

CONSENT CALENDAR - AGENDA ITEM NO. 8
BOARD OF DIRECTORS MEETING
January 24, 2013

TO: Board of Directors, Orange County Fire Authority

FROM: Brian Stephens, Assistant Chief
Support Services Department

SUBJECT: **Acceptance of Irrevocable Offer of Dedication for Fire Station 56 (The Ranch-Sendero Village)**

Summary:

This item is submitted to accept an Irrevocable Offer of Dedication (IOD) from the Ranch Viejo Company for Fire Station 56 (Sendero Village); confirm California Environmental Quality Act (CEQA) findings; and to approve the Joint Community Facilities Agreement with Santa Margarita Water District (SMWD) and Rancho Mission Viejo (RMV) Company for funding of Fire Station #56.

Recommended Actions:

1. Approve the proposed Resolution accepting the Irrevocable Offer of Dedication.
2. Authorize the Fire Chief to accept and sign the Certificate of Acceptance to the Title Company for the property offered for Fire Station 56.
3. Approve the proposed Resolution authorizing the Orange County Fire Authority to participate in the Joint Communities Facilities Agreement.
4. Approve the proposed Resolution adopting the County of Orange California Environmental Quality Act Final Environmental Impact Report (FEIR).
5. Direct the Clerk of the Authority to forward the executed Resolution and Certificate of Acceptance to the Title Company for recordation with the Irrevocable Offer of Dedication or to otherwise cause same to be recorded.

Background:

The Irrevocable Offer of Dedication is a normal part of the land transfer process and is required by the Secured Fire Protection Agreement between the OCFA and RMV Community Development, LLC, dated March 22, 2007. This is the first land transfer for the fire stations that will be constructed on RMV Community Development, LLC, land and deeded to the OCFA upon completion. After acceptance, the IOD will be recorded with the County.

Fire Station 56 is funded by several developments, with the fire engine and majority of construction obligation funded by RMV Community Development, LLC. The option of a Community Facilities District is available to any developer for funding of Fire Service obligations. At the request of RMV Community Development, LLC, OCFA becomes a member of the Joint Community Facility Agreement for said funding so that the reimbursement process is facilitated. The fire station and fire engine are reimbursed after purchase as per the Secured Fire Protection Agreement.

The CEQA for the project was covered under the FEIR for “The Ranch” project through the County of Orange. Pursuant to CEQA Guidelines, 14 California Code of Regulations section 15168, OCFA may utilize the FEIR as the requisite CEQA compliance document for construction of Fire Station 56 ("Project"), as long as the environmental effects of the Project were examined in the program EIR. OCFA concurs that the environmental effects of the construction of Fire Station 56 were examined in the program EIR.

The FEIR addresses a proposed development of 14,000 dwelling units, retail office and recreation uses, as well as road improvements, utility improvements, schools and more specifically fire stations, including Fire Station 56. It contains a rather lengthy discussion of Fire Protection Services (FEIR, section 4.15), including a "discussion of each [fire] station's location, labor resources and equipment. The FEIR also provides that the "location of the proposed fire stations would be sited so as to be compatible with surrounding land uses. The construction of these fire stations would occur within areas already proposed for development, so there would be no additional physical impacts resulting from the construction of these fire stations.” There would be no significant impact associated with provision of new facilities, beyond those already addressed as part of project implementation. The FEIR comprehensively addresses impacts related to traffic, noise, geology, construction, air quality, etc. of the Ranch Plan, including the effects of public facilities that will support the development and as noted above, it conclusively states that the Project will not create any significant impacts beyond those addressed in the FEIR.

Impact to Cities/County:

These agreements have no negative impacts to any of our member cities or the County. The agreements provide additional services to the County unincorporated territory, and provide secondary service to the cities of San Juan Capistrano and Mission Viejo.

Fiscal Impact:

1. The IOD will increase real estate value of \$500,000 to OCFA.
2. The Community Facilities agreement will provide up to \$2,570,106 in reimbursement to OCFA for the cost towards 1 fire engine and 1 fire station.

Staff Contact for Further Information:

Michele Hernandez, Management Analyst, Strategic Services
michelehernandez@ocfa.org
(714) 573-6199

Attachments:

1. Proposed Resolution-IOD
2. Irrevocable Offer of Dedication
3. Certificate of Acceptance
4. Proposed Resolution-JCFA
5. Joint Communities Facility Agreement
6. Proposed Resolution-CEQA

RESOLUTION NO. 2013-XX

**A RESOLUTION OF THE ORANGE COUNTY FIRE AUTHORITY
BOARD OF DIRECTORS ACCEPTING AN IRREVOCABLE OFFER OF
DEDICATION OF REAL PROPERTY FROM RMV COMMUNITY
DEVELOPMENT, LLC.**

WHEREAS, On March 22, 2007, the Orange County Fire Authority and the RMV Community Development, LLC, entered into a Secured Fire Protection Services Agreement (the “Agreement”); and,

WHEREAS, Pursuant to the Agreement, RMV Community Development, LLC, agreed to dedicate land to the Orange County Fire Authority pursuant to an Irrevocable Offer of Dedication of certain property for Fire Station 56, described in Exhibit A of the Agreement (the “Property”) for the development of a Fire Station to service surrounding communities; and,

WHEREAS, the Orange County Fire Authority desires to accept the Irrevocable Offer of Dedication for the Property.

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors does hereby find, determine and resolve as follows:

1. Pursuant to the terms of the Agreement, the Orange County Fire Authority hereby accepts the Irrevocable Offer of Dedication for the Property. The Fire Chief is authorized to execute and record a certificate of acceptance and such other legal documents as may be necessary or appropriate to evidence the Orange County Fire Authority’s acceptance of the Irrevocable Offer of Dedication after review and approval by the Orange County Fire Authority’s General Counsel.

2. The Orange County Fire Authority’s acceptance of the Irrevocable Offer of Dedication shall not be deemed or construed as waiving any of RMV Community Development, LLC, obligations regarding the Property or the condition or usability of the Property as set forth in the Agreement. In this regard, the Fire Chief is authorized to execute agreements, as approved by the Orange County Fire Authority’s General Counsel, with RMV Community Development, LLC, securing or otherwise providing for RMV Community Development, LLC, performance of such obligations.

PASSED, APPROVED, and ADOPTED this 24th day of January 2013.

TRISH KELLEY, CHAIR
Board of Directors

ATTEST:

SHERRY A.F. WENTZ, CMC
Clerk of the Authority

RECORDED AT REQUEST OF,
AND WHEN RECORDED RETURN TO:

Orange County Fire Authority
1 Fire Authority Road
Irvine, CA 92602
ATTN: Clerk of the Authority

WITH A CONFORMED COPY TO:

RMV Community Development, LLC
28811 Ortega Hwy
P.O. Box 9
San Capistrano, CA 92693
Attn: Senior Vice President,
Governmental Relations & Corporate Communications

Exempt from recording fee per
Government Code §§ 6103 and 27383

Documentary Transfer Tax Exempt per
Rev. & Tax. Code Section 11922

Unincorporated Area, Orange County
Projects: Ladera Ranch Planned Community and
Ranch Plan Planned Community
Fire Station # 56

IRREVOCABLE OFFER OF DEDICATION

Upon and subject to the terms and conditions herein, RMV COMMUNITY DEVELOPMENT, LLC, a California limited liability company (“**OFFEROR**”), hereby irrevocably offers to dedicate to the ORANGE COUNTY FIRE AUTHORITY (“**AUTHORITY**”), in fee, the real property (“**Property**”) in the County of Orange, State of California, described in the attached Exhibit A. This Irrevocable Offer of Dedication (“**Offer**”) shall remain open for a period of ten (10) years from the date this document is recorded in the Official Records of Orange County, California (the “**Recordation Date**”).

In addition, OFFEROR does hereby establish the following covenants, conditions and restrictions for the benefit of the Property and the Ranch Plan Planned Community located in the County of Orange, State of California, and more particularly described in the attached Exhibit B-1 and generally depicted in the attached Exhibit B-2. It is the intent of OFFEROR and AUTHORITY that these covenants, conditions and restrictions shall run with the land and be binding upon all subsequent purchasers, encumbrancers, heirs, successors and assigns. The covenants, conditions and restrictions shall be effective as of the Recordation Date.

1. CONDITION OF TITLE

A. OFFEROR hereby covenants and agrees that the Property is, and shall be upon

acceptance of this Offer, free and clear of all monetary liens, encumbrances, assessments, leases (recorded and unrecorded), and taxes except:

- 1) Any installment of General and Special County and City taxes, if any, allocable to a period subsequent to the time title is vested in or physical possession is taken by AUTHORITY, whichever first occurs, and all taxes subsequent thereto (however, OFFEROR shall remain liable for payment of any taxes allocable to a period prior to the time title is vested in or physical possession is taken by AUTHORITY, whichever first occurs, pursuant to the provisions of Section 5084 and 5086, California Revenue and Taxation Code, as amended; and OFFEROR shall pay all taxes due and payable affecting the Property, together with penalties and interest thereon, and delinquent or non-delinquent assessments or bonds and any interest thereon prior to the Recordation Date).
 - 2) All exceptions to title (other than for item numbers 1, 2 and 3, which items are not approved by AUTHORITY) as set forth on Exhibit C attached hereto, which is a Title Report dated as of December 20, 2012, and issued by First American Title Insurance Company under its Order No. NHSC-4273370 (29), and all other covenants, conditions, restrictions, reservations, rights, rights-of-way, easements and other matters of record, apparent or known to AUTHORITY.
 - 3) Any additional items that may appear on title and are approved by AUTHORITY.
 - 4) The reservations, covenants and conditions set forth below.
 - 5) Usual and customary exceptions to the title insurance consistent with ALTA policies and Regional Exceptions (Standard Coverage) issued by First American Title Insurance Company in Orange County, California.
- B. OFFEROR warrants that there are no oral or written leases on all or any portion of the Property, and OFFEROR agrees to hold AUTHORITY harmless and reimburse AUTHORITY for any and all of its losses and expenses occasioned by reason of any lease of the Property held by any tenant of OFFEROR.
- C. OFFEROR shall prepay and provide to AUTHORITY an ALTA Extended Coverage Owner's Policy of Title Insurance, to be issued as of the date of recordation of AUTHORITY's Resolution or Certificate of Acceptance of the Offer in the amount of Five Hundred Thousand and No/100 Dollars (\$500,000.00), or the then-fair market value of the Property, whichever is greater, insuring AUTHORITY that fee title to the Property is vested in AUTHORITY "subject to" only those items listed above or as approved by AUTHORITY.

2. ADDITIONAL TERMS AND CONDITIONS

- A. AUTHORITY shall accept this Offer pursuant to the terms and conditions of that certain "SECURED FIRE PROTECTION AGREEMENT FIRE STATION #58

AND #56 LADERA RANCH PLANNED COMMUNITY” dated as of September 24, 1998 (the “**Ladera SFPA**”) between DMB Ladera, LLC, a Delaware limited liability company (“**DMB Ladera**”) and AUTHORITY. AUTHORITY’s acceptance of this Offer shall be in the form of a duly adopted Resolution or Certificate of Acceptance, approved by AUTHORITY’s Board of Directors. Upon such acceptance by AUTHORITY, AUTHORITY shall mail or deliver a copy of the Resolution or Certificate of Acceptance to OFFEROR as shown in Section 5, below, and to the then owners, if other than OFFEROR, of the Property, at the address shown on the latest County of Orange Secured Assessment Roll.

- B. This Offer is irrevocable and shall be absolutely binding upon OFFEROR and its successors and assigns for a period of ten (10) years from the Recordation Date.
- C. OFFEROR shall designate the Property as a fire station site for AUTHORITY on any development or zoning proposal for adjacent areas submitted to the applicable agency with land use jurisdiction over the Property. AUTHORITY and OFFEROR shall jointly support any necessary rezoning of the Property to identify it for such use.
- D. OFFEROR agrees that it will not use the Property or permit the Property to be used in a way that will interfere with the construction of a fire station thereon. OFFEROR shall maintain the Property in good condition and repair until this Offer is accepted by AUTHORITY or its designee or expires by its terms. The Property shall be clean and free of any hazardous materials that will interfere with the construction and use of a fire station on the Property.
- E. OFFEROR, for itself, its heirs, successors and assigns, does hereby release AUTHORITY, its officers, employees and agents, from any and all liability arising out of AUTHORITY’s inspection of the Property as stated herein, except for intentional, negligent or adverse acts of AUTHORITY, its officers, employees and agents.

3. PROPERTY RESERVATIONS

OFFEROR reserves unto itself, its successors and assigns, together with the right (without the consent of AUTHORITY or any other owner of an interest in the Property) to grant and transfer all or a portion of the same, the following:

- A. Any and all oil, oil rights, minerals, mineral rights, natural gas rights and other hydrocarbons by whatever name known, geothermal steam and all products derived from any of the foregoing, that may be within or under the Property, together with the perpetual right of drilling, mining exploring and operating therefor and storing in and removing the same Property or any other land, including the right to whipstock or directionally drill and mine from lands other than the Property, oil or gas wells, tunnels and shafts into, through or across the subsurface of the Property and to bottom

such whipstocked or directionally drilled wells, tunnels and shafts under and beneath or beyond the exterior limits thereof, and to re-drill, re-tunnel, equip, maintain, repair, deepen and operate any such wells or mines; but without, however, the right to drill, mine, store explore or operate through the surface or the upper 500 feet of the subsurface of the Property in the exercise of such rights, or in any manner which interferes with the structural integrity of the Property and/or the operation of a fire station on the Property.

- B. OFFEROR's Class A membership interest in the Rancho Mission Viejo Mutual Water Company (the "MWC"), together with all associated rights and obligations which are appurtenant to the Property, pursuant to those certain Articles of Incorporation of Rancho Mission Viejo Mutual Water Company (the "MWC Articles") filed with the California Secretary of State on April 12, 2012, and recorded as Instrument No. 2012000230674 in the Official Records of Orange County on April 23, 2012. Said Class A membership rights, interests and obligations (collectively, the "MWC Class A Member Interest") are more particularly set forth in and are governed by the bylaws adopted by the MWC Incorporator, and approved by the MWC Board of Directors, dated April 12, 2012, as the same may be amended according to their terms (the "MWC Bylaws"). The MWC Class A Member Interest reserved to OFFEROR herein includes, but is not limited to, the right to an "Allocation" of water from the MWC (as defined in Section 3.2(c) of the MWC Bylaws) for use in the MWC "Service Area" (as defined in Section 3.1 of the MWC Articles). The MWC holds the water rights appurtenant to the Property in trust for the benefit of OFFEROR, said water rights having previously been transferred from OFFEROR to the MWC pursuant to that certain Deed of Water Rights recorded as Instrument No. 2012000230676 in the Official Records of Orange County on April 23, 2012. Furthermore, upon recordation of Authority's Resolution or Certificate of Acceptance in the Official Records of Orange County, the Class B Eligibility of the Property (as defined in Article II of the MWC Bylaws) shall be deemed to have been terminated pursuant to Section 2.7 of the MWC Bylaws.
- C. Non-exclusive easements in gross on, over, under and across the Property within ten (10) feet from all Property lines bordering on and parallel to any public street for the construction, installation, emplacement, operation and maintenance of electric, water, gas, sewer, cable, television and other utility facilities, but without unreasonably interfering with AUTHORITY's reasonable use and enjoyment of the Property; provided, however, that OFFEROR shall not make use of these easements in any manner that interferes with the structural integrity of the Property and/or the operation of a fire station on the Property, and provided further that any excavation in connection with the exercise of these reserved easements shall be made in such a manner as will cause the least injury to the surface of the ground and any improvements and/or landscaping around such excavation, and that the earth so removed shall be replaced and the surface of the ground and any improvements and/or landscaping around such excavation damaged shall be promptly restored as nearly as possible to the same condition as existed prior to excavation. All facilities installed by OFFEROR pursuant to this reservation shall be maintained by

OFFEROR or its successor-in-interest or assignee(s) in good condition and repair and in the event that such facilities unreasonably interfere with AUTHORITY'S use of the Property, the facilities shall be relocated at the expense of OFFEROR or its successor-in-interest or assignee(s).

- D. 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, that such easements and the transmission, receipt or distribution of audio, video and any other data signals shall not unreasonably interfere with AUTHORITY's use of the Property.

4. COVENANTS RUNNING WITH THE PROPERTY

Upon AUTHORITY'S acceptance of this Offer, the Property shall be subject to the following covenants (“**Covenants**”). The Covenants are hereby declared and agreed to be part of the general plan for the purposes of assuring the orderly and harmonious development and operation of improvements on the Property and the enhancement and protection of the value, desirability and attractiveness of the Ranch Plan Planned Community, all as described on Exhibit B-1 and depicted on Exhibit B-2 (the “**Benefitted Property**”). The Covenants shall run with the Property and be binding upon any person or entity that acquires any right, title or interest in or to any portion of the Property and shall benefit the Benefitted Property and will be enforceable only by OFFEROR or its Successor, as defined below. OFFEROR and AUTHORITY intend and agree that the dominant tenement shall be all of the Benefitted Property, and that the servient tenement shall be all of the Property. Every person or entity who now or hereafter owns or acquires any right, title or interest in or to any portion of the Property is and shall be conclusively deemed to have consented and agreed to the Covenants contained herein, whether or not any reference to this instrument is contained in the instrument by which such person acquired an interest in the Property:

- A. Covenant for Property Maintenance. AUTHORITY shall keep and maintain the Property in a neat, clean, safe, attractive and operating condition at all times, in accordance with all ordinances, regulations and laws applicable to the Property. AUTHORITY shall also insure that all repairs and replacements of improvements on the Property are made in accordance with all applicable governmental regulations;
- B. Covenant for Compatible Improvements. The design of all improvements to the Property, including landscaping, shall be subject to review and comment by the OFFEROR for consistency with the general architectural and landscaping scheme of the improvements made, or intended to be made, on and to the OFFEROR's development in Planning Area 1 of the Ranch Plan Planned Community; and
- C. Covenant Concerning Use. AUTHORITY covenants that the Property shall be used solely as a fire station, and such accessory uses related to the fire station, as permitted or allowed pursuant to the provisions of the Ranch Plan Planned Community Text, as originally approved by the Orange County Board of Supervisors on November 8, 2004 and as may be subsequently amended from time to time. Nothing in this use

restriction shall prohibit use of the Property for underground utilities. This Covenant shall not apply to any of the exceptions, reservations and easements in favor of OFFEROR, nor to OFFEROR's use of any or all of such exceptions, reservations and easements.

D. Covenant Regarding Wireless Telecommunication Facilities. AUTHORITY shall not install, locate, maintain or permit on or about the Property and/or the improvements constructed thereon any Wireless Telecommunication Facilities (as defined below) which are operated on a commercial, for-profit basis (or other similar basis in which AUTHORITY 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 AUTHORITY or any other public safety agency from installing, operating or using Wireless Telecommunication Facilities on or about the Property for AUTHORITY's own internal and official use and/or the official use of another public safety agency. 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 (A) wireless telecommunications, (B) wireless transfer of audio, video, data or any other signals used for transmission of intelligence by electrical, light wave, wireless frequencies or radio frequencies, (C) any other methods of communication and information transfer facilitated by means other than cables, wires, fiber optics or other such "hard-wired" conduits, and (D) power generation serving the improvements, equipment and/or facilities described in subparts (A) through (C) 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 Offer 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. Nothing in this Agreement shall limit the use of the Property for non-commercial, not-for-profit, public safety communications purposes.

E. Matters Related to the Covenants.

- 1) Amendment. The Covenants may be amended by mutual agreement of OFFEROR and AUTHORITY. Any amendment must be recorded in the Recorder's Office, County of Orange, California.
- 2) Term. Unless (i) terminated pursuant to this Offer or (ii) OFFEROR records a declaration terminating the Covenants, the Covenants shall be binding absolutely and perpetually on AUTHORITY, its successors and assigns.
- 3) Default and Remedies. Because of the unique nature and scope of OFFEROR's development of the Benefitted Property, as well as the amount of planning, effort and time expended by OFFEROR in reliance upon the anticipated uses of the

Property and the Benefitted Property, monetary damages will not provide an adequate remedy for damage to OFFEROR's planning efforts or development resulting from a breach of the Covenants. Therefore, in the event of any breach, violation or failure to comply with the Covenants that has not been cured within thirty (30) days after a written notice from OFFEROR to do so (or if any such breach, violation or failure cannot be fully cured within such thirty (30) day period, then upon failure of AUTHORITY to commence such cure within such period and thereafter to diligently complete such cure to OFFEROR's satisfaction), OFFEROR shall be entitled to specifically enforce the performance of the Covenants and to any other form of equitable or legal relief (other than monetary damages).

- 4) Waiver. Neither a waiver by OFFEROR of a breach of the Covenants nor a delay or failure to enforce the Covenants shall be (i) construed to be a waiver of any earlier or later breach of the same or any other provision of the Covenants, or (ii) implied from any inaction or omission by OFFEROR to take any action on account of such breach or failure. No express waiver shall affect a breach or failure other than as specified in said waiver. The consent or approval by OFFEROR to or of any act by AUTHORITY requiring OFFEROR's consent or approval shall not be deemed to waive or render unnecessary OFFEROR's consent or approval to or of any subsequent similar acts by AUTHORITY. OFFEROR shall not be liable for any damage, loss or prejudice suffered or claimed by AUTHORITY or any licensee or other occupant of the Property or of the Benefitted Property on account of the enforcement of or failure to enforce the Covenants.
- 5) Successor. The term "OFFEROR" as used in this Offer shall also mean and include any "Successor" to OFFEROR, which term is used in this Offer to mean and refer to any party satisfying both of the following requirements:
 - a) Such party is (i) a person or entity which acquires ten percent (10%) or more of the assets of the OFFEROR; (ii) a division, subsidiary, group, operating company, wholly-owned entity or affiliate of OFFEROR; (iii) a real estate investment trust or other entity formed by or through the efforts of OFFEROR; (iv) an entity resulting from a merger with or an acquisition by or of OFFERER; or (v) a person or entity owning the majority of stock or other ownership interest in either OFFEROR or an entity described in (i) through (iv) of this subsection 5.a); and
 - b) Such party either succeeds to all or a portion of the Benefitted Property then owned by OFFEROR or OFFEROR expressly assigns all of its rights and obligations hereunder to such party in a written agreement that is recorded in the Official Records of Orange County, California.

5. NOTICES

All written notices pursuant to this Offer (“**Notices**”) shall be addressed as set forth below or as either party may hereafter designate by Notice and shall be sent through the United States mail or made by personal delivery:

To: AUTHORITY

Orange County Fire Authority
1 Fire Authority Rd
P.O. Box 57115
Irvine, CA 92619-7115
Attn: Fire Chief

To: OFFEROR

RMV Community Development, LLC
28811 Ortega Highway
P.O. Box 9
San Juan Capistrano, CA 92693
Attn: Sr. Vice President-Governmental Relations
and Corporate Communications

All Notices provided for herein shall be deemed effective upon receipt if personally served or 72 hours after being sent by United States registered mail, return receipt requested, postage prepaid.

6. MODIFICATION OF PROPERTY BOUNDARIES

In order to accommodate topographic characteristics of the Property, operational considerations of AUTHORITY, final road alignments, adjacent development and other related matters, adjustment to the Property boundaries may be made by OFFEROR after the review and written approval of such adjustments by AUTHORITY; provided that such adjustments (a) are consistent with the general purposes and intent of this Offer, (b) are subject to the same terms and conditions as set forth in Section 1 (CONDITION OF TITLE) of this Offer, and (c) do not reduce the area of the Property below the size originally agreed to by the parties. Each of the parties shall cooperate with the other and perform such acts as are necessary to give effect to such adjustment(s).

7. ATTACHMENTS

This Offer includes the following exhibits that are attached hereto and made a part hereof:

<u>Exhibit A</u>	Legal Description of Property
<u>Exhibit B-1</u>	Description of the Benefitted Property
<u>Exhibit B-2</u>	Depiction of the Benefitted Property
<u>Exhibit C</u>	Title Report

8. SATISFACTION OF OBLIGATIONS

This Offer is made expressly upon the understanding that it satisfies the condition under the Ladera SFPA requiring OFFEROR to make an offer of dedication relative to Fire Station #56 in connection with the development of the Ladera Ranch Planned Community. Furthermore, AUTHORITY expressly acknowledges that all other obligations of DMB Ladera under and pursuant to the Ladera SFPA have been fully and completely satisfied, and that no other

performance, dedication or contribution is required of DMB Ladera, its successors or assigns pursuant to the Ladera SFPA.

[THIS SPACE INTENTIONALLY LEFT BLANK; SIGNATURES TO FOLLOW]

IN WITNESS WHEREOF, OFFEROR has executed this Offer as of the date set forth below.

RMV COMMUNITY DEVELOPMENT, LLC,
a California limited liability company

By: Rancho Mission Viejo, LLC,
a Delaware limited liability company,
Its: Authorized agent and manager

By: _____
Chief Operating Officer

By: _____
Sr. Vice President-
Governmental Relations & Corporate Communications

State of California)
) ss.
County of _____)

On _____ before me, _____,
a Notary Public, personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Notary Public

(SEAL)

Exhibit A
Legal Description of the Property

Lot 32 of Tract No. 17453, in the Unincorporated Territory of the County of Orange, State of California, as shown on the map filed in Book 911, Pages 1 through 48 inclusive, of Miscellaneous Maps, in the office of the County Recorder of said county.

[****Note**: The location of the Property is generally depicted on the following page.**]

DUPLICATE

911

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SHEET 34 OF 48 SHEETS

TRACT NO. 17453

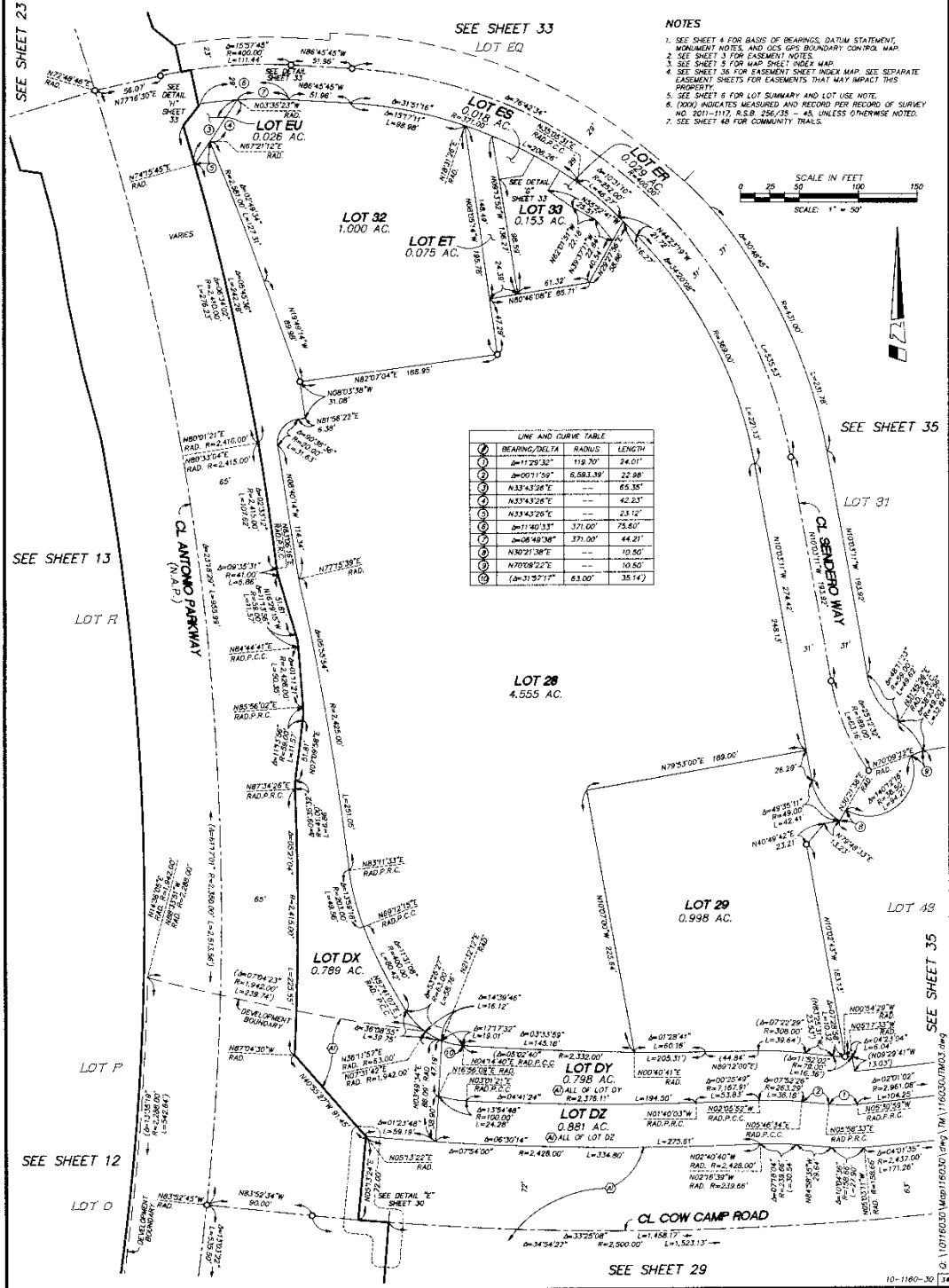
IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF ORANGE, STATE OF CALIFORNIA
MAY 2012 JAMES F. GILLEN, L.S. 5557

PHASE 1 OF VESTING TENTATIVE
TRACT NO. 17051

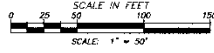
DATE OF SURVEY:
JANUARY 2012

HUTT-ZOLLARS, INC.

43 NUMBERED LOTS AND 151 LETTERED LOTS 363.073 ACRES



- NOTES**
- SEE SHEET 4 FOR BASIS OF BEARINGS, DATUM STATEMENT, MONUMENT NOTES, AND GCS BOUNDARY CONTROL MAP.
 - SEE SHEET 3 FOR EASEMENT NOTES.
 - SEE SHEET 5 FOR MAP SHEET INDEX MAP.
 - SEE SHEET 36 FOR EASEMENT SHEET INDEX MAP. SEE SEPARATE EASEMENT SHEETS FOR EASEMENTS THAT MAY IMPACT THIS PROPERTY.
 - SEE SHEET 6 FOR LOT SUMMARY AND LOT USE NOTE.
 - (XXX) INDICATES MEASURED AND RECORDED PER RECORD OF SURVEY NO. 2011-1112 R.S.B. 295 C-45 UNLESS OTHERWISE NOTED.
 - SEE SHEET 48 FOR COMMUNITY TRAILS.



911
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Exhibit B-1
Description of the Benefitted Property

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.

EXHIBIT B-1

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,

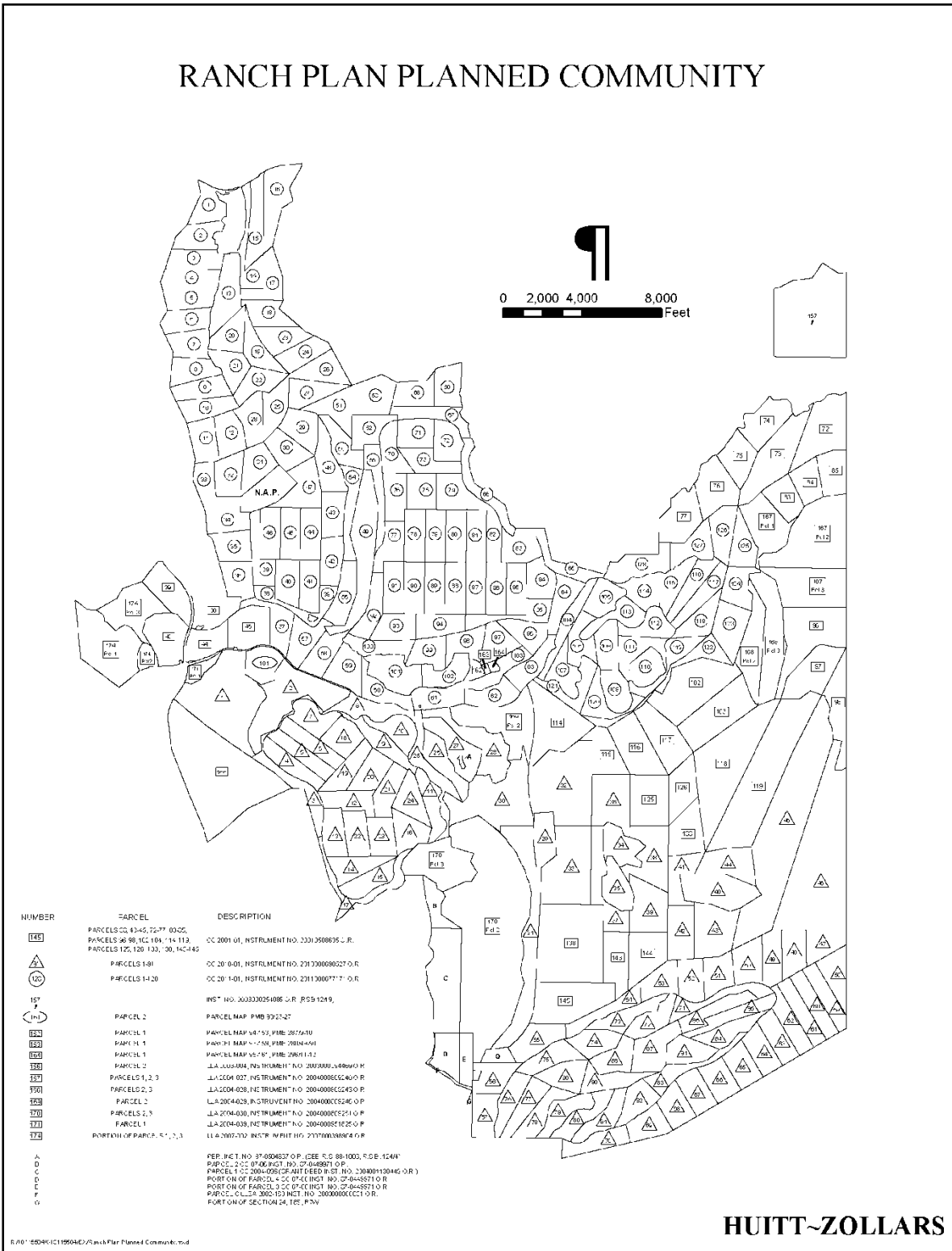
Those portions of Section 24, Township 8 South, Range 7 West, of Rancho Mission Viejo, as shown on the map sectionizing Rancho Mission Viejo, in said Unincorporated Territory, filed in Book 9, Pages 15 through 22, inclusive, of Record of Surveys, in the office of said County Recorder, described as follows:

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-2
Depiction of the Benefitted Property

RANCH PLAN PLANNED COMMUNITY



NUMBER	PARCEL	DESCRIPTION
145	PARCELS CC 43-45, 72-77 00-05, PARCELS 96 98, 101, 104, 114, 119, PARCELS 125, 129, 133, 130, 142-145	CC 2001 01, INSTRUMENT NO. 23313508835 O.R.
146	PARCELS 1-81	CC 20 04-01, INSTRUMENT NO. 2313300090227 O.R.
157	PARCELS 1-20	CC 20 14-01, INSTRUMENT NO. 231130007777 O.R.
158		INS* NO. 303330254886 O.R. R/S 9/12/19,
159	PARCEL 2	PARCEL MAP P.M.B. 33-21-27
160	PARCEL 1	PARCEL MAP 54-7-53, P.M.B. 28-76-10
161	PARCEL 1	PARCEL MAP 54-7-53, P.M.B. 28-76-10
162	PARCEL 1	PARCEL MAP 55-7-8, P.M.B. 20-61-11
163	PARCEL 2	LA 2004-004, INSTRUMENT NO. 2004000048960 O.P.
164	PARCELS 1, 2, 3	LA 2004-027, INSTRUMENT NO. 2004000055440 O.P.
165	PARCEL 2, 3	LA 2004-028, INSTRUMENT NO. 2004000055440 O.P.
166	PARCEL 2	LA 2004-028, INSTRUMENT NO. 2004000055440 O.P.
167	PARCELS 2, 3	LA 2004-030, INSTRUMENT NO. 2004000055221 O.P.
168	PARCEL 1	LA 2004-038, INSTRUMENT NO. 2004000055122 O.P.
169	PORTRION OF PARCELS 1, 2, 3	LA 2002-132, INSTRUMENT NO. 233700038884 O.P.
A		PER. INCT. NO. 37-0504627 O.P., DEE S.S. 88-1003, R.D.E. 12447
D		PER. INCT. NO. 37-0504627 O.P., DEE S.S. 88-1003, R.D.E. 12447
C		PARCEL 1 CC 2004-028 OF ANT DEED IN ST. NO. 2304001100445 O.R.
E		PORTION OF PARCEL 4 CC 07-04-01 INCT. NO. 27-0445571 O.R.
F		PORTION OF PARCEL 3 CC 07-04-01 INCT. NO. 27-0445571 O.R.
G		PARCEL 1 LA 2002-132 INCT. NO. 2000000000000 O.P.
H		PORTION OF SECTION 24, T2E, R35N

HUITT-ZOLLARS

Exhibit C
Title Report

EXHIBIT C



First American Title

First American Title Company

1250 Corona Pointe Court, Suite 201
Corona, CA 92879

Lisa Christian
Rancho Mission Viejo, LLC
28811 Ortega Highway
San Juan Capistrano, CA 92675-2023

Customer Reference: RMV / Planning Area 1 -- Fire Station Parcel
Order Number: NHSC-4273370 (29)

Title Officer: Hugo Tello
Phone: (951)256-5883
Fax No.: (866)782-3439
E-Mail: htello@firstam.com

Buyer:
Owner: RMV Community Development, LLC
Property: Vacant Land
Unincorporated Area of Orange County, CA

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.

Order Number: NHSC-4273370 (29)

Page Number: 2

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 December 20, 2012 at 7:30 A.M.

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

To Be Determined

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 Community Development, LLC, a California 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 2013-2014, a lien not yet due or payable.
2. General and special taxes and assessments for the fiscal year 2012-2013.

First Installment:	\$5,991.48, PAID
Penalty:	\$0.00
Second Installment:	\$5,991.48, PAID
Penalty:	\$0.00
Tax Rate Area:	82-371
A. P. No.:	125-171-92

Affects: The land and other property.
3. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.

4. The terms and provisions contained in the document entitled Rancho Mission Viejo Development Agreement executed by and between County of Orange, a political subdivision, organized and existing under the laws of the State of California 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.
5. 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.
6. 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.
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. 2007000218115 of Official Records.
8. The following matters shown or disclosed by the filed or recorded map of tract No. 17453:
 - a. 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 in the text of the conditions.
 - b. At the time of map approval the lots shown on the map are in a high fire hazard area due to wild land exposure.
9. The lack of a right of access to and from the land.

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-4273370 (29)

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First American Title

First American Title Company
1250 Corona Pointe Court, Ste 201
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 4273370 and Title Officer Hugo Tello

Please wire the day before recording.

LEGAL DESCRIPTION

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

LOT 32 OF TRACT NO. 17453, IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON THE MAP FILED IN BOOK 911, PAGES 1 THROUGH 48 INCLUSIVE, OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ANY AND ALL RIPARIAN, APPROPRIATE, OVERLYING OR OTHER WATER AND WATER RIGHTS AND ANY AND ALL INTEREST IN SUCH WATER, INCLUDING SURFACE WATER, SUBSURFACE UNDERFLOW, AND PERCOLATING GROUNDWATER APPURTENANT OR RELATING AS CONVEYED TO RANCHO MISSION VIEJO MUTUAL WATER COMPANY, A CALIFORNIA NONPROFIT MUTUAL BENEFIT CORPORATION BY DEED RECORDED APRIL 23, 2012 AS INSTRUMENT NO. 2012000230676 OF OFFICIAL RECORDS.

APN: PORTION OF 125-173-92

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.

If you have any questions about the effect of this new law, please contact your local First American Office for more details.

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

**CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (02-03-10)
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.

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.

<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16: 1% of Policy Amount or \$2,500.00 (whichever is less)	\$10,000.00
Covered Risk 18: 1% of Policy Amount or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 19: 1% of Policy Amount or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 21: 1% of Policy Amount or \$2,500.00 (whichever is less)	\$5,000.00

**ALTA RESIDENTIAL TITLE INSURANCE POLICY (6-1-87)
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 any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
 - (a) and use
 - (b) improvements on the land
 - (c) and division
 - (d) environmental protection

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

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

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

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

2006 ALTA LOAN POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
 - (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not known to the Company, not recorded in the Public Records at Date of Policy, but known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

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:

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.

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:

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.

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (07-26-10)
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.



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 email 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.

**RECORDED AT REQUEST OF,
AND WHEN RECORDED RETURN TO:**

Orange County Fire Authority
Post Office Box 57115
Irvine, CA 92619-7115
ATTN: Clerk of the Authority

WITH A CONFORMED COPY TO:

RMV Community Development, LLC
28811 Ortega Hwy
P.O. Box 9
San Capistrano, CA 92693
Attn: Senior Vice President,
Governmental Relations & Corporate Communications

Exempt from recording fee per
Government Code §§ 6103 and 27383

Documentary Transfer Tax Exempt per
Rev. & Tax. Code Section 11922

Unincorporated Area, Orange County
Projects: Ladera Ranch Planned
Community and Ranch Plan Planned
Community Fire Station # 56

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the Irrevocable Offer of Dedication, dated January 24, 2013 from the RMV Community Development, LLC, to the Orange County Fire Authority is hereby accepted by the undersigned officer on behalf of the Board of Directors of the Orange County Fire Authority pursuant to authority conferred by Resolution No. 2013-xx of the Board of Directors, adopted January 24, 2013.

By: _____
Keith Richter, Fire Chief

Date

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, 2013, before me, _____,
Notary Public, personally appeared _____, personally known to
me or proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Sherry Wentz, Notary Public

(SEAL)

RESOLUTION NO. 2013 - XX

**A RESOLUTION OF THE ORANGE COUNTY FIRE AUTHORITY
BOARD OF DIRECTORS APPROVING A JOINT FACILITIES
AGREEMENT WITH THE SANTA MARGARITA WATER DISTRICT
AND RMV COMMUNITY DEVELOPMENT, LLC.**

WHEREAS, pursuant to Government Code Section 53316.2 the Orange County Fire Authority is proposing to enter into a Joint Community Facilities Agreement (the "Agreement") with the Santa Margarita Water District ("Water District") and RMV Community Development, LLC ("Developer"); and,

WHEREAS, the purpose of the Agreement is to further the formation of a Community Facilities District ("CFD") to assist in the financing of, among other things, proposed Fire Station 56 and eligible equipment; and,

WHEREAS, the Developer is proposing to construct approximately 1,250 residential units and 15 acres of commercial improvements which would be served by Fire Station 56; and,

WHEREAS, pursuant to the Agreement the Water District will analyze the appropriateness of forming a CFD and if found to be appropriate, will form the CFD and may issue bonds, a portion of the proceeds there from which would be utilized to finance the construction of Fire Station 56 and purchase of eligible equipment in an amount not to exceed \$2,570,106.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors does hereby find, determine and resolve as follows:

1. That Fire Station 56 and the eligible equipment that would be financed by the CFD are necessary to provide adequate fire protection to the residential and commercial property proposed by the Developer.
2. As such, pursuant to Government Code section 53316.2, the Agreement will be beneficial to the residents being served by the Orange County Fire Authority.
3. The Fire Chief is authorized to execute the Agreement on behalf of the Orange County Fire Authority.

PASSED, APPROVED, and ADOPTED this 24th day of January 2013.

TRISH KELLEY, CHAIR
Board of Directors

ATTEST:

SHERRY A.F. WENTZ, CMC
Clerk of the Authority

JOINT COMMUNITY FACILITIES AGREEMENT

among

SANTA MARGARITA WATER DISTRICT

and

ORANGE COUNTY FIRE AUTHORITY

and

RMV COMMUNITY DEVELOPMENT, LLC,

a California Limited Liability Company

relating to

**COMMUNITY FACILITIES DISTRICT NO. 2013-1 OF THE SANTA MARGARITA
WATER DISTRICT (VILLAGE OF SENDERO)**

JOINT COMMUNITY FACILITIES AGREEMENT

THIS JOINT COMMUNITY FACILITIES AGREEMENT (the "Agreement") is entered into effective as of the __ day of _____, 2013, by and among the SANTA MARGARITA WATER DISTRICT, a California water district (the "Water District"), the ORANGE COUNTY FIRE AUTHORITY, a California Joint Powers Authority (the "Fire Authority"), and RMV COMMUNITY DEVELOPMENT, LLC, a California limited liability company (the "Company"), and relates to the proposed formation by the Water District of Community Facilities District No. 2013-1 of the Santa Margarita Water District (Village of Sendero) (the "District") for the purpose of financing certain facilities to be owned and operated by the Fire Authority, consisting of fire station construction, fire engines and related appurtenances (the "Fire Facilities") to be constructed by the Fire Authority, all as more specifically described on Exhibit B hereto.

R E C I T A L S:

A. The Company is the master developer of the land described in Exhibit A hereto (the "Property") which is located in the unincorporated area of the County of Orange and is being developed into the master-planned community known as "Sendero."

B. The Company as the master developer of the Property intends to obtain, or has obtained, the necessary development approvals to construct approximately 1,250 residential units and 15 acres of commercial improvements on the Property and to provide the required infrastructure for such units and improvements. The required infrastructure includes the Fire Facilities.

C. The Water District will have primary responsibility for the formation and administration of the District.

D. The Company has requested the Board of Directors of the Water District (the "Board") to form and establish the District on a portion of the Property pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 (commencing with Section 53311) of Part I of Division 2 of Title 5 of the California Government Code (the "Act").

E. The provision of the Fire Facilities is necessitated by the development of the Property and the parties hereto find and determine that the residents residing within the boundaries of the Water District and the District will be benefited by the construction and/or acquisition of the Fire Facilities and that this Agreement is beneficial to the interests of such residents.

F. The parties hereto intend to have the District assist in financing the construction and/or acquisition of the Fire Facilities by disbursing to the Fire Authority proceeds of bonds issued by the District up to the amount of \$2,570,106 (the "Fire Facilities Amount").

G. SMWD is authorized by Section 53313.5 of the Act to assist in the financing of the acquisition and/or construction of the Fire Facilities. This Agreement constitutes a joint community facilities agreement, within the meaning of Section 53316.2 of the Act, by and among the Water District, the Company and the Fire Authority, pursuant to which the District,

when formed, will be authorized to finance the construction and/or acquisition of the Fire Facilities in the amount of up to \$2,570,106. As authorized by Section 53316.6 of the Act, responsibility for constructing, providing for and operating the Fire Facilities is delegated to the Fire Authority to the extent set forth herein.

H. The parties hereto intend to have the District assist in financing the Fire Facilities by transferring to the Fire Authority a portion of the bond proceeds of the District, in accordance with the terms of this Agreement and pursuant to the Act.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, the parties hereto agree as follows:

1. Recitals. Each of the above recitals is incorporated herein and is true and correct.
2. Proposed Formation of the District. At the request of the Company, the Water District will undertake to analyze the appropriateness of forming the District to finance the Fire Facilities and other facilities. The Water District will retain, at the Company's expense, the necessary consultants to analyze the proposed formation of the District, including an engineer, special tax consultant, bond counsel, appraiser and other consultants deemed necessary by the Water District.
3. Sale of Bonds and Use of Proceeds. The purpose of this Agreement is to provide a mechanism by which the Company may request the District to issue bonds to provide funds to finance the Fire Facilities.

In the event that the District is formed, the Board of the Water District acting as the legislative body of the District may, in its sole discretion, finance the design, construction and acquisition of the Fire Facilities by issuing bonds (the "Bonds"). To the extent that the District determines, in its sole direction, that Bond proceeds are available to finance the Fire Facilities, it shall reserve an amount not to exceed the Fire Facilities Amount for such purpose; provided, however, that the Fire Authority agrees that, without the prior written consent of the Company, the Fire Facilities Amount to be funded by the District shall not exceed \$2,570,106. Upon consent of the Company, the Fire Facilities Amount may be increased.

The Company and the Fire Authority acknowledge that the timing of the disbursement of the Fire Facilities Amount to the Fire Authority shall be in all respects subject to the sole discretion and approval of the Water District. In no event will an act, or an omission or failure to act, by the Water District or the District with respect to the disbursement or non-disbursement of the Fire Facilities Amount subject the District or the Water District to pecuniary liability hereunder.

The Bonds shall be issued only if, in its sole discretion, the Board determines that all requirements of state and federal law and all Water District policies have been satisfied or have been waived by the Water District. In no event shall the Company or the Fire Authority have a right to compel the issuance of the Bonds or the disbursement of Bond proceeds to fund the Fire Facilities Amount.

4. Disbursements.

(a) Bond proceeds of the District designated for the Fire Facilities shall be held by the District in a special fund (the “Fire Facilities Account of the Acquisition and Construction Fund”) which shall be invested by the Water District Treasurer and earn and accumulate its own interest. In the event that the District has deposited Bond proceeds to the Fire Facilities Account of the Acquisition and Construction Fund to fund all or a portion of the Fire Facilities Amount, the Water District shall notify the Fire Authority and the Company, in writing, as to the amount of Bond proceeds so deposited. All interest earnings on amounts in the Fire Facilities Account of the Acquisition and Construction Fund shall remain in the Fire Facilities Account and will be available for disbursement for the Fire Facilities as described below.

(b) The Treasurer shall make disbursements from the Fire Facilities Account of the Acquisition and Construction Fund in accordance with the terms of this Agreement and neither the Water District nor the District shall be responsible to the Fire Authority for costs incurred by the Fire Authority as a result of withheld or delayed disbursements.

(c) The Fire Authority agrees that it will request a disbursement of Bond proceeds only for costs related to the Fire Facilities that are eligible for financing under the Act. The Fire Authority agrees that prior to requesting disbursement from the District it shall review and approve all costs included in its request and will have already paid such costs of the Fire Facilities from its own funds or will use the disbursement amount to pay costs of the Fire Facilities within five banking days of receipt of funds from the District. In the event that the Fire Authority does not use any Bond proceeds received for payment to third parties within five banking days of receipt, it will trace and remit to the District all earnings, if any, received by the Fire Authority in excess of the yield on the Bonds, from the date of receipt of such Bond proceeds by the Fire Authority to the date of expenditure by the Fire Authority of such Bond proceeds for capital costs of the Fire Facilities. Such remittance, if any, shall occur on the earlier of the date of expenditure of such Bond proceeds or each anniversary date of the disbursement of such Bond proceeds from the District to the Fire Authority. The Fire Authority agrees that in processing disbursements it will comply with all legal requirements for the expenditure of Bond proceeds under the Act and the Internal Revenue Code of 1986 and any amendments thereto.

(d) The Fire Authority agrees to maintain adequate internal controls over its payment function and to maintain accounting records in accordance with generally accepted accounting procedures. The Fire Authority will, upon request, provide to the District and the Water District its annual financial report certified by an independent certified public accountant for purposes of calculating the District’s arbitrage rebate obligations. The District and the Water District shall have the right to conduct their own audit of the Fire Authority’s records related to the expenditure of the Fire Facilities Amount at reasonable times during normal business hours.

(e) The Fire Authority shall submit a request for payment along with adequate supporting documentation to the District which shall be in the form attached hereto as Exhibit C, which shall be signed by the Fire Chief, or written designee, and which shall be for the exact amount to be reimbursed to the Fire Authority, which costs shall in no event exceed the amount remaining on deposit in the Fire Facilities Account of the Acquisition and Construction Fund.

Upon receipt of an approved payment request completed in accordance with the terms of this Agreement, the Treasurer shall wire transfer such portion of requested funds (or, in his discretion, issue a warrant if the transfer is less than \$50,000) as are then available for release pursuant to the documents pursuant to which the Bonds are issued to the Fire Authority's bank account, as directed by the Fire Authority.

5. Construction and Ownership of Facilities. The Fire Authority will complete the design of the Fire Facilities and the plans and specifications for construction of the Fire Facilities and will be responsible for constructing and inspecting the Fire Facilities. The Fire Authority covenants and agrees that with respect to the Fire Facilities it will comply with all statutory provisions applicable to the design and construction of public works projects. The Fire Facilities shall be and remain the property of the Fire Authority.

6. Indemnification. The Water District shall assume the defense of, indemnify and save harmless, the Fire Authority, its officers, employees and agents, and each and every one of them, from and against all actions, damages, claims, losses or expenses of every type and description to which they may be subjected or put, by reason of, or resulting from, any act or omission of the Water District with respect to this Agreement and the issuance of the Bonds. No provision of this Agreement shall in any way limit the extent of the Water District's responsibility for payment of damages resulting from the operations of the Water District and its contractors; provided, however, that the Water District shall not be required to indemnify any person or entity as to damages resulting from negligence or willful misconduct of such person or entity or their agents or employees. The Fire Authority shall assume the defense of, indemnify and save harmless, the Water District, its officers, employees and agents, and each and every one of them, from and against all actions, damages, claims, losses or expenses of every type and description to which they may be subjected or put, by reason of, or resulting from, any act or omission of the Fire Authority with respect to this Agreement, and the design, engineering and construction of the Fire Facilities. No provision of this Agreement shall in any way limit the extent of the Fire Authority's responsibility for payment of damages resulting from the operations of the Fire Authority and its contractors; provided, however, that the Fire Authority shall not be required to indemnify any person or entity as to damages resulting from negligence or willful misconduct of such person or entity or their agents or employees.

7. Allocation of Special Taxes. The Board, as the legislative body of the District, shall annually levy a special tax as provided for in the formation proceedings of the District. The entire amount of any special tax levied by the District to repay Bonds, or to fund other obligations, shall be allocated to the District.

8. Amendment. This Agreement may be amended at any time but only in writing signed by each party hereto.

9. Entire Agreement. This Agreement contains the entire agreement between the parties with respect to the matters provided for herein and supersedes all prior agreements and negotiations between the parties with respect to the subject matter of this Agreement.

10. Notices. Any notice, payment or instrument required or permitted by this Agreement to be given or delivered to any party shall be deemed to have been received when personally delivered or seventy-two hours following deposit of the same in any United States Post Office in California, registered or certified, postage prepaid, addressed as follows:

Fire District: Orange County Fire Authority
1 Fire Authority Road
P.O. Box 57115
Irvine, California 92619-7115
Attn: Keith Richter, Fire Chief

Water District/District: Santa Margarita Water District
CFD No. 2013-1
P.O. Box 7005
Mission Viejo, CA 92690-7005
Attention: General Manager

Company: RMV Community Development, LLC
c/o Rancho Mission Viejo
28811 Ortega Highway
San Juan Capistrano, California 92693
Attn: Greg Edwards

Each party may change its address for delivery of notice by delivering written notice of such change of address to the other parties hereto.

11. Exhibits. All exhibits attached hereto are incorporated into this Agreement by reference.

12. Severability. If any part of this Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent reasonably possible.

13. Governing Law and Venue. This Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with 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 the parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the parties specifically agree to waive any and all rights to request that an action be transferred for trial to another county.

14. Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by the other parties hereto, or the failure by a party to exercise its rights upon the default of another party, shall not constitute a waiver of such party's right to insist and demand strict compliance by such other parties with the terms of this Agreement thereafter.

15. No Third Party Beneficiaries. No person or entity other than the District when and if formed shall be deemed to be a third party beneficiary hereof, and nothing in this Agreement (either express or implied) is intended to confer upon any person or entity, other than the Fire Authority, the Water District, the District and the Company (and their respective successors and assigns), any rights, remedies, obligations or liabilities under or by reason of this Agreement.

16. Singular and Plural; Gender. As used herein, the singular of any word includes the plural, and terms in the masculine gender shall include the feminine.

17. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute but one instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and first year written above.

ORANGE COUNTY FIRE AUTHORITY

By: _____
Trish Kelley, Board Chair

SANTA MARGARITA WATER DISTRICT

By: _____
Its: _____

RMV COMMUNITY DEVELOPMENT, LLC, a
California limited liability company

By: RMV COMMUNITY DEVELOPMENT
COMPANY, INC., a California corporation
Its: Sole Member

By: _____
Donald L. Vodra
Chief Operating Officer

By: _____
Richard Broming
Senior Vice President – Planning and
Entitlement

EXHIBIT A

DESCRIPTION OF PROPERTY

EXHIBIT B

DESCRIPTION OF FIRE FACILITIES AND EQUIPMENT

The following facilities will be constructed by the Fire Authority:

The station will be approximate 11,000 square feet, located at Sendero Street and Antonio Parkway, Ortega Valley in unincorporated Orange County. The facility will have three apparatus bays, eight crew dormitory rooms, four crew bathrooms, a public accessible restroom, office spaces, work spaces, kitchen, dayroom, dining room and gym. Other appurtenances include, but are not limited to a covered diesel refueling site, an emergency power generator capable of carrying full load of all site/station circuits, boundary walls/fencing with powered rolling vehicle gate, parking, landscape and hardscape.

This facility will be fully furnished and one type I structural fire engine will be purchased under this agreement.

EXHIBIT C

DISBURSEMENT REQUEST FORM

1. Community Facilities District No. 2013-1 of the Santa Margarita Water District (Village of Sendero) (“CFD No. 2013-1”) is hereby requested to pay from the Fire Facilities Account of the Acquisition and Construction Fund established by the Board of Directors of the Santa Margarita Water District (the “Water District”) in connection with its CFD No. 2013-1 Special Tax Bonds (the “Bonds”), to the Orange County Fire Authority (the “Fire Authority”), as Payee, the sum set forth below in payment of project costs described below.

2. The undersigned certifies that the amount requested has been expended or encumbered for the purposes of constructing and completing Fire Facilities. The amount requested is due and payable under, or is encumbered for the purpose of funding, a purchase order, contract or other authorization with respect to the project costs described below and has not formed the basis of a prior request or payment. In the event that the Fire Authority does not use any Bond proceeds received for payment to third parties within five banking days of receipt, the Fire Authority agrees to trace and remit to CFD No. 2013-1 all earnings, if any, in excess of the yield on the Bonds accruing from the investment of such Bond proceeds, from the date of receipt by the Fire Authority of such disbursement amount to the date of expenditure of such amount by payment thereof to a third party for the costs set forth below. Such remittance, if any, shall be made each year on the earlier of the expenditure of such Bond Proceeds or the anniversary date of the disbursement of the requested amount by CFD No. 2013-1 to the Fire Authority.

3. Description of Fire Facilities Costs:

4. Amount requested: \$_____.

5. The amount set forth is authorized and payable pursuant to the terms of the Joint Community Facilities Agreement among the Water District, RMV Community Development, LLC and the Fire Authority dated as of _____, 2013 (the “Agreement”). Capitalized terms not defined herein shall have the meaning set forth in the Agreement.

6. Total payments to the Fire Authority for the Fire Facilities from CFD No. 2013-1, including the amount to be paid under paragraph 4 above, will not exceed the maximum amount to be disbursed for Fire Facilities under the Agreement.

Executed by an authorized representative of the Fire Authority.

By: _____

Name: _____

Title: _____

Date: _____

Request No. _____

RESOLUTION NO. 2013-XX**A RESOLUTION OF THE ORANGE COUNTY FIRE AUTHORITY
BOARD OF DIRECTORS FINDING THAT NO NEW EFFECTS WILL
OCCUR OR MITIGATION MEASURES ARE REQUIRED AS A RESULT
OF THE ACCEPTANCE BY THE ORANGE COUNTY FIRE
AUTHORITY OF AN IRREVOCABLE OFFER OF DEDICATION OF
REAL PROPERTY—FIRE STATION 56**

WHEREAS, Ranch Plan Program Final EIR, EIR 589 ("FEIR") was prepared to study a proposed development of 22,815 acres (15,121 acres of open space) with 14,000 dwelling units, as well as retail, office, recreational and public facility uses (the "Ranch Plan"); and,

WHEREAS, the FEIR was certified by the Board of Supervisors of the County of Orange on November 8, 2004; and,

WHEREAS, the FEIR studied all the environmental impacts of the Ranch Plan, including a lengthy discussion of fire protection services (FEIR, section 4.15) including a "discussion of each [fire] station's location, labor resources and equipment..." (FEIR, pg. 4.15-1); and,

WHEREAS, the Orange County Fire Authority is considering the acceptance of an Irrevocable Offer of Dedication from RMV Community Development, LLC, for property upon which Fire Station 56 is proposed to be constructed (the "Property"); and,

WHEREAS, the FEIR studied the proposed location of Fire Station 56 near Antonio Parkway and Ortega Highway, although it did not pinpoint the precise location; and,

WHEREAS, the FEIR provides that the "location of the proposed fire stations would be sited so as to be compatible with surrounding land uses. The construction of these fire stations would occur within areas already proposed for development, so there would be no additional physical impacts resulting from construction of these fire stations" (FEIR, pg. 4.15-5); and,

WHEREAS, the Property has already been graded and is within ¼ mile of the intersection of Antonio Parkway and Ortega Highway and is within an area proposed for development.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors does hereby find, determine and resolves as follows:

1. That pursuant to Title 14, California Code of Regulations Section 15168, public agencies are encouraged to utilize Program EIRs to exhaustively consider the cumulative impacts of a project and to avoid duplicative reconsideration of policy considerations and to reduce paperwork.

2. That pursuant to Title 14, California Code of Regulations Section 15168, reliance on the FEIR is appropriate in that all the environmental impacts related to the acceptance of the Property were examined in the FEIR.

3. That pursuant to Title 14, California Code of Regulations Section 15162, no new effects could occur and no new mitigations measures are required, because acceptance of the Property is within the scope of FEIR, and thus, no new environmental documentation is required.

PASSED, APPROVED, and ADOPTED this 24th day of January 2013.

TRISH KELLEY, CHAIR
Board of Directors

ATTEST:

SHERRY A.F. WENTZ, CMC
Clerk of the Authority