLAIM FOR INJURY OR DAMAGE.



IN WITNESS WHEREOF, the parties have caused this Covenant to be executed as of the day and year first written above.

“Seller”

RMV PA2 DEVELOPMENT, LLC,  
a Delaware limited liability company

By: RANCHO MISSION VIEJO, LLC,  
a Delaware limited liability company,  
its authorized agent and manager

By: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Address for notices:

RMV PA2 Development, LLC.  
c/o Rancho Mission Viejo, LLC  
28811 Ortega Highway  
San Juan Capistrano, CA 92675  
Attn: Donald L. Vodra  
Fax: (949) 248-0810

“BUYER”

CAPISTRANO UNIFIED SCHOOL DISTRICT

By: \_\_\_\_\_  
Deputy Superintendent  
Business and Support Services

APPROVED AS TO FORM:

BY: \_\_\_\_\_  
Legal Counsel to Capistrano  
Unified School District

Address for notices:

Capistrano Unified School District  
33122 Valle Road  
San Juan Capistrano, CA 92675  
Attn: Deputy Superintendent,  
Business and Support Services  
Fax: (949) 493-8729

## **EXHIBIT A TO COVENANT**

### **Legal Description of Benefited Property**

The real property situated in the County of Orange, State of California and described as:

Parcels 38, 39, 43, 44, 45, 72 through 77, inclusive, 83, 84, 85, 96, 97, 98, 102, 103, 114 through 119, inclusive, 125, 126, 133, 138, 143, 144, and 145 of Certificate of Compliance CC 2001-01, in the Unincorporated Territory of the County of Orange, State of California, recorded July 26, 2001 as Instrument No. 20010508635 of Official Records, in the office of the County Recorder of said County.

Together with, Parcels 1 through 91, inclusive, of Certificate of Compliance CC 2010-01, in said Unincorporated Territory, recorded December 22, 2010 as Instrument No. 2010000690527 of said Official Records.

Together with, Parcels 1 through 128, inclusive, of Certificate of Compliance CC 2011-01, in said Unincorporated Territory, recorded December 27, 2011 as Instrument No. 2011000677171 of said Official Records.

Together with, Parcel 1 of Certificate of Compliance CC 2004-096, in the City of San Clemente, in said County, recorded December 21, 2004 as Instrument No. 2004001130448 of said Official Records.

Together with, Parcel 2 and portions of Parcels 3 and 4 of Certificate of Compliance CC 87-06, in said Unincorporated Territory, recorded August 7, 1987 as Instrument No. 87-449971 of said Official Records.

Together with, Parcel C of Lot Line Adjustment LL 2002-160, in said Unincorporated Territory, recorded July 9, 2003 as Instrument No. 2003000800031 of said Official Records.

Together with, Parcel 2 of Lot Line Adjustment LL 2003-004, in said Unincorporated Territory, recorded March 19, 2003 as Instrument No. 20030294469 of said Official Records.

Together with, Parcels 1, 2 and 3 of Lot Line Adjustment LL 2004-027, in said Unincorporated Territory, recorded September 7, 2004 as Instrument No. 2004000809240 of said Official Records.

Together with, Parcels 2 and 3 of Lot Line Adjustment LL 2004-028, in said Unincorporated Territory, recorded September 7, 2004 as Instrument No. 2004000809243 of said Official Records.

Together with, Parcel 2 of Lot Line Adjustment LL 2004-029, in said Unincorporated Territory, recorded September 7, 2004 as Instrument No. 2004000809246 of said Official Records.

Together with, Parcels 2 and 3 of Lot Line Adjustment LL 2004-030, in said Unincorporated Territory, recorded September 7, 2004 as Instrument No. 2004000809251 of said Official Records.

Together with, Parcel 1 of Lot Line Adjustment LL 2004-039, in said Unincorporated Territory, recorded October 21, 2004 as Instrument No. 2004000951825 of said Official Records.

Together with, Parcels 1, 2 and 3 of Lot Line Adjustment LL 2007-002, in said Unincorporated Territory, recorded June 22, 2007 as Instrument No. 2007000398904 of said Official Records.

Together with, Parcel 2, in said Unincorporated Territory, as shown on the map filed in Book 90, Pages 23 through 27, inclusive, of Parcel Maps, in the office of said County Recorder.

Together with, Parcel 1 of Parcel Map 93-159, in said Unincorporated Territory, as shown on the map filed in Book 280, Pages 49 and 50 of Parcel Maps, in the office of said County Recorder.

Together with, Parcel 1 of Parcel Map 94-153, in said Unincorporated Territory, as shown on the map filed in Book 287, Pages 9 and 10 of Parcel Maps, in the office of said County Recorder,

Together with, Parcel 1 of Parcel Map 95-161, in said Unincorporated Territory, as shown on the map filed in Book 296, Pages 11 and 12 of Parcel Maps, in the office of said County Recorder.

Together with, That land deeded to Last Round Up, Inc., by Grant Deed recorded September 4, 1987 as Instrument No. 87-504837 of said Official Records, in the office of said County Recorder.

Together with, That land deeded to Ortega Rock Land LLC, Inc., by Grant Deed recorded March 7, 2003 as Instrument No. 2003000254085 of said Official Records, in the office of said County Recorder.

Together with, Those portions of Section 24, Township 8 South, Range 7 West, of Rancho Mission Viejo, as shown on the map sectionizing Rancho Mission Viejo, in said Unincorporated Territory, filed in Book 9, Pages 15 through 22, inclusive, of Record of Surveys, in the office of said County Recorder, described as follows:

Bounded Southerly by the Northerly line of Parcel 56 of said Certificate of Compliance CC 2010-01, bounded Easterly by the Southwesterly line of Parcel 55 of said Certificate of Compliance, bounded Northerly by the Southerly line of Parcel 31 of said Certificate of Compliance and bounded Westerly and Northwesterly by the Southeasterly line of Parcel 2 of said Lot Line Adjustment LL 2004-030.

Bounded Easterly by the Westerly lines of Parcels 56 and 57 of said Certificate of Compliance CC 2010-01, and bounded Westerly and Southerly by the general Easterly line of Parcel 5, as shown said Certificate of Compliance No. CC 87-06,

## **EXHIBIT B TO COVENANT**

### **Legal Description of Burdened Property**

All of the following described real property in the Unincorporated Territory of the County of Orange, State of California:

Lot 65 of Tract No. 17561 in the Unincorporated Territory of the County of Orange, State of California, as shown on a Map filed on October 27, 2014, in Book 932, Pages 1 through 38, inclusive, of Miscellaneous Maps, Records of Orange County, California

STATE OF CALIFORNIA )  
 )  
COUNTY OF \_\_\_\_\_ )

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

Signature \_\_\_\_\_ (Seal)



STATE OF CALIFORNIA )  
 )  
COUNTY OF \_\_\_\_\_ )

Signature \_\_\_\_\_ (Seal)

## **EXHIBIT F**

### **FORM OF SPECIAL OBLIGATION NOTE**

#### **CAPISTRANO UNIFIED SCHOOL DISTRICT SITE ACQUISITION SPECIAL OBLIGATION NOTE**

U.S. \$16,930,000.00

Date February \_\_, 2017

FOR VALUE RECEIVED, the undersigned, Capistrano Unified School District (“**Maker**”) promises to pay to RMV PA2 Development, LLC (“**Payee**”) as a special obligation of Maker, at the address indicated in Section 11 below or such other place for the payment of this Special Obligation Note (“**S/O Note**”) as the Payee may from time to time designate in writing, the principal sum of Sixteen Million Nine Hundred Thirty Thousand Dollars (\$16,930,000.00), together with Default Interest, if any, thereon limited by, but earned at the rates and payable at the times set forth in Section 5 and in accordance with the terms of this S/O Note and that certain Purchase and Sale Agreement by and among School District, and Payee dated as of January 19, 2017 (“**P/S Agreement**”) and that certain School Facilities and Funding Agreement and Option to Purchase School Site, dated as of November 6, 2013 (“**SFF/Agreement**”). Capitalized terms not defined herein shall have the meaning set forth in the P/S Agreement or the SFF/Agreement. Maker promises to pay the principal and interest evidenced hereby as follows:

1. Purpose of S/O Note. This S/O Note is issued in exchange for the purchase from Payee of the PA2 School Site

2. Outstanding Amounts. The principal amount of this S/O Note is \$16,930,000.00. The unpaid principal, as of any date, is herein referred to as the “**Outstanding Principal Amount.**”

3. Interest Rate. Except as set forth in Section 5 below, the Outstanding Principal Amount of this S/O Note shall not bear interest from the date hereof until paid in full.

4. Payment of S/O Note.

(a) Source. Maker shall pay all amounts due hereunder from State Funds as described in the SFF/Agreement, in the event and to the extent it receives Land Grant State Funds for the acquisition of the PA2 School Site by the School District, or CFD Bond Funds, if applicable, for the acquisition of the PA2 School Site, and Local Funds for the PA2 School Site solely from funds on deposit in the Special Fund, School Facilities Account, and Treasury of the County of Orange as applicable to any State Funds for 50% of the Purchase Price of School Site No. 2. The sources of funds described in this Section 4(a) shall be referred to

herein as "**Available Funds.**" Maker shall pay all Available Funds to Payee within thirty (30) days of receipt by Maker until such time as the Outstanding Principal Amount is reduced to zero.

(b) Maturity Date. Notwithstanding anything contained herein to the contrary, the Outstanding Principal Amount of this S/O Note shall be due and payable only from Available Funds without notice or demand on or prior to the date which is thirty (30) years from the date of this S/O Note ("**Maturity Date**"), and if not paid from Available Funds by the Maturity Date shall terminate whether paid in full or not, and in such event, this S/O Note shall terminate without further act of any person or concern.

(c) Scheduled Payments. Principal of and Default Interest, if any, on this S/O Note shall be paid within thirty (30) business days of receipt by Maker of the Available Funds described in Section 4(A), to the extent that Available Funds are available to pay the Outstanding Principal Amount of this S/O Note ("**Payment Date**").

(d) Lawful Money. Interest and principal shall be payable in lawful money of the United States.

5. Default.

(a) An "**Event of Default,**" subject to the following provisions hereof, shall occur hereunder (a) upon the failure of the Maker to pay all unpaid amounts due as herein provided to the extent of Available Funds, (b) upon the failure of Maker to pay, from and to the extent of Available Funds, any payment due hereunder within thirty (30) days of receipt by Maker of Available Funds when such payment is due, taking into account all applicable "Cure Periods." Subject to the herein specified Cure Periods, upon occurrence of any Event of Default asserted by Payee, Payee may declare a "**Default Interest**" to be applicable to the Outstanding Principal Amount at the rate of ten percent (10%) to be paid from Available Funds.

(b) Cure Period. No Default Interest shall be applicable unless Payee gives ten (10) calendar days prior written notice and Maker fails to remedy any asserted Default within thirty(30) calendar days after receiving such notice from Payee or disputes such asserted Default and has initiated arbitration thereof pursuant to Section 10 of the SFF/Agreement. During the period of such arbitration, not to exceed sixty (60) calendar days, unless extended by the designated arbitrator, in their discretion, the running of such thirty (30) calendar day period described above shall be tolled.

6. Prepayment. Maker may prepay all or any part of the unpaid Outstanding Principal Amount due hereunder, together with accrued interest, in whole or in part, at any time during the term hereof without premium, penalty or charge from Available Funds.

7. Costs of Collection. Maker promises to pay only from the Available Funds as described in the SFF/Agreement, (a) all costs and expenses of collection, including without limitation reasonable attorneys' fees, in the event this S/O Note or any portion of this S/O Note is placed in the hands of attorneys for collection is effected without suit; (b) reasonable attorneys' fees, as determined by the judge of the court, and all other costs, expenses and fees incurred by Payee in the event suit is instituted to collect this S/O Note or any portion of this S/O Note; and (c) all costs and expenses, including without limitation reasonable attorneys' fees and costs incurred in making

any appearances in any such proceeding or in seeking relief from any stay or injunction issued in or arising out of any such proceeding.

8. Crediting of Payments. All payments made under this S/O Note shall be credited first to Default Interest, if any, and second to the Outstanding Principal Amount.

9. Waiver of Notice, Etc. Maker waives diligence, grace, demand, presentment for payment, exhibition of this S/O Note, protest, notice of protest, notice of dishonor, notice of demand, notice of nonpayment, and any and all exemption rights after the indebtedness evidenced by this S/O Note, to the fullest extent permitted by applicable laws.

10. No Waiver by Payee. Delay or failure by Payee to exercise any power, option or election herein shall not constitute a waiver of the right to subsequently exercise such power or option or any other power, option or election herein given to Payee.

11. Notices. Except as otherwise provided herein, all notices or communications required or permitted hereunder shall be in writing to the respective parties as follows:

If to Payee: RMV PA2 Development, LLC  
28811 Ortega Highway  
San Juan Capistrano, CA 92675  
Attention: Chief Financial Officer

and to:

Paskerian, Block, Martindale & Brinton LLC  
16A Journey, Suite 200  
Aliso Viejo, CA 92656  
Attention: Devon W. Block

If to Maker: Capistrano Unified School District  
33122 Valle Road  
San Juan Capistrano, CA 92675  
Attention: Deputy Superintendent,  
Business and Support Services

and to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_

A notice or communication shall be effective on the date of personal delivery if personally delivered before 5:00 p.m., otherwise on the day following personal delivery; or two (2) business days following the date the notice is postmarked, if mailed; or when received, if transmitted by electronic facsimile transmission (with electronic confirmation of receipt) if transmitted before 5:00 p.m. on a normal business day, otherwise on the first business day following transmission; or on the day following delivery to the applicable overnight courier, if sent by overnight courier.

Either party may change the address to which notices are to be given to it by giving notice of such change of address in the manner set forth above for giving notice.

12. Computation of Default Interest. The computation of and Default Interest, if any, hereunder shall be based on a year of three hundred sixty (360) days and a month of thirty (30) days. Notwithstanding any other provision of this S/O Note, if the the Default Rate shall exceed the maximum rate permitted by law, then such Interest Rate or Default Rate, as applicable, shall be reduced to the maximum rate permitted by law.

13. Assignment. This S/O Note may be assigned by Payee to any member of the Payee or affiliate of a member of the Payee provided Payee provides prior written notice to Maker of the name and address of the assignee. This S/O Note may not be assigned by Payee to an unrelated third party except with the prior written consent of the Maker. Subject to the foregoing, this Note may only be assigned in whole to a single assignee and no Payee may participate out interests in this S/O Note. This Note may not be assigned by the Maker without the written consent of the Payee.

14. Miscellaneous. This S/O Note shall be governed by and construed under the laws of the United States and the laws of the State of California. The use of the term "Maker" shall be deemed to include the successors and assigns of the undersigned, but only as to Available Funds thereof, as herein defined. Time is of the essence of the performance of each provision hereof. In the event that the final date for payment of any amount hereunder falls on a Saturday, Sunday or state or federal holiday, such payment may be made on the next succeeding business day. All payments due hereunder shall be sent to Payee at the address set forth above or to such other place as Payee or other legal holder of this S/O Note may designate in writing from time to time.

IN WITNESS WHEREOF, Maker has executed this S/O Note on the year and date first hereinabove set forth.

CAPISTRANO UNIFIED SCHOOL DISTRICT

By: \_\_\_\_\_  
Deputy Superintendent  
Business and Support Services



**EXHIBIT TR**  
**PRELIMINARY TITLE REPORT AND PLOTTED EASEMENTS**



*First American Title*

## **First American Title Company**

**1250 Corona Pointe Court, Suite 200  
Corona, CA 92879**

Devon Block  
Paskerian, Block, Martindale & Brinton LLP  
16A Journey, Suite 100  
Aliso Viejo, CA 92656-5377

Customer Reference:	CUSD School Site PA2.1
Order Number:	NHSC-5337209 (29)
Title Officer:	Hugo Tello
Phone:	(951)256-5883
Fax No.:	(866)782-3439
E-Mail:	htello@firstam.com
Buyer:	Capistrano Unified School District

### **PRELIMINARY REPORT**

In response to the above referenced application for a policy of title insurance, this company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of 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 Exhibit A attached. 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 Exhibit A. Copies of the policy forms should be read. They are available from the office which issued this report.

**Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A 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.**

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

Dated as of November 04, 2016 at 7:30 A.M.

The form of Policy of title insurance contemplated by this report is:

ALTA Owners Policy (2006)

A specific request should be made if another form or additional coverage is desired.

Title to said estate or interest at the date hereof is vested in:

RMV PA2 DEVELOPMENT, LLC, A DELAWARE LIMITED LIABILITY COMPANY

The estate or interest in the land hereinafter described or referred to covered by this Report is:

A fee.

The Land referred to herein is described as follows:

(See attached Legal Description)

At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

1. General and special taxes and assessments for the fiscal year 2017-2018, a lien not yet due or payable.
2. General and special taxes and assessments for the fiscal year 2016-2017.

First Installment:	\$13,224.44, DUE
Penalty:	\$0.00
Second Installment:	\$13,224.44, PAYABLE
Penalty:	\$0.00
Tax Rate Area:	82-381
A. P. No.:	755-301-37
3. The lien of special tax assessed pursuant to Chapter 2.5 commencing with Section 53311 of the California Government Code for Community Facilities District 2015-1 (Village of Escencia), as disclosed by Notice of Special Tax Lien recorded April 30, 2015 as Instrument No. 2015000224778 of Official Records.

The terms and provisions contained in the document entitled Amended Notice of Special Tax Lien recorded October 28, 2015 as Instrument No. 2015000560499 of Official Records.

4. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.

5. The terms and provisions contained in the document entitled Rancho Mission Development Agreement executed by and between County of Orange, a political subdivision and DMB San Juan Investment North, LLC, a Delaware Limited Liability Company, RMV Middle Chiquita, LLC, a California Limited Liability Company, RMV Ranch House, LLC, a California Limited Liability Company, RMV Headquarters, LLC, a California Limited Liability Company, RMV San Juan Watershed, LLC, a California Limited Liability Company, RMV San Mateo Watershed, LLC, a California Limited Liability Company, and RMV Blind Canyon, LLC, a California Limited Liability Company recorded December 6, 2004 as Instrument No. [2004001082094](#) of Official Records.

The terms and provisions contained in the document entitled Assignment and Assumption Agreement recorded October 29, 2014 as Instrument No. [2014000440063](#) of Official Records.

6. The terms and provisions contained in the document entitled Notice of Settlement and Declaration of Restrictions recorded August 17, 2005 as Instrument No. [2005000648330](#) of Official Records.
7. The terms and provisions contained in the document entitled Secured Fire Protection Agreement executed by and between Orange County Fire Authority, a California joint powers authority and RMV Community Development, LLC, a California Limited Liability Company recorded April 4, 2007 as Instrument No. [2007000218114](#) of Official Records.
8. The terms and provisions contained in the document entitled Secured Fire Protection Agreement executed by and between Orange County Fire Authority, a California joint powers authority and RMV Community Development, LLC, a California Limited Liability Company recorded April 4, 2007 as Instrument No. [2007000218115](#) of Official Records.
9. The following matters shown or disclosed by the filed or recorded map of Tract No. 17561:
  - a. Lot 65 is designated "School site".
  - b. Tract No. 17561 is subject to the standards of the Ranch Plan Planned Community.
  - c. This development is subject to the conditions of approval for all of Vesting Tentative Tract No. 17561.
  - d. All new habitable structures shall be equipped with appropriate automatic fire sprinkler systems per Ranch Plan Fire Protection Program Exhibit 2, Section A, Condition of Approval No. 1, except as noted per the exceptions listed in the text of the condition.
  - e. At the time of map approval the lots shown on this map are in a high fire hazard area due to wildland exposure.
10. The terms and provisions contained in the document entitled Declaration of Restrictive Covenant (Subarea 2.1) recorded November 12, 2014 as Instrument No. [2014000486595](#) of Official Records.
11. The terms and provisions contained in the document entitled Declaration of Development Covenants, Conditions and Restrictions recorded November 12, 2014 as Instrument No. [2014000487628](#) of Official Records.



12. An easement for transmission and distribution of electricity and underground communication facilities and incidental purposes, recorded July 22, 2015 as Instrument No. [2015000379557](#) of Official Records.  
In Favor of: San Diego Gas & Electric Company  
Affects: as described therein
13. Any facts, rights, interests or claims which would be disclosed by a correct ALTA/NSPS survey.

**Prior to the issuance of any policy of title insurance, the Company will require:**

14. With respect to RMV PA2 Development, LLC, a Delaware limited liability company:
  - a. A copy of its operating agreement and any amendments thereto;
  - b. If it is a California limited liability company, that a certified copy of its articles of organization (LLC-1) and any certificate of correction (LLC-11), certificate of amendment (LLC-2), or restatement of articles of organization (LLC-10) be recorded in the public records;
  - c. If it is a foreign limited liability company, that a certified copy of its application for registration (LLC-5) be recorded in the public records;
  - d. With respect to any deed, deed of trust, lease, subordination agreement or other document or instrument executed by such limited liability company and presented for recordation by the Company or upon which the Company is asked to rely, that such document or instrument be executed in accordance with one of the following, as appropriate:
    - (i) If the limited liability company properly operates through officers appointed or elected pursuant to the terms of a written operating agreement, such document must be executed by at least two duly elected or appointed officers, as follows: the chairman of the board, the president or any vice president, and any secretary, assistant secretary, the chief financial officer or any assistant treasurer;
    - (ii) If the limited liability company properly operates through a manager or managers identified in the articles of organization and/or duly elected pursuant to the terms of a written operating agreement, such document must be executed by at least two such managers or by one manager if the limited liability company properly operates with the existence of only one manager.
  - e. Other requirements which the Company may impose following its review of the material required herein and other information which the Company may require.

#### **INFORMATIONAL NOTES**

Note: The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than the certain dollar amount set forth in any applicable 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. If you desire to review the terms of the policy, including any arbitration clause that may be included, contact the office that issued this Commitment or Report to obtain a sample of the policy jacket for the policy that is to be issued in connection with your transaction.

The map attached, if any, may or may not be a survey of the land depicted hereon. First American expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.



Order Number: NHSC-5337209 (29)

Page Number: 6



***First American Title***

First American Title Company  
1250 Corona Pointe Court, Suite 200  
Corona, CA 92879  
(951)256-5880  
Fax - (909)476-2401

**WIRE INSTRUCTIONS**

**for**

**First American Title Company, Demand/ Draft Sub-Escrow Deposits  
Riverside County, California**

**First American Trust, FSB**

5 First American Way  
Santa Ana, CA 92707  
Banking Services: (877) 600-9473

**ABA 122241255**

**Credit to First American Title Company  
Account No. 3097840000**

**Reference Title Order Number 5337209 and Title Officer Hugo Tello**

**Please wire the day before recording.**

**LEGAL DESCRIPTION**

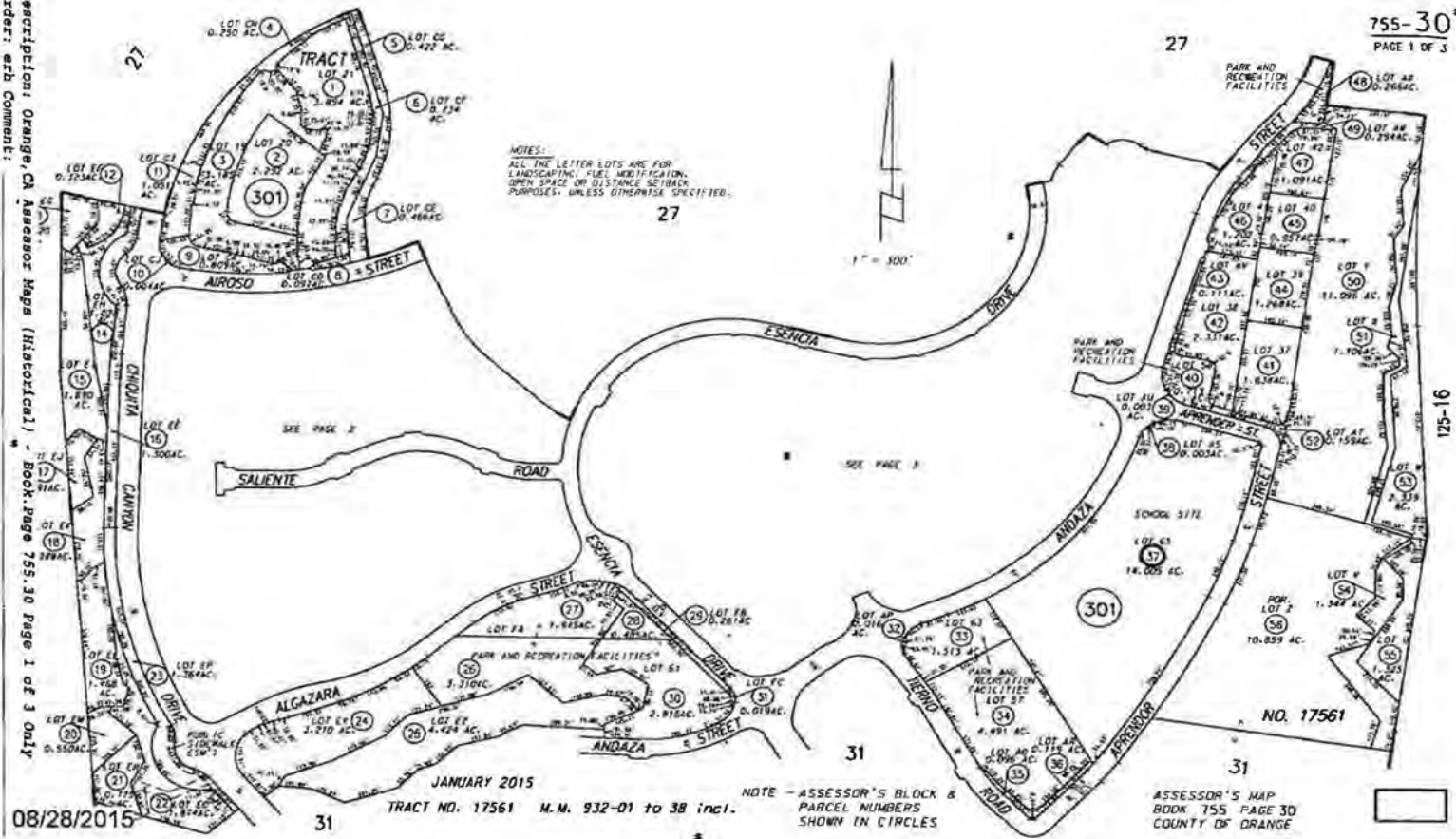
Real property in the unincorporated area, County of Orange, State of California, described as follows:

LOT 65 OF TRACT NO. 17561, IN THE UNINCORPORATED TERRITORY OF ORANGE COUNTY, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 932, PAGES 1 TO 38, INCLUSIVE, OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER, OF SAID COUNTY.

EXCEPTING ANY AND ALL RIPARIAN, APPROPRIATIVE, OVERLYING OR OTHER WATER AND WATER RIGHTS AND ANY AND ALL INTERESTS IN SUCH WATER, INCLUDING SURFACE WATER, SUBSURFACE UNDERFLOW, AND PERCOLATING GROUNDWATER APPURTENANT OR RELATING TO SAID LAND, CONVEYED TO RANCHO MISSION VIEJO MUTUAL WATER COMPANY, A CALIFORNIA NONPROFIT MUTUAL BENEFIT CORPORATION BY DEED OF WATER RIGHTS RECORDED APRIL 23, 2012 AS INSTRUMENT NO. 2012000230675 OF OFFICIAL RECORDS.

APN: 755-301-37

Description: Orange, CA Assessor Maps (Historical) - Book Page 755-30 Page 1 of 3 Only  
 Order: ez8 Comment:



Order Number: NHSC-5337209 (29)  
 Page Number: 8

**NOTICE**

Section 12413.1 of the California Insurance Code, effective January 1, 1990, requires that any title insurance company, underwritten title company, or controlled escrow company handling funds in an escrow or sub-escrow capacity, wait a specified number of days after depositing funds, before recording any documents in connection with the transaction or disbursing funds. This statute allows for funds deposited by wire transfer to be disbursed the same day as deposit. In the case of cashier's checks or certified checks, funds may be disbursed the next day after deposit. In order to avoid unnecessary delays of three to seven days, or more, please use wire transfer, cashier's checks, or certified checks whenever possible.

**EXHIBIT A**  
**LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS (BY POLICY TYPE)**

**CLTA 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/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13)****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:

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16:	1% of Policy Amount Shown in Schedule A or \$2,500 (whichever is less)	\$10,000
Covered Risk 18:	1% of Policy Amount Shown in Schedule A or \$5,000 (whichever is less)	\$25,000
Covered Risk 19:	1% of Policy Amount Shown in Schedule A or \$5,000 (whichever is less)	\$25,000
Covered Risk 21:	1% of Policy Amount Shown in Schedule A or \$2,500 (whichever is less)	\$5,000

**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:

First American Title



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 or 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 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.
7. [Variable exceptions such as taxes, easements, CC&R's, etc. shown here.]

#### ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (12-02-13)

##### 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, 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.



## First American Title

### Privacy Information

#### We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information - particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our subsidiaries we have adopted this Privacy Policy to govern the use and handling of your personal information.

#### Applicability

This Privacy Policy governs our use of the information that you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its Fair Information Values.

#### Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

#### Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

#### Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

#### Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's Fair Information Values. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

#### Information Obtained Through Our Web Site

First American Financial Corporation is sensitive to privacy issues on the Internet. We believe it is important you know how we treat the information about you we receive on the Internet.

In general, you can visit First American or its affiliates' Web sites on the World Wide Web without telling us who you are or revealing any information about yourself. Our Web servers collect the domain names, not the e-mail addresses, of visitors. This information is aggregated to measure the number of visits, average time spent on the site, pages viewed and similar information. First American uses this information to measure the use of our site and to develop ideas to improve the content of our site.

There are times, however, when we may need information from you, such as your name and e-mail address. When information is needed, we will use our best efforts to let you know at the time of collection how we will use the personal information. Usually, the personal information we collect is used only by us to respond to your inquiry, process an order or allow you to access specific account/profile information. If you choose to share any personal information with us, we will only use it in accordance with the policies outlined above.

#### Business Relationships

First American Financial Corporation's site and its affiliates' sites may contain links to other Web sites. While we try to link only to sites that share our high standards and respect for privacy, we are not responsible for the content or the privacy practices employed by other sites.

#### Cookies

Some of First American's Web sites may make use of "cookie" technology to measure site activity and to customize information to your personal tastes. A cookie is an element of data that a Web site can send to your browser, which may then store the cookie on your hard drive.

FirstAm.com uses stored cookies. The goal of this technology is to better serve you when visiting our site, save you time when you are here and to provide you with a more meaningful and productive Web site experience.

#### Fair Information Values

**Fairness** We consider consumer expectations about their privacy in all our businesses. We only offer products and services that assure a favorable balance between consumer benefits and consumer privacy.

**Public Record** We believe that an open public record creates significant value for society, enhances consumer choice and creates consumer opportunity. We actively support an open public record and emphasize its importance and contribution to our economy.

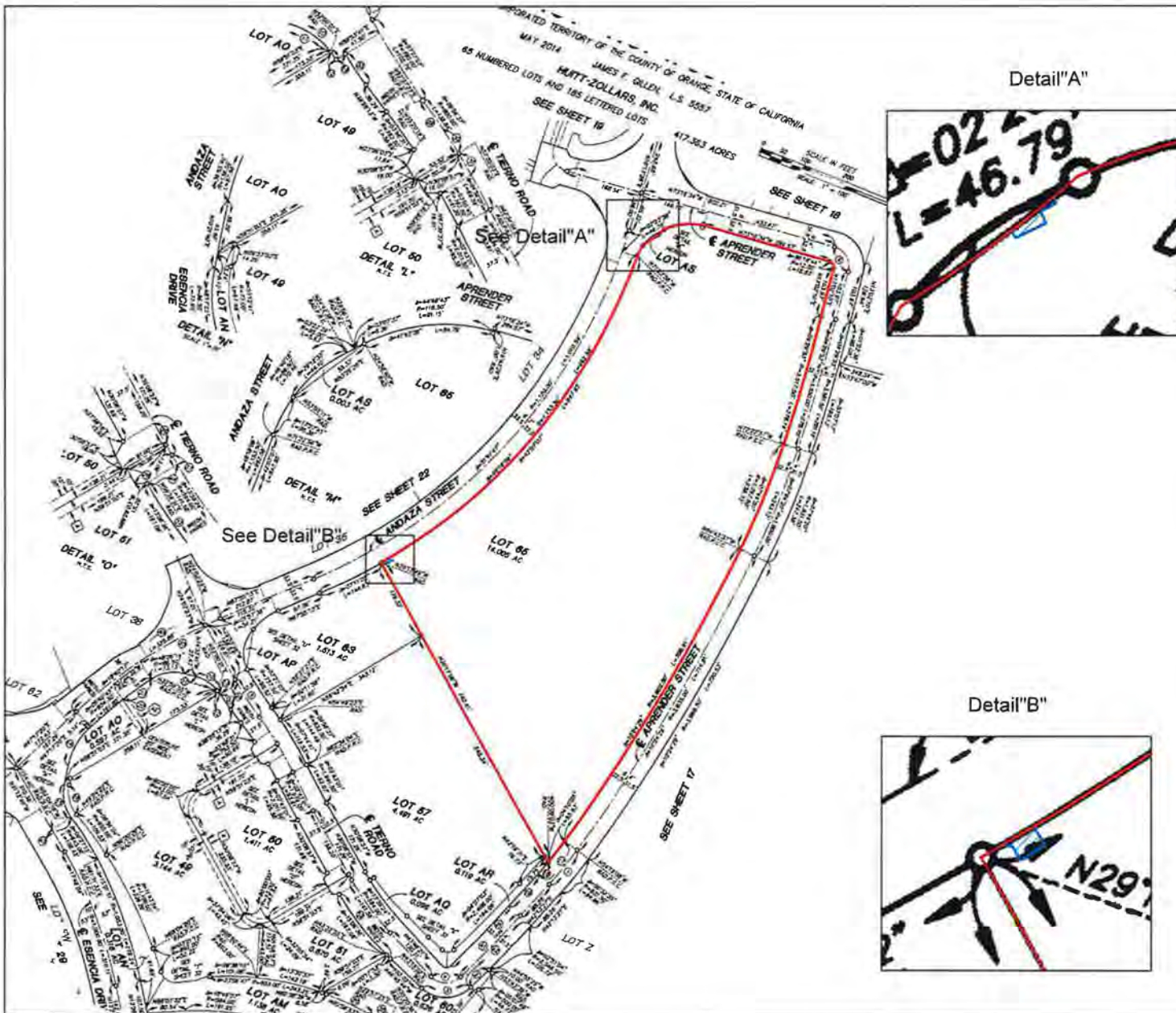
**Use** We believe we should behave responsibly when we use information about a consumer in our business. We will obey the laws governing the collection, use and dissemination of data.

**Accuracy** We will take reasonable steps to help assure the accuracy of the data we collect, use and disseminate. Where possible, we will take reasonable steps to correct inaccurate information. When, as with the public record, we cannot correct inaccurate information, we will take all reasonable steps to assist consumers in identifying the source of the erroneous data so that the consumer can secure the required corrections.

**Education** We endeavor to educate the users of our products and services, our employees and others in our industry about the importance of consumer privacy. We will instruct our employees on our fair information values and on the responsible collection and use of data. We will encourage others in our industry to collect and use information in a responsible manner.

**Security** We will maintain appropriate facilities and systems to protect against unauthorized access to and corruption of the data we maintain.





Detail "A"



Detail "B"



First American  
Title Insurance Company

File No.: 5337209

Location: Orange County, CA

### Legend



07/22/2015 #2015000379557  
(Transmission And Distribution Of  
Electricity And Underground  
Communication Facilities)



NOT TO SCALE

This map may or may not be an accurate description or identification of the land and is not intended nor may be it relied upon as a survey of the land depicted hereon. This map is solely intended to provide orientation as to the general location of the parcel or parcels depicted herein. First American Title Company, its subsidiaries and affiliates, expressly disclaim any and all liability for all loss or damage which may result from reliance or use of this map.

## **SCHEDULE 1**

### **PRE-APPROVED TITLE DOCUMENTS**

1. Rancho Mission Viejo Development Agreement with the County of Orange recorded December 6, 2004 as Instrument No. 2004001082094.
2. Notice of Settlement and Declaration of Restrictions recorded August 17, 2005 as Instrument No. 2005000648330.
3. Secured Fire Protection Agreements with the Orange County Fire Authority recorded April 4, 2007 as Instrument Nos. 2007000218114 and 2007000218115.



**EXHIBIT B**

**Grant Deed**

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

CAPISTRANO UNIFIED SCHOOL DISTRICT  
33122 Valle Road  
San Juan Capistrano, California 92675  
Attn: Clark Hampton  
Deputy Superintendent  
Business and Support Services

---

(Space Above Line For Recorder's Use Only)

**GRANT DEED**

For valuable consideration, receipt of which is acknowledged, RMV PA2 Development, LLC, a Delaware limited liability company ("**Grantor**"), grants to CAPISTRANO UNIFIED SCHOOL DISTRICT ("**Grantee**") all that certain real property located in Orange County, California, and described on Exhibit A ("**Property**") attached hereto and by this reference incorporated herein.

1. **EXCEPTIONS AND RESERVATIONS FROM GRANT.** Grantor excepts from the grant of the Property (and reserves the right to assign or otherwise convey, grant, lease or license to any individuals and/or entities) the following:

(a) **Oil and Mineral Rights.** Without any right of surface entry, any and all oil, oil rights, minerals, mineral rights, natural gas rights and other hydrocarbons by whatsoever name known, geothermal steam and all products derived from any of the foregoing that may be within or under the Parcel, together with the perpetual right of drilling, mining, exploring and operating therefore and storing in and removing the same from the Parcel or any other land, including the right to whipstock or directionally drill and mine from lands other than the Parcel, oil or gas wells and borings into, through or across the subsurface of the Parcel and to bottom such whipstocked or directionally drilled wells and borings under and beneath or beyond the exterior limits thereof, and to redrill, equip, maintain, repair, deepen and operate any such wells or mines; but without, however, the right to enter the Parcel or the right to drill, mine, store, explore or operate through the surface or the upper five hundred (500) feet of the subsurface of the Parcel.

(b) **Water Rights.** Any and all riparian, appropriative, overlying or other water and water rights and any and all interests in such water, including surface water, subsurface underflow, and percolating groundwater appurtenant or relating to the Property, such rights and interests having previously been granted by RMV Community Development, LLC, to the Rancho

Mission Viejo Mutual Water Company ("MWC") in the Deed of Water Rights recorded on April 23, 2012, as Instrument No. 2012000230676 of Official Records.

(c) Surface Runoff & Cross Lot Drainage. Mutual, nonexclusive easements in gross on, over and under the turfed sports field portion of the Property and the adjoining property for the purpose of accepting minimal surface runoff (including runoff of reclaimed or other water used for irrigation, and including any requirement of the County of Orange), provided such easement shall not interfere with, or impact Grantee's development and use of the Property.

(d) Construction Easement. Temporary construction and access easements over portions of the Property for the construction, installation (including the right to connect to existing facilities), for the installation of street, sidewalk, landscaping, electric, gas, cable, telephone, communication, technology-related, water, sewer, drainage and other utility facilities, storm drain facilities, and other facilities serving PA2; provided, however, that the construction and access easements shall automatically terminate upon completion of construction of improvements by Grantor on the Property.

(e) Irrigation Easement. Permanent, nonexclusive easements in gross over portions of the Property generally depicted on Exhibit C, in order to permit the construction, installation, use, repair, replacement and maintenance of water sprinkler and irrigation system lines, and associated equipment and facilities including electrical and telecommunication facilities; provided the specific location of such facilities within such easement area shall be subject to the reasonable determination of Grantor upon consultation with Grantee; provided, Grantee shall not construct any improvements within or otherwise improve any area subject to this easement without the prior consent of Grantor, which shall not be unreasonably withheld. This easement shall be subject to any then existing security policies of Grantee and law applicable to Grantee as a public school district.

(f) Signal Transmission. Nonexclusive easements in gross within and through the airspace above and within the Property for the transmission, receipt or distribution of audio, video and any other data signals requisite for the transmission of intelligence by electrical, light wave and/or radio frequencies; provided, neither the transmission, receipt or distribution of audio, video and any other data signals shall unreasonably interfere with Grantee's development or use of the Property.

## 2. COVENANT

(a) Grantee, for itself and on behalf of its successors and assigns, hereby declares, covenants and agrees that, to the fullest extent permitted by law, no Wireless Telecommunication Facilities shall be installed, located, maintained or permitted on or about the Property and/or the improvements constructed thereon, which serve the general public or are otherwise operated on a commercial, for-profit basis (or other similar basis in which Grantee receives economic benefits in exchange for permitting Wireless Telecommunication Facilities to be located on or about the Property and/or the improvements constructed thereon); provided, nothing contained herein shall restrict or preclude Grantee from installing, operating or using Wireless Telecommunication Facilities on or about the Property for Grantee's own, internal use and

enjoyment, or for School District communications to or from the Property. As used herein, **"Wireless Telecommunication Facilities"** shall mean improvements, equipment and facilities (including, but not limited to, tower cell sites, antennas, towers, broadcasting and receiving devices, conduits, junction boxes, wires, cables, fiber optics, and any other necessary or appropriate enclosures and connections) for (i) wireless telecommunications, (ii) wireless transfer of audio, video, data or any other signals used for transmission of intelligence by electrical, light wave, wireless frequencies or radio frequencies, and (iii) any other methods of communication and information transfer facilitated by means other than cables, wires, fiber optics or other such "hard-wired conduits, and (2) power generation serving the improvements, equipment and/or facilities described in subpart (1) of this sentence. The term **"Wireless Telecommunications Facilities"** shall be interpreted as broadly as possible and shall include relocated facilities, expansion of facilities and/or facilities used for any and all new technology that replaces the Wireless Telecommunications Facilities that are used when this Grant Deed is recorded. If there is a doubt as to whether an item fits within the definition of Wireless Telecommunications Facilities, the term is to be interpreted to include that item.

(b) The declaration, covenant and agreement set forth in Section 2(a) above (**"Covenant"**) shall benefit that certain real property owned by Grantor and described on Exhibit B attached hereto (**"Benefited Property"**). In the event that any portion of the Benefited Property is transferred by Grantor to a third party (each portion thereof so transferred is hereinafter referred to as a **"Transferred Parcel"**), the Covenant shall cease to benefit such Transferred Parcel unless Grantor expressly assigns to the transferee of the Transferred Parcel the benefits of all or a portion of the Covenant, either concurrently with conveyance of the Transferred Parcel or at any time thereafter, in either case, by a recorded assignment document executed by Grantor and specifically referencing this Covenant (and general references to appurtenances or rights related to the acquired land will not suffice). Any merger of Grantor with or into another entity or any acquisition of all or a portion of the equity of Grantor by a third party will not be deemed a transfer of the Benefited Property under this Section 2(b).

### 3. GRANTOR COVENANT

(a) Grantor, for itself and on behalf of its successors and assigns, as to any of the PA 1/PA 2 Property within 600 feet of the perimeter of the PA 2 School Site as described on Exhibit I hereto and depicted on Exhibit II to this Grant Deed (**"Reciprocal Wireless Banned Property"**), hereby declares, covenants and agrees that, to the fullest extent permitted by law, no Wireless Telecommunication Facilities shall be installed, located, maintained or permitted on or about the Reciprocal Wireless Banned Property and/or the improvements constructed thereon, which serve the general public or are otherwise operated on a commercial, for-profit basis (or other similar basis located thereon and/or the improvements constructed thereon). As used herein, **"Wireless Telecommunication Facilities"** shall mean improvements, equipment and facilities (including, but not limited to, tower cell sites, antennas, towers, broadcasting and receiving devices, conduits, junction boxes, wires, cables, fiber optics, and any other necessary or appropriate enclosures and connections) for (i) wireless telecommunications, (ii) wireless transfer of audio, video, data or any other signals used for transmission of intelligence by electrical, light wave, wireless frequencies or radio frequencies, and (iii) any other methods of communication and information transfer facilitated by means other than cables, wires, fiber optics or other such "hard-wired conduits, and (2) power generation serving the improvements, equipment and/or facilities described in subpart (1) of this

sentence. The term “**Wireless Telecommunications Facilities**” shall be interpreted as broadly as possible and shall include relocated facilities, expansion of facilities and/or facilities used for any and all new technology that replaces the Wireless Telecommunications Facilities that are used when this Grant Deed is recorded. If there is a doubt as to whether an item fits within the definition of Wireless Telecommunications Facilities, the term is to be interpreted to include that item.

(b) The declaration, covenant and agreement set forth herein (“**Covenant**”) shall benefit that certain real property owned by Grantor and described on Exhibit A attached hereto (“**Benefited Property**”).

\_\_\_\_\_, 2017. IN WITNESS WHEREOF, Grantor has executed this Grant Deed on February

"Grantor"

RMV PA2 DEVELOPMENT, LLC,  
a Delaware limited liability company

By: Rancho Mission Viejo, L.L.C.,  
a Delaware limited liability company,  
its authorized agent and manager

By: \_\_\_\_\_  
Donald L. Vodra, President  
- Chief Operating Officer

By: \_\_\_\_\_  
Dan Kelly, Senior VP -  
Corporate Communications and  
Marketing

MAIL ALL TAX STATEMENT TO:  
CAPISTRANO UNIFIED SCHOOL DISTRICT  
33122 Valle Road  
San Juan Capistrano, California 92675  
Attn: Clark Hampton,  
Deputy Superintendent Business and Support Services

ACCEPTANCE:

Grantee hereby accepts this Grant Deed on the terms and conditions herein stated.

“Grantee”

CAPISTRANO UNIFIED SCHOOL DISTRICT

By: \_\_\_\_\_

\_\_\_\_\_  
Deputy Superintendent  
Business and Support Services



**EXHIBIT A TO GRANT DEED**

**Legal Description of Property**

All of the following described real property in the Unincorporated Territory of the County of Orange, State of California:

Lot 65 of Tract No. 17561 in the Unincorporated Territory of the County of Orange, State of California, as shown on a Map filed on October 27, 2014, in Book 932, Pages 1 through 38, inclusive, of Miscellaneous Maps, Records of Orange County, California.

APN: 755-301-37

**EXHIBIT B TO GRANT DEED**

**Legal Description of Benefited Property**

The real property situated in the County of Orange, State of California and described as:

Parcels 38, 39, 43, 44, 45, 72 through 77, inclusive, 83, 84, 85, 96, 97, 98, 102, 103, 114 through 119, inclusive, 125, 126, 133, 138, 143, 144, and 145 of Certificate of Compliance CC 2001-01, in the Unincorporated Territory of the County of Orange, State of California, recorded July 26, 2001 as Instrument No. 20010508635 of Official Records, in the office of the County Recorder of said County.

Together with, Parcels 1 through 91, inclusive, of Certificate of Compliance CC 2010-01, in said Unincorporated Territory, recorded December 22, 2010 as Instrument No. 2010000690527 of said Official Records.

Together with, Parcels 1 through 128, inclusive, of Certificate of Compliance CC 2011-01, in said Unincorporated Territory, recorded December 27, 2011 as Instrument No. 2011000677171 of said Official Records.

Together with, Parcel 1 of Certificate of Compliance CC 2004-096, in the City of San Clemente, in said County, recorded December 21, 2004 as Instrument No. 2004001130448 of said Official Records.

Together with, Parcel 2 and portions of Parcels 3 and 4 of Certificate of Compliance CC 87-06, in said Unincorporated Territory, recorded August 7, 1987 as Instrument No. 87-449971 of said Official Records.

Together with, Parcel C of Lot Line Adjustment LL 2002-160, in said Unincorporated Territory, recorded July 9, 2003 as Instrument No. 2003000800031 of said Official Records.

Together with, Parcel 2 of Lot Line Adjustment LL 2003-004, in said Unincorporated Territory, recorded March 19, 2003 as Instrument No. 20030294469 of said Official Records.

Together with, Parcels 1, 2 and 3 of Lot Line Adjustment LL 2004-027, in said Unincorporated Territory, recorded September 7, 2004 as Instrument No. 2004000809240 of said Official Records.

Together with, Parcels 2 and 3 of Lot Line Adjustment LL 2004-028, in said Unincorporated Territory, recorded September 7, 2004 as Instrument No. 2004000809243 of said Official Records.

Together with, Parcel 2 of Lot Line Adjustment LL 2004-029, in said Unincorporated Territory, recorded September 7, 2004 as Instrument No. 2004000809246 of said Official Records.

Together with, Parcels 2 and 3 of Lot Line Adjustment LL 2004-030, in said Unincorporated Territory, recorded September 7, 2004 as Instrument No. 2004000809251 of said Official Records.

Together with, Parcel 1 of Lot Line Adjustment LL 2004-039, in said Unincorporated Territory, recorded October 21, 2004 as Instrument No. 2004000951825 of said Official Records.

Together with, Parcels 1, 2 and 3 of Lot Line Adjustment LL 2007-002, in said Unincorporated Territory, recorded June 22, 2007 as Instrument No. 2007000398904 of said Official Records.

Together with, Parcel 2, in said Unincorporated Territory, as shown on the map filed in Book 90, Pages 23 through 27, inclusive, of Parcel Maps, in the office of said County Recorder.

Together with, Parcel 1 of Parcel Map 93-159, in said Unincorporated Territory, as shown on the map filed in Book 280, Pages 49 and 50 of Parcel Maps, in the office of said County Recorder.

Together with, Parcel 1 of Parcel Map 94-153, in said Unincorporated Territory, as shown on the map filed in Book 287, Pages 9 and 10 of Parcel Maps, in the office of said County Recorder.

Together with, Parcel 1 of Parcel Map 95-161, in said Unincorporated Territory, as shown on the map filed in Book 296, Pages 11 and 12 of Parcel Maps, in the office of said County Recorder.

Together with, That land deeded to Last Round Up, Inc., by Grant Deed recorded September 4, 1987 as Instrument No. 87-504837 of said Official Records, in the office of said County Recorder.

Together with, That land deeded to Ortega Rock Land LLC, Inc., by Grant Deed recorded March 7, 2003 as Instrument No. 2003000254085 of said Official Records, in the office of said County Recorder.

Together with, Those portions of Section 24, Township 8 South, Range 7 West, of Rancho Mission Viejo, as shown on the map sectionizing Rancho Mission Viejo, in said Unincorporated Territory, filed in Book 9, Pages 15 through 22, inclusive, of Record of Surveys, in the office of said County Recorder, described as follows:

Bounded Southerly by the Northerly line of Parcel 56 of said Certificate of Compliance CC 2010-01, bounded Easterly by the Southwesterly line of Parcel 55 of said Certificate of Compliance, bounded Northerly by the Southerly line of Parcel 31 of said Certificate of Compliance and bounded Westerly and Northwesterly by the Southeasterly line of Parcel 2 of said Lot Line Adjustment LL 2004-030.

Bounded Easterly by the Westerly lines of Parcels 56 and 57 of said Certificate of Compliance CC 2010-01, and bounded Westerly and Southerly by the general Easterly line of Parcel 5, as shown said Certificate of Compliance No. CC 87-06.

**EXHIBIT C TO GRANT DEED**

**Depiction of Irrigation Easement Reservation**

STATE OF CALIFORNIA )  
 )  
COUNTY OF \_\_\_\_\_ )

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

Signature \_\_\_\_\_ (Seal) \_\_\_\_\_

STATE OF CALIFORNIA )  
 )  
COUNTY OF \_\_\_\_\_ )

Signature \_\_\_\_\_ (Seal)