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**ANNEXATION AND DEVELOPMENT AGREEMENT
BETWEEN THE CITY OF NEWPORT BEACH
AND
THE IRVINE COMPANY
AND
IRVINE COMMUNITY DEVELOPMENT COMPANY
CONCERNING THE NEWPORT COAST
AND ADJACENT PROPERTIES**

ANNEXATION AND DEVELOPMENT AGREEMENT

This Annexation and Development Agreement (hereinafter "Agreement") is entered into effective as of August 23, 2001, (hereinafter the "Effective Date") by and among the CITY OF NEWPORT BEACH (hereinafter "CITY"), and THE IRVINE COMPANY and IRVINE COMMUNITY DEVELOPMENT COMPANY (hereinafter collectively "OWNER").

RECITALS

A. OWNER collectively owns a substantial portion of the real property ("Property") described on Exhibit "A" and depicted on Exhibit "B," consisting of approximately 7799 acres.

B. The Property is currently in the unincorporated area of the County of Orange ("County"). OWNER has obtained development approvals from the County and the California Coastal Commission for the majority of the Property from the County and has commenced subdivision and development of the Property under the jurisdiction of the County.

C. The development approvals for the Property have been granted after a lengthy planning process that involved the careful review of numerous environmental documents (Planning and Environmental History is attached as Exhibit C). The development approvals include:

1. The County of Orange Newport Coast Local Coastal Program and Master Coastal Development Permit for that portion of the Property in the Coastal Zone.
2. A Development Agreement with the County (County Agreement).
3. The Newport Ridge Planned Community Plan.
4. Subdivision Maps.

D. The Property is also part of the Natural Communities Conservation Plan (NCCP) – a complex agreement that requires OWNER to dedicate portions of the Property upon completion of certain phases of development. OWNER is also required to dedicate large portions of the Property pursuant to the development approvals.

E. OWNER was required, by the development approvals, to make costly infrastructure improvements far in excess of those necessary to mitigate the impacts, or serve the needs, of the development. OWNER was required to make, and has made, these extraordinary improvements prior to development of the Property.

F. OWNER has acquired a fully vested right to develop the Property in accordance with the development approvals because of the extraordinary expenditures for public and private improvements made in reliance on the development approvals, the dedications made in reliance on the development approvals and the County Development Agreement.

G. CITY and OWNER intend for this Agreement to fully conform to the development approvals and to fully facilitate full implementation of the Project, as conditioned by the County and Coastal Commission. To the maximum extent permitted by law, this Agreement is intended to be the functional equivalent of, or a supplement to, the County Development Agreement in light of the CITY's intention to allow County to retain all municipal land use authority over the Property until such time as the discrete portions of the Project are complete.

H. City is desirous of annexing the Property but recognizes that the development approvals for the Property involve complex and interrelated planning documents. CITY does not have sufficient staff to timely process the permits required for implementation of the Project in compliance with all the development approvals. Moreover, the development approvals and land use plan involve the dedication of valuable habitat and open space within and outside of the boundaries of the Property and City does not have the personnel and expertise to ensure that dedications occur as planned.

I. CITY and OWNER have discussed the process and terms and conditions of annexing the Property to CITY, and each has determined that it is in their respective best interests to pursue that annexation pursuant to the terms of this Agreement and the development approvals. In particular CITY desires assurances that OWNER will support eventual annexation of all of the Property to CITY, in order to:

(a) Facilitate the timely and orderly integration of the Property into the CITY consistent with the CITY's sphere of influence;

(b) Facilitate planning and provision of municipal services to the Property without any adverse fiscal impact on the CITY or the ultimate owners of the property; and

(c) Ensure consistency with and implement the CITY's General Plan.

At the same time, OWNER desires to obtain assurances from CITY that,

subsequent to annexation:

(a) OWNER will be able to develop the Property to the full extent permitted by the development approvals granted by the County and the Coastal Commission subject to conditions of approval imposed by the Coastal Commission and the County as well as consistency with the City's General Plan;

(b) Development will be processed by the County in accordance with a uniform set of land use and building rules, regulations and requirements, as established by the development approvals given by the County for the Property prior to its annexation; and

(c) Development of the Property will be subject only to costs, fees, processing requirements, conditions or exactions that would have been imposed had the Property not been annexed to CITY.

J. In addition to the authority at common law for annexation agreements, Government Code Sections 65864 *et seq.* ("Development Agreement Law"), and Chapter 15.45 of the Newport Beach Municipal Code authorize CITY to enter into binding development agreements with persons having a legal or equitable interest in real property. This Agreement is consistent with the public policy that supports development agreements in that it strengthens the public planning process, facilitates implementation of comprehensive planning, provides significant public benefits, and reduces the economic costs of development.

K. The City Council has found that this Agreement is in the best public interests of the CITY and its residents, that adopting this Agreement constitutes a present exercise of its police power, and that this Agreement is consistent with the City's General Plan and the Newport Beach Municipal Code and Charter.

L. This Agreement is not intended to, and shall not be construed, to impair the rights and obligations of OWNER, or other involved parties under and pursuant to the Newport Coast Local Coastal Program, Second Amendment, and the Litigation Settlement Agreement entered into June 27, 1997, by and among OWNER, the Friends of the Irvine Coast, Laguna Greenbelt, Inc., and Stop Polluting Our Newport.

COVENANTS

NOW, THEREFORE, the Parties agree as follows:

1. DEFINITIONS AND EXHIBITS.

1.1 Definitions. This Agreement uses a number of terms having specific meanings, as defined below. These specially defined terms are distinguished by having the initial letter capitalized, or all letters capitalized, when used in the Agreement. The defined terms include the following:

1.1.1 "*Agreement*" means this Annexation and Development Agreement.

1.1.2 "*Coastal Zone Area*" means that portion of the Property that is subject to the provisions of the California Coastal Act, Public Resources Code section 30000 *et seq.*

1.1.3 "*CITY*" means the City of Newport Beach, a California charter city.

1.1.4 "*County*" means the County of Orange, a political subdivision of the State of California.

1.1.5 "*Development*" whether or not capitalized means the improvement of the Property for the purposes of completing the structures, improvements and facilities comprising the Project including, but not limited to: grading; the construction of infrastructure and public facilities related to the Project whether located within or outside the Property; the construction of buildings and structures; and the installation of landscaping and park facilities and improvements. For purposes of this Agreement, however, "*Development*" does *not* include any remodeling, reconstruction, or other building or grading activity by any person subsequent to the termination of this Agreement as provided in and pursuant to Section 2.3.3 below.

1.1.6 "*Development Approvals*" means all permits, licenses, consents, rights and privileges, and other actions subject to approval or issuance by County or CITY in connection with Development of the Property, including but not limited to:

- (a) General plans and general plan amendments adopted by the County or the CITY;
- (b) Specific plans and specific plan amendments;
- (c) Zoning and rezoning adopted by the County or the CITY;
- (d) Tentative and final subdivision and parcel maps;

(e) Variances, conditional use permits, master plans, public use permits and plot plans; and

(f) Grading and building permits.

1.1.7 "*Development Plan*" means the plan for Development of the Property, including the planning and zoning standards, regulations, and criteria for the Development of the Property that are contained in and consistent with the Development Approvals. The components of the Development Plan are more fully described in Exhibit "D."

1.1.8 "*Effective Date*" means the date this Agreement is approved by the CITY and effective pursuant to the CITY Charter as shown in the first paragraph.

1.1.9 "*Land Use Regulations*" means all ordinances, resolutions, codes, rules, regulations and official policies governing Development and use of land applicable to the Property pursuant to this Agreement, including, the permitted use of land, the density or intensity of use, subdivision requirements, the maximum height and size of proposed buildings, the provisions for reservation or dedication of land for public purposes, and the design, improvement and construction standards and specifications applicable to the Development of the Property. "Land Use Regulations" does not include any CITY ordinance, resolution, code, rule, regulation or official policy, governing:

(a) The conduct of businesses, professions, and occupations;

(b) Taxes and assessments except as provided in Section 4.9;

(c) The control and abatement of nuisances;

(d) The granting of encroachment permits and the conveyance of rights and interests which provide for the use of or the entry upon public property; and

(e) The exercise of the power of eminent domain

1.1.10 "*OWNER*" means individually and collectively The Irvine Company and Irvine Community Development Company, and when appropriate in context, their respective successors in interest to all or any part of the Property.

1.1.11 "*Mortgagee*" means a mortgagee of a mortgage, a beneficiary under a deed of trust or any other security-device, a lender and their

successors and assigns.

1.1.12 "*Project*" means the Development of the Property consistent with the Development Plan.

1.1.13 "*Property*" means the real property described in Exhibit "A" and shown on Exhibit "B" to this Agreement.

1.1.14 "*Subsequent Development Approvals*" means all Development Approvals subsequent to the Effective Date in connection with Development of the Property.

1.1.15 "*Subsequent Land Use Regulations*" means any Land Use Regulations adopted and effective after the Effective Date of this Agreement, other than the Development Plan.

1.1.16 "*Term*" shall mean the period of time from the Effective Date until the termination of this Agreement as provided in subsection 10.1, or earlier termination as provided in Section 7.

1.2 **Exhibits.** The following documents are attached to, and by this reference made a part of, this Agreement:

Exhibit "A"	Legal Description of the Property.
Exhibit "B"	Map showing Property and its location.
Exhibit "C"	Planning and Environmental History.
Exhibit "D"	List of County Development Approvals.
Exhibit "E"	Mitigation Measures.
Exhibit "F"	Affordable Housing Implementation Plan.

2. GENERAL PROVISIONS.

2.1 **Binding Effect of Agreement.** This Agreement shall be binding on the CITY from and following the Effective Date. However, CITY shall have no right or duty with respect to the Property until annexation of the Property to CITY and CITY has fully complied with the conditions to OWNER's support for annexation. These conditions include the execution of a cooperative agreement that allows the County to retain all municipal land use jurisdiction and all responsibility for

processing Development Approvals.

2.2 Assignment by OWNER.

2.2.1 *Right to Assign.* OWNER shall have the right to sell, transfer or assign the Property in whole or in part (provided that no transfer violates the Subdivision Map Act, Government Code Section 66410, et seq.), and in so doing to assign, at any time during the term of this Agreement and to any person, partnership, joint venture, firm or corporation, its rights and obligations under this Agreement as the same may relate to the portion of the Property being transferred.

2.2.2 *Release of Transferring Owner.* Upon the sale, transfer or assignment of all or a portion of the Property, the transferring OWNER shall be released of all obligations under this Agreement that relate to the portion of the Property being transferred; provided that the obligations under Sections 4 and 5 of this Agreement that relate to the portion of the Property being transferred are assumed by and enforceable against the transferee.

2.2.3 *Termination of Agreement With Respect to Individual Residential Lots On Sale to Public and Completion of Construction.* Notwithstanding any other provisions of this Agreement, the obligations of OWNER pursuant to this Agreement shall terminate with respect to any residential lot and such residential lot shall be released and no longer be subject to this Agreement upon satisfaction of both of the following conditions:

(a) The residential lot has been finally subdivided and individually (and not in "bulk") sold or leased (for a period longer than one year) to a member of the public or other ultimate user; and,

(b) A certificate of occupancy has been issued or a final building inspection has been conducted and approved for the primary dwelling unit on the residential lot.

2.2.4 *Termination of Agreement With Respect to Non-Residential Parcels.* Notwithstanding any other provisions of this Agreement, the obligations of Owner pursuant to this Agreement shall terminate with respect to any non-residential parcel and the non-residential parcel shall be released and no longer be subject to this Agreement at such time as the parcel has been fully improved and occupied consistent with the allowed intensity of development under the Development Plan.

3. PRE-ANNEXATION OBLIGATIONS AND COMMITMENTS.

3.1 Annexation of Property. Consistent with and subject to the terms and conditions of this Agreement and specifically this Subsection, CITY may, in one annexation proceeding or several annexation proceedings, annex the Property under such conditions as are imposed by or through the Orange County Local Agency Formation Commission and reasonably acceptable to OWNER. Conditions shall be deemed to be reasonably acceptable to OWNER unless the conditions impair or interfere with OWNER's rights to develop or materially increase the cost of development. OWNER's consent to annexation of all or a portion of the Property is contingent on, and OWNER has reasonably relied on, CITY's commitments in Section 3 and 4 of this Agreement.

3.1.1 *Annexation Before Project Completion.* OWNER will support CITY's annexation of the Property in its entirety before project completion, provided that the Property may be fully developed to the full extent permitted in the Development Plan and as evidenced by satisfaction of each of the following conditions:

(a) The Legislature has approved, and the Governor has signed, legislation that clarifies provisions of the Coastal Act such that annexation of the Property (I) will not alter or affect the validity and enforceability of the Newport Coast Local Coastal Program, Second Amendment, including any amendments applicable to the Property and any related coastal development permits; or (ii) deprive the County of authority to issue coastal development permits pursuant to the terms of this Agreement, any ordinance, joint powers agreement, or other mechanism that confers municipal land use authority to the County after annexation and the Newport Coast Local Coastal Program, Second Amendment or any subsequent amendments that are certified by the California Coastal Commission;

(b) The City adopts, and maintains during the term of this Agreement, general plan and zoning designations for the Property that are essentially identical to the Newport Coast Local Coastal Program, general plan and zoning designations adopted by the County and in effect as of the Effective Date.

(c) The City authorizes County to retain all municipal land use authority (including the issuance of building and grading permits) to the County pursuant to a cooperative agreement

until such time as development is complete with each Planning Area or until OWNER consents, in writing, to an assumption of municipal land use authority over all or a portion of the Property.

- 3.1.2 *Ultimate Annexation.* OWNER will fully support CITY annexation of all or a portion of the Property without satisfying the provisions of Section 3.1.1, provided that all lots and/or parcels within the area to be annexed have received building permits for construction of structure(s) consistent with the Development Approvals, a certificate of occupancy has been issued or a final building inspection has been conducted and annexation will not interfere with, affect, or impair the Development Approvals or OWNER's ability to complete the Project.

3.2 Environmental Impacts and Mitigation. The parties acknowledge that Environmental Impact Reports, environmental documents and functional equivalents ("Environmental Documents - described in Exhibit C) have been prepared and certified for the Project by County and/or approved by the Coastal Commission. CITY has reviewed and evaluated the Environmental Documents to determine if the impacts of the Project, as represented by this Agreement, the Development Plan, and the CITY approvals, were fully analyzed and evaluated. CITY has also reviewed the Environmental Documents and all relevant existing facts and circumstances to determine if any of the events that require preparation of a subsequent or supplemental environmental document have occurred. CITY has determined based on that review that none of the events described in Section 21166 of the Public Resources Code or Sections 15162 or 15163 of the CEQA Guidelines have occurred. CITY has specifically determined that the detachment of the Property from County and the annexation of the Property to CITY do not require preparation of any subsequent or supplemental environmental impact report for the Project because the reorganization will not increase, decrease, or modify any Development or dedication when compared to the entitlement prior to annexation. CITY has also determined that, subject to incorporation of the mitigation measures identified in Exhibit "E" and except as specifically provided in this Agreement, there is no current or anticipated deficiency in any municipal service or facility (including planned community and neighborhood parks, drainage and flood control facilities, circulation system infrastructure, and public safety services) resulting from Development of the Project. The mitigation measures identified in Exhibit "E" are incorporated by reference into the Development Plan.

3.3 Additional Pre-Annexation Understandings. As a further inducement to OWNER to support the annexation of the Property to CITY, CITY agrees that, as of the date of its approval of this Agreement, all County affordable housing requirements associated with development of the Property have been satisfied. CITY also acknowledges that the OWNER has a vested right to proceed with development pursuant to the County Agreement and that no additional affordable housing requirements shall be imposed on development of the Property pursuant to the CITY's General Plan or otherwise. The Affordable Housing Implementation Plans approved by the County, describing the manner in which affordable housing requirements have been satisfied for development of the Property, are attached to this Agreement as Exhibit "F." Fees payable upon issuance of any development permit (e.g., building permit or occupancy permit) will be paid to the issuer of the permit in accordance with County Codes, fee schedules and requirements for original improvements. Following annexation, fees shall continue to be paid to the issuer in accordance with the codes and requirements for additions, remodels and rebuilds of the jurisdiction with land use authority. CITY agrees that the Project is in full compliance with, and shall not be further subject to, CITY's Traffic Phasing Ordinance following annexation of the Property, CITY having determined through this Agreement that:

- a. Development of the Property will not cause or make worse any unsatisfactory level of service at any primary intersection as defined in the Traffic Phasing Ordinance;
- b. Development of the Property has been considered a committed project which has been incorporated into the CITY's traffic model and Circulation Element traffic projections and all resulting levels of service have been accepted in the Circulation Element; and
- c. There is an overall reduction in peak hour ICU at impacted intersections having unsatisfactory levels of service taking into account the circulation improvements constructed or facilitated by OWNER pursuant to conditions imposed for development of the Project, including construction of Newport Coast Drive, extension of San Joaquin Hills Road, widening of Pacific Coast Highway, and facilitation of construction of the San Joaquin Hills Transportation Corridor.

3.4 Cooperation. Subject to and in reliance upon the representations and covenants of the City, OWNER will support the annexation of the Property by the CITY.

3.5 Termination of Annexation Proceedings. This Agreement may be terminated by OWNER in the event that CITY fails to comply with the requirements of Paragraph 3.1 above with respect to any proposed annexation of the Property to CITY, or if conditions imposed by or through the Local Agency Formation Commission on the annexation are determined by either party to conflict materially with its rights and obligations under any provision of this Agreement.

4. DEVELOPMENT OF THE PROPERTY AFTER ANNEXATION.

Following annexation of the Property by CITY, the following provisions shall apply:

4.1 Rights to Develop. Subject to the terms of this Agreement, following annexation of the Property OWNER shall have a vested right to develop the Property in accordance with, and to the extent of, the Development Plan. Pending and subsequent to annexation of the Property to CITY, OWNER shall have the right to seek approvals from County for the Development of the Property, and to develop the Property, consistent with the Development Plan. CITY expressly agrees to take no action that would or could (a) interfere with or impair the Development Approvals; (b) interfere with or impair the OWNER's ability to complete the project; (c) materially increase the cost of completing the project without the OWNER's express written consent; or (d) cause the transfer of any permitting or development review authority pursuant to State or local law, including Government Code section 30519, from the County to the City or any other agency until such time as that portion of the Property affected by the transfer is fully developed pursuant to the Development Plan and provided the transfer would not interfere or impair OWNER's ability to develop any other portion of this Property.

4.2 Effect of Agreement on Land Use Regulations. The rules, regulations and official policies governing permitted uses of the Property, the density and intensity of use of the Property, the maximum height and size of proposed buildings, and the design, improvement and construction standards and specifications applicable to Development of the Property, shall be those contained in the Development Plan (and those Land Use Regulations not inconsistent with the Development Plan) and that were in full force and effect on or before June 26, 2001 except as may be otherwise provided by this Agreement.

4.3 Timing of Development. The Parties acknowledge that OWNER cannot at this time predict when or the rate at which phases of the Property will be developed. Such decisions depend upon numerous factors that are not within the control of OWNER, such as market orientation and demand, interest rates, absorption, completion and other similar factors. Since the California Supreme Court held in Pardee Construction Co. v. City of Camarillo (1984) 37 Cal. 3d 465,

that the failure of the parties therein to provide for the timing of Development resulted in a later adopted initiative restricting the timing of Development to prevail over such parties' agreement, it is the parties' intent to cure that deficiency by acknowledging and providing that OWNER shall have the right to develop the Property in such order and at such rate and at such times as OWNER deems appropriate within the exercise of its subjective business judgment. Nothing in this section is intended to alter the standard time limits of any permits issued to OWNER pursuant to the Development Approvals.

4.4 Changes and Amendments. The parties acknowledge that Development of the Project may require Subsequent Development Approvals. OWNER may determine that changes in the existing Development Approvals or Development Plan are appropriate and desirable. In the event OWNER finds that such a change is appropriate or desirable, OWNER may apply in writing for an amendment to Development Approvals or the Development Plan to effect such change and the application shall be processed for approval by County. CITY shall expressly permit and authorize modifications of any proposed changes in the existing Development Approvals or Development Plan unless the proposed modifications:

- (a) Would materially reduce the amount of open space intended for dedication to the public, or
- (b) Would materially alter the cost of providing municipal services to the Property subsequent to annexation, or
- (c) Would materially reduce the amount of property tax or other revenue available to the CITY after annexation, or
- (d) Would materially increase the density and/or intensity of development allowed in the Project as a whole, resulting in unacceptable intersection impacts outside of the Project that cannot be mitigated pursuant to the CITY's Traffic Phasing Ordinance.

Any change in the Development Approvals or Development Plan made in accordance with the procedures required by the Land Use Regulations and with the written consent of the OWNER shall be conclusively deemed to be consistent with this Agreement, without any further need for any amendment to this Agreement or any of its Exhibits.

4.5 Continuation of Irvine Coast Development Agreement. CITY acknowledges and agrees that the County Agreement entered into between OWNER and County shall continue to govern the rights and obligations of OWNER and County with respect to the Coastal Zone Area preceding annexation, and following annexation to the maximum extent permitted by the cooperative agreement and State law. If for any reason this Agreement is found to be invalid

or unenforceable or OWNER's ability to proceed with the Development Plan is impaired or delayed for any reason, then the Coastal Zone Area shall be and remain subject to the terms and protections of the County Agreement.

4.6 Monitoring of Project. City shall, subsequent to annexation of all or a portion of the Property, have the right, pursuant to a standard right of entry permit issued by OWNER, to enter the Property for the limited purpose of ensuring that development of the Property proceeds in substantial compliance with the Development Approvals and all conditions to those approvals that are material to the issue of water quality and aesthetics. OWNER shall designate a Project Manager to provide CITY with access to all grading and building plans and specifications on or before the date they are submitted to the County. CITY shall conduct all monitoring activities in a manner that does not unduly burden OWNER's rights to develop the Property in compliance with the Development Approvals. Any report prepared pursuant to monitoring shall be lodged with the City Manager and CITY shall provide OWNER with the opportunity to review and comment on the report prior to submittal to the City Manager. The monitoring authorized by this Subsection is not intended, and shall not be construed, to create any formal procedure, right or process on the part of the CITY to review or modify the Development of the Property. City shall make available to any person, upon request, any report or document lodged with the City Manager that is prepared by any professional retained by the CITY to conduct the monitoring authorized by this Section.

5. FINANCING OF PUBLIC IMPROVEMENTS AFTER ANNEXATION.

5.1 Formation of Financing Districts. If so requested by OWNER, CITY will cooperate in the formation or modification of any special assessment district, community facilities district or alternate financing mechanism ("CFD") to pay for the construction, acquisition, and/or maintenance and operation of public and/or quasi-public infrastructure, lighting, landscape, or any other public facilities required as part of the Development Approvals. CITY may, pursuant to the cooperative agreement, allow the County to retain the authority to administer, form or modify any new or existing assessment district. However, CITY shall have no obligation to authorize or to cause any such CFD to issue debt or sell bonds prior to the completion of the annexation of the Property to CITY. In the event that such a CFD is formed and sells bonds to pay for the construction or acquisition of public or quasi-public facilities which were provided, in whole or in part, by OWNER, OWNER may be reimbursed from such bonds to the extent that OWNER has spent funds or dedicated land for the establishment of such facilities and creation of the CFD. While it is acknowledged that this Agreement cannot require CITY or the City Council to form any such CFD or to issue and sell bonds, CITY represents that it can do so and agrees that it shall not refuse OWNER's request to form such a CFD and to issue and sell bonds following completion of annexation of the Property to CITY, except for good and reasonable cause. In no

event shall CITY have any obligation or duty to refinance, repay, reduce the amount of, or assume any financial relationship to, any bonds or other debt issued by any CFD prior to annexation, but City may assume such obligation pursuant to agreement.

5.2 OWNER's Right to Construct Facilities. Subject to CITY or County review and approval of plans and specifications, as appropriate, the OWNER may elect, and reserves the right, to construct, or cause the construction of, any public or quasi-public facility for which the CITY intends to collect a fee, and to dedicate the completed facility to the CITY, in lieu of payment of the fee.

6. REVIEW FOR COMPLIANCE FOLLOWING ANNEXATION.

6.1 Periodic Review. Following annexation of all or any portion of the Property, the City Council shall review this Agreement annually, on or before the anniversary of the Effective Date, in order to ascertain the good faith compliance by OWNER with the terms of the Agreement. As part of that review, OWNER shall submit an annual monitoring review statement describing its actions in compliance with this Agreement, in a form acceptable to the City Manager, within 30 days after written notice from the City Manager requesting that statement. The statement shall be accompanied by an annual review and administration fee sufficient to defray the estimated costs of review and administration of the Agreement during the succeeding year. The amount of the annual review and administration fee shall be set annually by resolution of the City Council.

6.2 Special Review. The City Council may order a special review of compliance with this Agreement at any time at CITY's sole cost. OWNER shall cooperate with the CITY in the conduct of such special reviews.

6.3 Procedure. Each party shall have, at any periodic or special review, a reasonable opportunity to assert matters which it believes have not been undertaken in accordance with the Agreement, to explain the basis for such assertion, and to receive from the other party a justification of its position on such matters. If either Party concludes, on the basis of any review, that the other Party has not complied in good faith with the terms of the Agreement, then such Party may issue a written "Notice of Non-Compliance" specifying the grounds and all facts demonstrating such non-compliance. The Party receiving a Notice of Non-Compliance shall have thirty (30) days to respond in writing to the Notice. If the response to the Notice of Non-Compliance has not been received in the offices of the party alleging the default within the prescribed time period, the Notice of Non-Compliance shall be conclusively presumed to be valid. If a Notice of Non-Compliance is contested, the Parties shall have up to sixty (60) days to arrive at a mutually acceptable resolution of the matter(s) occasioning the Notice. In the event that the Parties are not able to arrive at a mutually acceptable resolution of the matter(s) by the end of the sixty (60) day period, the Party

alleging the non-compliance may pursue the remedies provided in Section 7.

6.4 Certificate of Agreement Compliance. If, at the conclusion of a periodic or special review, OWNER is found to be in compliance with this Agreement, CITY shall, upon request by OWNER, issue a Certificate of Agreement Compliance ("Certificate") to OWNER stating that after the most recent Periodic or Special Review and based upon the information known or made known to the City Manager and CITY Council that (1) this Agreement remains in effect and (2) OWNER is not in default. The Certificate shall be in recordable form, shall contain information necessary to communicate constructive record notice of the finding of compliance, shall state whether the Certificate is issued after a Periodic or Special Review and shall state the anticipated date of commencement of the next Periodic Review. OWNER may record the Certificate with the County Recorder. Additionally, OWNER may at any time request from the CITY a Certificate stating, in addition to the foregoing, which obligations under this Agreement have been fully satisfied with respect to the Property, or any lot or parcel within the Property.

7. DEFAULT AND REMEDIES.

7.1 Specific Performance Available. The parties acknowledge that money damages and remedies at law generally are inadequate and specific performance is a particularly appropriate remedy for the enforcement of this Agreement and should be available to OWNER and CITY because due to the size, nature and scope of the Project, it may not be practical or possible to restore the Property to its natural condition once implementation of this Agreement has begun. After such implementation, OWNER and/or CITY may be foreclosed from other choices it may have had to utilize or condition the Property or portions hereof. OWNER and CITY have invested significant time and resources and performed extensive planning and processing of the Project in agreeing to the terms of this Agreement and will be investing even more significant time and resources in implementing the Project in reliance upon the terms of this Agreement, such that it would be extremely difficult to determine the sum of money which would adequately compensate OWNER and/or CITY for such efforts. Except as provided in Section 7.2 below, neither OWNER nor CITY shall be entitled to any money damages, including attorney fees, from the other party by reason of any default under this Agreement.

7.2 Restitution of Improper Development Fees. In the event any Development fees or taxes are imposed on Development of the Property other than those authorized pursuant to this Agreement, OWNER shall be entitled to recover from CITY restitution of all such improperly assessed fees or taxes, together with interest thereon at the maximum allowable non-usurious rate from the date such sums were paid to CITY to the date of restitution.

7.3 Termination of Agreement.

7.3.1 Termination of Agreement for Default of OWNER. CITY in its discretion may terminate this Agreement as to any non-annexed portions of the Property for any failure of OWNER to perform any material duty or obligation of OWNER hereunder or to comply in good faith with the terms of this Agreement related to its annexation (hereinafter referred to as "default"); provided, however, CITY may terminate this Agreement pursuant to this Section only after following the procedure set forth in Section 6.3 and thereafter providing written notice to OWNER of the default setting forth the nature of the default and the actions, if any, required by OWNER to cure such default and, where the default can be cured, OWNER has failed to take such actions and cure such default within 30 days after the effective date of such notice or, in the event that such default cannot be cured within such 30 day period, the failure of CITY to commence to cure such default within such 30 day period and to diligently proceed to complete such actions and to cure such default.

7.3.2 Termination of Agreement for Default of CITY. OWNER in its discretion may terminate this Agreement by written notice to CITY after the default by CITY in the performance of a material term of this Agreement and only after following the procedure set forth in Section 6.3 and thereafter providing written notice by OWNER thereof to CITY and, where the default can be cured, the failure of CITY to cure such default within 30 days after the effective date of such notice or, in the event that such default cannot be cured within such 30 day period, the failure of CITY to commence to cure such default within such 30 day period and to diligently proceed to complete such actions and to cure such default.

7.3.3 Rights and Duties Following Termination. Upon the termination of this Agreement, no party shall have any further right or obligation hereunder except with respect to (i) any obligations to have been performed prior to said termination, (ii) any default in the performance of the provisions of this Agreement which has occurred prior to said termination, or (iii) obligations that have vested through the annexation of the Property, or any annexed portion thereof.

7.4 OWNER's Right To Terminate Upon Specified Events.

Notwithstanding any other provisions of this Agreement to the contrary, OWNER retains the right to terminate this Agreement (but not the provisions of Section 3) upon thirty (30) days written notice to CITY in the event that OWNER reasonably determines that continued Development of the Project consistent with the Development Plan has become economically infeasible due to changed market conditions, increased Development costs, burdens imposed as conditions to future discretionary approvals of the Project consistent with this Agreement, or

similar factors.

8. THIRD PARTY LITIGATION.

CITY shall promptly notify OWNER of any claim, action or proceeding filed and served against CITY to challenge, set aside, void, annul, limit or restrict the approval and continued implementation and enforcement of this Agreement. CITY and OWNER agree to cooperate in the defense of such action(s).

9. MORTGAGEE PROTECTION.

The parties agree that this Agreement shall not prevent or limit OWNER, in any manner, at OWNER's sole discretion, from encumbering the Property or any portion thereof or any improvement thereon by any mortgage, deed of trust or other security device securing financing with respect to the Property. CITY acknowledges that the lenders providing such financing may require certain Agreement interpretations and modifications and agrees upon request, from time to time, to meet with OWNER and representatives of such lenders to negotiate in good faith any such request for interpretation or modification. Subject to compliance with applicable laws, CITY will not unreasonably withhold its consent to any such requested interpretation or modification provided such interpretation or modification is consistent with the intent and purposes of this Agreement. Any Mortgagee of the Property shall be entitled to the following rights and privileges:

- (a) Neither entering into this Agreement nor a breach of this Agreement shall defeat, render invalid, diminish or impair the lien of any mortgage on the Property made in good faith and for value, unless otherwise required by law.
- (b) The Mortgagee of any mortgage or deed of trust encumbering the Property, or any part thereof, which Mortgagee, has submitted a request in writing to the CITY in the manner specified herein for giving notices, shall be entitled to receive written notification from CITY of any default by OWNER in the performance of OWNER's obligations under this Agreement.
- (c) If CITY timely receives a request from a Mortgagee requesting a copy of any notice of default given to OWNER under the terms of this Agreement, CITY shall provide a copy of that notice to the Mortgagee within ten (10) days of sending the notice of default to OWNER. The mortgagee shall have the right, but not the obligation, to cure the default during the remaining cure period allowed such party under this Agreement.
- (d) Any Mortgagee who comes into possession of the Property, or any part

thereof, pursuant to foreclosure of the mortgage or deed of trust, or deed in lieu of such foreclosure, shall take the Property, or part thereof, subject to the terms of this Agreement. Notwithstanding any other provision of this Agreement to the contrary, no Mortgagee shall have an obligation or duty under this Agreement to perform any of OWNER's obligations or other affirmative covenants of OWNER hereunder, or to guarantee such performance; except that (i) to the extent that any covenant to be performed by OWNER is a condition precedent to the performance of a covenant by CITY, the performance thereof shall continue to be a condition precedent to CITY's performance hereunder, and (ii) in the event any Mortgagee seeks to develop or use any portion of the Property acquired by such Mortgagee by foreclosure, deed of trust, or deed in lieu of foreclosure, such Mortgagee shall strictly comply with all of the terms, conditions and requirements of this Agreement and the Development Plan applicable to the Property or such part thereof so acquired by the Mortgagee.

10. MISCELLANEOUS PROVISIONS.

10.1 Term of Agreement. Following completion of the annexation of the Property, or any portion thereof, to the CITY within the preceding time periods, this Agreement shall continue in full force and effect with respect to such annexed land for a period of fifteen (15) years from the effective date of that annexation.

10.2 Recordation of Agreement. This Agreement shall be recorded with the County Recorder by the City Clerk upon annexation of the Property to CITY within the period required by Section 65868.5 of the Government Code. Similarly, amendments approved by the parties, and any cancellation, shall also be recorded.

10.3 Entire Agreement. This Agreement sets forth and contains the entire understanding and agreement of the parties, and there are no oral or written representations, understandings or ancillary covenants, undertakings or agreements that are not contained or expressly referred to herein. No testimony or evidence of any such representations, understandings or covenants shall be admissible in any proceeding of any kind or nature to interpret or determine the terms or conditions of this Agreement.

10.4 Severability. If any term, provision, covenant or condition of this Agreement shall be determined invalid, void or unenforceable, then this Agreement shall terminate in its entirety, unless the parties otherwise agree in writing, which agreement shall not be unreasonably withheld.

10.5 Interpretation and Governing Law. This Agreement and any dispute arising hereunder shall be governed and interpreted in accordance with the laws of the State of California. This Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the parties hereto, and the rule of construction to the effect that ambiguities are to be resolved against the drafting party or in favor of CITY shall not be employed in interpreting this Agreement, all parties having been represented by counsel in the negotiation and preparation hereof.

10.6 Section Headings. All section headings and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

10.7 Singular and Plural. As used herein, the singular of any word includes the plural.

10.8 Time of Essence. Time is of the essence in the performance of the provisions of this Agreement as to which time is an element.

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

10.10 Third Party Beneficiaries. This Agreement is made and entered into for the sole protection and benefit for the parties and their successors and assigns. No other person shall have any right of action based upon any provision of this Agreement; provided, however, that the fee owners of any non-residential parcels in the annexation area may elect to be covered by this Agreement.

10.11 Force Majeure. Neither party shall be deemed to be in default where failure or delay in performance of any of its obligations under this Agreement is caused by earthquakes, other Acts of God, fires, wars, riots or similar hostilities, strikes and other labor difficulties beyond the party's control (including the party's employment force), government regulations, court actions (such as restraining orders or injunctions), or other causes beyond the party's control. If any such events shall occur, the term of this Agreement and the time for performance shall be extended for the duration of each such event, provided that the term of this Agreement shall not be extended under any circumstances for more than five (5) years.

10.12 Mutual Covenants. The covenants contained herein are mutual covenants and also constitute conditions to the concurrent or subsequent performance by the party benefited thereby of the covenants to be performed hereunder by such benefited party.

10.13 Counterparts. This Agreement may be executed by the parties in counterparts, which counterparts shall be construed together and have the same effect as if all of the parties had executed the same instrument.

10.14 Jurisdiction and Venue. Any action at law or in equity arising under this Agreement or brought by any party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Agreement shall be filed and tried in the Superior Court of the County of Orange, State of California, and the parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court.

10.15 Project as a Private Undertaking. It is specifically understood and agreed by and between the parties hereto that the Development of the Project is a private Development, that neither party is acting as the agent of the other in any respect hereunder, and that each party is an independent contracting entity with respect to the terms, covenants and conditions contained in this Agreement. No partnership, joint venture or other association of any kind is formed by this Agreement. The only relationship between CITY and OWNER is that of a government entity regulating the Development of private property and the owner of such property.

10.16 Further Actions and Instruments. Each of the parties shall cooperate with and provide reasonable assistance to the other to the extent contemplated hereunder in the performance of all obligations under this Agreement and the satisfaction of the conditions of this Agreement. Upon the request of either party at any time, the other party shall promptly execute, with acknowledgment or affidavit if reasonably required, and file or record such required instruments and writings and take any actions as may be reasonably necessary under the terms of this Agreement to carry out the intent and to fulfill the provisions of this Agreement or to evidence or consummate the transactions contemplated by this Agreement. Subject to Section 3 above, OWNER will cooperate with the CITY in the processing of the annexation of the Project through the Local Agency Formation Commission including advocating the application of the existing AB 8 Master Property Tax Transfer Agreement. OWNER acknowledges the importance of maintaining the fiscal benefits of the Project assuming that the current method of allocating sales tax revenues (*i.e.*, point of sale) is utilized. OWNER will consult with the CITY regarding legislative proposals to adjust this procedure with the goal of supporting CITY efforts to maintain the fiscal benefits of the Project through the legislative process.

10.17 Eminent Domain. No provision of this Agreement shall be construed to limit or restrict the exercise by CITY of its power of eminent domain.

10.18 Amendments in Writing/Cooperation. This Agreement may be amended only by written consent of both parties specifically approving the amendment and in accordance with the Government Code provisions for the amendment of Development Agreements. The parties shall cooperate in good faith with respect to any amendment proposed in order to clarify the intent and application of this Agreement, and shall treat any such proposal on its own merits, and not as a basis for the introduction of unrelated matters.

10.19 Authority to Execute. The person or persons executing this Agreement on behalf of OWNER warrants and represents that he/they have the authority to execute this Agreement on behalf of his/their corporation, partnership or business entity and warrants and represents that he/they has/have the authority to bind OWNER to the performance of its obligations hereunder.

10.20 Notice. All notices, demands, requests or approvals to be given under this Agreement shall be given in writing and shall be deemed served when delivered personally or on the third business day after deposit in the United States mail, postage prepaid, first class mail, addressed as follows:

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

City of Newport Beach
City Manager's Office
3300 Newport Boulevard
PO Box 1768
Newport Beach, California 92658-8915

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

Vice President of Entitlements
The Irvine Company
550 Newport Center Drive
Newport Beach, California 92660

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first set forth above.

CITY: CITY OF NEWPORT BEACH

By Tod Ridgeway
TOD RIDGEWAY, Mayor Pro Tem

ATTEST:

By LaVonne M. Harkless
LaVonne Harkless, City Clerk



APPROVED AS TO FORM:

By Robert Burnham
Robert Burnham, City Attorney

OWNER: THE IRVINE COMPANY

By Joseph D. Davis

Title Joseph D. Davis, Executive Vice President

By Tim Paone

Title Tim Paone, Vice President Entitlement

OWNER: IRVINE COMMUNITY
DEVELOPMENT COMPANY

By Joseph D. Davis

Title Joseph D. Davis, President and CEO

By Daniel C. Hedigan

Title Daniel C. Hedigan, Assistant Secretary

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of

Orange

} ss.

On Nov. 8 2001

Date

before me, Cathy Fisher, Notary Public

Name and Title of Officer (e.g., "Jane Doe, Notary Public")

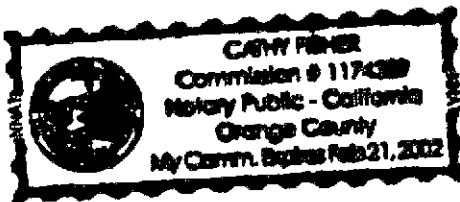
personally appeared

Tod Ridgeway & LaVonne Hartless

Name(s) of Signer(s)

☒ personally known to me

☐ 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.

Cathy Fisher

Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Annexation & Development Agreement

Document Date: 8-23-01

Number of Pages: 23

Signer(s) Other Than Named Above: Joseph Davis & Tim Paone - The Irvine Company

Capacity(ies) Claimed by Signer

Signer's Name: _____

- ☐ Individual
- ☐ Corporate Officer — Title(s): _____
- ☐ Partner — ☐ Limited ☐ General
- ☐ Attorney in Fact
- ☐ Trustee
- ☐ Guardian or Conservator
- ☐ Other: _____

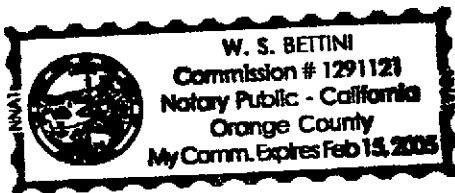
Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

State of California)) ss.
County of Orange)

On November 8, 2001 before me, W. S. Bettini, Notary Public, personally appeared Joseph D. Davis and Daniel C. Hedigan, personally known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.

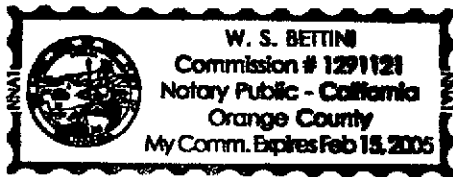


R. P. Lettini

State of California) ss.
County of Orange)

On November 8, 2001 before me, W. S. Bettini, Notary Public, personally appeared Joseph D. Davis and Tim Paone, personally known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.



Mr. J. Lettini

EXHIBIT 'A'

NEWPORT COAST ANNEXATION NO. CA01-06

TO THE CITY OF NEWPORT BEACH

BLOCKS: 5151, 5152, 5251
5252, 5253, 5351
5352

MODULES: VARIOUS

BEING THOSE PORTIONS OF BLOCKS 91, 95-98, 128-134, 161-164 OF IRVINE'S SUBDIVISION AS SHOWN ON A MAP THEREOF FILED IN BOOK 1, PAGE 88 OF MISCELLANEOUS RECORD MAPS AND PARCEL 2 AND A PORTION OF PARCEL 1 PER CORPORATION GRANT DEED BOOK 13439, PAGE 94-132, RECORDED DECEMBER 19, 1979, IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF ORANGE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT AN ANGLE POINT IN THE EXISTING CITY OF NEWPORT BEACH BOUNDARY AS ESTABLISHED BY REORGANIZATION NO. R097-35, "BONITA CANYON ANNEXATION TO THE CITY OF NEWPORT BEACH AND DETACHMENT OF THE SAME TERRITORY FROM THE CITY OF IRVINE", SAID ANGLE POINT BEING THE SOUTHEASTERLY TERMINUS OF THAT CERTAIN COURSE DESCRIBED AS "SOUTH 11°58'31" EAST 11.29 FEET" IN SAID REORGANIZATION NO. R097-35, SAID POINT ALSO BEING DISTANT NORTH 26°42'33" EAST 3071.87 FEET FROM ORANGE COUNTY SURVEYOR'S HORIZONTAL CONTROL STATION GPS NO. 6247, HAVING A COORDINATE VALUE (U.S. SURVEY FOOT) OF NORTH 2173287.386 AND EAST 6074018.521, BASED UPON THE CALIFORNIA COORDINATE SYSTEM (CCS83), ZONE VI. 1983 NAD (1991.35 EPOCH O.C.S. GPS ADJUSTMENT) AS SAID GPS POINT IS SHOWN ON TRACT MAP NO. 15945, RECORDED IN BOOK 805, PAGES 18-25 INCLUSIVE, OF MISCELLANEOUS MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, BEING COMMON TO "HARBOR VIEWS HILLS - PHASE 3" ANNEXATION TO THE CITY OF NEWPORT BEACH;

THENCE CONTINUING ALONG THE EXISTING CITY BOUNDARY OF THE CITY OF NEWPORT BEACH PER "HARBOR VIEW HILLS-PHASE 3" ANNEXATION, THE "HARBOR VIEW HILLS SECTOR 4" ANNEXATION, THE "HARBOR RIDGE ANNEXATION NO. 89", THE "HARBOR RIDGE ANNEXATION NO. 82, THE "HARBOR VIEW HILLS-PHASE 3" ANNEXATION, THE "HARBOR VIEW HILLS-PHASE 4" ANNEXATION, THE "ANNEXATION NO. 57 (CENTERVIEW ANNEXATION)", THE "HARBOR VIEW" ANNEXATION, ANNEXATION NO. 8, CITY BOUNDARY 1928 (COURT CASE NO. 23686) INCORPORATED SEPTEMBER 1, 1906; THE "CORONA HIGHLANDS" ANNEXATION, THE "SEAWARD 17" ANNEXATION, THE "CAMEO HIGHLANDS" ANNEXATION, THE "ANNEXATION NO. 84", THE "CAMEO HIGHLANDS" ANNEXATION, THE "ANNEXATION NO. 64", THE "CAMEO CLIFFS" ANNEXATION" THE "SHORE CLIFFS - CAMEO SHORES TIDELANDS ANNEXATION" THROUGH THEIR VARIOUS COURSES IN A GENERAL SOUTHEASTERLY, SOUTHWESTERLY, SOUTHEASTERLY, SOUTHERLY, WESTERLY, SOUTHERLY, EASTERLY, SOUTHERLY, WESTERLY, SOUTHERLY,

EXHIBIT 'A'

NEWPORT COAST ANNEXATION NO. CA01-06

TO THE CITY OF NEWPORT BEACH

SOUTHEASTERLY, SOUTHERLY, SOUTHWESTERLY, WESTERLY, NORTHWESTERLY,
SOUTHWESTERLY, WESTERLY, SOUTHWESTERLY, SOUTHERLY, NORTHWESTERLY,
SOUTHWESTERLY; WESTERLY, SOUTHEASTERLY, NORTHEASTERLY, SOUTHERLY,
SOUTHWESTERLY, NORTHWESTERLY AND SOUTHWESTERLY DIRECTION TO AN ANGLE POINT
ON THE BOUNDARY OF THE CITY OF NEWPORT BEACH AS ESTABLISHED BY "SHORE
CLIFFS - CAMEO SHORE TIDELANDS ANNEXATION";

THENCE LEAVING SAID CITY BOUNDARY IN A DIRECT LINE NORTHEASTERLY 3 MILES
MORE OR LESS TO A POINT ON THE MEAN HIGH TIDE OF THE PACIFIC OCEAN; SAID
POINT BEARING SOUTH 37°39'50" WEST 600 FEET MORE OR LESS FROM THE NORTHWEST
CORNER OF PARCEL 3 OF "PARK PROPERTY" AS DESCRIBED IN CORPORATION GRANT
DEED TO THE STATE OF CALIFORNIA ON FILE DECEMBER 19, 1979, IN BOOK 13439,
PAGE 94-132 IN THE OFFICE OF THE COUNTY RECORDER, SAID POINT BEING THE
SOUTHWESTERLY PROLONGATION OF THAT CERTAIN COURSE DESCRIBED AS "NORTH
37°39'50" EAST 104.98 FEET" IN SAID DEED IN THE WESTERLY BOUNDARY OF PARCEL
3 OF SAID "PARK PROPERTY";

THENCE ALONG SAID SOUTHWESTERLY PROLONGATION "NORTH 37°39'50" EAST 600 FEET
MORE OR LESS TO THE SOUTHWESTERLY TERMINUS OF THAT CERTAIN COURSE
DESCRIBED AS "NORTH 37°39'50" EAST 104.98 FEET" IN THE NORTHWESTERLY
BOUNDARY OF SAID PARCEL 3, SAID TERMINUS ALSO BEING ON THE NORTHEASTERLY
RIGHT OF WAY LINE OF THE PACIFIC COAST HIGHWAY BEING A HIGHWAY OF VARIABLE
WIDTH, AND FURTHER DESCRIBED IN BOOK 487, PAGE 1 OF DEEDS IN THE OFFICE OF
THE COUNTY RECORDER;

THENCE LEAVING SAID NORTHEASTERLY RIGHT OF WAY LINE ALONG THE
NORTHWESTERLY BOUNDARY LINE OF PARCEL 3 OF SAID "PARK PROPERTY";

THENCE NORTH 37°39'50" EAST 104.98 FEET TO THE BEGINNING OF A TANGENT
950.00 FOOT RADIUS CURVE CONCAVE TO THE SOUTHEAST;

THENCE ALONG THE ARC OF SAID CURVE; NORTHEASTERLY, 219.65 FEET THROUGH A
CENTRAL ANGLE OF 13°14'50";

THENCE NORTH 50°54'40" EAST 1645.45 FEET TO THE BEGINNING OF A TANGENT
1300.00 FOOT RADIUS CURVE CONCAVE TO THE WEST;

THENCE ALONG THE ARC OF SAID CURVE NORTHEASTERLY, 1590.29 FEET THROUGH A
CENTRAL ANGLE OF 70°05'24";

EXHIBIT 'A'

NEWPORT COAST ANNEXATION NO.CA01-06

TO THE CITY OF NEWPORT BEACH

THENCE NORTH 19°10'44" WEST 387.88 FEET;
THENCE SOUTH 84°42'47" EAST 288.52 FEET;
THENCE NORTH 58°39'02" EAST 1018.72 FEET;
THENCE NORTH 74°08'04" EAST 197.52 FEET;
THENCE NORTH 60°27'40" EAST 137.93 FEET;
THENCE SOUTH 68°54'28" EAST 150.05 FEET;
THENCE NORTH 66°48'05" EAST 167.55 FEET;
THENCE NORTH 04°38'08" EAST 74.24 FEET;
THENCE SOUTH 87°03'52" EAST 84.20 FEET;
THENCE NORTH 23°21'06" WEST 232.34 FEET;
THENCE NORTH 51°08'19" EAST 310.79 FEET;
THENCE NORTH 31°50'33" EAST 223.66 FEET;
THENCE NORTH 11°55'46" WEST 290.27 FEET;
THENCE NORTH 30°02'00" EAST 147.85 FEET;
THENCE NORTH 35°52'56" WEST 232.03 FEET;
THENCE NORTH 10°31'40" EAST 229.87 FEET;
THENCE NORTH 46°28'08" EAST 55.17 FEET;
THENCE NORTH 67°53'26" EAST 138.16 FEET;
THENCE NORTH 38°31'49" EAST 138.06 FEET;
THENCE NORTH 24°35'24" EAST 129.77 FEET;
THENCE NORTH 03°52'43" EAST 118.27 FEET;

EXHIBIT 'A'
NEWPORT COAST ANNEXATION NO.CA01-06
TO THE CITY OF NEWPORT BEACH

THENCE NORTH 19°50'41" EAST 141.40 FEET;

THENCE NORTH 49°01'42" EAST 150.97 FEET;

THENCE NORTH 73°52'21" EAST 172.80 FEET;

THENCE NORTH 60°49'09" EAST 176.38 FEET;

THENCE NORTH 11°48'47" EAST 312.62 FEET;

THENCE NORTH 03°21'59" WEST 272.47 FEET TO THE SOUTHEASTERLY TERMINUS OF THAT CERTAIN COURSE DESCRIBED AS "SOUTH 28°44'47" EAST 328.52 FEET" IN THE EXISTING WESTERLY BOUNDARY OF "PARK PROPERTY" AS DESCRIBED IN CORPORATION GRANT DEED TO THE STATE OF CALIFORNIA RECORDED NOVEMBER 17, 1981 ON FILE IN BOOK 14292, PAGE 953-965 IN THE OFFICE OF THE COUNTY RECORDER;

THENCE ALONG SAID WESTERLY BOUNDARY NORTH 28°44'47" WEST 328.52 FEET;

THENCE NORTH 11°21'29" EAST 467.15 FEET;

THENCE NORTH 08°21'57" WEST 68.73 FEET;

THENCE NORTH 29°47'31" EAST 301.90 FEET;

THENCE NORTH 80°08'45" EAST 383.72 FEET;

THENCE NORTH 30°18'40" EAST 301.17 FEET;

THENCE NORTH 79°56'51" EAST 446.86 FEET;

THENCE NORTH 49°46'51" EAST 390.27 FEET;

THENCE NORTH 75°36'00" EAST 152.80 FEET;

THENCE NORTH 88°17'55" EAST 404.18 FEET;

THENCE NORTH 02°27'46" EAST 186.17 FEET;

THENCE NORTH 25°47'27" EAST 330.97 FEET;

THENCE NORTH 89°15'21" EAST 308.03 FEET;

EXHIBIT 'A'

NEWPORT COAST ANNEXATION NO.CA01-06
TO THE CITY OF NEWPORT BEACH

THENCE NORTH 11°34'59" EAST 2549.93 FEET;

THENCE NORTH 11°06'16" WEST 1038.44 FEET;

THENCE NORTH 10°47'04" EAST 235.15 FEET;

THENCE NORTH 35°06'10" EAST 551.26 FEET;

THENCE NORTH 16°38'20" EAST 181.60 FEET;

THENCE NORTH 18°54'59" WEST 188.16 FEET;

THENCE NORTH 16°25'40" EAST 424.32 FEET;

THENCE NORTH 29°10'03" EAST 196.98 FEET;

THENCE NORTH 14°24'00" EAST 152.80 FEET;

THENCE NORTH 52°16'30" EAST 67.01 FEET;

THENCE NORTH 80°17'00" EAST 148.12 FEET;

THENCE NORTH 37°27'15" EAST 274.61 FEET;

THENCE SOUTH 33°00'20" EAST 789.39 FEET;

THENCE NORTH 70°38'36" EAST 784.31 FEET;

THENCE SOUTH 02°59'35" WEST 306.42 FEET;

THENCE SOUTH 22°06'00" EAST 356.17 FEET;

THENCE SOUTH 35°18'58" EAST 2345.66 FEET TO WESTERLY TERMINUS OF THAT CERTAIN COURSE DESCRIBED AS "SOUTH 44°31'21" EAST 678.84 FEET" IN THE EXISTING NORTHEASTERLY BOUNDARY OF SAID BOOK 13439, PAGE 94-132;

THENCE LEAVING THE BOUNDARY OF SAID BOOK 14292, PAGE 953-965 AND ALONG THE NORTHEASTERLY BOUNDARY OF SAID BOOK 13439, PAGE 94-132;

THENCE SOUTH 44°31'21" EAST 678.84 FEET;

THENCE SOUTH 71°26'28" EAST 584.39 FEET;

EXHIBIT 'A'
NEWPORT COAST ANNEXATION NO.CA01-06
TO THE CITY OF NEWPORT BEACH

THENCE SOUTH 85°06'26" EAST 515.88 FEET;

THENCE SOUTH 74°32'30" EAST 420.20 FEET;

THENCE SOUTH 66°47'38" EAST 548.66 FEET TO A POINT ON THE SOUTHEASTERLY LINE OF BLOCK 161 OF SAID IRVINE'S SUBDIVISION;

THENCE LEAVING THE NORTHEASTERLY BOUNDARY OF SAID BOOK 13439, PAGE 94-132 AND ALONG THE SOUTHEASTERLY LINE OF SAID BLOCK 161 NORTH 40°33'59" EAST 188.12 FEET TO A POINT ON THAT CERTAIN COURSE BEARING "NORTH 34°56'51" WEST 457.86 FEET" IN THE EXISTING BOUNDARY OF "THE PROPERTY" DESCRIBED IN GRANT DEED TO THE CITY OF LAGUNA BEACH RECORDED JUNE 27, 1991 AS DOCUMENT NO. 91-330557 IN THE OFFICE OF THE COUNTY RECORDER;

THENCE ALONG SAID COURSE AND THE SOUTHWESTERLY BOUNDARY OF "THE PROPERTY" OF SAID GRANT DEED NORTH 34°55'56" WEST 53.88 FEET;

THENCE NORTH 68°21'18" WEST 560.20 FEET;

THENCE NORTH 60°07'54" WEST 785.39 FEET;

THENCE SOUTH 83°28'56" WEST 326.82 FEET;

THENCE NORTH 66°44'01" WEST 658.40 FEET;

THENCE NORTH 39°06'41" WEST 465.65 FEET;

THENCE NORTH 54°32'38" WEST 526.14 FEET;

THENCE NORTH 34°26'23" WEST 410.92 FEET;

THENCE NORTH 12°44'59" EAST 337.73 FEET;

THENCE NORTH 24°22'24" WEST 331.27 FEET;

THENCE NORTH 38°33'34" WEST 489.32 FEET;

THENCE NORTH 22°14'13" WEST 315.36 FEET;

THENCE NORTH 41°41'22" WEST 538.97 FEET;

THENCE NORTH 46°30'42" WEST 848.19 FEET;

EXHIBIT 'A'

NEWPORT COAST ANNEXATION NO. CA01-06

TO THE CITY OF NEWPORT BEACH

THENCE NORTH 71°06'53" WEST 244.14 FEET;

THENCE SOUTH 89°08'04" WEST 252.22 FEET TO THE SOUTHWESTERLY PROLONGATION OF THE COURSE DESCRIBED AS "NORTH 40°00'00" EAST 660.00 FEET" IN ANNEXATION NO. 1 (FRASIER ANNEXATION) TO THE CITY OF IRVINE;

THENCE ALONG SAID PROLONGATION NORTH 40°33'37" EAST 221.97 FEET TO A POINT IN THE SOUTHEASTERLY BOUNDARY OF THE CITY OF IRVINE AS ESTABLISHED BY "REORGANIZATION NO. R097-04" DISTANT THEREON SOUTH 64°16'17" EAST 1340.14 FEET FROM THE NORTHWESTERLY TERMINUS OF THAT CERTAIN COURSE DESCRIBED AS "NORTH 64°16'17" WEST 4468.85 FEET" IN THE CENTERLINE OF TR-73 (SAN JOAQUIN HILLS TRANSPORTATION CORRIDOR) AS DESCRIBED IN PARCEL 1 OF SAID REORGANIZATION NO. R097-04;

THENCE ALONG SAID EXISTING CITY BOUNDARY AND THE CENTERLINE OF TR-73 PER SAID "REORGANIZATION NO. R097-04" THROUGH THEIR VARIOUS COURSES IN A GENERAL NORTHWESTERLY DIRECTION TO AN ANGLE POINT IN THE EXISTING CITY OF NEWPORT BEACH BOUNDARY AS ESTABLISHED BY "REORGANIZATION NO. R097-35", SAID POINT BEING THE SOUTHEASTERLY TERMINUS OF THAT COURSE DESCRIBED AS "NORTH 69° 24'23" WEST 2092.48 FEET";

THENCE ALONG SAID EXISTING CITY BOUNDARY PER SAID "REORGANIZATION NO. R097-35" THROUGH ITS VARIOUS COURSES IN A GENERAL NORTHWESTERLY, SOUTHERLY, SOUTHEASTERLY AND NORTHWESTERLY DIRECTION TO THE TRUE POINT OF BEGINNING.

CONTAINS 7,799 ACRES, MORE OR LESS.

ATTACHED HERETO AND MADE A PART HEREOF, IS A MAP DESIGNATED AS EXHIBIT "B".

TO OBTAIN THE GRID DISTANCE AT GPS PT. NO. 6247, MULTIPLY THE GROUND DISTANCE BY 0.99996664.

THIS LEGAL DESCRIPTION WAS PREPARED BY ME, OR UNDER MY SUPERVISION FROM RECORD INFORMATION ONLY. NO FIELD SURVEY HAS BEEN CONDUCTED TO VERIFY ANY RECORD INFORMATION.


REX S. PLUMMER, PLS 6641

DATE

EXPIRATION DATE 12/31/03

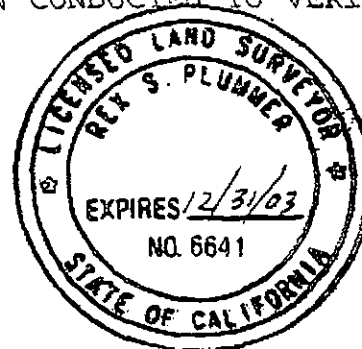



EXHIBIT 'A'
NEWPORT COAST ANNEXATION NO.CA01-06
TO THE CITY OF NEWPORT BEACH

THIS PROPOSAL DOES MEET THE APPROVAL OF
THE ORANGE COUNTY SURVEYOR'S OFFICE.

DATED THIS 27TH DAY OF JUNE, 2001.

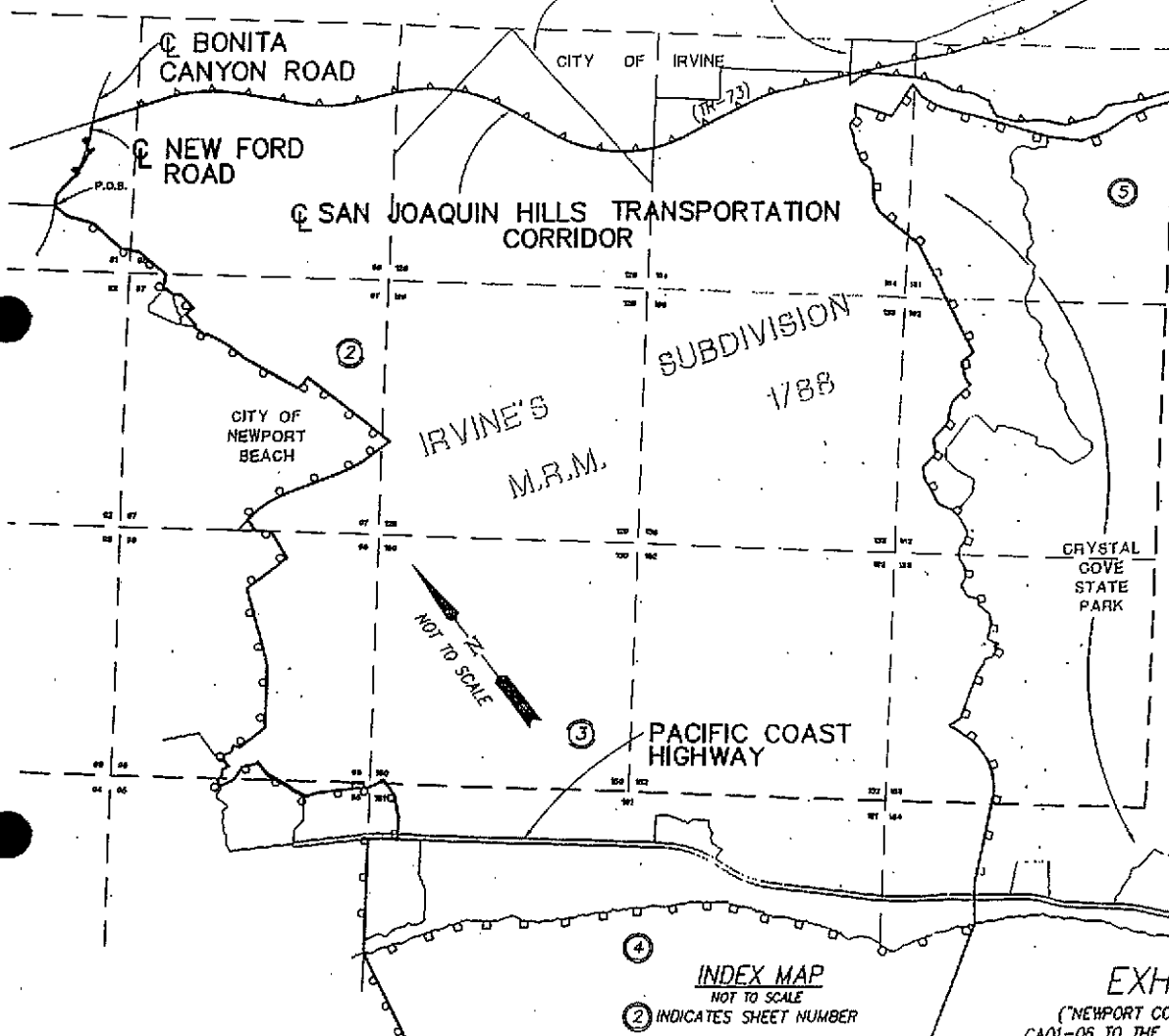

JOHN CANAS, COUNTY SURVEYOR
LS 4408
EXPIRATION DATE 09/30/01



BLOCKS: 5151, 5152, 5251, 5252
5253, 5351, 5352
MODULES: VARIOUS

SHEET 1 OF 5

ANNEXATION NO. 1 (FRASIER ANNEXATION)



LEGEND

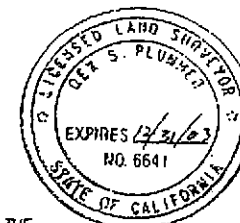
- EXISTING CITY OF NEWPORT BEACH BOUNDARY PER REORGANIZATION NO. 97-35.
- EXISTING CITY OF NEWPORT BEACH BOUNDARY PER VARIOUS ANNEXATIONS.
- EXISTING CITY OF IRVINE BOUNDARY PER REORGANIZATION NO. 97-04.
- EXISTING CRYSTAL COVE STATE PARK BOUNDARY.
- BOUNDARY OF DEED GRANTED TO THE CITY OF LAGUNA BEACH RECORDED JUNE 27, 1991 AS DOC. NO. 91-330557
- ② INDICATES SHEET NUMBER
- P.O.B. INDICATES POINT OF BEGINNING
- △ INDICATES HORIZONTAL CONTROL STATION AS NOTED

NOTE

THIS ADJUSTMENT CONTAINS 7,799 ACRES MORE OR LESS.

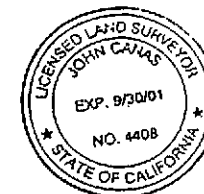
PREPARED BY ME OR UNDER MY DIRECT SUPERVISION FROM RECORD INFORMATION ONLY. NO FIELD SURVEY HAS BEEN CONDUCTED TO VERIFY ANY RECORD INFORMATION.

REX S. PLUMMER
 REX S. PLUMMER L.S. 6641
 REGISTRATION EXPIRES 12/31/03



THIS PROPOSAL DOES MEET THE APPROVAL OF THE ORANGE COUNTY SURVEYORS OFFICE
 DATED THIS 27TH DAY OF ~~DEC~~ 2001

John Canas
 JOHN CANAS, COUNTY SURVEYOR, L.S. 4408
 MY LICENSE EXPIRES 9/30/01



INDEX MAP
 NOT TO SCALE

② INDICATES SHEET NUMBER

EXHIBIT "B"

("NEWPORT COAST" ANNEXATION
 CA01-06 TO THE CITY OF NEWPORT BEACH)



Project Design Consultants
 PLANNING ENGINEERING SURVEYING
 701 "B" Street, Suite 600, San Diego, Ca. 92101
 619-235-8471 FAX 234 0349

EXHIBIT

EXHIBIT C – PLANNING AND ENVIRONMENTAL HISTORY

Date	Document	Action/Approval	Relationship to Proposed Project
1976-79	<i>Irvine Coastal Community General Plan Amendment, Final EIR No. 134.</i>	Approved by the County; denied by the California Coastal Commission (as LCP document)	Established a maximum residential build out for Irvine Coast of 12,000 DUs. Acted as County General Plan and proposed as first coastal LCP to Coastal Commission.
1982/1983	<i>Irvine Coast Local Coastal Program 80-4/Land Use Element Amendment 80-4; Supplemental EIR No. 237; LCP Implementation Action Plan.</i>	Approved by the County; certified by the California Coastal Commission	Established as first LCP for Irvine Coast. Maximum residential build out of 2,000 units, provided other land uses, development policies, and regulations. Determined Coastal Act Consistency. For PA 3 (similar area to proposed project area) established maximum of 85 SF DUs. PA14: 250 overnight accommodations and 25,000 square feet of related commercial uses.
1987/1988	<i>First Amendment to the Irvine Coast Local Coastal Program Land Use Plan and Implementing Ordinance for the Irvine Coast Planning Unit.</i>	Approved by the County, and certified by the California Coastal Commission	Established a maximum residential build out of 2,600 units, land uses, intensity of use, development policies, and regulations. Determined Coastal Act consistency. Similar land use designations and build out within proposed project area as was approved in the 1982 LCP.
1988/1996	<i>FEIR No. 486, Irvine Coast Planned Community Development Agreement. Addendum for Development Agreement First Amendment.</i>	Certified by the County of Orange	Serves as an implementing mechanism for the Irvine Coast LCP. Addressed impacts based on build out of project pursuant to the 1988 LCP and Development Agreement.
1988	<i>FEIR No. 485, Irvine Coast Planned Community Master Coastal Development Permit MCDP 88-11P and Vesting "A" Tentative Tract Map No. 13337.</i>	Certified by the County of Orange	Addressed environmental impact of backbone infrastructure, roadways, and subdivision of 2,813 acres, evaluating 23 of 44 Master CDP land use planning areas. EIR analysis included PAs 3A, 3B and 14; addressed construction of Sand Canyon Avenue through PAs 3A and 3B; partial widening of PCH along The Irvine Company property; construction of backbone drainage system as recommended in the RMDRMP; construction and/or relocation of master utilities and construction of backbone domestic water storage and distribution system and backbone wastewater collection system. FEIR 485 did not address specific development proposals for residential, tourist commercial, or golf course development. Subsequent EIRs, in conjunction with subdivision "B" maps and project Coastal Development Permits, have addressed area specific proposals.
1989	<i>Final EIR No. 511, Irvine Coast Planned Community, Phase I.</i>	Certified by the County of Orange	Evaluated construction level impacts for 11 individual projects (residential and golf course uses) in addition to the realignment of Lower Loop Road (now named Pelican Hill Road). Included PAs 3A, 3B, 14. Proposed development in PAs 3A, 3B, and 14, as addressed in FEIR 511, was low density (estate/custom lot) residential units. FEIR 511 addressed the First Amendment to the MCDP and the Second revised Vesting "A" Tentative Tract map 13337. As part of the First Amendment to the MCDP, planning area boundaries, including those of 3A, 3B, and 14, were adjusted from boundaries established in the original MCDP and LCP documents; and development densities in PAs 3A and 3B were changed from 0-2 du/ac as stated in the certified LCP, to 0.3 du/ac in the MCDP First Amendment.
1989	<i>Refined Master Drainage and Runoff Management Plan</i>	Approved by the County of Orange	Recommended backbone drainage improvement system for the NCPC. Drainage and sedimentation control measures are included as part of each subsequent development project within the MCDP/NCPC. The RMDRMP addressed facilities to mitigate increased peak runoff volumes and rates due to planned development. The RMDRMP is the master improvement plan from which subsequent site specific storm runoff management plans for NCPC development areas are derived. Each development project must engage a runoff management system that will maintain post-project flow rates to within ten percent of the pre-developed condition, in accordance with the certified LCP.

EXHIBIT C

Date	Document	Action/Approval	Relationship to Proposed Project
1991	<i>Final EIR 517 Addendum I, Addendum Initial Study I, Addendum No. PA950119/PA950120, Addendum IP98-070</i>	Approved/Certified	San Joaquin Hills PC SJHPC PA21
1994	<i>Addendum to FEIR No. 511-PA 940113 Site Development Permit/Wishbone Hill Grading</i>	Certified by the County of Orange	Site Development Permit to allow mass grading in PA 3A and for a borrow site (in PA 3B) in an area previously analyzed for development.
1995	<i>Mitigated Negative Declaration No. IP-95-100, Transportation Element Amendment 95-1</i>	Approved by the County of Orange	Negative Declaration addressed potential environmental effects of deleting segments of Sand Canyon Avenue and San Joaquin Hills Road from the County Master Plan of Arterial Highways (MPAH). Most relevant to the proposed project, NC Phase IV-2, the approval of the MPAH amendments removed the master planned segment of San Canyon Avenue from its existing terminus just north of PCH to the San Joaquin Hills Transportation Corridor (SJHTC), and deleted the then planned interchange of San Canyon Avenue at the SJHTC. The removal of this planned segment was the result of changes in future land uses in the City of Irvine (PA 22) that would result in more open space/less development and in unincorporated Orange County property/Newport Coast/Newport Ridge areas. Therefore, San Canyon Avenue north of PCH has been changed in name (application in review at County) to Crystal Cove Drive, and will serve as a community access/entry street rather than a County arterial.
1995	<i>Ord. #3931 & Reso #95- 180.</i>	Approved by County of Orange	PA22, Newport Ridge PC
1996	<i>Second Amendment to the Newport Coast Local Coastal Program Land Use Plan and Implementing Ordinance for the Newport Coast Planning Unit</i>	Approved by the County of Orange, and certified by the California Coastal Commission	The LCP Second Amendment further modified the LCP by adjusting planning area boundaries and open space boundaries adjacent to Crystal Cove State Park to improve habitat connectivity; the Second Amendment increased the maximum number of dwelling units allowed in undeveloped planning areas to match the low end of density ranges established by the land use categories while maintaining the maximum allowed 2,600 total dwelling units in the NCCP; technical revisions were made to the LCP including name changes to roads and planned communities.
1996	<i>Natural Community Conservation Plan and Habitat Conservation Plan Joint Programmatic FEIR No. 553/FEIS 96-26</i>	Certified by the County of Orange, California Department of Fish and Game, and U.S. Fish and Wildlife Service	Addressed NCCP/HCP for Central/Coastal Orange County. Plan includes 37,000 acre reserve system, authorizes incidental take of coastal sage scrub, and provides regulatory coverage for 39 individual species. The proposed project site is not within the NCCP Reserve since the site was master planned for development. Mitigation measures prescribed in FEIR 511 and FEIR 553/FEIS 96-26 (NCCP) pertain to project impacts to coastal sage scrub and are applied in this EIR.
1996	<i>Addendum to Final EIR No. 553 for the County of Orange Central and Coastal Sub region Natural Community Conservation Plan and Habitat Conservation Plan</i>	Adopted by the County of Orange	Addressed proposed amendments to the Central and Coastal NCCP/HCP to reflect relevant provisions of the Second Amendment to the Newport Coast Local Coastal Program (LCP). The amendments to the NCCP/HCP included a) revisions to the Coastal Subarea Reserve to reflect new development and open space configurations provided for in the LCP Second Amendment; b) corresponding elimination of certain Special Linkage Areas, and c) provisions for infrastructure to be located in areas proposed to be added to the Coastal Subarea Reserve. The amendments to the Reserve System boundaries represent an overall increase in total acreage of the Coastal Subarea Reserve, and significant improvements in wildlife connectivity within the Reserve System.
1997	<i>Addendum PA 970046 to EIR No. 511</i>	Certified by the County of Orange	Addressed a modified development plan for one-half of Planning Area 3A, known as Development Area (DA) 3A-1. The proposed project site is not within DA 3A-1.

EXHIBIT

Date	Document	Action/Approval	Relationship to Proposed Project
1997-1998	FEIR 568, Phase IV-2 of the Newport Coast Planned Community, Newport Coast Planning Areas 3A-2, 3B, 14; MCDP Sixth Amendment and Coastal Development Permit; TTMs 15444 and 15446.	Certified by the County of Orange	Evaluated construction level impacts for PA 3A-2, 3B, 12B and 14, including: shifting of development area boundaries; extending development into lower Los Trancos Canyon; providing for neighborhood commercial uses near PCH, and increasing flexibility for tourist commercial uses in PA14. The project establishes infrastructure and mass pads to facilitate future residential development and commercial projects in PA 3A-2, 3B, recreation in PA 12B and tourist/visitor uses in PA14. TTMs 15444 and 15446 subdivide the project for financing and conveyance purposes.
1998	FEIR 569, Phases IV-3 and IV-4 of the Newport Coast Planned Community, Newport Coast Planning Areas 4A, 4B, 5, 6, 12C, 12E, and 12G and MCDP Seventh Amendment; TTM 15447	Certified by County of Orange	Evaluated construction level impacts for PAs 4A, 4B, 5, 6, 12C, 12E and 12G. Uses proposed include residential and recreation. Included: MCDP Seventh Amendment-Program analysis of 335 residential units in Phase IV-3, 24 gross acre private recreation facility in 12E, 300 residential units in Phase IV-4, shifting of planning area boundaries; shifting of development from PA12G; increase the maximum number of residential units allowed in underdeveloped planning areas, adjustment/expansion at the types of recreation; subdivision of PA into development components, deletion of appealable areas; relocation of 66KU transmission of an emergency access/utility road in county open space. TTM 15447-mass grading and infrastructure, including construction of major circulation improvements, drainage structures and utility improvements; State Parks Public Works Plan-amendments to allow for improvement and maintenance within Crystal Cove State Park.
1998	Addendum covering: Land Use Element LU98-1 Community Profile Amendment CPA98-1; Zone Change 3C-98-1 (Reso 98-87); Site Development Permit 98-0117; Local Parks Implementation Plan PM 92-01; TTM 15333; P.C. Reso 95-20; TTM 15717; TTM 15134, 15135; VTTM 15585; TTM 15934, 16037; PA 99-015 for Site Development Permit 00-0029 SDP; TTM 15935	Approved by County of Orange	SJHPC PA 22 Re-named Newport Ridge PC PA21 PA22
1999	Addendum No. PA980117	Approved by County of Orange	San Joaquin Hills PC; PA 21
2000-2001	Coastal Commission Appeal No. A5-IRC-99-301A	Approved by California Coastal Commission	Seventh Amendment for NCPC. Proposed project includes mass grading, back lane infrastructure for future residential and recreational development in PA 4A, 4B, 5, (northeast 2C), 6, 12C, offer to dedicate open space in 12E and 12G and approval of TTM 15447. Also includes 1.6 acres of Needlegrass restoration and riparian mitigation totaling approximately 3 acres to mitigate .0529 acres of wetland impact and approximately seven miles of "non-wetland" waters of the U.S.

Exhibit D

List of County Development Approvals

The components of the Development Plan as shown by various Development Approvals include:

- A. Newport Coast Local Coastal Program 2nd Amendment and all further amendments adopted before the City assumes permit issuing authority for the property as provided for within this Agreement. The Newport Coast Local Coastal Program, 2nd Amendment was approved by the California Coastal Commission on October 10, 1996; certified by the County of Orange Board of Supervisors on December 3, 1996 (Resolution No. 96-861 and Ordinance No. 096-3974); and Certified by the California Coastal Commission on January 21, 1997;
- B. Newport Ridge Planned Community Program: Approved by the County of Orange Board of Supervisors on March 17, 1998 (Resolution Nos. 98087 and 98-88; Ordinance No. 98-3);
- C. Newport Coast Master Coastal Development Permit 7th Amendment (PA 970152); Approved by the County of Orange Planning Commission on July 21, 1998;
- D. First Amendment to the Irvine Coast Development Agreement: Recorded April 2, 1997 (No. 19970149745); and
- E. Related secondary implementing approvals, permits, and actions pursuant to and consistent with the foregoing (e.g. subdivision maps, individual coastal development permits, grading plan approvals and permits, etcetera).
- F. An Annexation and Development Agreement between the City of Newport Beach, The Irvine Company, and Irvine Community Development Company; approved by the Newport Beach City Council on July 24, 2001.

EXHIBIT E

MITIGATION MEASURES

The term Mitigation Measures includes, but is not limited to, the mitigation measures approved in conjunction with the certification or approval of the following environmental and planning documents. This Exhibit is for information only and does not constitute any modification or amendment or any mitigation measure or condition adopted with reference to the Project. The environmental documents listed in this Exhibit are on file in the Planning Department of the City of Newport Beach.

1. *Irvine Coastal Community General Plan Amendment, Final EIR No. 134;*
2. *Irvine Coast Local Coastal Program 80-4/Land Use Element Amendment 80-4; Supplemental EIR No. 237; LCP Implementation Action Plan;*
3. *FEIR No. 486, Irvine Coast Planned Community Development Agreement. Addendum for Development Agreement First Amendment*
4. *FEIR No. 485, Irvine Coast Planned Community Master Coastal Development Permit MCDP 88-11P and Vesting "A" Tentative Tract Map No. 13337*
5. *Final EIR No. 511, Irvine Coast Planned Community, Phase I*
6. *Refined Master Drainage and Runoff Management Plan*
7. *Addendum to FEIR No. 511-PA 940113 Site Development Permit/Wishbone Hill Grading*
8. *Mitigated Negative Declaration No. IP-95-100, Transportation Element Amendment 95-1*
9. *Natural Community Conservation Plan and Habitat Conservation Plan Joint Programmatic FEIR No. 553/FEIS 96-26*
10. *Second Amendment to the Newport Coast Local Coastal Program Land Use Plan and Implementing Ordinance for the Newport Coast Planning Unit*
11. *Addendum to Final EIR No. 553 for the County of Orange Central and Coastal Subregion Natural Community Conservation Plan and Habitat Conservation Plan*
12. *Addendum PA 970046 to EIR No. 511*

EXHIBIT F

AFFORDABLE HOUSING IMPLEMENTATION PLANS

The term Affordable Housing Implementation Plans refers to two plans prepared for the Environmental Management Agency of the County of Orange. The plan for that portion of the Property within the Coastal Zone - identified as the "Affordable Housing Implementation Plan - Irvine Coast Planned Community" - was prepared by Affordable Housing Consultants and was approved by the County on October 29, 1991.

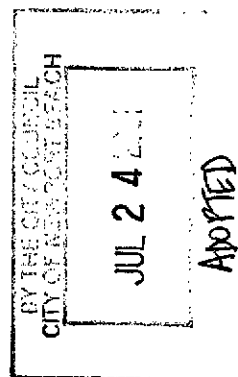
The plan for the Newport Ridge - identified as the "Affordable Housing Implementation Plan - The San Joaquin Hills Planned Community" - was prepared by FORMA and was approved by the County on November 2, 1995.

These Affordable Housing Implementation Plans are available for public inspection in the Planning Department of the City of Newport Beach during normal business hours.

(21/38)
C-3432

ORDINANCE 2001- 13

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NEWPORT BEACH ADOPTING A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF NEWPORT BEACH AND THE IRVINE COMPANY [DEVELOPMENT AGREEMENT NO. 14]



The City Council of the City of Newport Beach DOES HEREBY ORDAIN as follows:

SECTION 1. The City Council finds and declares that:

- a. The State Legislature and the City Council have determined that the lack of certainty in the approval of development projects can result in a waste of resources, escalate the cost of housing and other development to the consumer, and discourage investment in and commitment to the comprehensive planning which would make maximum efficient utilization of resources at the least economic cost to the public; and
- b. Assurance that an applicant may proceed with a project in accordance with existing policies, rules and regulations, and subject to conditions of approval, will strengthen the public planning process, encourage private participation in comprehensive planning, and reduce the economic costs of development; and
- c. California government Code Section 65864 et seq. authorizes cities to enter into development agreements with any person having a legal or equitable interest in property for the development of the property; and
- d. Chapter 15.45 of the Newport Beach Municipal code provides requirements and procedures for the amendment of development agreements; and
- e. The Development Agreement has been prepared in compliance with state law and the Newport Beach Municipal Code; and
- f. On September 21, 2000, the Planning Commission of the City of Newport Beach held a duly-noticed public hearing regarding the proposed Development Agreement and; and
- g. The Planning Commission found that the Development Agreement is in conformance with the Newport Beach General Plan, as proposed by accompanying General Plan Amendment No. 99-3 (C), and forwarded the Development Agreement

to the City Council with a recommendation of adoption, subject to certain amendments; and

- h. On October 10, 2000 and June 26, 2001, the City Council of the City of Newport Beach held duly-noticed public hearings regarding the proposed Development Agreement, and testimony was presented to and considered by the City Council; and
- i. Pursuant to the California Environmental Quality Act (CEQA), the City has completed an Initial Study, determined that the impacts of the subject Development Agreement have been fully evaluated in previously certified Environmental Impact Reports, that the conditions to the preparation of a Subsequent or Supplemental EIR do not exist, and that a Negative Declaration is appropriate; and
- j. The Development Agreement will preserve the benefits of years of land use planning and open space-habitat preservation efforts, while establishing ultimate City control of the area.

SECTION 2. Development Agreement No. 14, attached hereto as Exhibit A, is hereby adopted.

SECTION 3. The Mayor shall sign and the City Council shall attest to the passage of this Ordinance. This Ordinance shall be published once in the official newspaper of the City, and the same shall become effective thirty (30) days after the date of its adoption.

This Ordinance was introduced at a regular meeting of the City Council of the City of Newport Beach held on July 10, 2001, and adopted on July 24, 2001 by the following vote, to wit:

AYES, COUNCIL MEMBERS Heffernan, O'Neil,

Ridgeway, Glover, Bromberg, Proctor, Mayor Adams

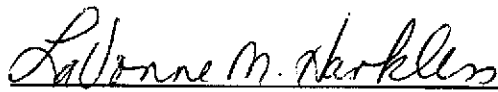
NOES, COUNCIL MEMBERS None

ABSENT COUNCIL MEMBERS None



MAYOR

ATTEST:


CITY CLERK

