Appendix A

Ramsgate Design Guidelines
January 1990

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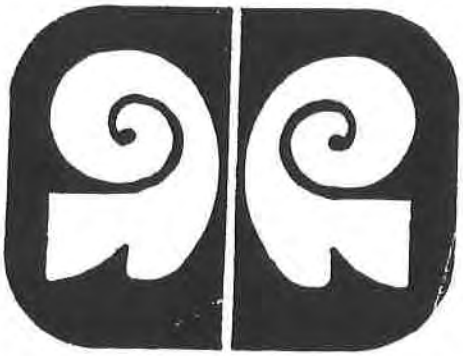
DESIGN GUIDELINES



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RAMSGATE

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CONTACT AND REFERENCE LIST

Developer:

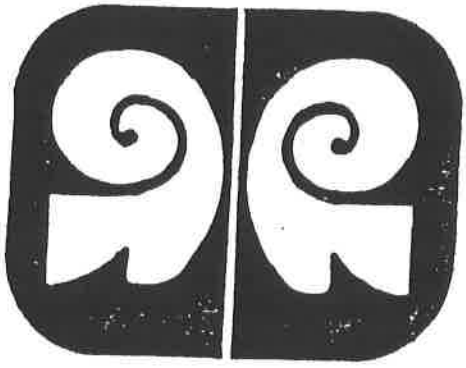
Homestead Land Development Corporation
355 North Sheridan, Suite 117
Corona, CA 91720
Telephone: (714) 279-1060
Contact: Chris Taylor

Consultants:

Hunsaker & Associates
3 Hughes
Irvine, CA 92718
Telephone: (714) 583-1010
Contact: Doug Snyder

Civil Engineer

INTRODUCTION



RAMSGATE

1.1 INTRODUCTION

The Ramsgate Development, located within the city limits of Lake Elsinore, is a 1,190 acre master planned mixed-use community near the existing residential community of Canyon Lake in Riverside County. The development is located within five minutes of Lake Elsinore, a 3,000 acre lake available for boating, recreation and water sports. The area is considered to be one of the most rapidly growing in the State of California, with the Riverside-San Bernardino area projected to become California's second biggest metropolitan area by the year 2000, according to many sources. The considerable growth rate now occurring, is due in part to the completion of I-15 that connects Orange County and the California Inland Empire with San Diego, with population pressures of Orange County facilitating this expansion.

The Ramsgate Development, with a projected population of approximately 2,850 households, will provide a variety of single family housing types that are distributed throughout the development, with accompanying support commercial facilities. Integrated within the community are a proposed variety of land uses such as schools, parks, little league and soccer field, and natural preservation areas.

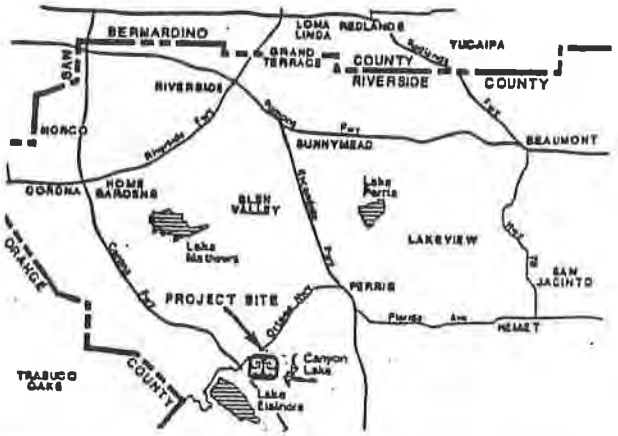
1.2 PURPOSE

The Ramsgate Design Guidelines serve to establish conceptual design parameters in order to insure a cohesive and integrated design for the community. The elements of the Image Infrastructure, such as entry monumentation, innovative slope planting concepts, integrated and cohesive architectural treatments, preservation and enhancement of panoramas and view corridors, all serve to reflect the romantic and historical aspects of the California countryside. These guidelines provide the model for achievement of this image by establishing design parameters for individual merchant builders who plan to develop within the Ramsgate community.

1.3 PROJECT LOCATION

1.3.1 REGIONAL CONTEXT

The community of Ramsgate is located within the city of Lake Elsinore and adjoins the existing community of Tuscany Hills in Riverside County. The property is approximately three miles east of Lake Elsinore and 24 miles south of the City of Corona via I-15. From the intersection of I-15 and the Riverside Freeway (91), it is an additional 20 miles west to central Orange County and 5 miles north to the City of Riverside. Regionally, this community is in the unique position of being situated in relatively close proximity to most of the counties that comprise Southern California. While Ramsgate is located in Riverside County, one can travel south on Ortega Highway to the beach communities of Southern Orange County, or south on Interstate I-15 to San Diego. San Bernardino and Los Angeles counties are located north and northwest of the site respectively with Palm Springs located to the east.

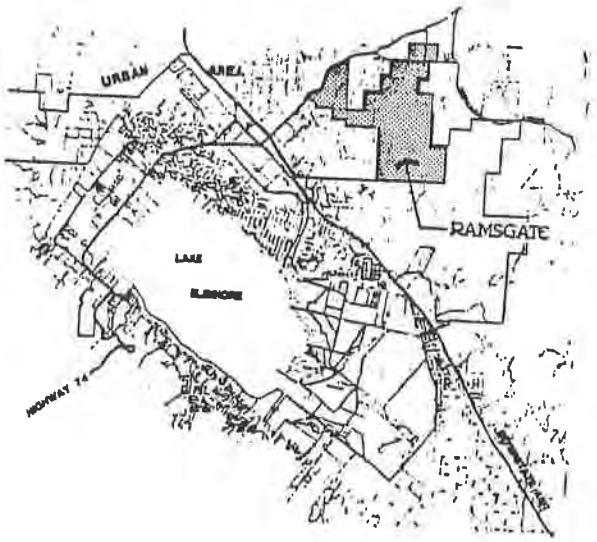


Regional Map

no scale

1.3.2 LOCAL CONTEXT

Chief among the specific environmental factors that distinguish Ramsgate from many other developments in Southern California is its unique topographic setting and scenic ambience. Its unique location near Canyon Lake, and in close proximity to Lake Elsinore, afford it an extremely pleasant setting, with leisure pursuits oriented toward park and recreation facilities, and natural preserved open spaces. Topographically, the site is characterized by rolling hillsides towards the upper northern and lower southern sections. Cutting diagonally through the midsection is a natural ridgeline which, by limiting grading, has been preserved as a natural open space that is easily accessible to all residents.



Vicinity Map

no scale

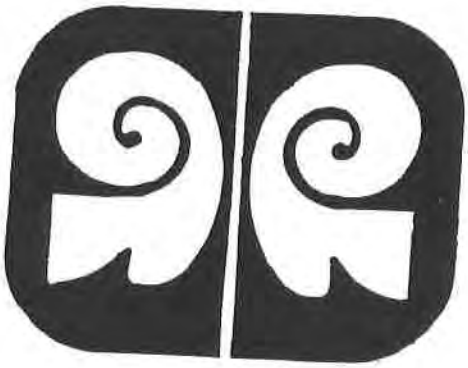
1.3.3 DEVELOPMENT PLAN

The image of "Ramsgate" is to be implemented through integration and unification of the Image Infrastructure features being provided by the Master Builder. These include:

- o 213 acres of open space
- o Community parks
- o Elementary School sites
- o Recreation facilities
- o 39 acres of commercial land
- o Individual communities (planning units) developed by merchant builders
- o Estate lots

Additionally, the community of Ramsgate is in close proximity to many existing outside amenities including several retail shopping centers (Elsinore Town Center, Shopper Square) and a planned sub-regional mall. There also exists a Lake Elsinore Redevelopment Plan, now underway and planned for completion by the year 1991 at a cost of approximately 40 million dollars. The plan includes construction of a levy which will create a deeper and more stable lake bed. This lake management plan will create a permanent body of deep clean water approximately 3,000 acres in size available for boating, camping, fishing and other sports. A major recreational area is planned in the existing marshlands that would be converted to usable land as a result of the construction of the levee.

IMAGE INFRASTRUCTURE PROGRAM



RAMSGATE

2.1 INTRODUCTION/THEME:

The temperate climate, varied topography and moderate seasonal changes of Southern California have combined to form the essence of what is called the "Romance of California". It is upon this sense of romance and history that the theme and Image Infrastructure for Ramsgate is developed. A theme which unites the beauty of the natural surroundings with the built environment, in the same way the expansive vistas, oak covered hills and sense of history are an integral part of the California countryside.

As a celebration of the surrounding environment, the architecture of Ramsgate utilizes a palette of both deep and muted earth tones, natural building materials that exhibit a collage of texture, and gentle lines and shapes that complement the surrounding hillsides. In the same way that the architecture will become a reflection of its countryside setting, so too will the landscape design incorporate the best elements of the California environment. Early California architects understood the importance of integrating the built environment with both the immediate and surrounding landscape. Long ranch homes were usually perched against hillsides to take advantage of impressive views. As such, gardens and settings rich in indigenous plant materials were located on the surrounding hillsides. Eucalyptus and majestic oaks contrasted against the smooth curves of these grassy hillsides.

It is the intent of Ramsgate to reflect the same design concept to capture the essence of this particular California setting. Rich earth tones and country styles will dominate the architectural design. Both with fine architecture and bold landscape design, the community of Ramsgate will provide a unique and special environment that will reflect the essence of the countryside.

The Guidelines are intended to serve as an aid to the master builder, Homestead Land Development Corporation, in the design review of individual planning units. These guidelines propose basic design parameters, intended to promote creativity and innovation as well as consistent quality. As such, they are intended to express intent rather than absolutes and to allow for flexibility and discussion in the design development of each planning unit.

2.1.1 MASTER BUILDER COMMITMENT

As a demonstration of the Master Developer's pledge to the community image, we have committed to the provision of several elements that are fundamental to the success of Ramsgate. These Image Infrastructure elements include:

- o Vast area of natural setting
- o Community Parks
- o Major Entry Monumentation and Secondary Entry Monumentation

2.1.2 INDIVIDUAL BUILDER RESPONSIBILITY

As each Planning Unit is developed, it is the responsibility of the individual builder to continue the construction of the Image Infrastructure. This will include the following:

- o Sideyard and Rearyard walls and fencing
- o Internal slope planting
- o Street trees for internal streets
- o Street lighting
- o Individual project entry monumentation
- o Individual project signage

2.2 THEME

The vast expanse of natural vegetation combined with carefully articulated streetscapes establishes a theme for Ramsgate. These areas provide both a symbolic and literal parallel to the beauty and

romance of the California countryside. The design and detailing of the monumentation, fencing, and indigenous plant species set against the backdrop of natural, undisturbed hillsides capture the flavor of early Southern California.

2.3 ENTRY ZONE

It is the intent of the master builder to provide the Major Project Entry Monumentation for the community that is reflective of California in terms of establishing a sense of arrival, form, material selection and color. The community entry monumentation feature will consist of two main elements. The first element seen is a project theme structure that will signal the arrival to Ramsgate, while the second will consist of a strong entry wall. The community monumentation will be built concurrently with the commercial construction. Tall vertical trees will serve as the backdrop for this feature. Light earth tones will be predominant in material choices that will consist of smooth finish stucco and Coronado Belgian Stone.

Major monumentation will feature the same material choices and color palette, but much simpler in design. These occur at major points of interest within the community. Minor monumentation and monumentation for each individual development, while much smaller in scale and proportion, will reflect the same image and design quality that is exhibited in the major entries. See accompanying illustrations for major and minor entry treatments. Please refer to Monumentation Plan in the Appendix for proposed locations of minor entry monumentation related to each individual development.

2.3.1 ENTRY WALLS

The scale, shape, choice of materials and color palette used in the entry wall treatments throughout the development can set the design tone, as well as serve as a unifying element throughout the project. A great deal of time and care has been taken to select the appropriate stone type and color that visually conveys the image of early California.

In order to insure design consistency throughout the development, and to reinforce the notion of integrated sub-communities, it is intended that the same materials and color palette be utilized in the minor monumentation and individual project entry monumentation.

2.3.2 PLANTING

As with the design of the entry wall monumentation, entry landscape should create a "sense of arrival" while maintaining a feeling of richness and quality reflective of the entire development. The primary project entry is an elegant demonstration of the landscape concept with respect to design and plant material choices that are to be reflected in secondary and tertiary entry areas.

The use of tall vertical specimen trees, primarily evergreen, has been established as a thematic landscape element throughout the project that is reflective of the California countryside. The use of pines, sycamores, oaks, eucalyptus trees, etc. are utilized in small groupings and in mass to signal entries, and serve as a backdrop to entry monument walls. Nowhere is this better exhibited than at the major entry, working in tandem with entry monument walls to create a grand arrival. Secondary and tertiary entries will also utilize plant material that continues the design intent of the primary entry monumentation, but that will reflect the scale in terms of size and intensity of plant material. Please refer to the Project Plant Palette.

2.3.3 LIGHTING

Lighting recommendations proposed in these guidelines are purely for aesthetic considerations and not for safety purposes. As such, aesthetic lighting at entry monumentation should be utilized in a manner that enhances the entries,

and does not distract the eye. While the primary and secondary entry monumentation will utilize lighting at a grander scale, lighting at tertiary and project entries should be very subtle. It is recommended that wall front lighting and accent tree uplighting, or "grove" uplighting be used to signal entry points.

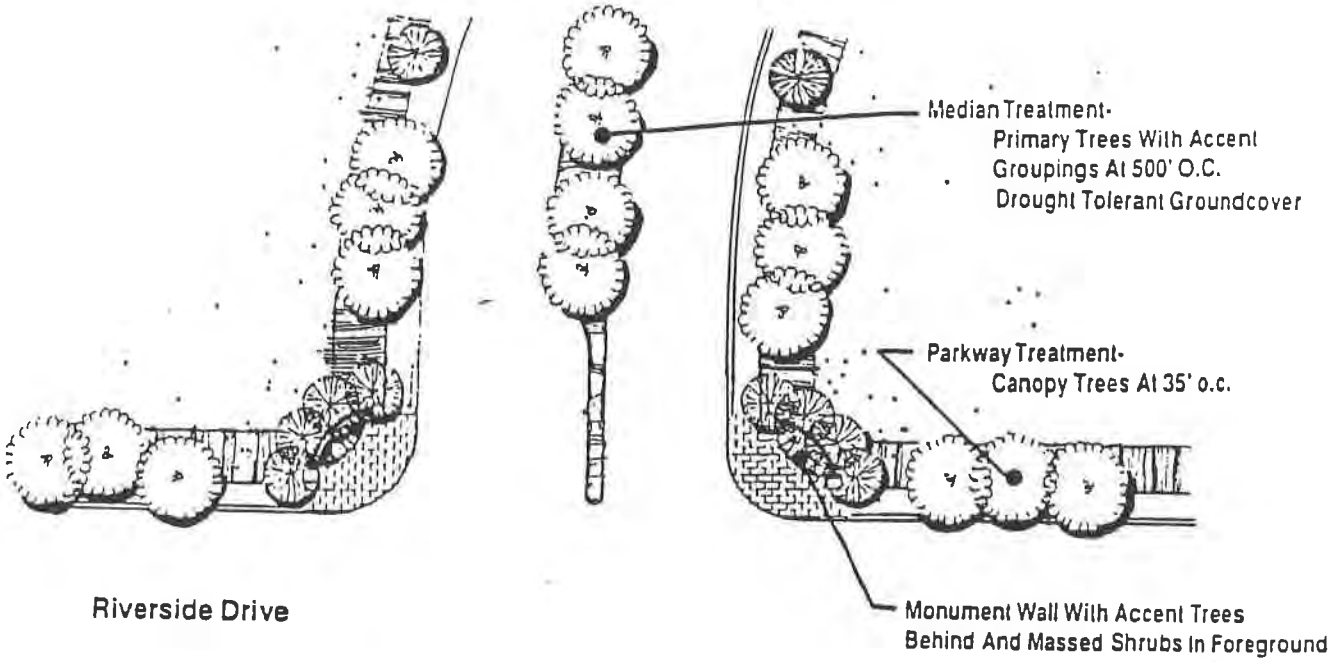
2.3.4 SIGNAGE

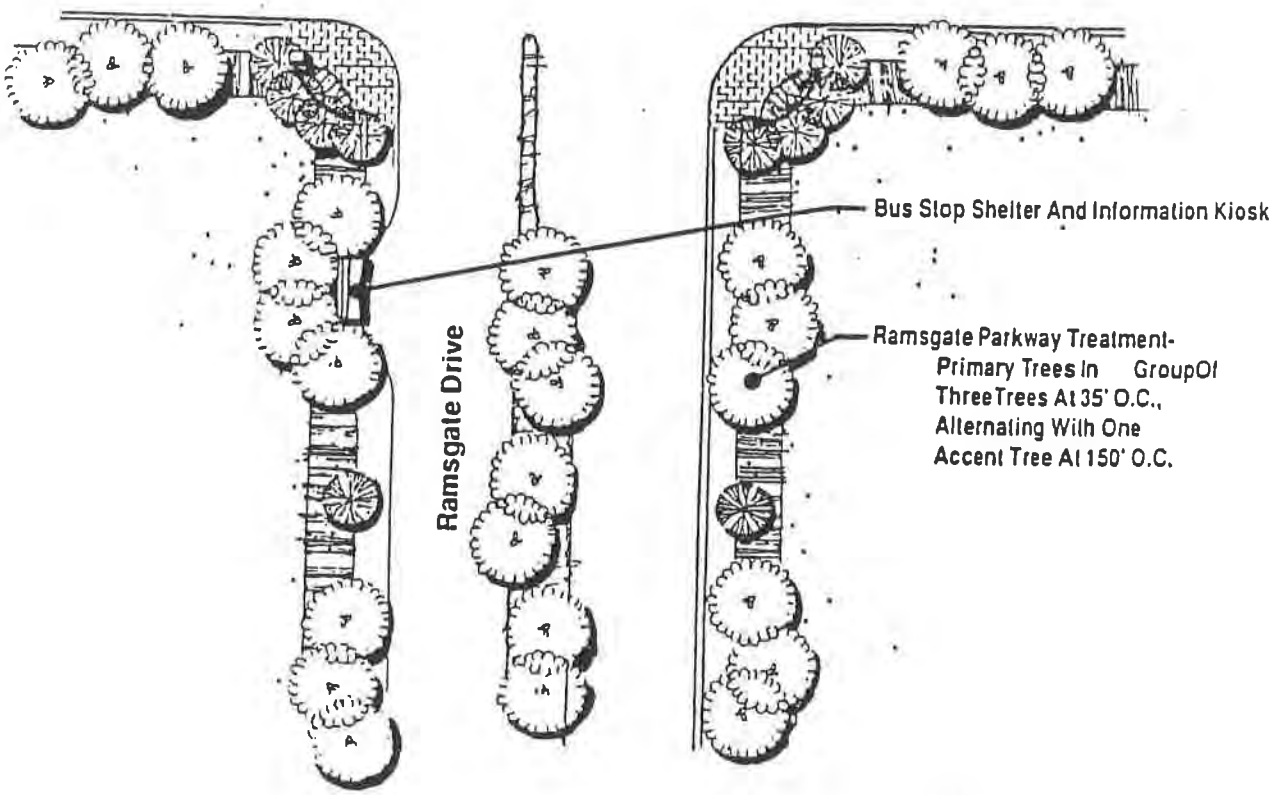
In order to achieve the overall intent of a community made up of integrated sub-communities, great care has been taken to design major and minor monumentation, as well as select materials and palettes, compatible with each other and the Ramsgate image. In this pursuit, it is intended that the entry monumentation for each individual development area solely consist of the entry wall feature, landscaping and lighting. Any signage related to project names and logs, model locations, etc. should not be attached in any way to the minor entry monument walls. These walls should read as independent features separate and apart from any project related signage, in order to maintain the design consistency throughout the entire project.

Community monumentation will be constructed at the corners of Ramsgate Drive and Highway 74. Construction should be concurrent with and an integral part of the surrounding commercial development.

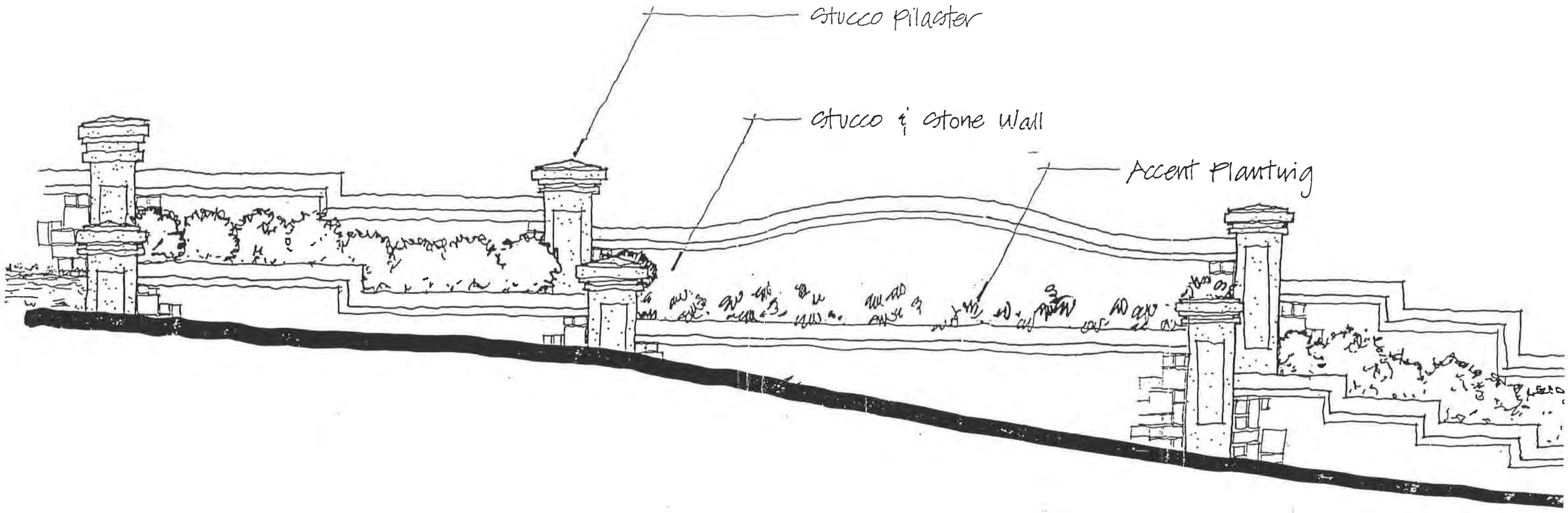
It is intended that individual merchant builders will be given pre-selected locations for temporary project signage within their project. These signage locations will relate more directly to model complex locations, and/or other key locations within the individual development. A separate set of Signage Guidelines prepared by the master builder has been designed to set up some standards related to the size and design of proposed signage as well as appropriate materials and colors. This insures a cohesive palette of materials, colors, etc. that reflects an integrated community design standard.

MAJOR ENTRY MONUMENT & STREETSCAPE PLAN



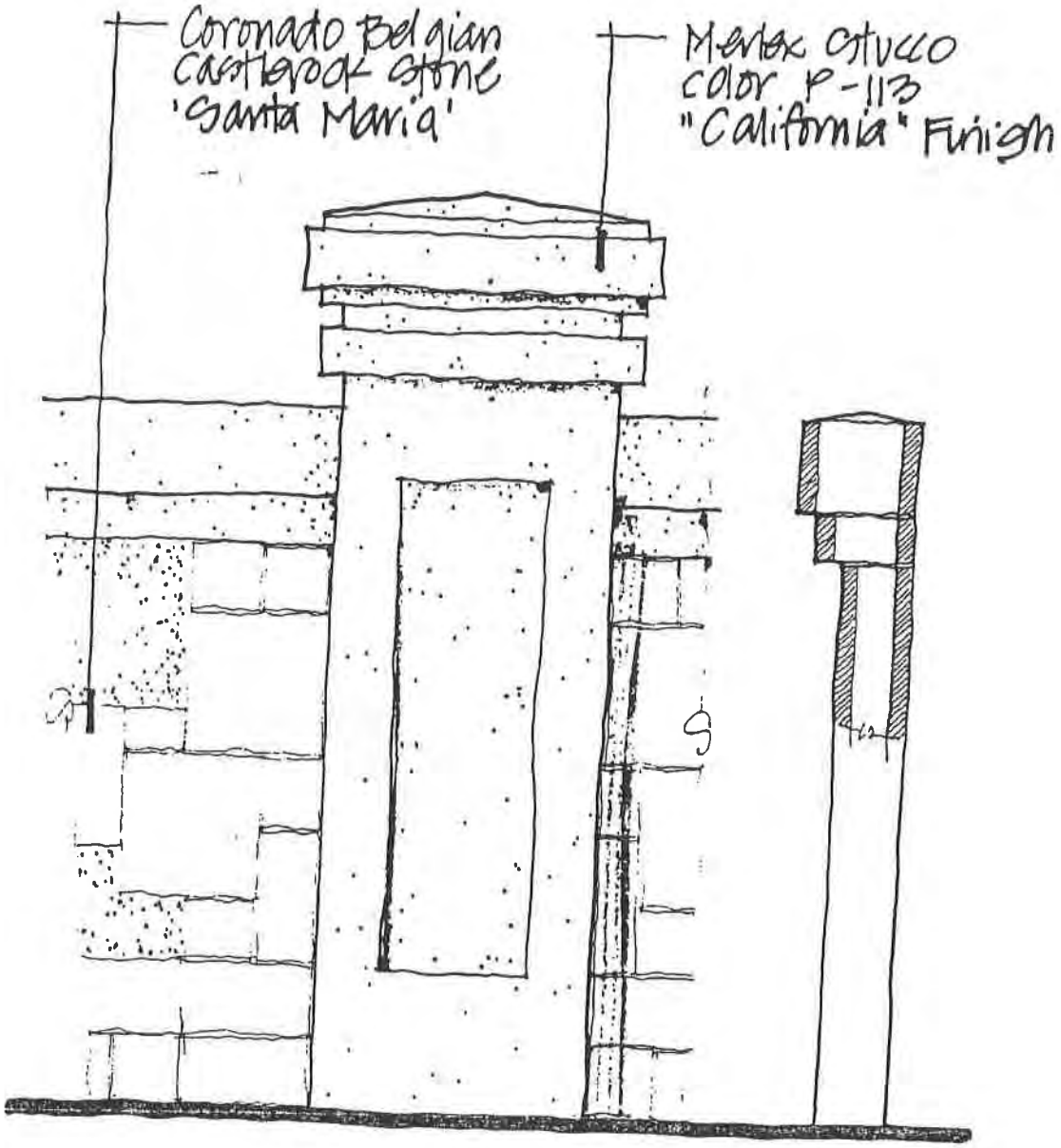


MAJOR Entry Monument Elevation



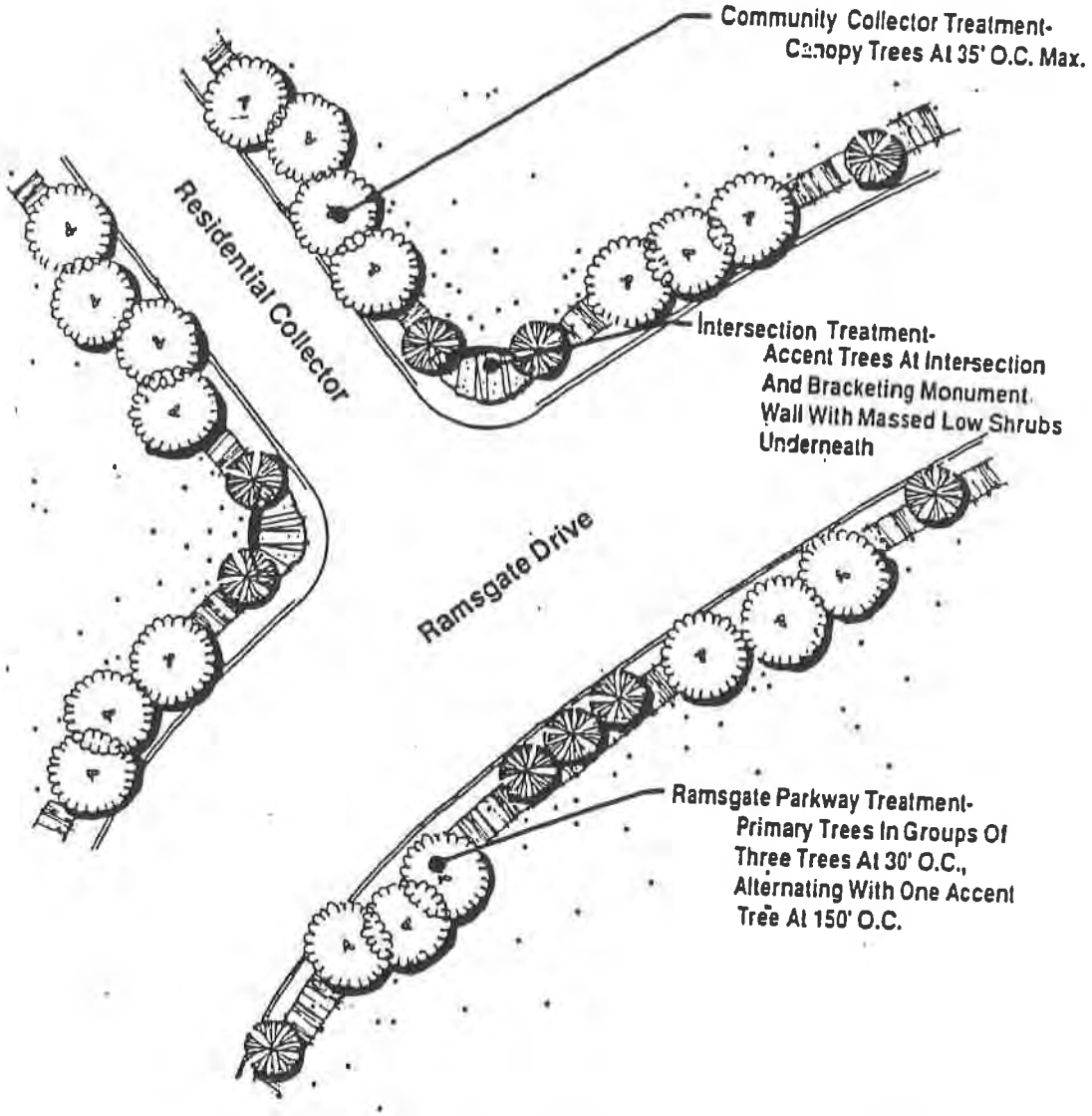
No Scale

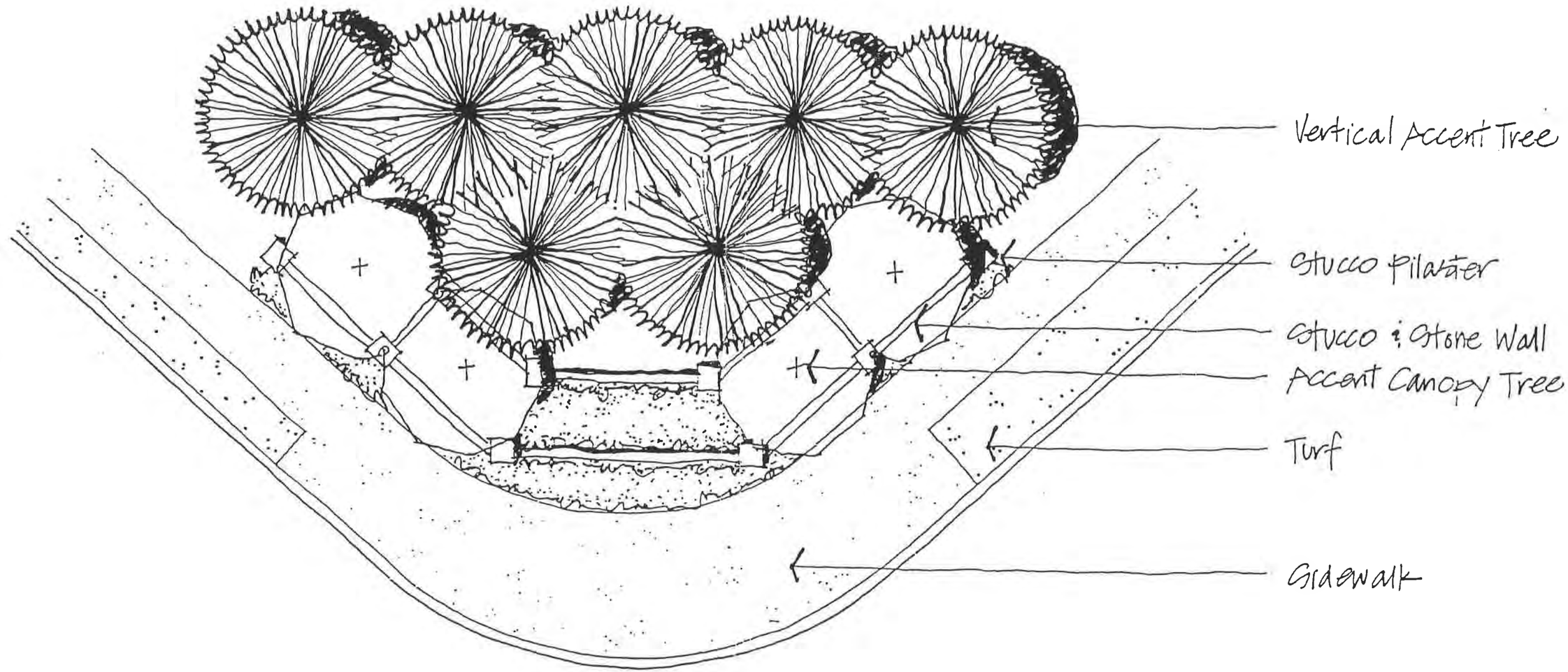
MAJOR Entry Wall & Pilaster



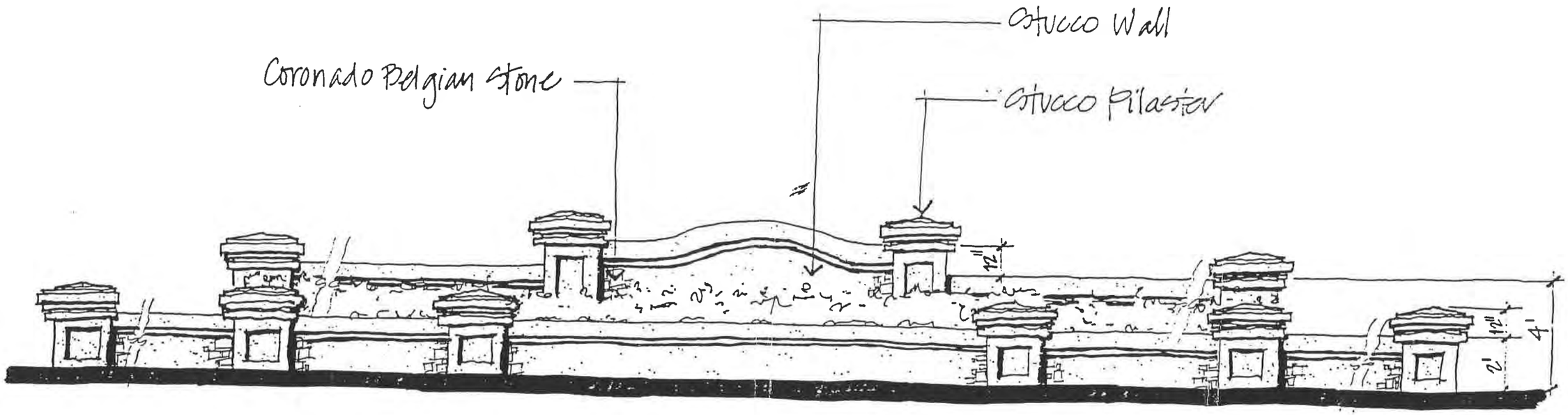
Scale: 3/4" = 1' - 0"

MINOR ENTRY MONUMENT & STREETSCAPE PLAN




Vertical Accent Tree
Stucco Pilaster
Stucco & Stone Wall
Accent Canopy Tree
Turf
Sidewalk

Scale: 1/8" = 1' - 0"


Coronado Belgian stone
Stucco Wall
Stucco Pilaster
12"
12"
4'
2'

Scale: 1/4" = 1' - 0"

2.4 CONCEPTUAL LANDSCAPE PLAN

Nothing better reflects the overall feeling of an area, or establishes the visual backbone of a community more expressly than its landscape character. Both streetscape and slope planting combined with monumentation help create a sense of richness and permanence to an area.

As was mentioned in the introduction to this section, Ramsgate is an attempt to recapture the essence of the early California countryside. To accomplish this, drought resistent plant species that are indigenous to the California area shall be combined to create a visually appealing community that has the elements of a rural setting. While the streetscape will emphasize a regular pattern of street trees lining the parkways and interior streets, the sloped portions of Ramsgate will incorporate accent trees and the natural vegetation to retain the rural appeal of the area.

This landscape concept has the added attraction of only utilizing trees as a streetscape element and on slopes only. As such, there are very few trees or tree groupings that would potentially block views. In this way, the views corridors to the surrounding community, Tuscany Hills and Lake Elsinore are preserved for homeowners. Please refer to the Conceptual Landscape Plan in the appendix.

2.4.1 STREETSCAPE

Certainly the landscape character established along the primary and secondary streets in a development help dictate the aesthetic character of the circulation routes within a community. It is the expressed intent of the master builder to maintain and enhance the "California country" image by providing parkways and streetscapes that are appropriately planted and well maintained.

2.4.1.1 Planting

Major streets shall utilize elaborate landscaping as indicated in the planting scheme. Primary trees shall be planted in informal groups of three trees, a maximum of 35 feet on center. Accent trees shall also be used and will be planted 150 feet on center.

Recommended primary trees and accent trees are:

Primary Trees	Accent Trees
Eucalyptus spp.	Koelreuteria paniculata
Geijara parvifolia	Olea eurpeae
Quercus spp.	Pistacia chinensis
Patanus racemosa	Platanus racemosa

In order to continue the quality of the landscape treatment that has been established along the primary circulation routes, the master builder has prepared the planting schemes to carry this image into each residential development area. While streets within each of the individual developments will not have a separated parkway, interior streets will nonetheless incorporate a regular pattern of street trees. In order to reinforce the same image proposed for the primary circulation routes, trees for internal streets will be chosen from a restricted plant palette that is compatible and complimentary to the landscape theme. A plant palette has been provided that delineates appropriate street trees for use on internal streets. The list is broad enough to provide ample selection, while maintaining harmony and continuity, within the entire development.

Shrubbery will be used to complement the mass and form established by the trees at neighborhood and community entries by providing additional planting textures and colors. Shrubbery will also be used where visual buffers or screens are desired. Several species of shrubs should be planted as informal massings and these masses

can be interspersed with accent plant species to add interest and variety. Drought-resistant species shall comprise 80% of the planting schemes. Shrubs on slopes shall consist of both drought-resistant and fire-retardant species. Please refer to the Project Plant palette for recommended shrubs.

PROJECT PLANT PALETTE

DROUGHT TOLERATE TREES

Acacia (most species)
Albizia
Casuarina
Cedrus deodara
Deratonia siliqua
Eucalyptus (most species)
Geijara parvifolia
Ginkobiloba (male)
Grevillea robusta
Jacaranda arbutifolia
Koelreuteria bipinnata
Koelreuteria paniculata
Olea europaea
Quercus
Quercus rubra
Rhus lancea
Schinus molle

OTHER ACCEPTABLE TREES

Cinnamomum camphora
Fraxinus velutina
Gleditsia triacanthos
Lagerstroemia indica
Liquidamber styraciflua
Pistacia chinensis
Platanus acerifolia
Platanus racemosa

DROUGHT TOLERANT SHRUBS

Acacia (most species)
Arbutus unedo
Callistemon citrinus
Ceanothus (most species)
Cistus (many species)
Elaeagnus pungens
Mahonia (most species)
Melaleuca (many species)
Nerium oleander
Photinia fraseri
Pittosporum (most species)
Prunus lyonii
Rhamnus alaternus
Rhamnus californica
Rhamnus crocea
Rhus ovata
Ribes (most species)
Heteromeles arbutifolia
Raphiolepis indica

FIRE RETARDANT SHRUBS

Baccharis pilularis
Callistemon citrinus
Cistus villosus
Elaeagnus pungens
Heteromeles arbutifolia
Nerium oleander
Prunus lyonii
Rhamnus alaternus
Rhamnus californica
Rhamnus crocea
Rhus ovata

OTHER ACCEPTABLE SHRUBS

Abelia grandiflora
Oleander 'Petite Pink'
Raphiolepis indica
Viburnum (many species)

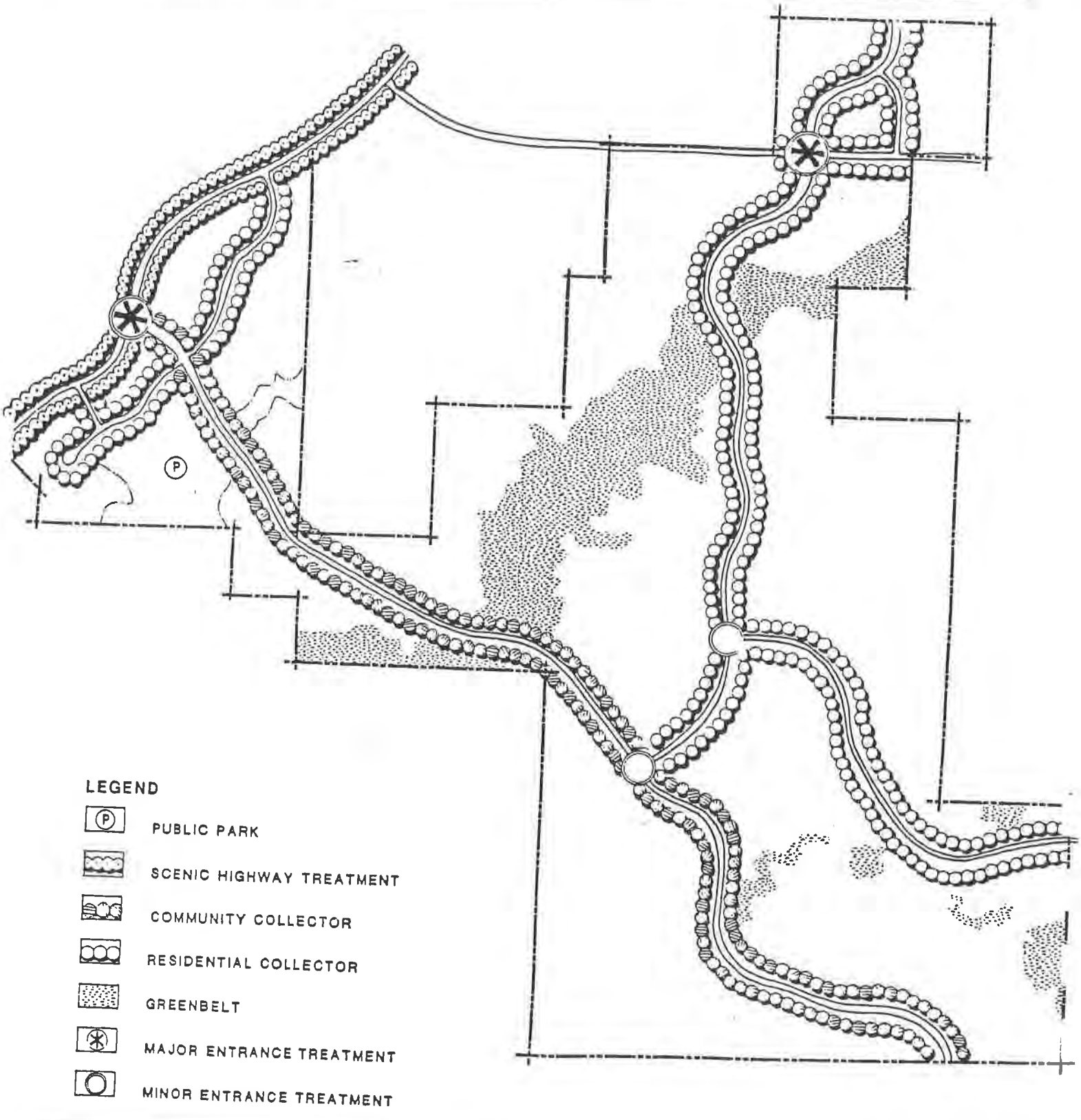
VINES

Bougainvillea sp.
Doxantha unguis-cati

OTHER ACCEPTABLE VINES

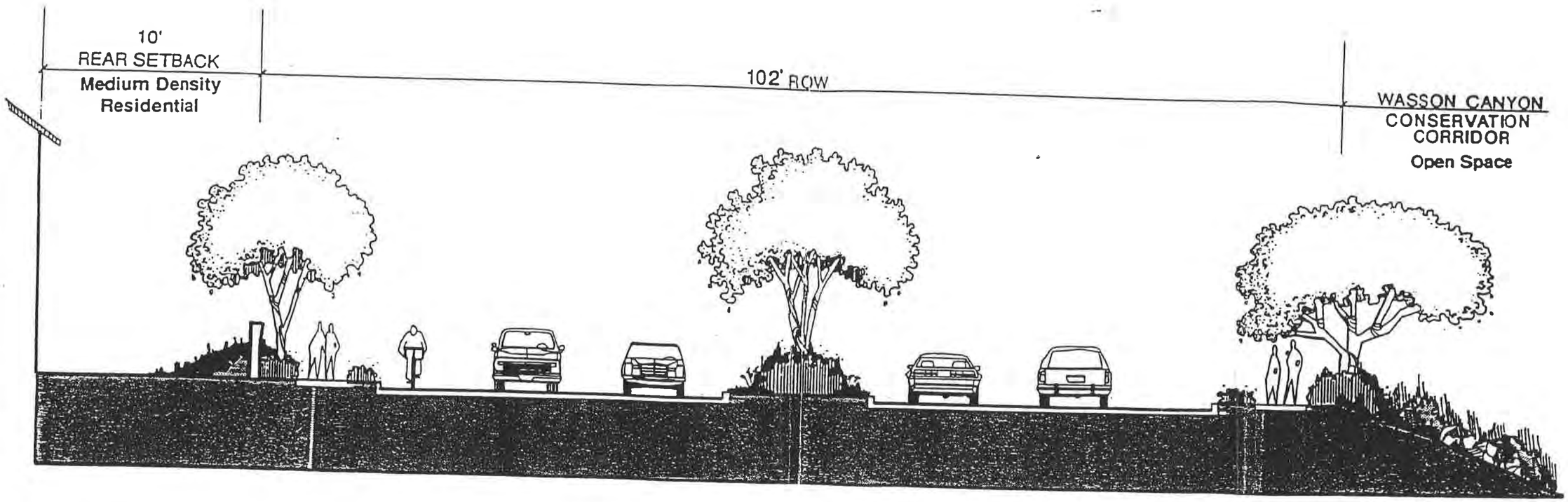
Antigonon leptopis
Clematis (most species)
Gelsemium sempervirens
Jasminum (most species)
Lonicera japonica 'Halliana'
Wisteria sp.

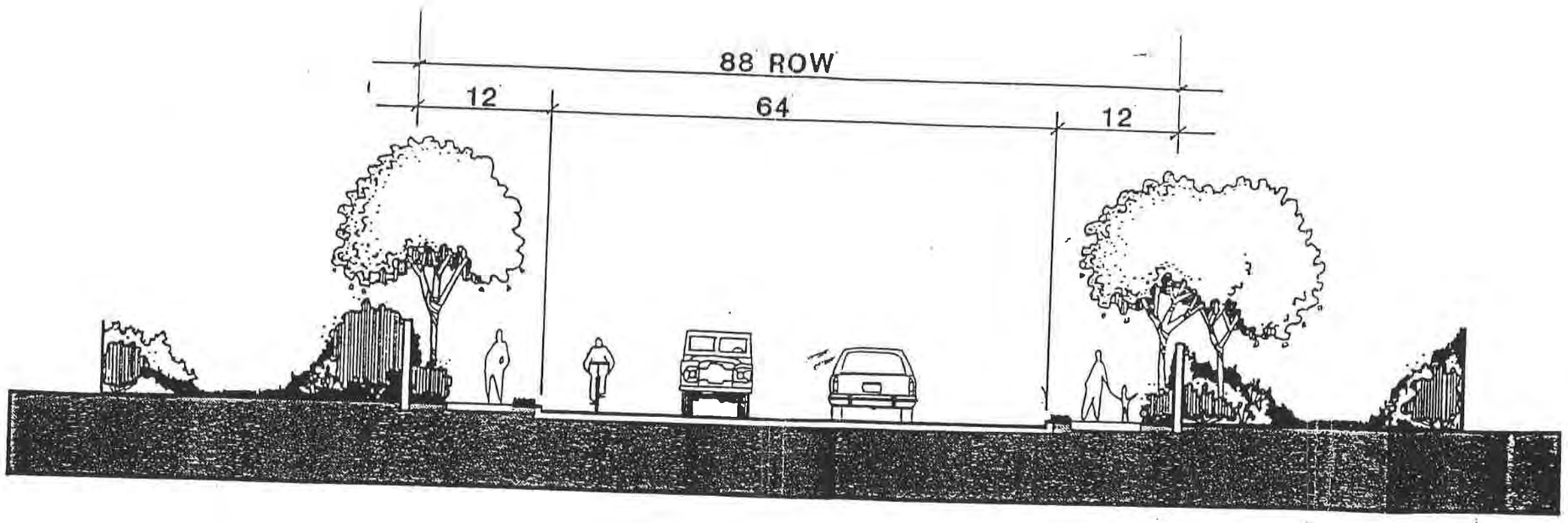
LANDSCAPE CONCEPT PLAN

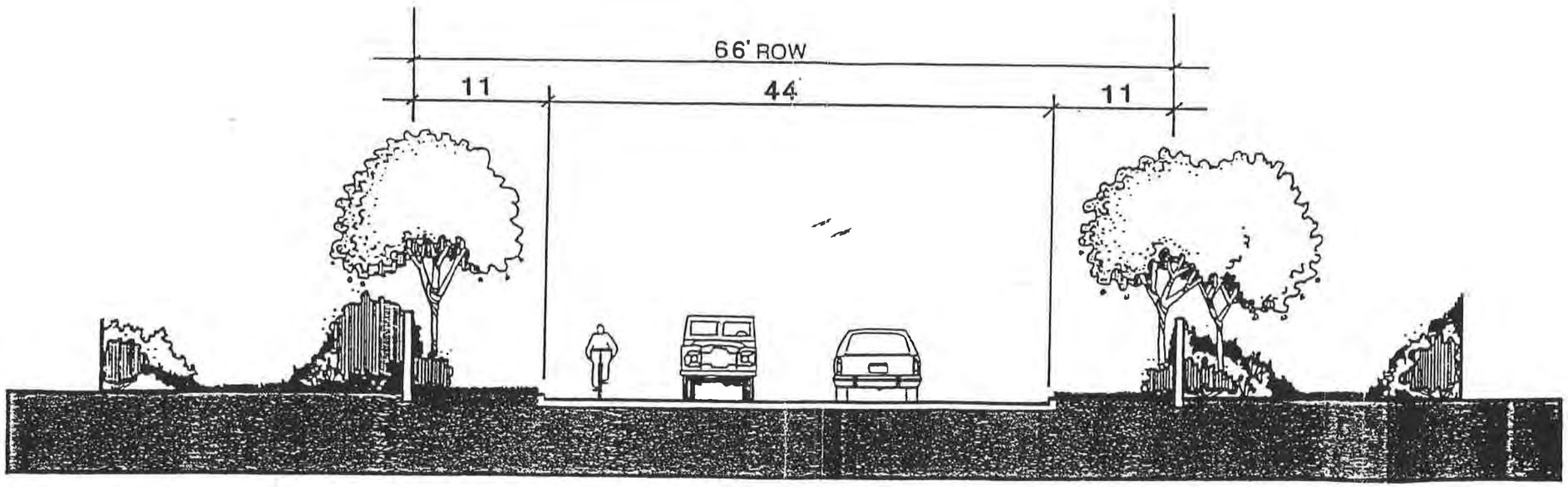


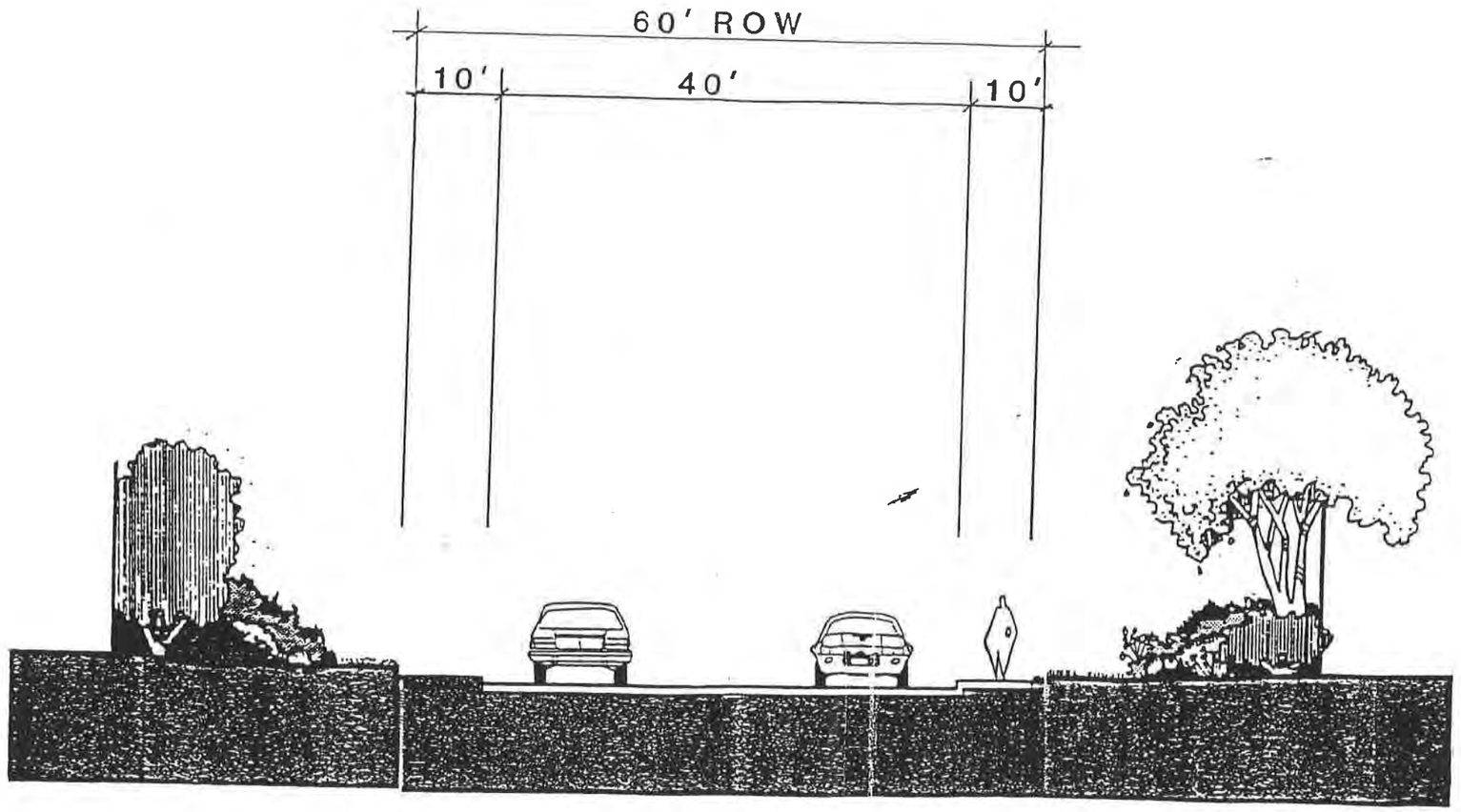
COMMUNITY ENTRY STREETSCAPE

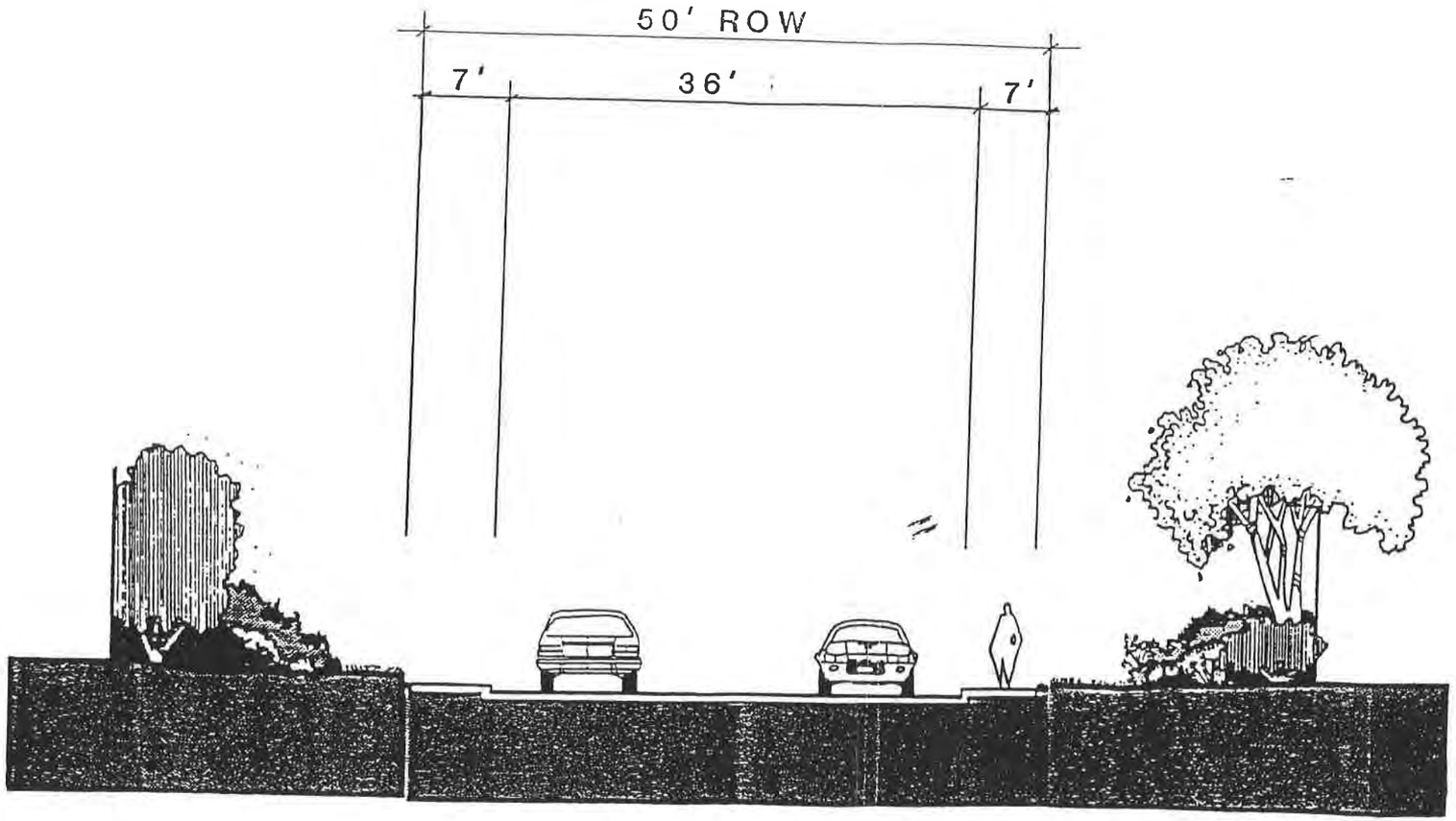
(Ramsgate & Hwy 74)

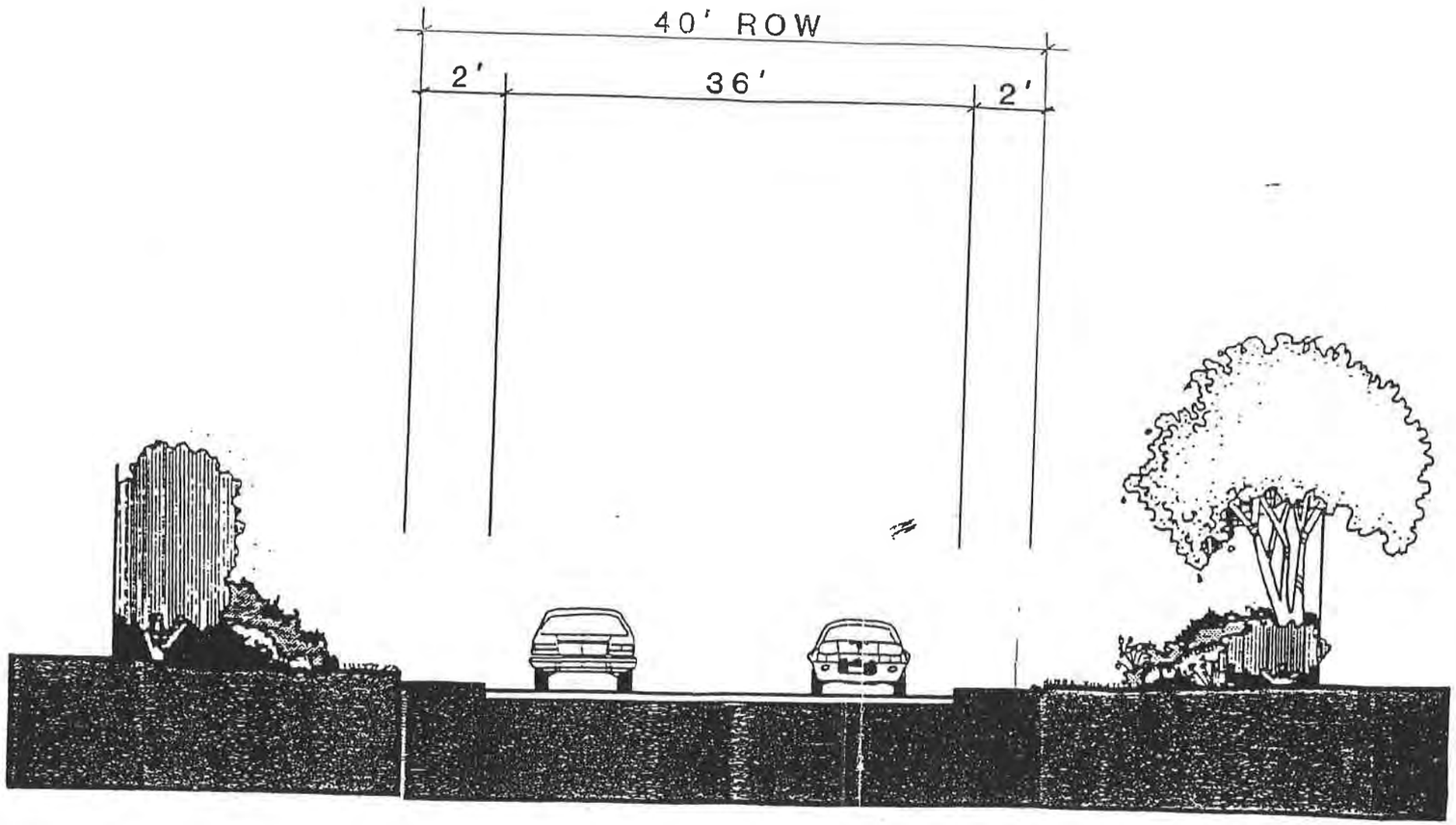


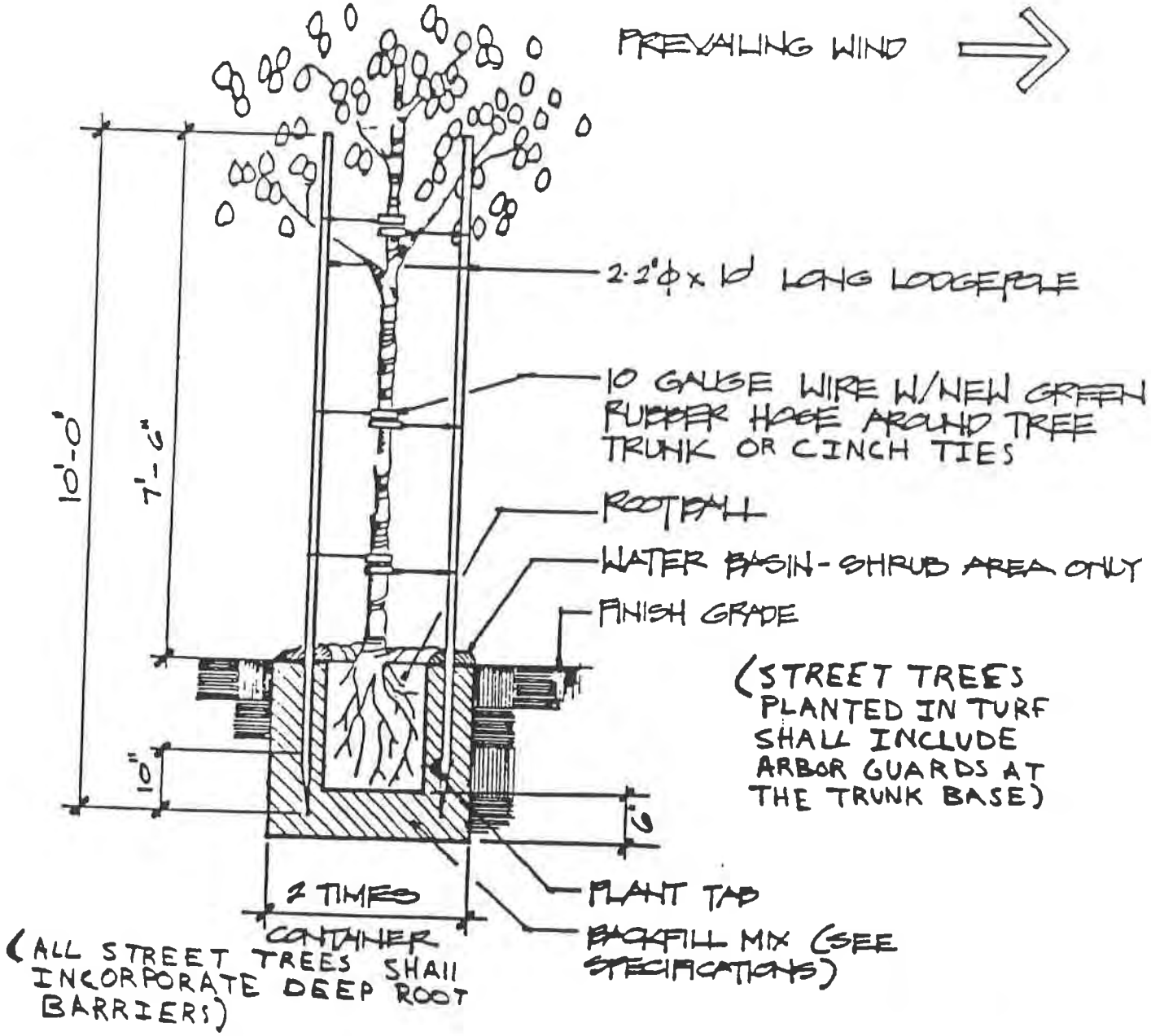

88 ROW
12
64
12


66' ROW
11
44
11

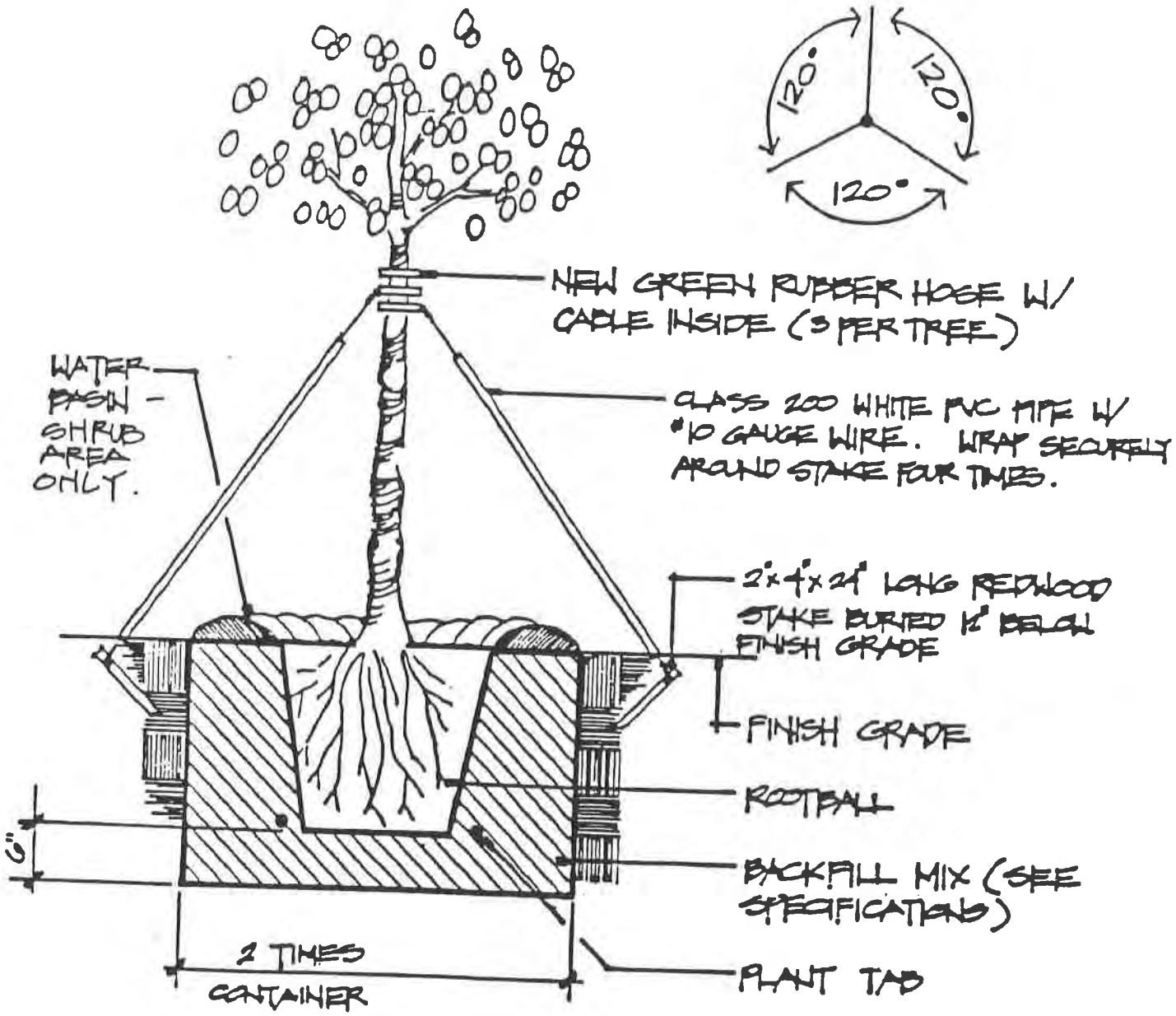

60' ROW
10'
40'
10'


50' ROW
7'
36'
7'

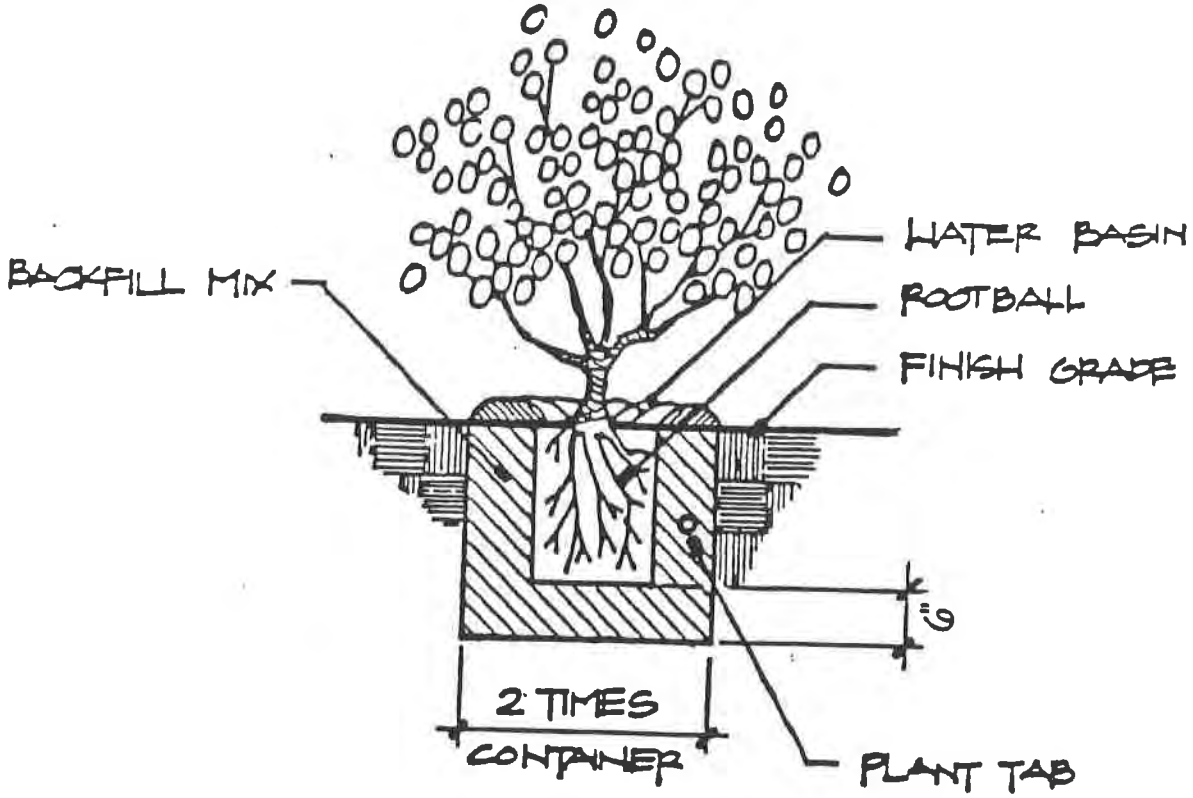

40' ROW
2'
36'
2'


PREVAILING WIND
2·2"ϕ x 10' LONG LODGEPOLE
10 GAUGE WIRE W/NEW GREEN RUBBER HOSE AROUND TREE TRUNK OR CINCH TIES
ROOTBALL
WATER BASIN - SHRUB AREA ONLY
FINISH GRADE
(STREET TREES PLANTED IN TURF SHALL INCLUDE ARBOR GUARDS AT THE TRUNK BASE)
10'-0"
7'-6"
10"
2 TIMES CONTAINER
PLANT TAB
BACKFILL MIX (SEE SPECIFICATIONS)
(ALL STREET TREES SHALL INCORPORATE DEEP ROOT BARRIERS)

No Scale


120°
120°
120°
NEW GREEN RUBBER HOSE W/ CABLE INSIDE (3 PER TREE)
WATER BASIN - SHRUB AREA ONLY.
CLASS 200 WHITE PVC PIPE W/ #10 GAUGE WIRE. WRAP SECURELY AROUND STAKE FOUR TIMES.
2"x4"x24" LONG REDWOOD STAKE BURIED 12" BELOW FINISH GRADE
FINISH GRADE
ROOTBALL
6"
BACKFILL MIX (SEE SPECIFICATIONS)
2 TIMES CONTAINER
PLANT TAB

No Scale


WATER BASIN
BACKFILL MIX
ROOTBALL
FINISH GRADE
3"
2 TIMES
CONTAINER
PLANT TAB

No Scale

2.4.2 SLOPE PLANTING

As with parkways and streetscapes, slopes within a project play a major role to unify and add continuity to the aesthetic character of the community. Due to their sizeable square footage and prominence, they are a visually dominant feature of an area. It is imperative that they maintain and reflect an aesthetic quality consistent with the Ramsgate image throughout the development.

It is the intent of the master builder to provide each individual developer with landscape construction plans for the slope areas within their particular project. Please see the Maintenance Responsibility Plan for delineation of Master Association and privately maintained slopes, as well as who is responsible for installation of which slope zones. In this way, the overall slope planting concept will be articulated throughout the entire project.

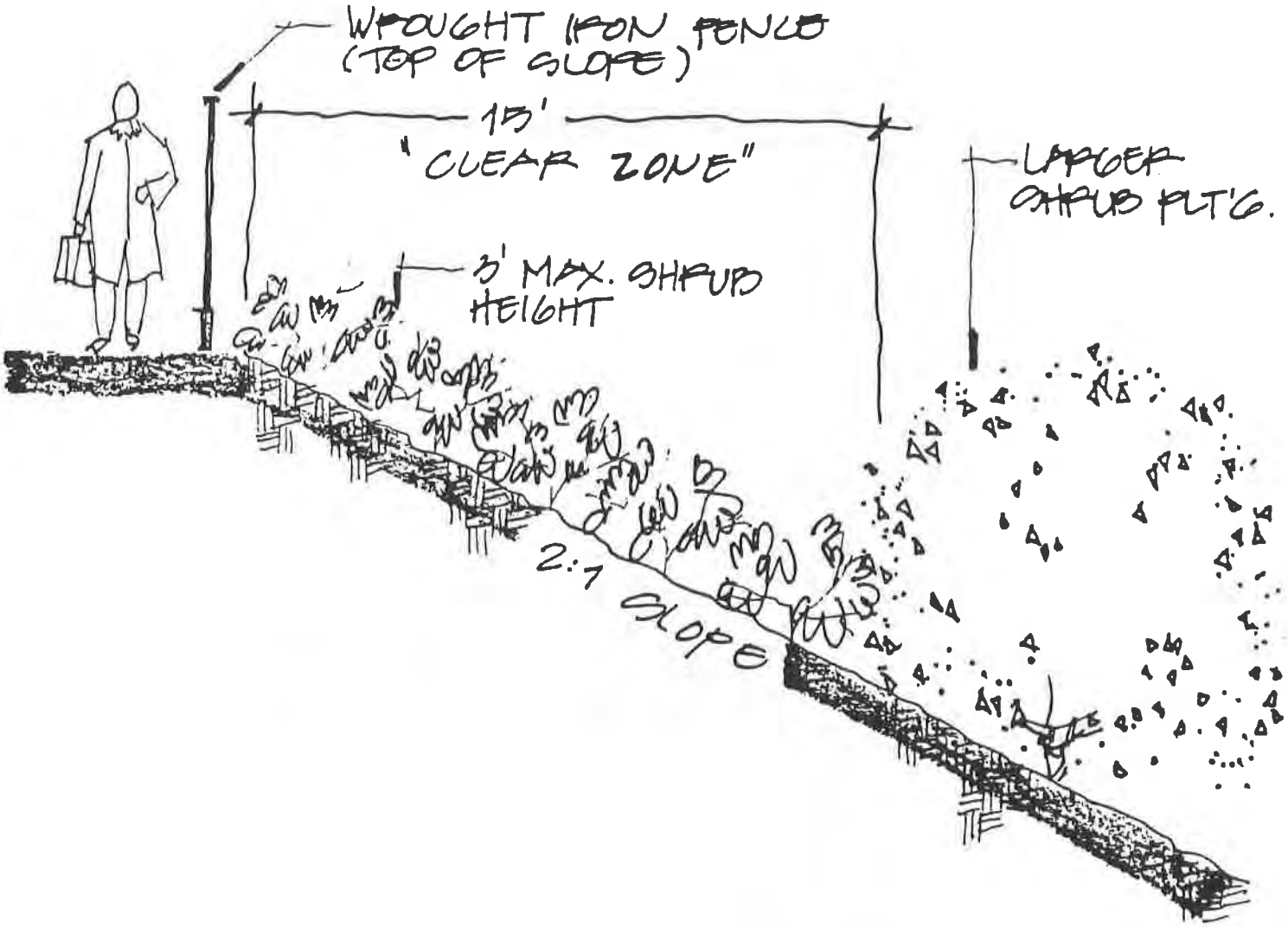
2.4.2.1 Planting

The use of trees on the slope areas will be limited to very few areas, in order to maintain the panoramas and view corridors throughout the site. A "clear zone" will be provided where slope areas meet housing pads. These areas will extend 15' from the edge of pad down slope and will contain plantings of no more than 3' in height in order to protect and maintain views.

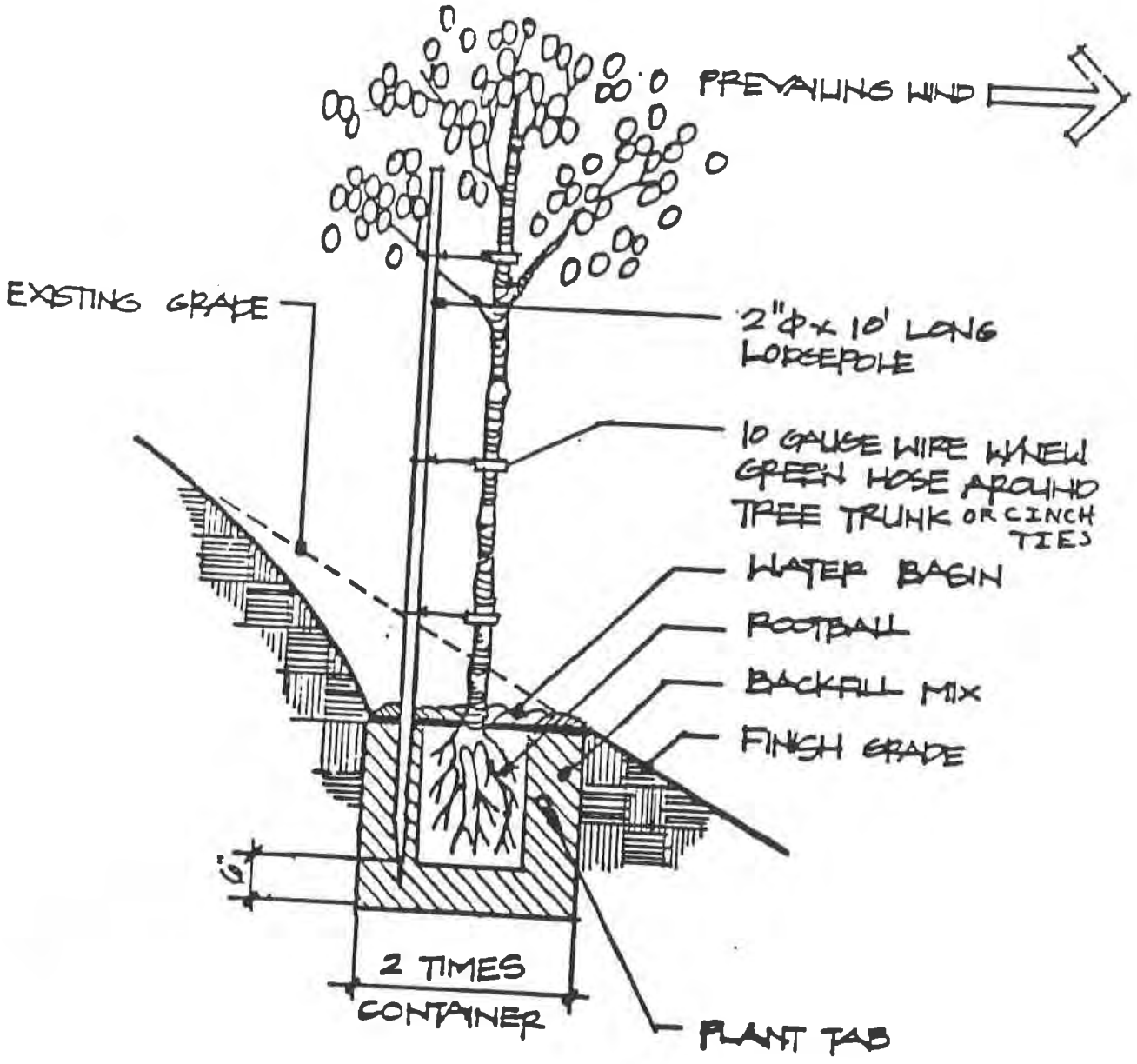
2.4.2.2 Slope Maintenance

It will be the responsibility of the master developer or the private homeowner to provide maintenance for slope areas throughout the project. These slope areas will either be part of master association or considered private. Please refer to the Maintenance Responsibility section and plan for delineation of master association, and private maintenance areas. In either case, there are certain factors that should be taken under consideration, regarding the maintenance of these slope areas.

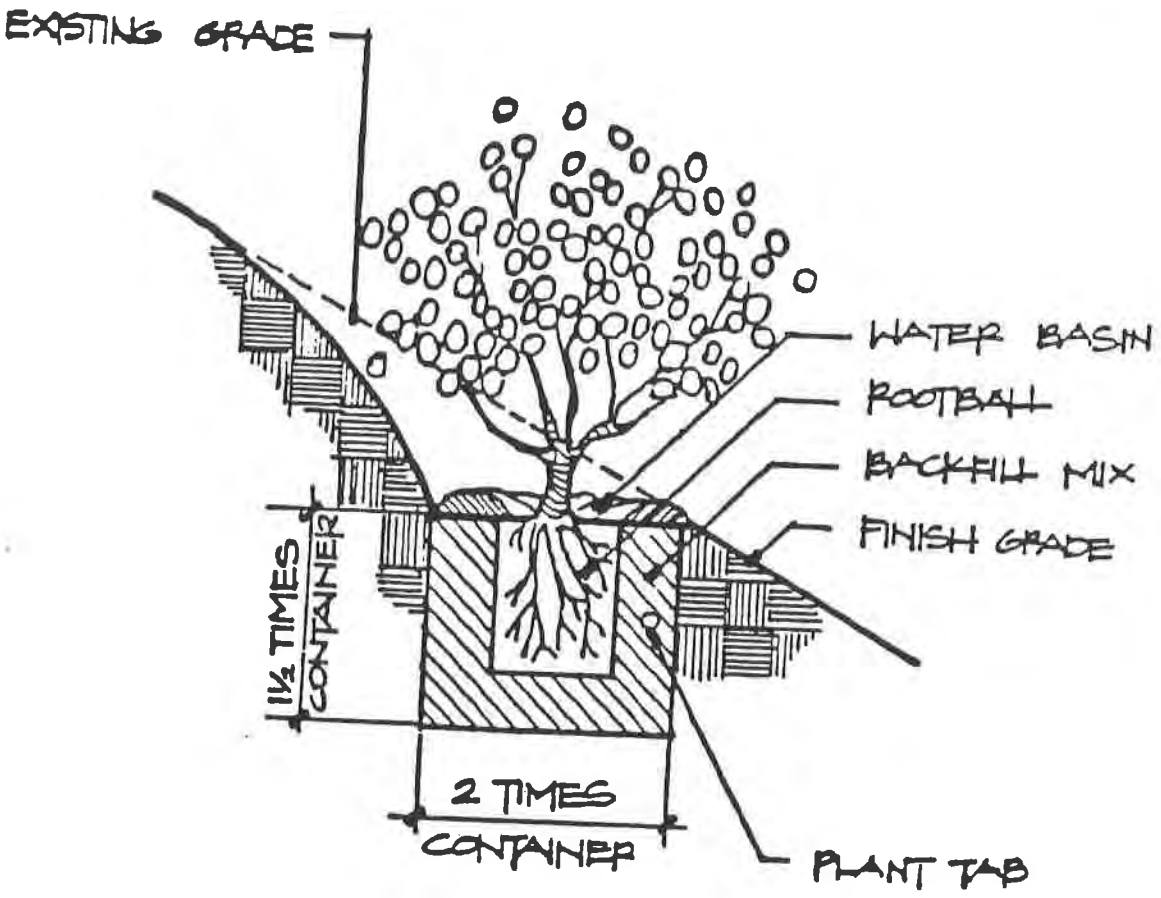
Plant Clearance Zone



Scale: 1/4" = 1' - 0"


PREVAILING WIND
EXISTING GRADE
2"Φ x 10' LONG LODGEPOLE
10 GAUGE WIRE W/NEW GREEN HOSE AROUND TREE TRUNK OR CINCH TIES
WATER BASIN
ROOTBALL
BACKFILL MIX
FINISH GRADE
6"
2 TIMES CONTAINER
PLANT TAB

No Scale


EXISTING GRADE
WATER BASIN
ROOTBALL
BACKFILL MIX
FINISH GRADE
1½ TIMES CONTAINER
2 TIMES CONTAINER
PLANT TAB

No Scale

2.4.3 FRONT YARD LANDSCAPING (RESIDENTIAL)

In the continued effort to provide visual enhancement to each neighborhood within Ramsgate, it is the intent of the master developer that each individual builder within the community provide front yard landscaping for the homeowner. In this way, as neighborhoods are landscaped with turf, shrubs and ground cover at one time, they are perceived as a whole unit and not a hodgepodge of haphazardly landscaped front yards. Estate lot property owners will be required to provide complete front yard landscaping plans for review by the Ramsgate Design Review Board.

2.4.3.1 Planting

In the interest of maintaining and reinforcing the planting theme throughout the community, it is our intent to provide some guidelines on the type of plant material that will be allowed. On a general level, due to the landscape theme of the project, we are essentially restricting plant material that is inconsistent with the Ramsgate image and/or the natural surrounds. This basically translated means no use of palms, ferns, tropical plant material, or on the other hand, no succulents, cacti, etc. that introduce an incompatible planting concept. However, the use of drought tolerant plant palettes are encouraged due to their compatibility with the surrounding environment as well as the Southern California countryside. Additionally, one front yard tree is required, in addition to the required street tree, unless it is obvious that this becomes visually overburdensome to the lot. In situations where a canopy street tree is used, various vertical front yard trees should be utilized, and vice versa. By integrating trees of various shapes and heights, the street scene will take on a more dynamic quality.

2.4.4 MODEL COMPLEX LANDSCAPING

It is our intent in this section to provide a general direction to the individual builder and their design team in the area of model complex landscaping. Again, hardscape and planting designs, as well as selections of materials and palettes consistent with California countryside design are requested. This involves design themes that are more informal and utilizing such elements as massing, clustering and informal contouring, as well as water features and fountains when possible. Materials consistent with this may include terra cotta tiles and pots, stone pots, sand blasted concrete, coarse stone, stone veneer, marble, etc. Color palettes of warm earth tones should predominate in material and hardscape choices. Plant material may include: Cedar, Olive, Eucalyptus, Oak, Oleander, Jasmine, etc. A greater degree of latitude will be allowed in this area, with eventual design considerations also involving architectural style and individual project theme.

2.4.5 OPEN SPACE AND FUEL MODIFICATION REQUIREMENTS

Natural open space found primarily along the edges of the developments within Ramsgate shall be retained in its natural state. There are however certain considerations regarding fuel modifications that need to be considered.

The City of Lake Elsinore has developed certain standards regarding Fire Prevention and Fuel Modification to reduce potential fire hazards in hillside areas. Pleas refer to the Conceptual Landscape Plan in the appendix for a general delineation of the Fuel Modification Zone. Individual development units within Ramsgate may have additional Fire Prevention/Fuel Modification Zones (not shown) as indicated by the city and/or county.

2.4.6 LANDSCAPE MAINTENANCE RESPONSIBILITY

Landscape Maintenance Responsibility within Ramsgate can be categorized as follows:

1. Master Association Areas:

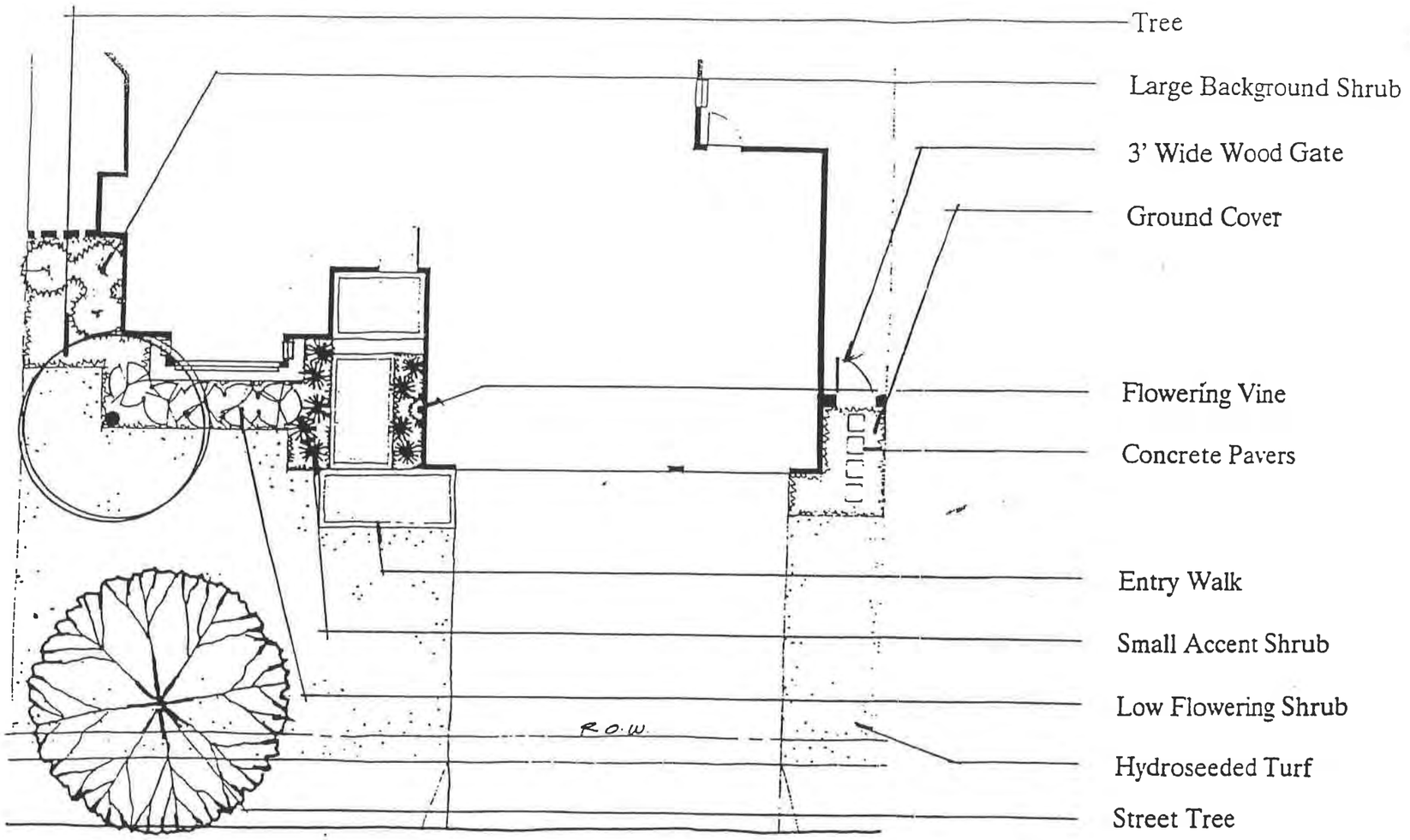
   These areas are the maintenance responsibility of the Ramsgate Master Association and include: the major slope areas along the circulation routes, major entry monumentation, secondary monumentation, primary streetscape and Fuel Modification Zones along the perimeter of individual development areas (see Maintenance Responsibility Plan in the Appendix).

2. Private:

   These zones include slope areas located within the property of individual homeowners as well as maintenance of front yard landscaping.

   Please refer to the Landscape Maintenance Responsibility Plan for graphic articulation of each maintenance area.

Typical Front Yard Landscaping



No Scale

2.5 COMMERCIAL LANDSCAPE GUIDELINES

2.5.1 INTRODUCTION

Ramsgate is a mixed use community, providing for commercial land uses as well as residential. Commercial uses can create a visual hinderance, not only are structures larger, but commercial uses require greater areas for vehicular parking. Due to their sizeable square footage and prominence, they are a visually dominant feature of an area. It is imperative that they maintain and reflect anaesthetic quality consistent with the image throughout the development. To accomplish this, commercial landscape guidelines have been established to minimize the visual impact commercial buildings and parking lots have on communities.

2.5.2 GOALS

1. To encourage a comprehensive visually cohesive park-like setting.

2. To provide landscaping whichsoftens the lines of the buildings, reduces the scale of the buildings and screens undesirable elements of the project.

3. To provide extensive landscaped areas to be used as visual relief.

4. To establish a community focal point by accentuating the theme aspects of Ramsgate.

5. To emphasize the qualities of the open space system and reflect the natural features of the project.

6. Accentuate the indigenous California plant materials.

2.5.3 LANDSCAPE DESIGN CONSIDERATIONS

1. On-site lighting of commercial areas shall be shielded or directed away from adjacent residential areas.

2. Landscape buffers and berms shall screen parking lots from street and residential neighbors.

3. Parking lots shall have minimum landscaping at 6 percent of the total area.

4. Shrubs in a parking area shall not exceed 3 feet in height.

5. Parking lot entry drives should be contrasted with a different variety of tree speciesthan those used in the parking lot islands. A minimum clear height of 6 feet is needed for trees within a parking lot planting island.

6. Annual seasonal color or flowering groundcover shall be used wherever possible in commercial areas to provide entry statements.

7. Shrub masses should be provided adjacent to all entry and perimeter walls. A minimum number of varieties should be used.

8. A mixture of shrubs and trees should be used in separating a parking area from a buliding.

9. In parking lots, all internal landscape planter islands shlal be surrounded by continuous concrete curbing not less than 6 inches in height.

10. All trees shall be a minimum of 15 gallon size with 15 percent of the trees being 24 inch box or greater.

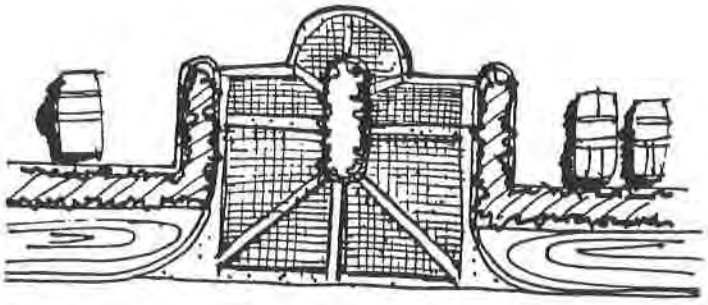
11. A single matching tree species should be used in all parking areas. All trees in parking lot medians shall be located in a uniform straight line pattern. Parking lot entry drives should be contrasted with a different variety of tree species than those used in the parking lot islands.

12. All plant material shall be from the approved plant palette.

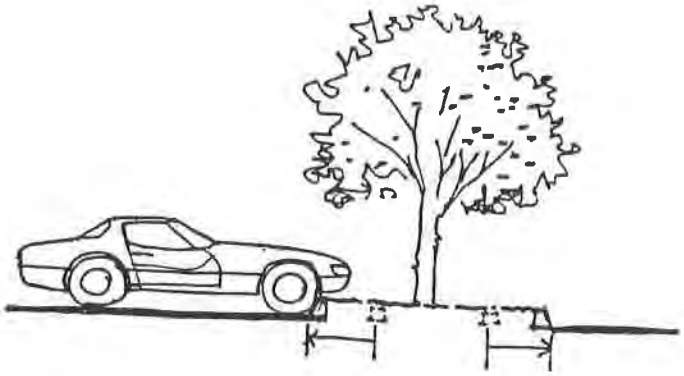
13. Provide canopy, tree shading or trellis at transition from parking to building to shade pedestrians and soften building edges.

2.5.4 PARKING AREA DESIGN CONCEPTS

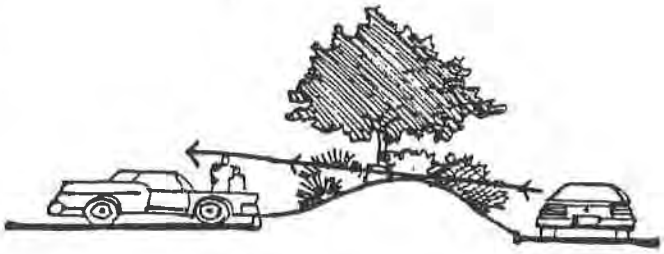
1. Designate entries into parking areas with visual, textural contrasts to adjacent street.



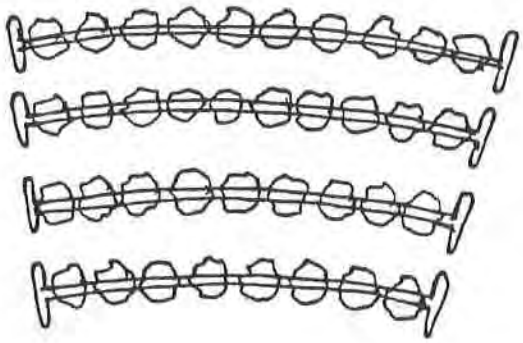
2. Increase planting area widths by extending planters in lieu of concrete bumper stops.



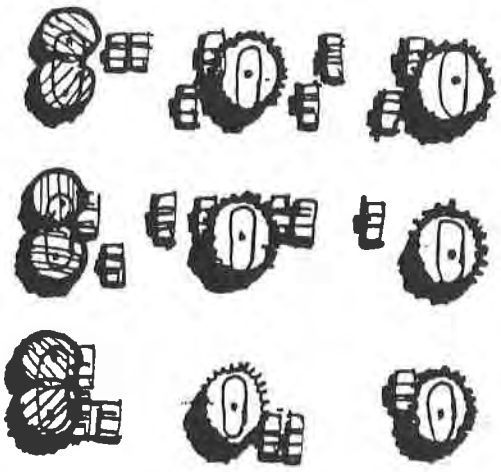
3. Screen parking from adjacent streets with use of beams, shrubs and hedges.



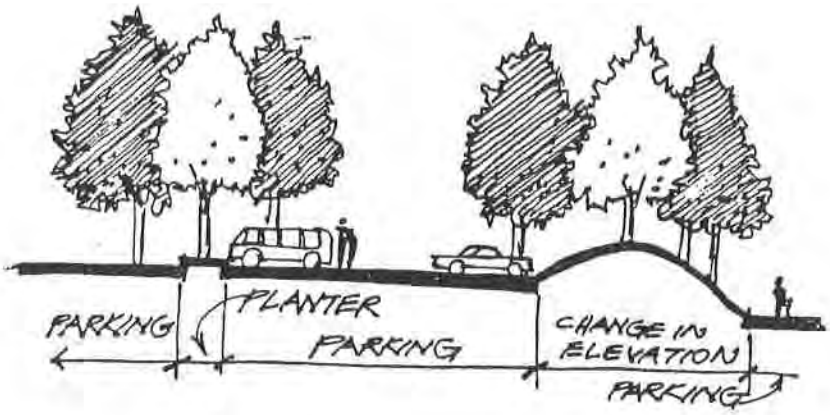
4. Where possible, curve parking bays for added interest.



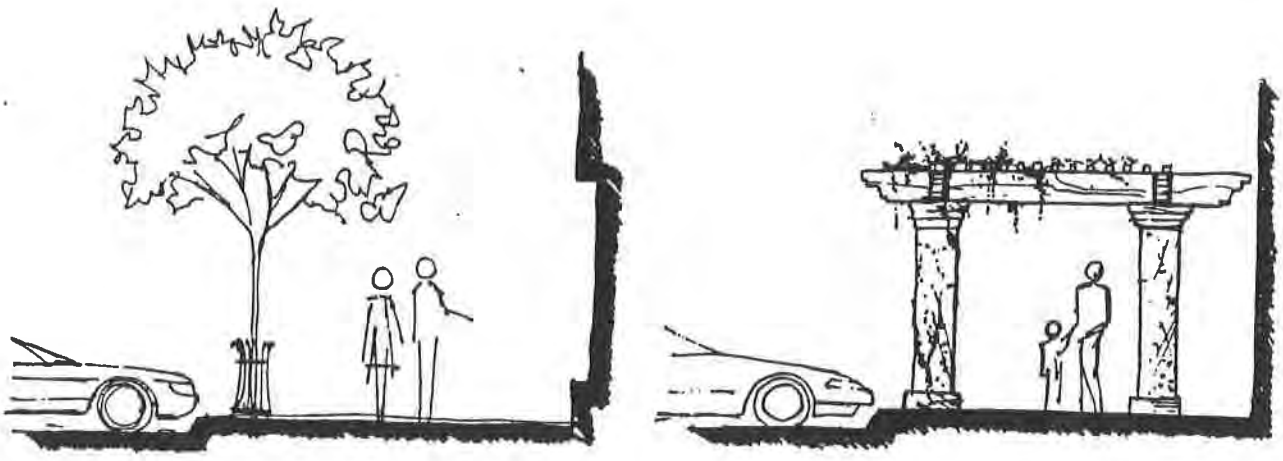
5. Landscape islands shall be integrated into parking rows at intervals of nine spaces maximum.



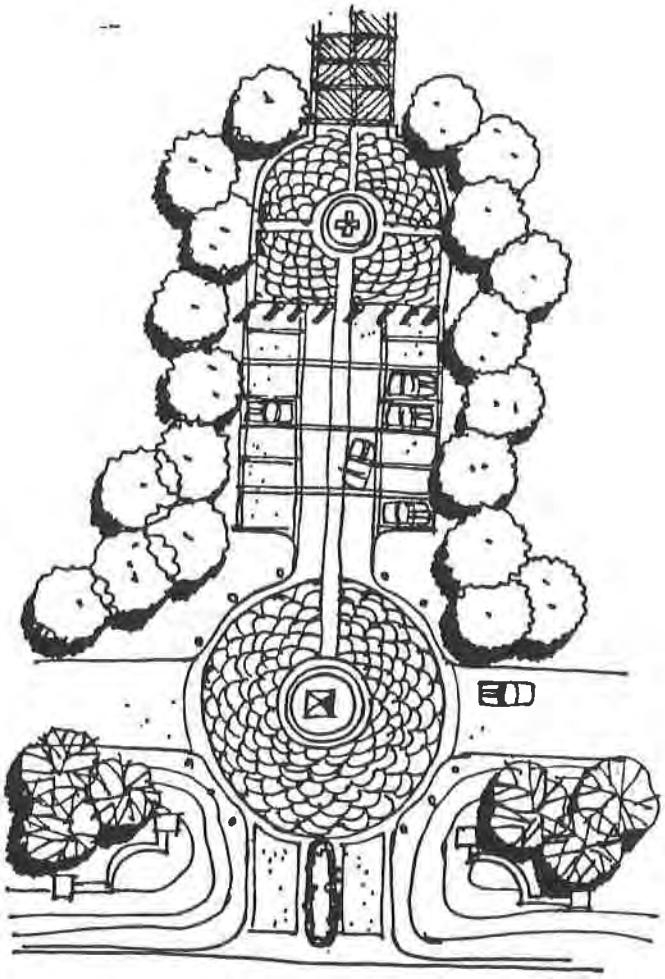
6. Tree planters and changesin elevation shall be utilized to break up the massing of parking lots.



7. The use of trellis structures, trees and canopy structures is encouraged adjacent to buildings to shade pedestrians and soften edges.



8. The use of enriched paving, fountains, special features, trellis structures is encouraged in vehicular areas to create more of a pedestrian courtyard atmosphere.



2.6 WALLS AND FENCING

In order to maintain the design integrity of the entire community of Ramsgate, it is imperative that walls and fencing as well as monumentation and landscaping be addressed. It is the intent of this section to provide design parameters for perimeter and interior walls and fencing proposed for the first phase of development. Walls and fencing designs have been developed to complement proposed architectural styles.

There are six types of walls and fencing - Theme Walls, Secondary Stucco Walls, Wrought Iron Fencing, Stucco Walls with Glass Screens, Production Wood Fencing and Wood Rail Fencing - proposed for use within Ramsgate. See Monumentation, Wall and Fencing Plan for locations of walls, fencing and pilasters and sketches of each design type.

2.6.1 **"Theme Wall"** - This wall is used exclusively along the major north/south circulation route within the project. The material used for this wall and accompanying pilaster is a light earth tone flat finish stucco (Mertex p-113) with Coronado Belgian Castlerock Stone 'Santa Maria' used as a cap and dry stacked adjacent to the area where the wall comes into contact with the pilaster.

The outside of the "Theme Wall" is maintained by the master association, and the inside shall be maintained by the individual homeowner.

2.6.2 **Secondary Stucco Wall** - The second type of wall and pilaster is essentially the same as the Theme Wall, but does not incorporate the use of stone. This wall shall be utilized in all other areas throughout the project where a solid wall is required. This includes all areas where a wall is required adjacent to streets and/or on the top of slopes, where the difference in elevation is less than or equal to 15 feet. This wall may also be utilized along property lines between units.

The outside of the Secondary Stucco Wall is maintained by the master association, and the inside shall be maintained by the individual homeowner.

2.6.3 **Wrought Iron Fence** - In order to maintain views, it is intended that Wrought Iron Fencing with Low Walls occur within the project where the elevational difference is greater or equal to 15 feet. The wrought iron fencing placed above it will be painted a pale "eucalyptus" green color (Ameritone Grenville) compatible with the surrounding landscape.

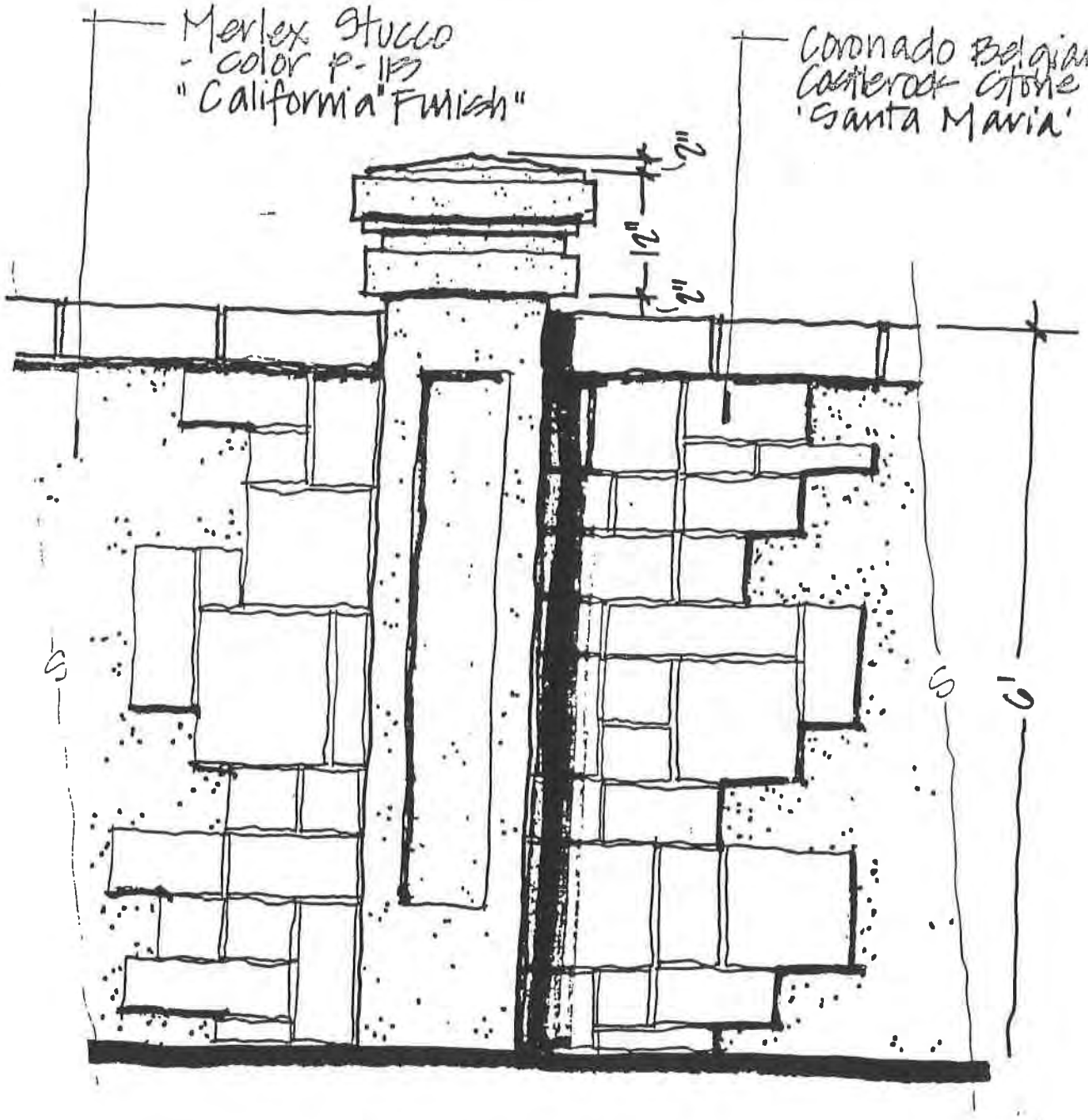
Wrought Iron fencing will also occur at the perimeter of development areas adjacent to open space and fuel modification zones. Fire gates will be required as determined by the city or county fire marshall.

2.6.4 **Glass Screen on Stucco Wall** - In certain situations, a glass screen on stucco wall may be required in place of wrought iron fencing to reduce noise.

2.6.5 **Production Wood Fence** - Wood fencing may occur on property lines between units only. Fencing will be stained with a natural transparent coat. All walls and fencing will be 6 feet in height typically with pilasters approximately 7' tall. See diagrams for locations of walls, fencing and pilasters, and sketches of each design type.

2.6.6 **Wood Rail Fence** - Natural cedar fence will occur only within the estate lots.

Stucco /Stone Theme Wall & Pilaster



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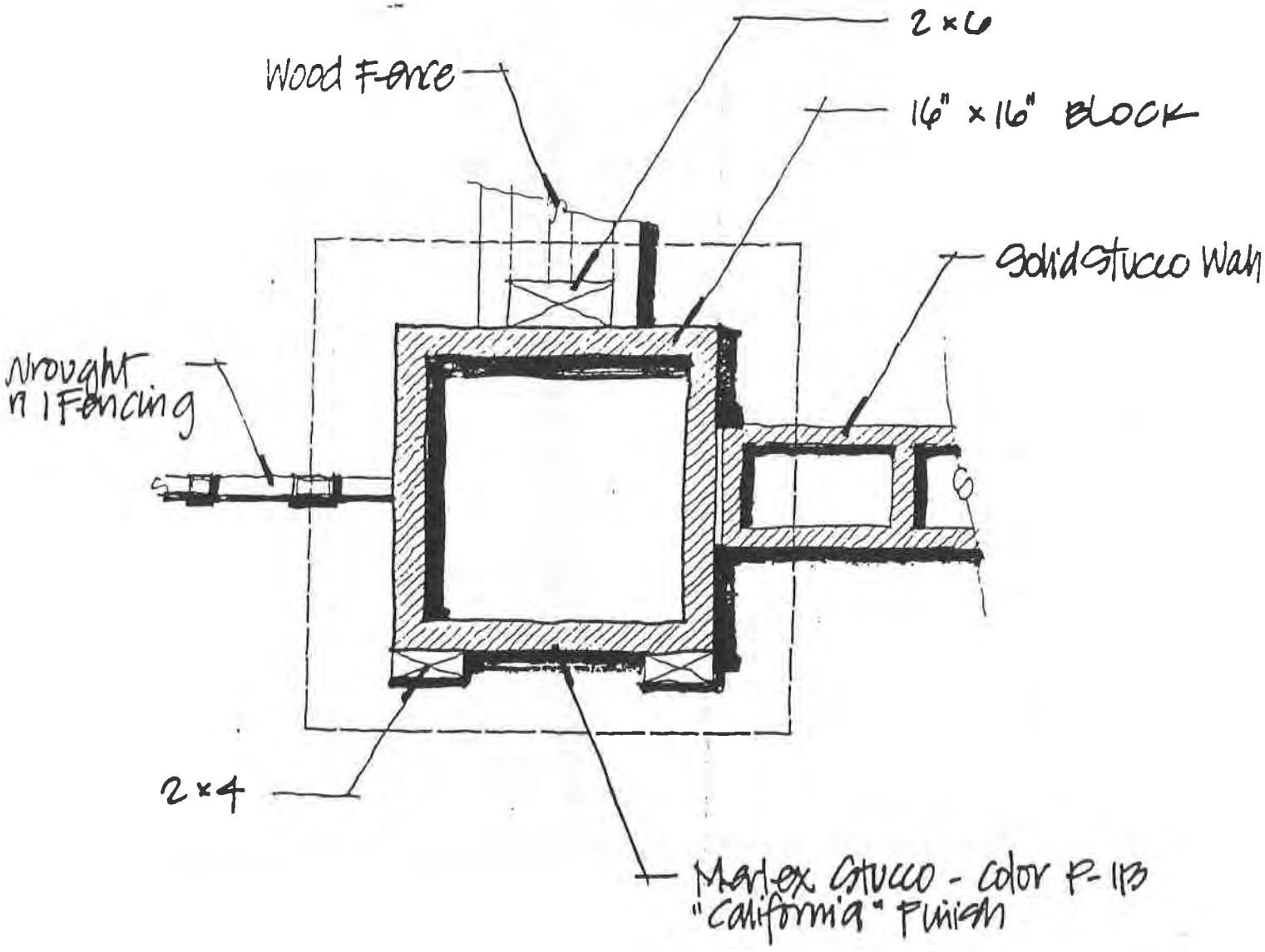
Pilaster Section - Plan View



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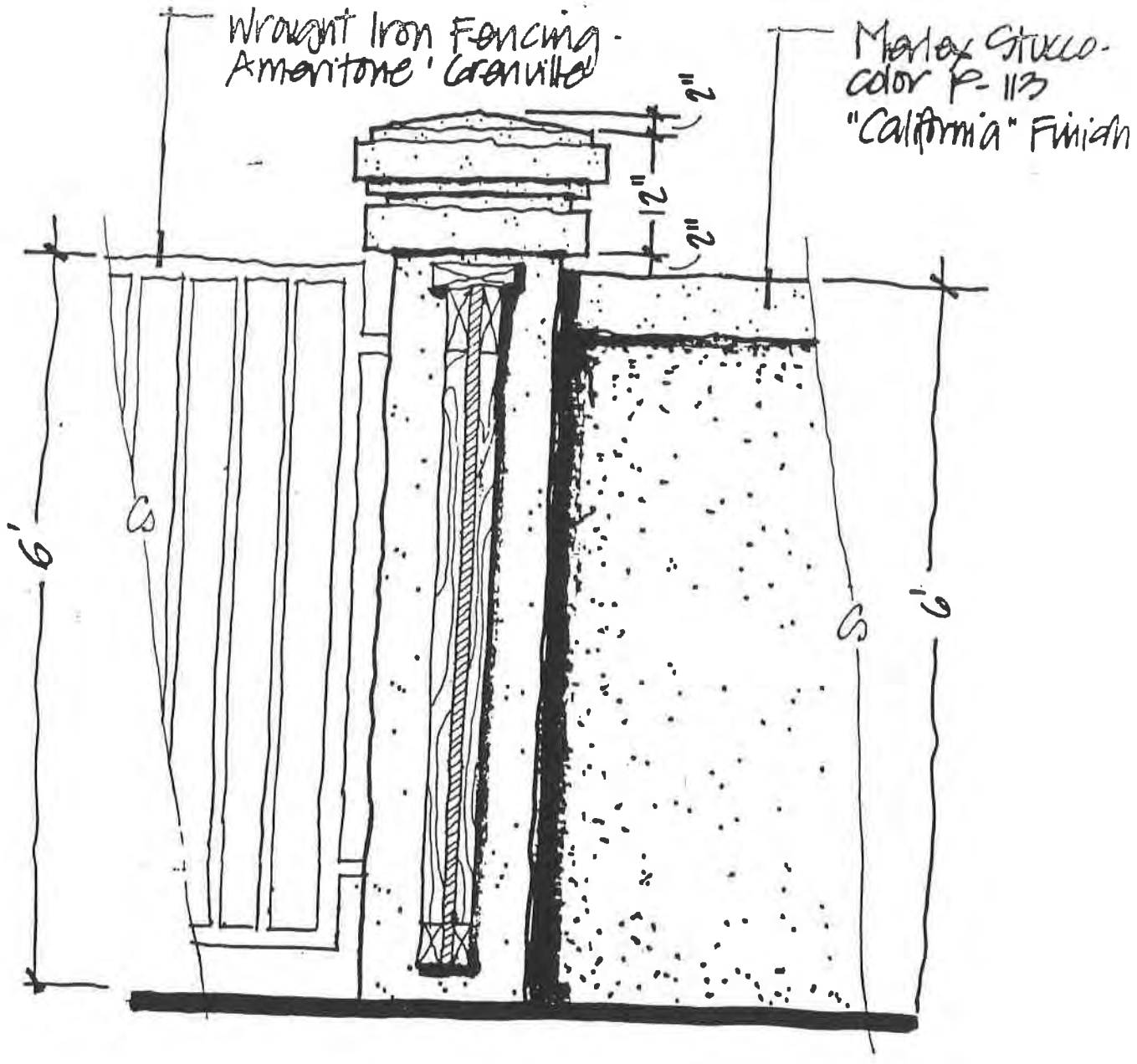
Secondary Stucco Wall & Pilaster



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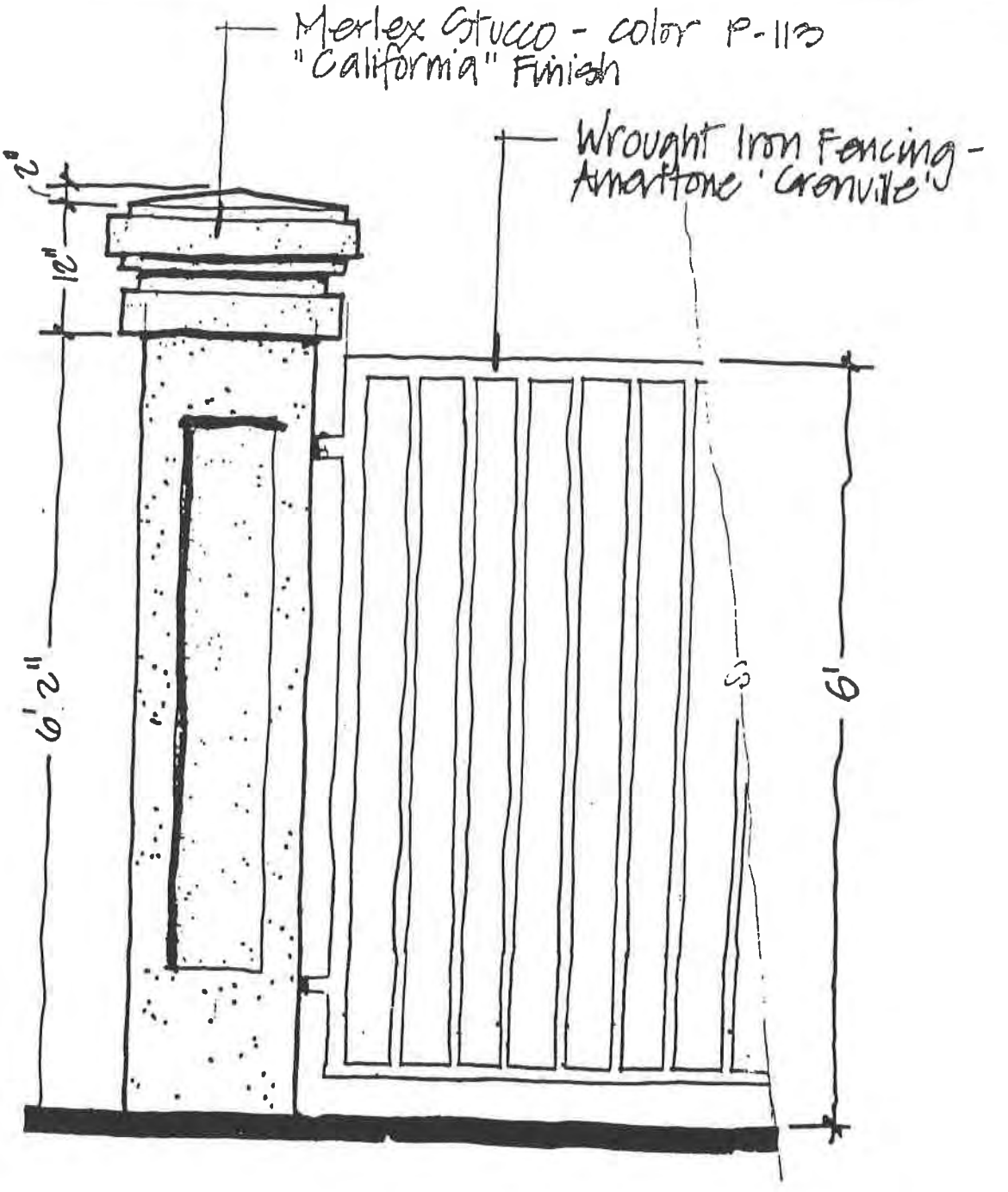
Wrought Iron Fence & Pilaster



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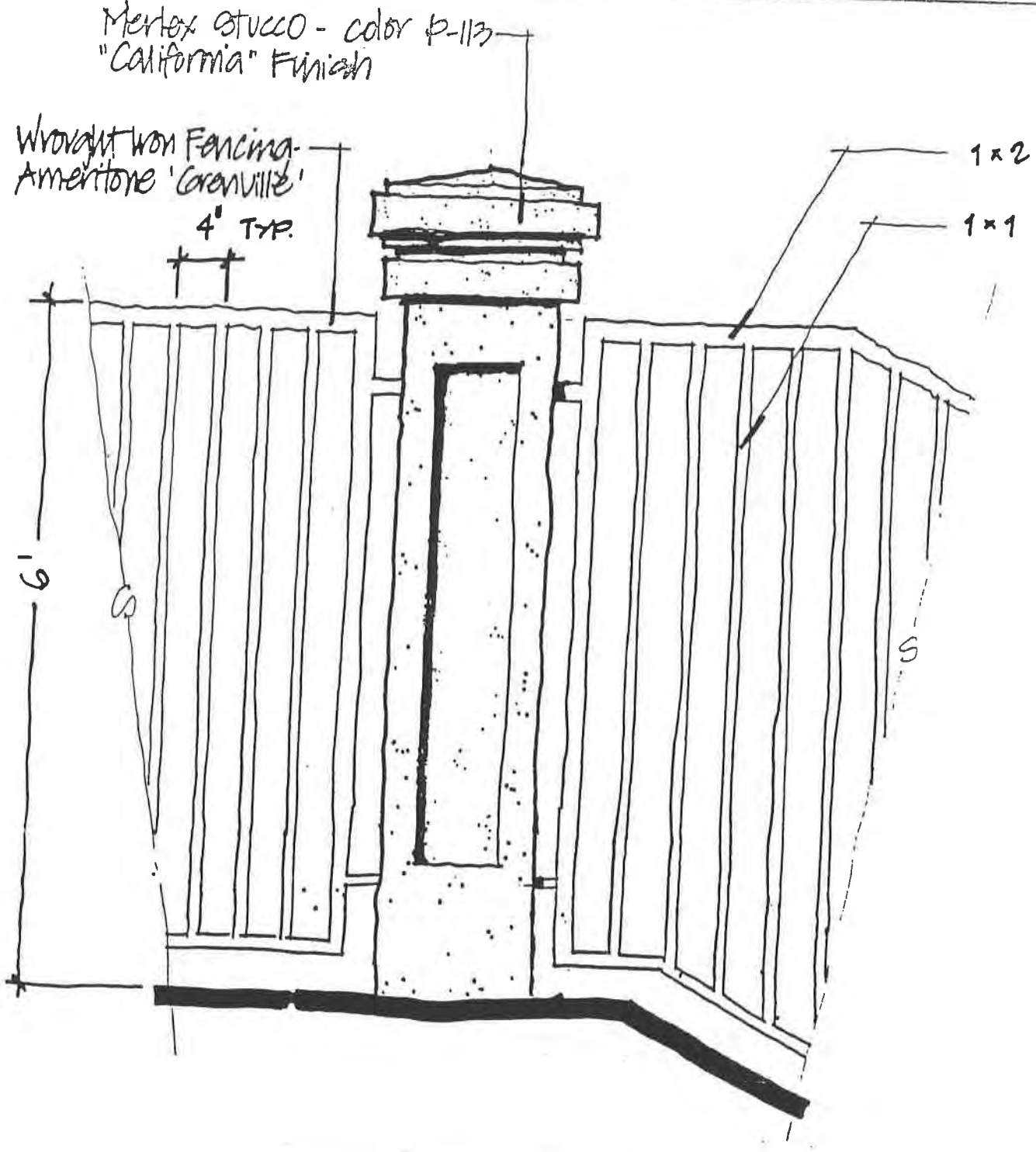
Wrought Iron Fence Downslope



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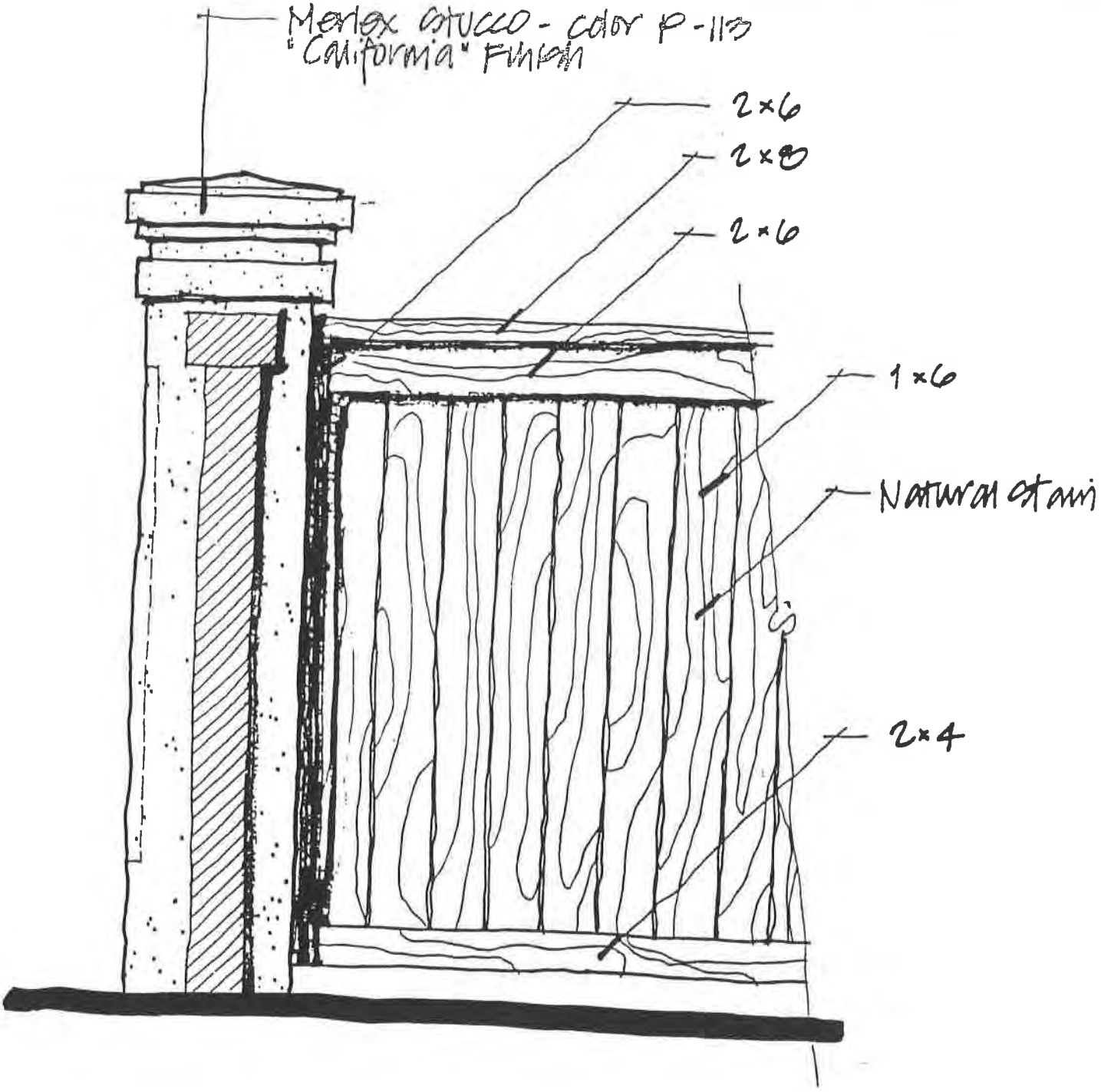
Wood Fence & Stucco Pilaster



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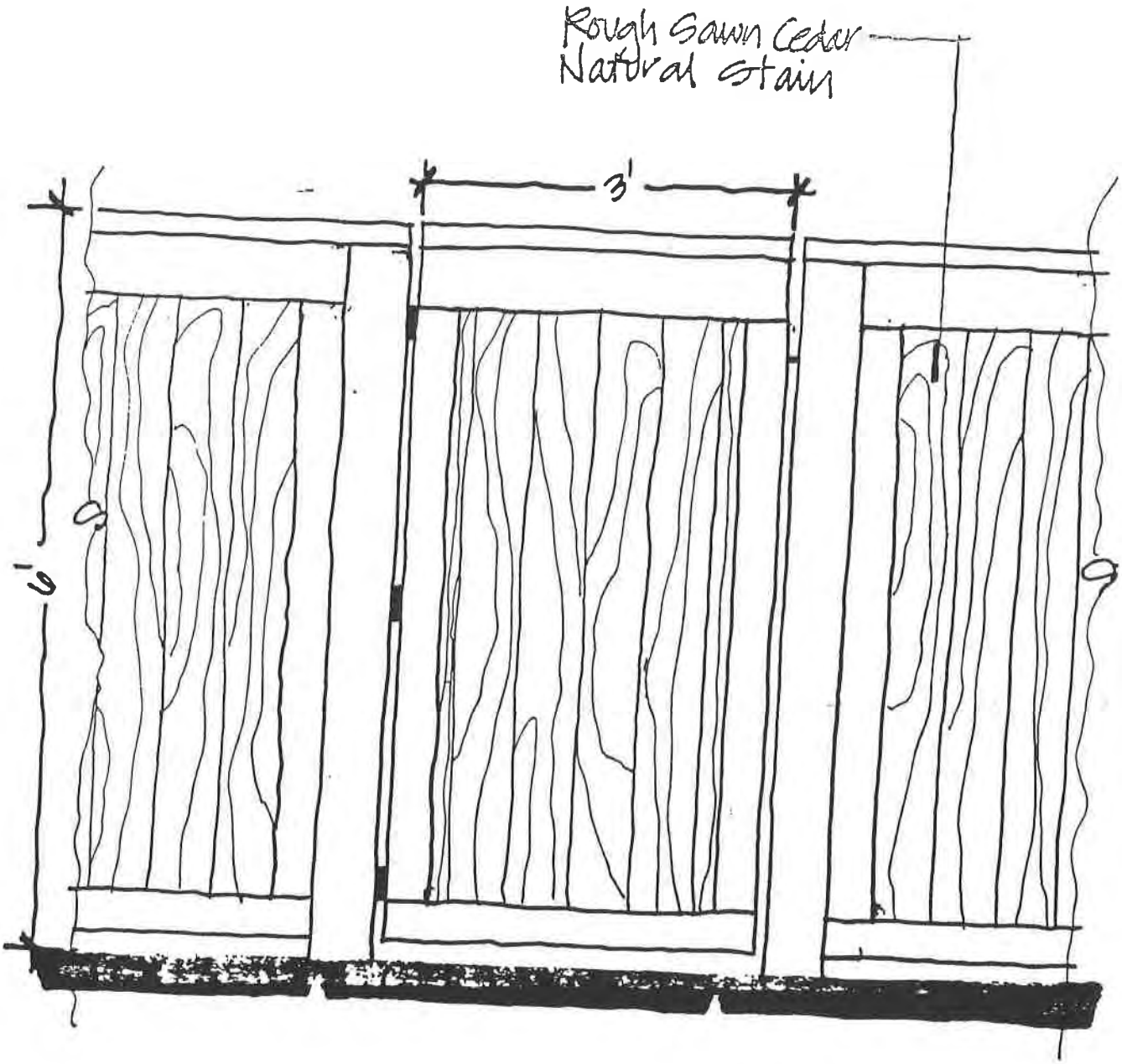
Wood Gate



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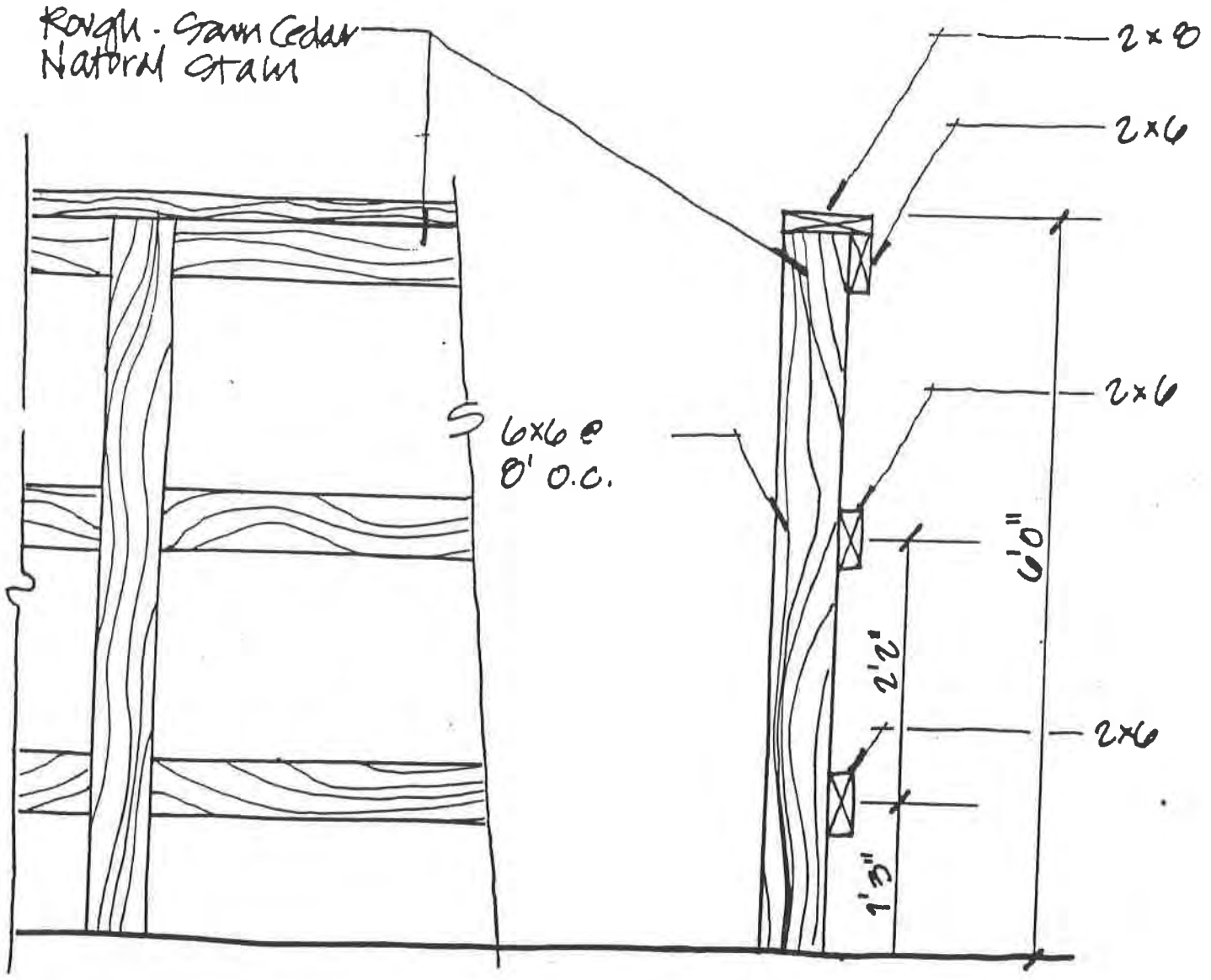
Wood Rail Fence



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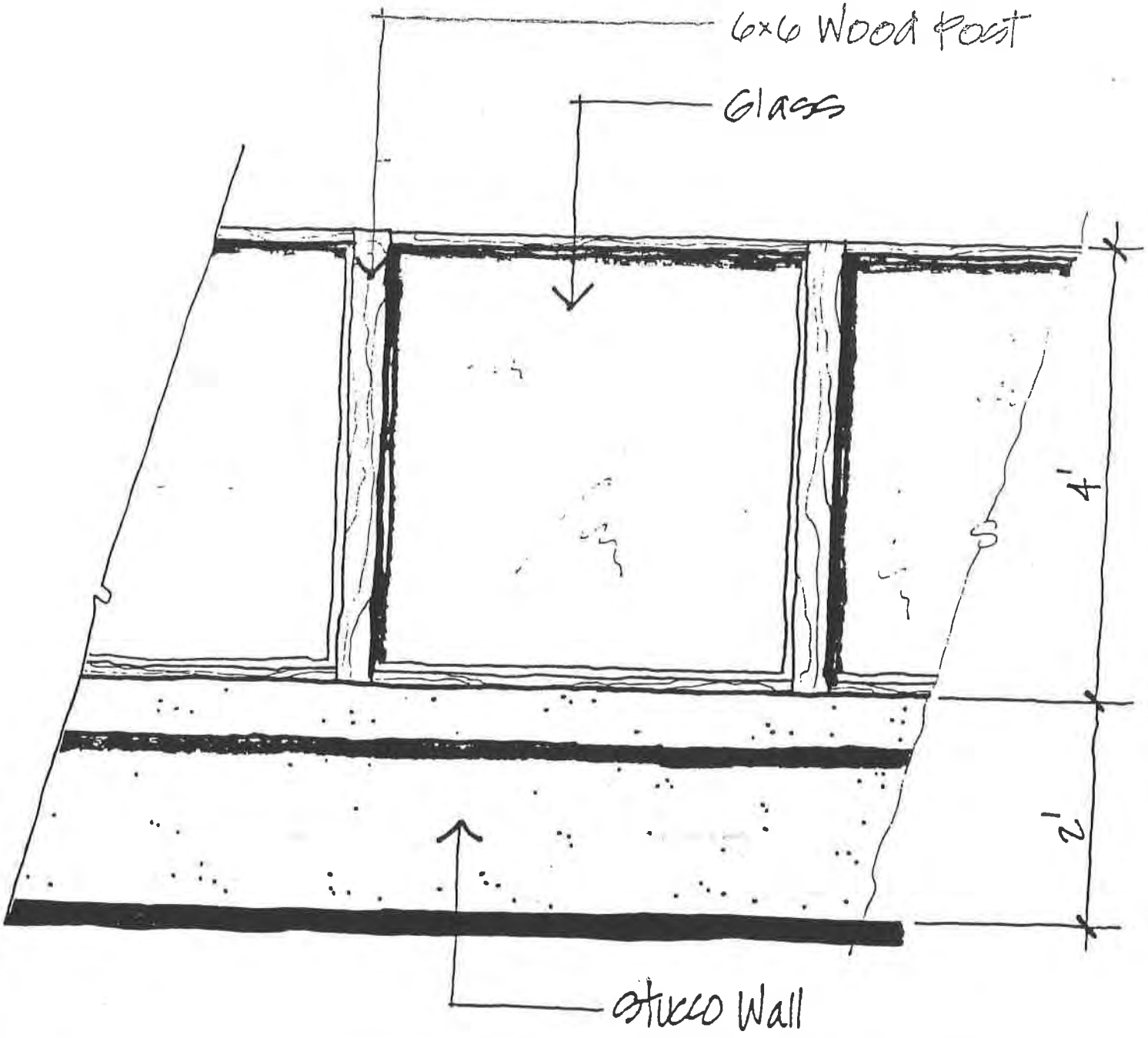
Glass Screen on Stucco Wall



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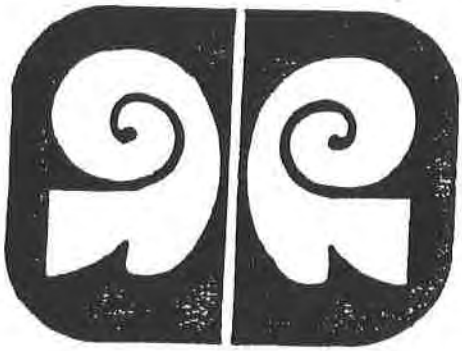
RESIDENTIAL ARCHITECTURAL GUIDELINES



RAMSGATE

3.1 INTRODUCTION

The purpose of the Residential Architectural Guidelines is to provide a broad description of the general design considerations and specific styles to be used for the design of individual developments within the Ramsgate community. These guidelines have been developed in order to achieve a high level of appearance, assure product compatibility, direct character and form and to establish the community's design criteria for use by builders and architects. As such, it is imperative that these guidelines are strictly complied with, in order to achieve the design integrity and continuity necessary for a successful project.

While providing a specific direction it is also the intent of these guidelines to allow for reasonable flexibility in its interpretation so as to provide individual character and differentiation for the various parcels.

The residential guidelines are divided into two areas: General Design Considerations (Section 3.2) and Specific Styles (Section 3.3). General considerations are those which will contribute to a successful project regardless of style. Areas of concern include building mass, elevation, garage placement and street scene.

The second part of the residential guidelines deal with specific styles compatible with the overall theme of countryside. Each of the four styles has an established tradition in the fabric of fine country residential neighborhoods. These styles are Spanish, Italian, Country French and California Ranch. It should be understood that the master developer has the right to amend these guidelines if and when necessary should other considerations be deemed important.

3.2 GENERAL DESIGN CONSIDERATIONS

3.2.1 INTRODUCTION

An important goal of the Ramsgate Guidelines is to create functional and visual variety within the street scene. It is the intent of the guidelines to discourage projects where nearly identical homes line streets with neither variation in building placement nor architectural form. Listed below are some techniques which will create the desired variety within the streetscape. It is not the intent that all of these techniques must be incorporated in each project. However, selective use can provide the desired environment.

3.2.2 GENERAL GUIDELINES

3.2.2.1 Site Planning Considerations

a) Clustered and low-density housing should be utilized to preserve the existing landforms and sensitive resources.

b) Varied setbacks will be required to preclude a "row housing" appearance.

c) The placement of structures within each development area should be considered with respect to prevalent environmental conditions: sun, wind, terrain, view, existing drainage, existing trees and vegetation.

d) All residential units will provide private outdoor areas in the form of yards, patios or balconies. These areas may be fenced as necessary to provide privacy, security and safety.

e) The use of low retaining walls, terraced and split lots, and platform structures will be encouraged to minimize grading.

f) The siting and design of structures and landscaping should ensure that they

blend into the terrain and do not dominate the landform as seen from the canyon floors.

g) Higher-density projects should be planned carefully to maximize the feeling of open space within the development by incorporating curving streets and road orientations into open space and views.

h) Residential development in areas adjacent to Highway 74 will include noise attenuation techniques such as setbacks, baffle walls, berms and clustering to minimize the noise and visual impacts resulting from traffic along Highway 74.

3.2.2.2 Architecture

a) The utilization of innovative housing techniques will be encouraged to provide an affordable single-family home.

b) Fire resistant building materials should be utilized in hazard areas. Architectural solutions for natural siting of structures should be sensitively designed so as to protect an unsightly structural under-system.

c) Rear exteriors of housing located adjacent to areas of high visibility should have treatment similar to the front elevation criterion.

d) Residential units along open space corridors should be sited and designed to maximize view opportunities.

e) Openings in buildings should be accented architecturally through indentation, framing and roof variations when visible from public streets.

h) Housing facades shall be distinctly articulated incorporating staggered or angled treatment to the exterior. Flat, linear interfaces should be discouraged.

i) Balconies and overhangs shall be encouraged to provide architectural interest and protection against the sun and inclement weather.

j) A variety of roof forms, planes and pitches should be encouraged for each structure.

k) Incorporate one story, two story and split elevations within each project.

l) Break up the mass of the roof plane and vary the ridge height.

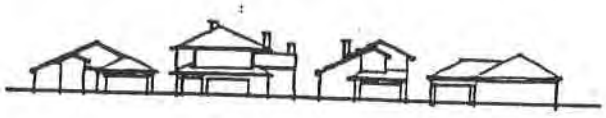
m) Provide setbacks at the second story.

n) Maintain varied and low profiles at the boundaries.

o) Insure that front, side and rear elevations share common materials and articulation.

p) Particular care should be given to all rear elevations, particularly when they are visible from the major circulation or stand out against the hillside and skyline.

q) Avoid repetitious gable ends along the rear elevation.



Preferred

Avoid

Elevation and Mass

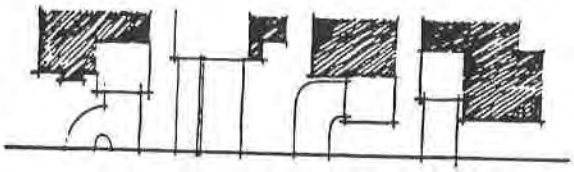
3.2.3 GARAGE PLACEMENT

-Vary garage setback.

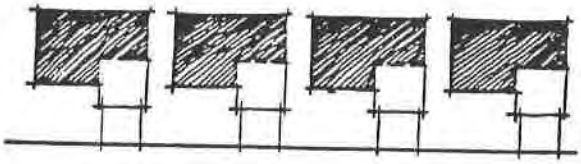
-Vary placement by reversing adjacent plans.

-When lot width permits, plans should include both front and side entry garages.

-Plan should vary number of garage spaces.



Preferred



Avoid

Garage Placement

3.2.4 FURTHER DESIGN CONSIDERATIONS

-All air conditioning/heating equipment must be screened from public view. Sound attenuation is encouraged.

-Gutters and downspouts may be concealed or exposed if designed as a continuous architectural feature. Exposed gutters and downspouts shall be painted to match adjacent roof or wall material.

-All flashing, sheet metal, vent stacks and pipes shall be painted to match adjacent building surface.

-Canvas awnings of solid accent colors may be permitted in moderation. Refer to the color palette for criteria. Metal awnings are prohibited.

-Patio trellises, pergolas and other exterior structures may be of stucco or wood as permitted by governing codes, with finishes complying with the color palette. Colors should match the wall or fascia.

-Solar panels are to be integrated into the roof design, flush with the roof slope. Frames must be colored to compliment the roof. Natural aluminum frames are prohibited. Support solar equipment shall be enclosed and screened from view.

3.3 SPECIFIC STYLES

3.3.1 INTRODUCTION

The styles selected have, over time, established themselves as part of the heritage of California architecture. They have evolved into various strains of indigenous architecture although originating in such countries as Italy, Spain and France.

In addition to their compatibility with California's climate, these simple but varied styles adapt to the informal countryside atmosphere of Ramsgate.

The styles expressed in these guidelines will provide numerous variation to the general theme of Ramsgate. The intent of the guidelines is to allow a wide range of interpretations while insuring a high degree of compatibility. Each development within Ramsgate is encouraged to explore variations on these themes while maintaining the basic palette of materials, colors and design elements.

3.3.2 DESIGN PALETTE 1.

Incorporates traditional elements of Spanish Colonial and Revival (Santa Barbara) styles.

Massing and forms

-One and two story low lying masses
-Simple massing without exaggeration of scale
-Not characterized by symmetry
-Stucco recesses to create shadow and depth

Stylistic Features

-"Thick" wall with recessed openings, doors, windows and garage
-Garden wall integrated into building
-Use of thick columns and support members
-Circular arched openings
-Balconys
-Wrought iron railings

Materials

-Smooth or light texture exterior stucco
-Tile, brick, or stone accents
-Use of ornate wrought iron for balconys and details

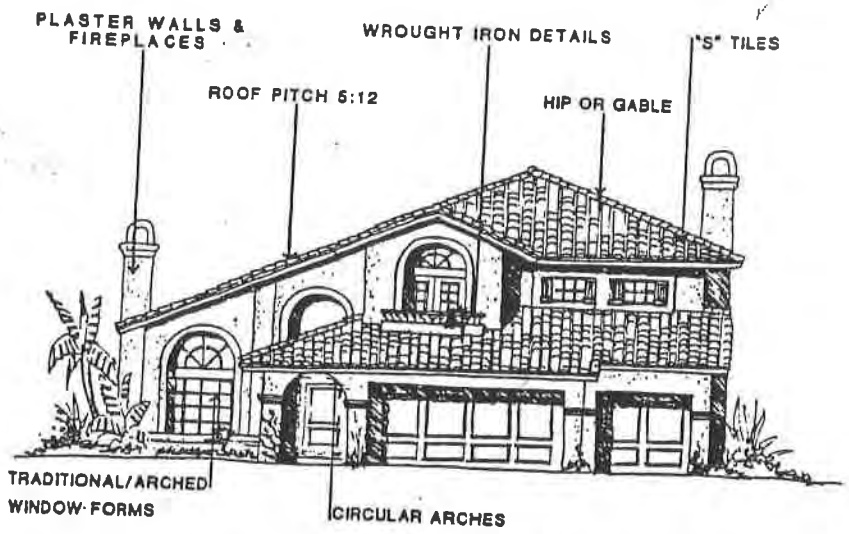
Roof

-Gable or hip
-Eaves minimum 18", rake 18", rake minimum 12"
-Exposed rafter tale preferable at eaves
-'S" tile
-Roof pitch 5:12 - 6:12

Doors Windows

-Deep set windows, doors, garage
-Plaster Surrounds
-Simple window forms with divided lites
-Use of shutters allowed

DESIGN PALETTE 1



3.3.3 DESIGN PALETTE 2.

Incorporate the formality of Italian Renaissance architecture, and the traditions of Italian country villas.

Massing and Form

-Simple bold and strong forms
-Characterized by rigid organization
-Use of symmetry acceptable
-Reduced use of stucco projections

Stylistic Features

-Refined, formal
-Use of thick columns
-Circular arched openings
-Rustication

Materials

-Stucco walls and fire places
-Smooth or light texture
-Tile accents

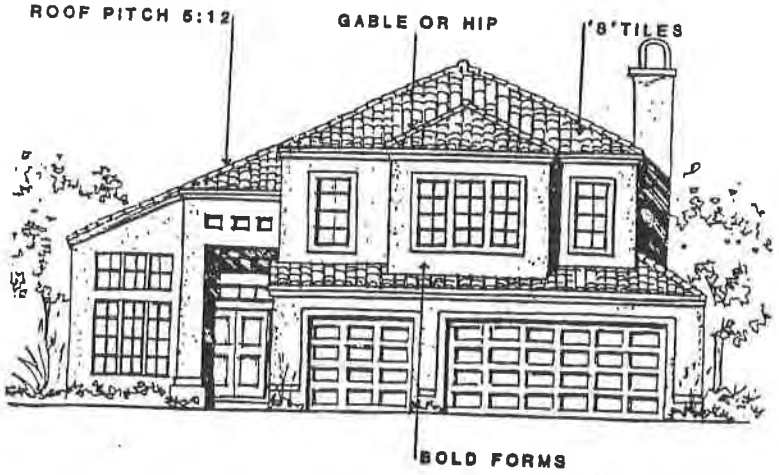
Roof

-Roof Pitch 5:12
-'S' tile
-Gable or hip
-Tight fascia, little or no overhang

Doors/Windows

-Doors and windows in wall plane
-Traditional and simple window forms
-Plaster surrounds

DESIGN PALETTE 2.



3.3.4 DESIGN PALETTE 3.

Updated version of French cottage style. Includes French chateau themes.

Massing and Forms

-Not characterized by symmetric or rigid organization
-Reduced use of stucco projections
-Simple masses
-Steep roof forms
-Characterized by use of dormers

Stylistic Features

-Refined, staying quality, not trendy
-Flat arches
-Thick, heavy structural elements
-Rounded corners, eaves
-Patio/courtyards are appropriate
-Thick walls with recessed openings, doors, windows and garage

Material

-Smooth stucco finishes or finish simulating troweled stucco over stone structure
-Accents of stone or brick at columns, chimney, or base.

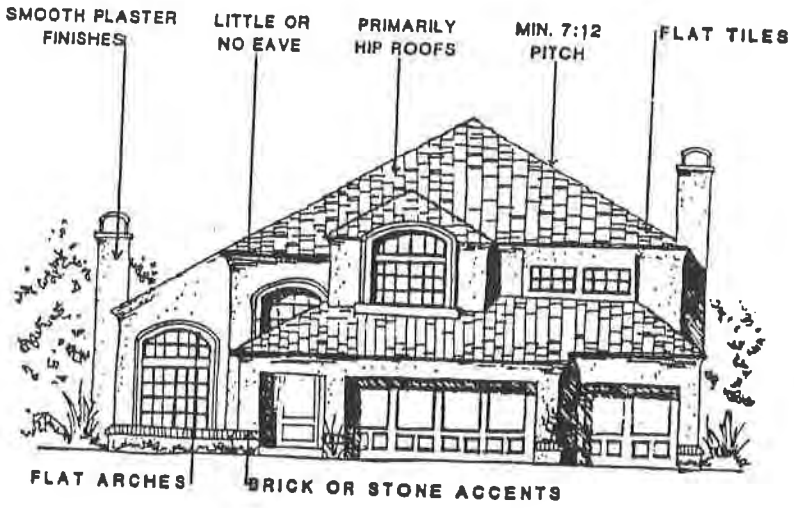
Roof

-Primarily hip - gable may be used
-Roof Pitch 7:12-10:12
-Little or no overhand - wall stucco blending into rounded stucco fascia
-Flat tile simulating wood shingles, or slate

Doors/Windows

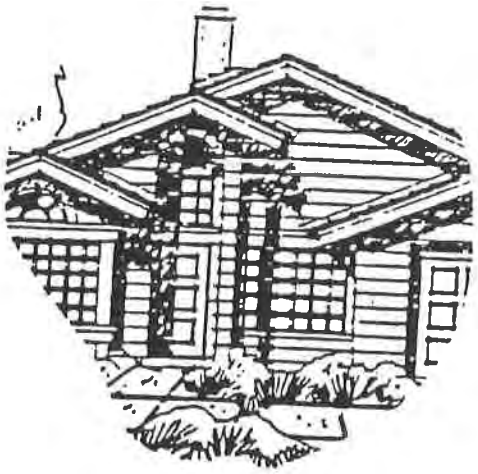
-Primarily deep set windows and doors
-No wood or plaster surrounds
-Use of Dormers
-Traditional, simple window forms
-Use of shutters allowed

DESIGN PALETTE 3.



3.3.5 DESIGN PALETTE 4.

Ranch style was originally developed in the southwest during the 1830's. It was revived and further developed by California architects during the 1930's. Known for it's informal free flowing interiors and close relationship with outdoor spaces.



Mass and Form

-One and two story low lying mass
-Low pitch roof forms

Stylistic Features

-Large beams and eave overhangs to contrast simple form
-Substantial overhang denoting entry
-External use of large glass wall planes
-Orientation to outdoor space

Materials

-Light texture stucco
-Board on batt or lapped wood siding
-Use of masonry or stone as accent for base and fireplaces

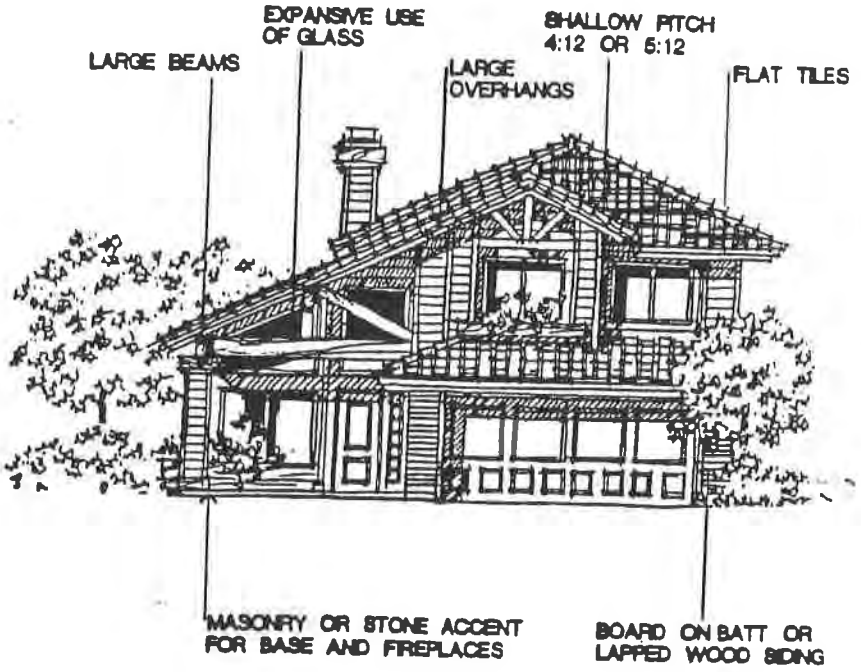
Roof

-Flat tiles simulating shingles
-Shallow pitch 4:12 or 5:12
-Eaves extending over major windows and door areas

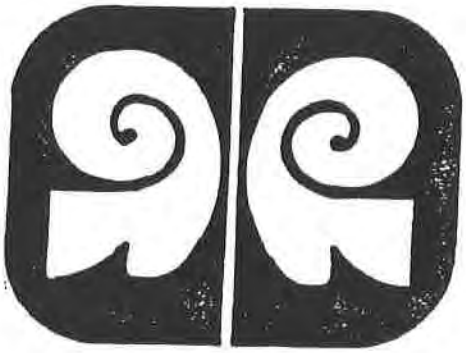
Doors/Windows

-Frequent incorporation of bay windows
-Expansive use of glass
-Door design emphasizes covered entry area

DESIGN PALETTE 4.



COMMERCIAL ARCHITECTURAL GUIDELINES



RAMSGATE

4.1 INTRODUCTION

The purpose of the Commercial Architectural Guidelines is to provide a broad description of the general design considerations and specific styles to be used for the design of individual developments within the Ramsgate community. These guidelines have been developed in order to achieve a high level of appearance, assure product compatibility, direct character and form and to establish the community's design criteria for use by builders and architects. As such, it is imperative that these guidelines are strictly complied with, in order to achieve the design integrity and continuity necessary for a successful project.

While providing specific direction it is also the intent of these guidelines to allow for reasonable flexibility in its interpretation so as to provide individual character and differentiation for the various parcels.

The commercial guidelines are divided into two areas, General Design Considerations (Section 4.2) and Specific Styles (Section 4.3). General considerations are those which will contribute to a successful project regardless of style. Areas of concern include building mass, elevation and street scene.

The second part of the commercial guidelines deal with specific styles which shall be compatible with the projects' other architectural themes, in order to assure a harmonious project.

4.2 GENERAL DESIGN CONSIDERATIONS

4.2.1 INTRODUCTION

The purpose of these architectural guidelines is to be general in character, and not meant to replace individual input in design. While specifying particular styles, it is the intention of these guidelines to provide flexibility within the broad parameters of those styles.

4.2.2 CONCEPT

Community retail commercial uses are located in specific areas of Ramsgate. They will service the daily retail commercial needs of local residents. Accessibility and visibility are key components of these commercial centers. Builders are oriented to the major roadway system. Parking access should be located away from major intersections and from secondary, collector and local streets. Please refer to the Commercial Development Concept.

4.2.3 FURTHER DESIGN CONSIDERATIONS

1. General Architectural Guidelines. These retail commercial area guidelines are provided in order to establish the criteria for design and assure the commercial areas are aesthetically and functionally compatible with adjacent residential uses.

   a. The community commercial areas shall be of quality design which will accentuate the major entry into the community of Ramsgate.

   b. The character of the commercial centers should be compatible and complementary to the residential neighborhoods.

   c. The buildings will not exceed three stories or 35 feet with the exception of architectural accent elements.

   d. The total building and its related architectural elements should be visually unified to provide order and coherence.

   e. Mechanical equipment shall be screened from street view and any residential areas.

   f. Special or monumental architectural features shall be permitted in a form creating community landmarks.

2. Circulation. To minimize access to and from Highway 74, internal circulation should be provided within commercial centers. Pedestrian drop-off points should be provided where appropriate.

3. Signing. A comprehensive sign program shall be required as part of site plan review for all commercial development. This program will coordinate all signing, employing an overall theme to the commercial project.

4. Site Planning.

   a. All service areas should be screened from major streets and adjacent residential areas.

   b. Commercial centers should be oriented to the pedestrian - with seating areas, courtyards, landscaping, etc.

   c. Reciprocal parking arrangements will be encouraged.

   d. Pedestrian circulation will be clearly defined with textured paving and landscaping, as necessary, to assure safe and aesthetic access, especially in parking lots.

   e. Convenient and direct pedestrian access is to be provided to and from adjacent residential parcels using ramps, stairs, wall openings, and easements, as necessary.

   f. A combination of buffering techniques such as block walls, landscaping, building setbacks, and building orientations will be provided to buffer adjacent commercial and residential areas.

   g. Residential uses shall be located a minimum of 50 feet from all commercial parking, loading, and trash areas.

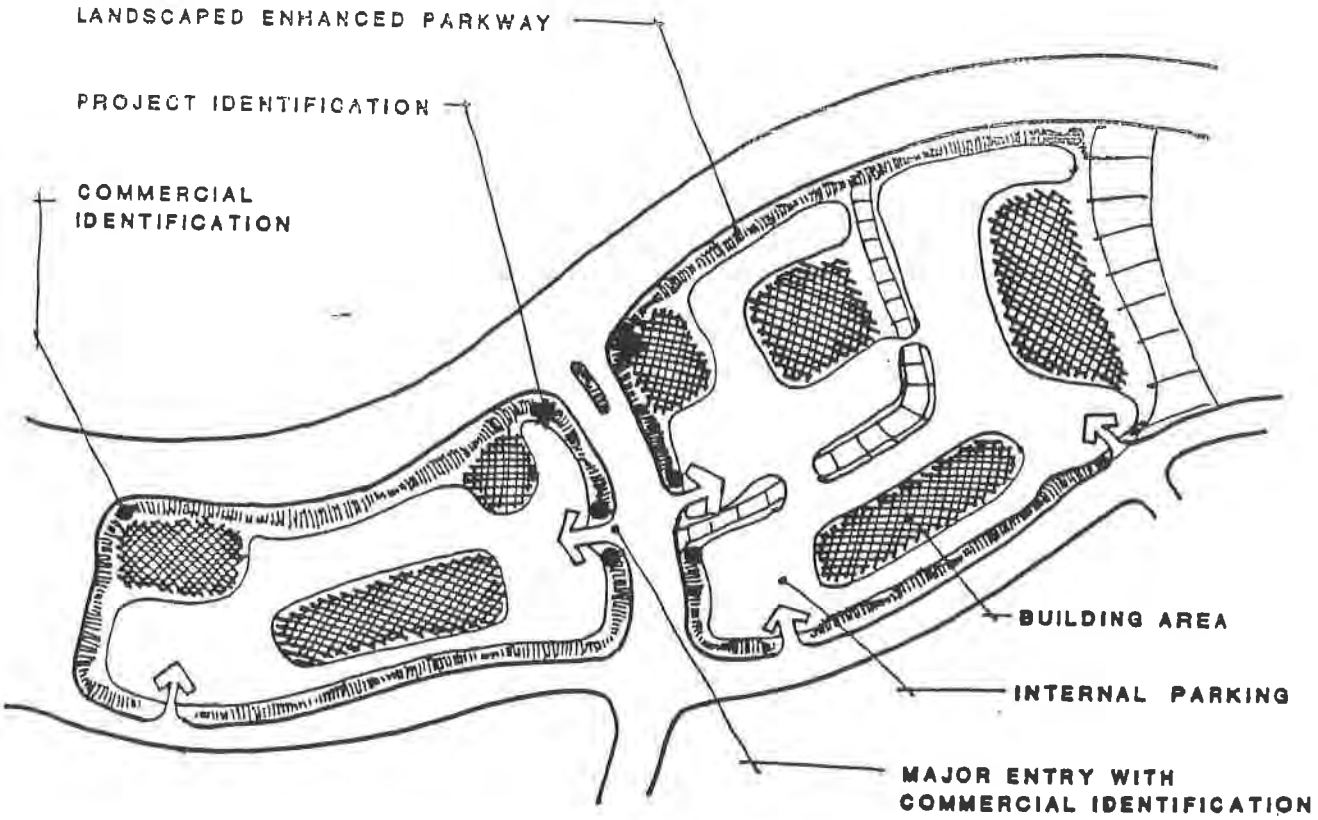
4.3 SPECIFIC STYLES

The choice of acceptable architectural styles is meant to fulfill three specific goals. The first goal is the establishment of a sense of place for Ramsgate. We believe this sense of place can be best accomplished by choosing a particular architectural tradition within which all structures will be designed. It is our desire that this architectural tradition will create a sense of consistency throughout Ramsgate. This consistency is not meant to be constrictive, but rather offer diversity within stated parameters. The second goal is to respond to the geographical location and climate of the area. Due to the warm semi-arid nature of the area, the architectural style to be chosen should consist of hardy materials with sensible maintenance. The third goal is to respond to the economic base of the area. The style should be simple in form and materials, with a frugal use of detail so that undue hardship is not placed on the builder in the execution of the structures.

In an attempt to best fulfill these objectives, and primarily create a strong sense of unity and harmony with the architectural styles in the remainder of the project, the commercial architectural styles shall be derived from the elements of the residential design.

The basic architecture shall be simple in form and shall be constructed of low maintenance materials. The buildings shall display a frugal use of detailing. However, they shall incorporate detail elements and materials specified for the residential architecture, and these elements shall be strictly adhered to in the design of each commercial complex. Elements foreign to these basic design themes shall not be introduced.

It shall be noted that in order to maintain a sense of unity within a particular development, all buildings therein shall be of one uniform style.



COMMERCIAL DEVELOPMENT CONCEPT

No Scale

DESIGN REVIEW PROCESS

RAMSGATE

5.1 PURPOSE

In the interests of maintaining a consistent and integrated design throughout the entire development, a Design Review Board will be established to closely monitor, review and approve proposed development within Ramsgate. The Design Review process conducted by the Ramsgate Design Review Board is established to closely monitor overall product design, in addition to encouraging excellence and innovation in the development of a cohesive community design statement.

In addition to the architectural guidelines presented in this manual, additional provisions for architectural control are established in the Ramsgate Master Covenants, Conditions and Restrictions (CC&R's), which will apply to all Individual Developers and residents of the Ramsgate community.

The Design Review process is set up to provide a clear understanding of necessary submittals and timelines. The Ramsgate Design Review Board encourages members of the Individual Developer's design team to become involved in the process and welcomes creativity and innovation.

Due to the fact that Ramsgate is viewed as a unique and innovative community, it is imperative that image infrastructure elements such as entry monumentation, streetscape, slope planting, front yard landscaping, preservation and enhancement of views, architectural product design, etc. be addressed appropriately. It is intended that Ramsgate be perceived as one community, and not a conglomeration of individualized sub-communities. As such, while each individual development will certainly maintain its own identity, its relationship with the overall community is of critical importance. Please refer questions regarding submittals and deadlines to the Ramsgate Design Review Board prior to the submission process. The following is a synopsis of procedures involved in the Design Review process.

5.2 PRE-REVIEW MATERIALS

Pre-review materials to be supplied by the master builder to the Individual Development Team:

- Design Guidelines, which includes Design Review Process.
- Master Developer's Grading and Improvement Plans (phased).
- Master Association Slopes Landscape Plans (Planting and Irrigation); Delineation of Master versus Private Slopes (found in Design Guidelines).
- Ramsgate Site Plan
- Individual Planning Area Maps
- All First Phase Engineering Plans and Data
- Schedule of Improvements (regularly updated)
- Master Plan Approval Design Conditions

5.3 PRE-DESIGN CONFERENCE

Prior to the preparation of the Construction Document package, the individual developer shall present preliminary concept plans for the following areas, to be reviewed by the Ramsgate Design Review Board:

- Site Plans
- Precise Grading Plans
- Architectural Product Design including Floor Plans and Elevations

- Preliminary Product Mix
- Phasing Plan
- Conceptual Landscape Plan including Streetscape and Entry Monumentation
- On-site Merchandising Plans

After this review, a written summary will be prepared by the Ramsgate Design Review Board delineating the agreed upon direction of both the Board and the Individual Developer. This written statement will initiate the formal Design Review process.

5.4 SITE DEVELOPMENT & APPROVAL OF ARCHITECTURAL & LANDSCAPE PLANS

The following requires review and approval by the Ramsgate Design Review Board:

- Site Plans with Sections
- Precise Grading Plans Noting Alteration from Finished Elevations, if any.
- Architectural Floor Plans, for each Model.
- Architectural Product Mix, per phase.
- Architectural Elevations - Front, Rear, Sides.
- Proposed Material and Color Palettes.
- Landscape Plan - Project Entries, Streetscape, Delivery Method.
- Models Complex Location, Parking Trap Fencing, Pedestrian Circulation.
- Recreational Facilities, Pocket Parks, if any.
- Common and Private Maintenance Key.
- Product Specifications.

Following the Preliminary Site Development and Architectural Plans review, the Individual Developer's design team should have the necessary feedback. A follow-up written memorandum of approval (and/or changes) will be supplied by the Master Developer. Should significant revisions be necessary, a subsequent review will be scheduled those potential changes.

5.5 FINAL DESIGN APPROVAL

The purpose of this Final Design Approval is to confirm the final construction document packages of the individual developer. All previous approvals which were made at the Preliminary Site and Architectural Plan Review will remain.

Only changes, corrections and modifications will be reviewed and approved in this Final Design Approval State, prior to issuance of permits and the initiated production.

5.6 APPEALS

This design review process gives the Individual Developer a chance to appeal a design point which may affect that builder's opportunity to market product profitably. A special session will be called wherein the Design Review Board will hear the special for conditions and/or rationale presented by the Individual Developer. No reasonable request will be refused, however, a thorough presentation of the facts as they relate to the review state will be necessary.

5.7 FIELD CHANGES

All field changes require approval of the Master Developer and the Ramsgate Design Review Board. In order to speed the process, a written and illustrated representation is to be provided at a scheduled special Design Review session.

The Ramsgate Design Review Board's goal is to both insure the Individual Developer's and master builder's success in production of a unique community. The master builder looks forward to the complete cooperation of the Individual Development Team. We are looking forward to the involvement of all participants involved in producing a superior and unique product.

Appendix B

Development Agreement &
Operating Memorandums of Understanding

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

AFTER RECORDING RETURN TO:
CITY CLERK
CITY OF LAKE ELSINORE
130 SO. MAIN ST.
LAKE ELSINORE, CA 92330

237507

RECEIVED FOR RECORD
AT 8:30 O'CLOCK A.M.
JUN 27 1990
Recorded in Official Records
of Riverside County, California
Fees $ ____

CITY OF LAKE ELSINORE
REVISION 5/1/90

RECEIVED
JUN 4 1990
Planning Dept.

DEVELOPMENT AGREEMENT

BETWEEN THE

CITY OF LAKE ELSINORE

AND

RIALTO DEVELOPMENT CORPORATION, which does business as LD JOHNSON COMPANIES

FOR

RAMSGATE

DATED: June 20, 1990.

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DEVELOPMENT AGREEMENT BETWEEN

THE CITY OF LAKE ELSINORE

AND RIALTO DEVELOPMENT CORPORATION, which does business as LD JOHNSON COMPANIES

FOR

RAMSGATE

1. PARTIES AND DATE

The parties to this Development Agreement ("Agreement") are the City of Lake Elsinore, California, a municipal corporation ("City"), and Rialto Development Corporation, a Texas corporation, which does business as LD Johnson Companies, ("Developer"). The project to which this Agreement applies is commonly known as Ramsgate. This Agreement is made and entered into on June 20, 1990.

2. DEFINITIONS

2.1 "Agreement" means this Development Agreement.

2.2 "DU/Acre" means dwelling unit per acre.

2.3 "CEQA" means the California Environmental Quality Act of 1970 (California Public Resources Code Section 21000 et seq.) and the state CEQA Guidelines (California Code of Regulations, Title 14, Section 15000 et seq.).

2.4 "City" mean the City of Lake Elsinore, including its officials, officers, employees, commissions, committees and boards.

2.5 "City Council" means the duly elected City Council of the City.

2.6 "Community Park" means a 31.0 Ac Gross/23.0 Ac Net park

in Phasing Area 1B, for the enjoyment of residents of the Property, as well as residents of areas outside the Property.

2.7 "Developer" mean Rialto Development Corporation, which does business as LD Johnson Companies, and its successors in interest to all or any part of the Property.

2.8 "Development" means the construction and/or installation of structures, improvements and facilities comprising the Project as set forth in this Agreement including, without limitation, grading, the construction of infrastructure and public facilities related to the Project (whether located within or outside the Property), the construction of buildings and the installation of landscaping.

2.9 "Development Approval" and "Existing Development Approval" means the Specific Plan.

2.10 "Development Impact Fee" means any fee adopted citywide that relates to the provision of public infrastructure, facilities or services which is applied to all development projects in the city and which is not subject to abatement or reduction.

2.11 "Effective Date" means the date this Agreement is recorded in the records of the Riverside County Recorder.

2.12 ""EIR" means an environmental impact report for the Project in accordance with the provisions of CEQA.

2.13 "Existing Land Use Ordinance" means the Specific Plan and, to the extent applicable and not inconsistent with the Specific Plan, the City's rules, regulations, official policies, taxes and fee programs including, without limitation, the City's general plan and zoning, subdivision and building regulations,

whether adopted by the City Council or by the voters in an initiative, which are in effect as of the Effective Date hereof.

2.14 "Government Code" means the California Government.

2.15 "LAFCO" means the Riverside County Local Agency Formation Commission.

2.16 "Neighborhood Park" means a 6.0 Ac Gross/5.0 Ac Net park in Phasing Area 2 of the Project, 2 acres of which will be subject to joint use by the students and faculty of an adjacent school.

2.17 "Phasing Area" means an area shown in the phasing map which is included in the Specific Plan.

2.18 "Project" means the development project described in this Agreement and the Specific plan.

2.19 "Property" means the real property which is the subject of this Agreement and which is described in Section 3.

2.20 "Specific Plan" means the Ramsgate Specific Plan as amended.

2.21 "Turn Key" means completion of an improvement to either the Community Park or the Neighborhood Park in accordance with City standards including, without limitation, City building standards, as of the effective date hereof and dedication of such improvements to the City.

3. RECITALS

3.1 Property. The Developer is the fee owner of the Property which is located in the municipal limits of the City and which is most particularly described in EXHIBIT "A".

3.2 Legal Authority. Government Code Section 65864 et seq. authorize the City to enter into development agreements in

connections with the development of real property in the City. This Agreement is made and entered into pursuant to those provisions of state law.

3.3. Consistency Finding. By approving and executing this Agreement, the City finds that its provisions are consistent with the City's General Plan and with the Specific Plan, and the City further finds and determines that execution of this Agreement is in the best interests of the public health, safety and general welfare of the City's present and future residents, property owners and taxpayers.

3.4 Status of Project. The Developer is in the process of planning, financing and preparing for the Development, which is a large scale, mixed use, phased development of some 3137 dwellings and related schools, open space and recreational uses on approximately 1,190 acres in the City and which is more particularly described in the Specific Plan and the EIR. Pursuing the Development as contemplated by the Specific Plan and providing the mitigation set Forth in the EIR will require major investment by the Developer in public facilities and on-site and off-site improvements. The Development has been analyzed and reviewed by the City as part of its process of granting development approvals, in view of the enacted land use standards and policies of the City embodied in its Existing Land Use Ordinance and in view of State law including, without limitation, CEQA.

3.5 Consideration. The City has determined that entry into this Agreement will further the goals and objectives of the City's land use planning policies, by eliminating uncertainty in

planning for the orderly development of the project, to the end that adequate long term plans regarding the provision of "necessary infrastructure for existing and future city residents can be developed and implemented. The City has further determined that entry into this Agreement will provide the maximum effective utilization of the resources of the City, at the least economic cost to its citizens. Without limiting the generality of the foregoing, the benefits conferred by the Developer pursuant to this Agreement will help increase traffic capacity for the road system of the City and will facilitate the installation of certain other vital public improvements, both of which will significantly promote the health, safety and general welfare of present and future residents of the City.

In exchange for these benefits to the City and its residents, the Developer wishes to receive the assurances permitted by State law that the Developer may proceed to develop the Project in accordance with the Specific Plan and its existing financial and contractual commitments, and at a rate of development of its choosing, subject to the terms and conditions of this Agreement. In that regard, the City acknowledges that the project is and shall be considered a single, integrated development project and that each phase of the Project is and shall be dependent upon the completion and occupancy of each other phase of the Project and the full performance of this Agreement by the City.

The assurances provided by the City and the Developer to each other in this Agreement are being provided pursuant to and as contemplated by State law, are bargained and in consideration

for the undertakings of the parties, and are intended to be and have been relied upon by the parties to their detriment, such that the Developer will be deemed to have a vested interest in the Specific Plan, which will be the controlling land use plan for the Project.

4. DEVELOPER PROVIDED AMENITIES

4.1 Description of Amenities. The City and the Developer agree that the following amenities and improvements being provided by the Developer and others as part of the planning, financing and Development of the Project, will result in substantial general public benefit. The following is a general description of those amenities and improvements.

4.1.1 Development Agreement Fee. The Developer will pay a special fee which will be called a Development Agreement Fee ("DAG"), at the time of issuance of building permits, to be used to fund the cost of municipal capital facilities and improvements and municipal public services including, without limitation, a civic center, a police station, a fire station, a library, cultural facilities, senior citizen facilities, recreational facilities and a corporate yard. The DAG will be in the amount of $2,000.00 per residential dwelling unit or $5,700,000, whichever is greater. Without limiting the discretion of the City, the City expects that one-half of the DAG will be used within the area which is the subject of the Specific Plan and one-half of the DAG may be used anywhere in the City. The DAG will not be subject to increase for any reason whatsoever and will constitute the sole DAG that the Developer will be required to pay. Upon reasonable request by the Developer, the City will

provide the Developer with a periodic accounting setting forth the amount of the DAG levied and collected by the City pursuant to this Agreement and the specific purposes and/or projects for which the DAG has been expended.

4.1.2 Feasibility Study. Within 3 months after the Effective Date hereof, the Developer will pay the sum of $100,000.00 to the City, which will be used for the purpose of preparing a report to study the feasibility of a permanent civic center site for the City including, without limitation, the most feasible location of the civic Center and the most feasible means of financing the same.

4.1.3 Sales Tax Situs. The Developer, shall cooperate to the extent feasible to work with City and the Lake Elsinore Foundation to keep the point of sale of products which are incorporated into the Project, in the municipal limits of the City.

4.1.4 School Site. The Developer will convey to the Lake Elsinore School District of Riverside County, a school site (8 .2 Ac Gross/8.00 Ac Net) in phasing Area 1B of the project, which will be contiguous to the Community Park site referred to in Section 4.1.5. The Developer will also convey to the Lake Elsinore School District of Riverside County, a school site (14.0 Ac Gross/9.8 Ac Net) in Phasing Area 2 of the Project, which will be contiguous to the Neighborhood Park site referred to in Section 4.1.5. The Developer will convey both of such school sites in a fine graded hydroseeded and irrigated condition and otherwise on such terms and conditions as are mutually agreed between the Developer and the Lake Elsinore School District of

Riverside County; provided, however, that such school sites will be irrigated according to standards which are applicable to large scale open space and provided further that in no event will the Developer be required to spend more than $750,000 with respect to such improvements. The City will take such steps as may be necessary to cause the owner of each project which is adjacent to the Property and which does not provide either a Park Site or a School Site, to pay all park fees which are required by the Quimby Act or by City Ordinance, at the time of recordation of the first subdivision map or parcel map with respect to such project and, using such park fees, will reimburse the Developer with interest at the legal rate. The City acknowledges that the future availability of the first mentioned school site for joint use by the City after the conveyance by the Developer to such School District, will be subject to mutual agreement between the City and such School District. The City also acknowledges that the Developer has previously conveyed a 10 acre school site to the Lake Elsinore School District, the City will use its best efforts to assist the Developer in negotiating an exchange of such second mentioned school site for the 10 acre school site which was previously conveyed by the Developer to such School District.

The graded, turfed and irrigated school site located in Tract 25479 will be operational by the issuance of the 100th certificate of occupancy of said tract. The graded, turfed and irrigated school site will be in Tract 25475 will be operational by issuance of the 100th certificate of occupancy of said tract.

4.1.5 Park Site. Subject to the provisions of this

Section 4.1.5, the Developer will convey a Turn Key Community Park site to the City, which will include 4 lighted ball fields and 1 lighted soccer fields, concurrently with the opening of the first model complex for the Project; provided, however, that the Developer will not be required to spend more than $1,500,000.00 with respect to the same. In addition, no later than the issuance by the City of the 500th certificate of occupancy with respect to single family detached dwellings in the Project, the Developer will install the remaining facilities in the Community Park, including tennis courts, baseball diamonds, soccer fields and basketball courts, but excluding a community building and related facilities; provided, however, that except for a community building and related facilities, the City will have the right to substitute facilities in the Community Park on the approval of the Community Development Director of the City and provided further that the Developer will not be required to spend more than $2,850,900.00 with respect to all of the aforementioned Community Park facilities, including the aforementioned grading, irrigation, hydroseeding, lighted ball fields and lighted soccer fields. The Community Park site will be developed in accordance with current applicable City requirements including, without limitation, City design and building requirements. Before the first subdivision map or parcel map for the Project is recorded, the City and the Developer will use their best efforts to obtain the approval of the City Council of concept plans for the Community Park site. Improvement of the Community Park site will be funded from the DAG which the Developer will advance with respect to the first 1,425 residential dwelling units in the

categories as long as the City of Lake Elsinore has a regional affordable housing requirement.

5. DURATION OF AGREEMENT

5.1 Scheduling. Pursuant to Government Code Section 64865.2, the duration of this Agreement will be for 15 calendar years from and after the Effective Date hereof. Although Development of the Project will be undertaken as soon as reasonably practicable, the City and the Developer acknowledge that the Developer cannot at this time accurately predict the time schedule within which Development of the Project will occur, except that it is in the Developer's present reasonable expectation that it will be completed within the aforementioned 15 year period. Decisions with respect to the rate of Development of the Project will depend on a number of circumstances not within the control of the Developer including, without limitation, market factors, demand, the state of the economy and other matters. Therefore, so long as Development of the Project occurs in a manner consistent with the City's Existing Land Use Ordinance and this Agreement, the Developer will have the right to pursue the Development of the Project at the rate and in the sequence deemed appropriate by the Developer within the exercise of its sound business judgment. For purposes of this Agreement, completion of the Project will mean the date on which a certificate of occupancy or comparable instrument issued by the City for the last improvement or structure constructed pursuant to this Agreement. Following the expiration of the aforementioned 15 year term, this Agreement will be deemed terminated and of no further force and effect.

5.2 Periodic Review. The City will, in accordance with applicable State law, review this Agreement at least once every 12 months from and after the Effective Date hereof. During each such periodic review, the City and the Developer will have the duty to demonstrate their good faith compliance with the terms and conditions of this Agreement. Both parties agree to furnish such evidence of good faith compliance as may be reasonably necessary, or required. The City's failure to review the Developer's compliance with this Agreement, at least annually, will not constitute or be asserted by either party as a breach by the other party.

5.3 Certification of Completion. Promptly upon completion of the Project, the Developer will submit a draft letter of completion for review by the City. Upon review, the City will provide the Developer with a letter of completion so certifying. this certification will be a conclusive determination that the obligations of the Developer pursuant to this Agreement have been met. The certification will be in a form that will allow it to be recorded in the Records of the Riverside County Recorder.

6. VESTED RIGHT

6.1 Vesting. By entering into this Agreement and relying thereon, the Developer is obtaining the vested right to proceed with the Project in accordance with the Development Approval and this Agreement, but subject to any remaining discretionary approvals of the City required in order to complete the Project as contemplated by the Development Approval and this Agreement (which discretion will be exercised reasonably and in accordance with the terms of this Agreement). By entering into this

Agreement and relying thereon, the City is securing certain public benefits which help to alleviate potential problems in the City and enhance the public health, safety and welfare of existing and future City residents. In view of the foregoing, the City agrees to the following:

6.1.1 No Conflicting Enactments. Neither the City Council nor any other agency or department of the City will enact an ordinance, policy, rule, regulation or other measure applicable to the Project which relates to the rate, timing or sequencing of the development or construction of all or any part of the Project or which is otherwise in conflict with this agreement.

6.1.2 Intent of Parties. In addition to and not in limitation of the foregoing, no moratorium or other limitation (whether relating to the rate, timing or sequencing of the Development of all or any part of the Project and whether or not enacted by initiative or otherwise), affecting parcel or subdivision maps, building permits, site development permits, special use permits, occupancy certificates or other entitlement to use, which has been approved, issued or granted in the City, or in parts of the City, will apply to the Project to the extent such moratorium or other limitation is in conflict with this Agreement. Notwithstanding the foregoing, if an ordinance, general plan or zoning amendment, measure, moratorium, policy, rule, regulation or other limitation enacted by citizens of the City through the initiative process, is determined by a court of competent jurisdiction to invalidate or prevail over all or any part of this Agreement, then the Developer will have no recourse

against the City pursuant to this Agreement, but will retain all other rights, claims and causes of action at law or in equity which the Developer may have independent of this Agreement. However, the foregoing will not be deemed to limit the Developer's right to appeal any such determination of such ordinance, general plan or zoning amendment, measure, moratorium, policy, rule, regulation or other limitation. The foregoing will also not be deemed to limit the effect of Section 20.1.

6.1.3 Grading. Without limiting the effect of any other provision of this Agreement, the Developer will have the right to begin grading the Property at any time after the Effective Date hereof, subject only to securing the prior approval of the City, and such approval will not be denied based on season or date, provided that the Developer agrees to comply with all required precautions, to use due care in its grading activities and to take reasonable steps to prevent erosion, slippage and dangerous run off conditions.

7. GENERAL DEVELOPMENT OF THE PROJECT

7.1 Project. Except as otherwise provided in this Agreement, the Development Approval will control the overall design and Development of the Project and the EIR will control all mitigation measures required in order to minimize or eliminate material adverse environmental impacts caused by the Project. The permitted uses of the Property, the density and intensity of use, the maximum height and size of proposed buildings, the provisions for reservation and dedication of land for public purposes and other terms and conditions of Development applicable to the Property will be those set forth in this

Agreement or in the Development Approval. Notwithstanding the limitations of the Development Approval, the Developer may construct up to 287 additional multi-family units in the multi-family zones of the Project , at a density not to exceed 30 DU/Acre and at a height not to exceed 3 stories subject to design review by the City.

7.2 Effect of Agreement on Land Use Regulations. In connection with any approval which the City is permitted to give under this Agreement with respect to the Project, or otherwise under the Existing Land Use Ordinance, the City will exercise its discretion or take action in a manner which is as expeditious as possible and which complies and is consistent with the Development Approval and the standards, terms and conditions contained in this Agreement, and in a manner which will not interfere with the Development of the Project for the uses permitted therein, and to the height, density and intensity specified in this Agreement and in the Development Approval, and at the rate of Development selected by the Developer. Subject to Section 9.3, the City will accept for processing and act on all applications for further land use entitlement approvals which are necessary or appropriate with respect to the Project.

7.3 Operating Memoranda and Amendments. The parties acknowledge that the passage of time may demonstrate that changes are necessary or appropriate with respect to the details of each party' s performance under this Agreement. Because the parties desire to retain a certain degree of flexibility with respect to the details of each party's performance pursuant to this Agreement, if and when the parties find that changes are

necessary or appropriate, they will, unless otherwise required by law, effectuate such changes or adjustments through operating memoranda approved by the Community Development Director of the City. After execution, each such operating memorandum will be attached hereto as an addendum and become a part hereof, and may be further changed from time to time as necessary or appropriate, as provided in this Section. No such operating memorandum will be deemed to be an amendment of this Agreement under Government Code Section 65868 and unless otherwise required by law, no such operating memorandum will require prior notice or hearing. Notwithstanding the foregoing, the following matters will not be considered as appropriate subjects of operating memoranda, but will be considered substantive amendments which must be reviewed by the Planning Commission of the City and approved by the City Council.

7.3.1 Alteration of Permitted Uses. Alteration of the permitted uses of the Property.

7.3.2 Increase in Density or Intensity. Increase in the density or intensity of use or number of lots.

7.3.3 Increase in Height and Size. Increase in the maximum height and size in permitted buildings.

7.3.4 Deletion of Reservation Requirements. Deletion of a requirement for the reservation or dedication of land for public purposes, except for minor boundary adjustments approved by the Community Development Director of the City.

7.3.5 Supplemental Environmental Review. Any amendment or change requiring a subsequent or supplemental Environmental Impact Report pursuant to Public Resources Code

Section 21166.

8. RULES, REGULATIONS AND OFFICIAL POLICIES

8.1 New Rules. Although the City's rules and regulations governing permitted uses of the Property, density of development and design, improvement and construction will be those rules and regulations in force on the Effective Date hereof, this Agreement will not prevent the City from applying the following new rules, regulations and policies:

8.1.1 Processing Fees. Processing fees and charges imposed by the City to cover the estimated actual costs to the City of processing applications for development approvals, for monitoring compliance with any development approval or for monitoring compliance with environmental impact mitigation measures.

8.1.2 Procedural Regulations. Procedural regulations relating to hearing bodies, petitions, applications, notices, findings, records, hearings, reports, recommendations, appeals and any other matter of procedure.

8.1.3 Regulations Governing Construction Standards. Regulations governing construction standards and specifications including, without limitation, the City's Building Code, Plumbing Code, Mechanical Code, Electrical Code and Fire Code, provided that such construction standards and specifications are applied on a City-wide basis.

8.1.4 Nonconflicting Regulations. Regulations which are not in conflict with the Development Approval or this Agreement.

8.1.5 Certain Conflicting Regulations. Regulations

which are in conflict with the Development Approval or this Agreement if such regulations have been consented to in writing by the Developer.

8.2 Subsequent Actions and Approvals. In accordance with Government Code Section 65866, this Agreement will not prevent the City, in subsequent actions applicable to the Property, from applying new rules, regulations and policies which do not conflict with those existing rules, regulations and policies set forth in the Development Approval, nor will this Agreement prevent the City from denying or conditionally approving any subsequent development project application on the basis of such existing or new rules, regulations or policies.

8.3 State and Federal Laws. If State or Federal laws or regulations enacted after the Effective Date hereof , prevent or preclude compliance with one or more of the provisions of this Agreement, such provisions of this Agreement will be modified or suspended as may be necessary to comply with such State or Federal laws or regulations; provided, however that this Agreement will remain in full force and effect to the extent it is not inconsistent with such State or Federal laws or regulations and to the extent such laws or regulations do not render such remaining provisions impractical to enforce.

8.4 Police Power and Taxing Power. The City will not impose, or enact any additional conditions, exactions, dedications, fees or regulations through the exercise of either the police power or the taxing power with respect to the Development of the Project except as provided in the Development Approval or in this Agreement. However, nothing in this

Agreement will prohibit the adoption and application of a special tax approved by the City's voters, provided that such tax is imposed on a City wide basis, or future Citywide Development Impact fees.

8.5 Life of Subdivision or Parcel Maps. Pursuant to Government Code Section 66452.6(a), the term of any subdivision map or parcel map approved with respect to the Project will be extended for the term of this agreement.

9. COOPERATION AND COVENANT OF FURTHER ASSURANCES

9.1 Third Party Actions. The Developer and the city will cooperate in defending any action instituted by any third party challenging the validity of any provision of this Agreement or any action taken or decision made hereunder. Developer agrees to assume the lead role in defense of any such action or proceeding so as to minimize litigation expenses incurred by the City. In addition, any action instituted by any third party challenging this Agreement or any other permit or approval required from the City or any other governmental entity, for the Development of the Project, will constitute a permitted delay under Section 10. Notwithstanding the foregoing, the filing, of any third party action against the City and/or the Developer with respect to this Agreement or any provision hereof, will not be a reason to delay or stop the Development of the Project (including, without limitation, the processing of any application of the Developer with respect to the Development, the issuance of and building permit or the issuance of any certificate of occupancy) unless the third party obtains a court order preventing such activity. The City will not stipulate to the issuance of any such court

order.

9.2 Further Assurances. Each party covenants on behalf of itself and its successors and assigns to take all actions and do all things, and to execute with acknowledgments or affidavits if required, any and all documents and writings that may be necessary or proper to achieve the purposes and objectives of this Agreement. Each party will take all necessary measures to see that the provisions of this Agreement are carried out in full.

9.3 Processing. Subject to the provisions of this Section, upon satisfactory completion by the Developer of all required preliminary actions and payment of all appropriate filing and processing fees, if any, the City will, in accordance with the Existing Development Approval, diligently prosecute to completion any application for approval which is required by the Developer. Without limiting the effect of the foregoing but also subject to the provisions of this Section, the City will, in accordance with the Existing Development Approval:

9.3.1 Scheduling. Schedule, convene and conclude all required public hearings in an expeditious manner.

9.3.2 Processing. Process and approve all maps, plans, land use permits, building plans and specifications and other applications for approval with respect to the Development of the Project.

The Developer will, in a timely manner, provide and/or cause its agents to provide the City with all materials, documents, applications, plans and other information necessary for the City to carry out its obligations hereunder. In order to

facilitate the City's performance of its obligations pursuant to this Agreement including, without limitation, its obligations pursuant to this Section 9.3, at the request of the Developer, the City will hire such additional personnel as may be necessary to further expedite the scheduling and processing of the Developer's applications with respect to the Project; provided, however that the Developer will pay the entire cost of any such additional personnel and any such additional personnel will be assigned exclusively to the Project.

9.4 Other Governmental Permits. The Developer will apply in a timely manner for such other permits and approvals as are required by other governmental agencies having jurisdiction over the Project or the development of, or provision of services to, the Project. The City will cooperate with the Developer in its efforts to obtain such permits and approvals. In addition, the City will use its best efforts to assist the Developer in coordinating the implementation of the Project with such other governmental agencies.

9.5 Financing of Public Facilities and/or Services. The City and the Developer will in good faith use their best efforts to establish one or more community facilities districts, assessment districts, improvement districts, maintenance districts or other public financing mechanisms including, without limitation, one or more community facilities districts pursuant to the Mello-Roos Community Facilities Act of 1982, as set forth in Government Code Section 53311 et seq., for the purpose of financing the planning, design, construction and maintenance of public facilities (including, without limitation, the improvement

to the School Sites which are referred to in Section 4.1.4 and the improvements to the Community Park site and the Neighborhood Park site which are referred to in Section 4.1.5), including related fees and the acquisition of land therefor, and/or the provision of public services to the Project, to the maximum extent legally and financially feasible. The parties expect that bonds, assessments, liens or other such financing mechanisms will be issued or levied to provide sufficient funds for the foregoing purposes and the City and the Developer agree that, without the consent of the City, the portion of average assessed real property values in the Project allocated to real property taxes and aggregate debt service may go up to but will not exceed 2% of average assessed real property values in the Project, and the City will take no action to limit such portion to less than 2% of the average assessed real property values in the Project. Although the parties will in good faith use their best efforts to maximize the extent of structures, improvements and facilities comprising the Project, which will be financed through the use of such public financing mechanisms, the parties acknowledge that it may not be legally or financially feasible to finance all of such structures, improvements and facilities through the use of such public financing mechanisms. Therefore, to the extent that the public improvements or public services required by the City with respect to the Project are in excess of the needs and demands of the Project and will be utilized by future developments, the City will use its best efforts to cause such future developments to contribute to the costs of such public improvements and public services (including, without limitation, by participating in one

or more community facilities districts, assessment districts, improvement districts, maintenance districts or other similar public financing mechanisms) and, from the funds which are generated by such public financing mechanisms, cause appropriate reimbursement, including interest at the legal rate, to be made to the Developer. The City acknowledges that completion of proceedings to establish one or more of such public financing mechanisms is critical to provide the parties with security for the performance by the Developer of its obligation to cause the Development of the Project to occur. The Developer understands that the City has formed a joint powers authority under the Marks-Roos Local Bond Pooling Act of 1985 known as the Lake Elsinore Public Financing Authority, and that City policy requires all public financing within the City to be funded through the Authority.

9.6 Utilities Coordination. The City will use its best efforts to assist the Developer in obtaining all electrical, gas, telephone, cable television and other necessary utility connections required for the Project. Within a reasonable time after request therefor by the Developer, the City will approve all connection and access points for such utilities, if they are in compliance with the Existing Land Use Ordinance.

9.7 Covenant of Good Faith and Fair Dealing. Except as may be required by law, neither party will do anything which will have the effect of harming or injuring the right of the other party to receive the benefits of this Agreement and each party will refrain from doing anything which would render performance under this Agreement impossible or impractical. In addition,

each party will do everything which this Agreement describes that such party will do.

9.8 Stephens Kangaroo Rat. The City will use its best efforts to maximize the amount of/acreage which is released for grading and allocated to the City pursuant to the Riverside County Short-Term Habitat Conservation Plan for the Stephens Kangaroo Rat and will take such steps as may be necessary or appropriate from time to time, to secure such maximum allocation.

9.9 Highway 74 Realignment. The Developer will cooperate with the City in forming such Community Facilities Districts, benefit districts and other fair share public financing mechanisms as may be necessary or appropriate to finance the cost of acquiring right-of-way for the realignment of Highway 74 in the proximity of the Property including, without limitation, removing the existing road radius (which does not meet current applicable road standards) and in realigning and improving Highway 74 including, without limitation, making any concurrent, required changes to the I-15 interchange, to current applicable standards of the California Department of Transportation. Developer will be required to dedicate and improve any additional land necessary to accommodate Highway 74 improvements along and adjacent to the Property's boundary. If required by the City, the Developer will advance the cost of any feasibility study which is required for such realignment and improvement and the Developer will be reimbursed from the Community Facilities District, benefit district or other fair share public financing mechanism with respect to the same, with interest at the legal rate to the extent that such feasibility study relates to

improvements which are not adjacent to the Property.

10. PERMITTED DELAYS

The Developer will be excused from performance of its obligations hereunder during any period of delay caused by casualties; acts of God; civil commotion; war; insurrection; riots; strikes; walk outs; picketing or other labor disputes; unavoidable shortages of materials or supplies; damages to work in progress by reason of fire, flood, earthquake or other casualty; litigation which prohibits or delays any aspect of the processing or Development of the Project; initiatives or referenda; moratoria; unanticipated restrictions imposed or mandated by governmental entities; or enactment of conflicting City, County, State or Federal laws or regulations or judicial decisions ; or any other cause which is not within the reasonable Control of the Developer. Each party will promptly notify the other party of any delay hereunder as soon as possible after the same has been ascertained, and the term of this Agreement will be extended by the period of any such delay. Notwithstanding Section 13.3, any claim for delay must be presented within 30 days of knowledge of the cause of such delay or any entitlement to time extension will be deemed waived.

11. ESTOPPEL CERTIFICATES

Either party may at any time, and from time to time, deliver written notice to the other party, requesting that the other party certify in writing to the knowledge of the certifying party that: (a) this Agreement is in full force and effect and is a binding obligation of the certifying party; (b) this Agreement has not been amended or modified, except as expressly identified;

and, (c) no default in the performance of the requesting party's obligations pursuant to Agreement exists, except as expressly identified. A party receiving a request hereunder will execute and return the requested certificate within 30 days after receipt of the request.

12. RECORDATION BY CITY CLERK

Pursuant to Government Code Section 65868.5, within 10 days after execution of this Agreement by the City, the City Clerk will record a copy in the Records of the Riverside County Recorder. Thereafter, the burdens of this Agreement will be binding upon and the benefits of this Agreement will inure to the parties and their respective successors and assigns.

13. DEFAULT

13.1 Events of Default. Subject to any written extension of time by mutual consent of the parties, and subject to the provisions of Section 10 regarding permitted delays, the uncured failure of either party to perform any material term or provision of this Agreement will constitute a default. On notice to a party of its failure of performance, such party will have 30 days to cure such failure of performance; provided, however that if the nature of the failure of performance is such that it cannot be cured within such period, then the diligent prosecution to completion of the cure will be deemed to be a cure within such period. Any notice of default given hereunder will specify in detail the nature of the alleged default and the manner in which such default may be satisfactorily cured in accordance with this Agreement. During the time period herein specified for the cure of a failure of performance, the party charged with such failure

of performance will not be considered to be in default for purposes of termination of this Agreement or for purposes of institution of legal proceedings with respect thereto and, if the Developer is the party that has failed to perform, then the City will not be excused from its performance under this Agreement during that period.

13.2 Remedies. Upon the occurrence of a default under this Agreement and the expiration of any applicable cure period, the non-defaulting party will have such rights and remedies against the defaulting party as it may have at law or in equity including, without limitation, the right to terminate this Agreement.

13.3 No Waiver. The failure by a party to insist on the strict performance of any of the provisions of this Agreement by the other party will not constitute a waiver of such party's right to demand strict performance by such other party in the future. All waivers must be in writing to be effective or binding on the waiving party and no waiver will be implied from any omission by a party to take action. No express written waiver of any default will affect any other default or cover any other period of time except that specified in such express waiver.

13.4 Effect of Termination. Termination of this Agreement by one party due to the default of the other party will not affect any right or duty emanating from any then existing city entitlement or approvals with respect to the Project, but the rights and obligations of the parties will otherwise cease as of the date of such termination. If the City terminates this

Agreement because of a default of the Developer, then the City will retain any and all benefits including, without limitation, money or land received by the City hereunder. If the Developer terminates this Agreement because of a default by the City, then the Developer will be entitled to a return or a refund of all unused benefits and exactions paid, given or dedicated to the City pursuant to this Agreement including, without limitation, any unused part of the DAG referred to in Section 4.1.1.

14. INCORPORATION BY REFERENCE

14.1 Recitals. The Recitals in this Agreement are material and are incorporated herein by reference as though fully set forth hereat.

14.2 Exhibits. Any Exhibit to this Agreement is incorporated herein by reference as though fully set forth hereat.

15. APPLICABLE LAW

This Agreement will be construed and enforced in accordance with the laws of the State of California.

16. NO JOINT VENTURE , PARTNERSHIP OR THIRD PARTY BENEFICIARY

The City and the Developer hereby renounce the existence of any form of joint venture or partnership between them and expressly agree that nothing contained herein or in any document executed in connection herewith will be construed as making the City and the Developer joint venturers or partners. It is understood that the contractual relationship between the City and the Developer is such that the Developer is an independent contractor and not an agent of the City. Furthermore, this Agreement is not intended or construed to create any third party

beneficiary rights in any person who is not a party to this Agreement.

17. ADDRESSES FOR NOTICES

Any notice or other communication to either party under this Agreement must be in writing and must be given by delivering the same to such party in person or by sending the same by certified or registered mail, return receipt requested, or by overnight mail delivery service, with all costs prepaid, to the following addresses:

City

City of Lake Elsinore
130 South Main Street
Lake Elsinore, CA 92330
Attn: city Manager

Developer

LD Johnson Companies
180 H, Riverview Drive
Suite 290
Anaheim Hills, CA 92808
Attn: william H. Frey

and

LD Johnson Companies
1980 Post Oak Blvd.
Suite 1610
Houston, TX 77056
Attn: William H. Frey

With a Copy To: Gresham, Varner, Savage,
Nolan & Tilden
600 H. Arrowhead Avenue
Suite 300
San Bernardino, CA 92401
Attn: Mark H. Ostoich, Esq.

18. COVENANTS RUNNING WITH THE LAND

All of the terms, provisions, covenants and obligations contained in this Agreement will be binding upon the parties and their respective successors and assigns, and all other persons or

entities acquiring all or any part of the Property, and will inure to the benefit of such parties and their respective successors and assigns. All the provisions of this Agreement will be enforceable as equitable servitudes and constitute covenants running with the land pursuant to applicable law including, without limitation, California civil Code Section 1468. Each covenant to or refrain from doing some act on the Property is expressly for the benefit of the Property and is a burden upon the Property, runs with the Property and is binding upon each party and each successive owner during its ownership of the Property or any part thereof, and will benefit each party and its property hereunder, and each other party succeeding to an interest in the Property. Notwithstanding the foregoing, upon the sale or lease,for more than 1 year, of a dwelling unit, office or commercial or industrial space by the Developer to a member of the public, but not upon the bulk sale thereof for resale to the public, such residential unit, office, commercial or industrial space will ba automatically released from the terms, provisions, covenants and obligations of this Agreement, without the necessity of the City or the Developer executing or recording any specific instrument of release.

19. CONSISTENCY FINDING

By approving and executing this Agreement, the City finds that its provisions are consistent with the City's General Plan and with the Specific Plan, and the City further finds and determines that execution of this Agreement is in the best interests of the public health, safety and general welfare of the City's present and future residents, property owners and

taxpayers.

20. TERMS AND CONSTRUCTION

20.1 Severability. If any term, provision, covenant or condition of this Agreement is determined to be invalid, void or unenforceable by judgment or court order, then the remainder of this Agreement will remain in full force and effect, unless enforcement of this Agreement, as so invalidated, would be unreasonable or grossly inequitable under all the circumstances or would frustrate the stated purposes of this Agreement.

20.2 Entire Agreement. This Agreement contains all the representations and constitutes the entire agreement between the City and the Developer, Any prior correspondence, memoranda, agreements, warranties or representations are superseded in total by this Agreement.

20.3 Signature Pages. For convenience, the signatures of the parties may be placed and acknowledged on separate pages and, when attached to this Agreement, will constitute this document as one complete Agreement.

20.4 Time. Time is of the essence of this Agreement and of each and every term and condition hereof.

21. CONSENT OF OTHER PARTIES

The Developer may, at its discretion, elect to have other holders of legal, equitable or beneficial interests in the project, the Property or parts thereof, acknowledge and consent to the execution and recordation of this Agreement by executing an appropriate instrument therefor. It is understood by the parties that the execution of such document by other holders of legal, equitable or beneficial interests in the Project is not a

condition precedent to this Agreement.

22. ASSIGNMENT AND NOTICE

The Developer will have the right, from time to time, to assign or transfer all or any part of its interest, rights or obligations under this Agreement to third parties acquiring an interest or estate in the Project, the Property or parts thereof including, without limitation, purchasers pr long-term ground lessees of individual lots, parcels or any building located within the Project; provided, however that the assignee or transferee agrees to assume the Developer's obligations under this Agreement. Although the approval of the City will not be required for any such assignment or transfer, the Developer will give prior written notice to the City of its intention to assign or transfer any of its interest, rights or obligations under this Agreement and any failure by the Developer to give such notice will be curable in accordance with the provisions of Section 13. The express assumption of any of the Developer's obligations under this Agreement by its assignee or transferee will thereby relieve the Developer of any further obligations under this Agreement. Notwithstanding the foregoing, the Developer will have no obligation whatsoever to provide any notice to the City when it intends to assign an interest in this Agreement and/or the Property and the Project in connection with any transaction which is entered into for the purpose of providing equity and/or financing with respect to the Property and/or the Project.

23. ENCUMBRANCES AND RELEASES ON REAL PROPERTY

23.1 Discretion to Encumber. The parties agree that this Agreement will not prevent or limit the Developer in any manner,

at the Developer's sole discretion, from encumbering the Property, or any part of the same including, without limitation, improvement thereon, by any mortgage, deed of trust or other security device securing financing with respect to the Property or the Project. The City acknowledges that the lenders providing such financing may require certain modifications and the City agrees, upon request from time to time, to meet with the Developer and/or the representatives of such lenders to negotiate in good faith regarding any such request for modification. The City further agrees that it will not unreasonably withhold its consent to any such requested modification so long as the modifications do not materially alter this Agreement to the detriment of the City.

23.2 Entitlement to Written Notice of Default. Any lender of the Developer which has requested notice in writing received by the City, will be entitled to receive written notification from the City of any uncured default by the Developer in the performance of the obligations of the Developer under this Agreement.

23.3 Property Subject to Pro Rata Claims. Any mortgagee or beneficiary which 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, will take the Property or part thereof, subject to any pro rata claims for payments or charges by the City against the Property or part thereof secured by such mortgage or deed of trust, which accrued prior to the time that such mortgagee or beneficiary comes into possession of the Property or part thereof.

23.4 Releases. The City hereby covenants and agrees that, upon completion of the public improvements which are included within the Project and payment of all fees required under this Agreement with respect to the Property, the City will execute and deliver to the Riverside County Recorder, an appropriate release of the Developer, the Property and the Project from further obligations under this Agreement, in form and substance acceptable to the Riverside County Recorder, or as may otherwise be necessary to effect such release.

24. CONSTRUCTION, NUMBER AND GENDER

This Agreement will be construed as a whole according to its common meaning and not strictly for or against either party in order to achieve the objectives and purposes of the parties hereunder. Whenever required by the context of this Agreement, the singular will include the plural and vice versa, and the masculine gender will include the feminine and neuter genders. In addition "will" is the mandatory and "may" is the permissive.

25. INSTITUTION OF LEGAL ACTION

In addition to any other rights or remedies, either party may institute legal action to cure, correct or remedy any uncured default, to enforce any covenants or agreements herein, to enjoin any threatened or attempted violation thereof or to obtain any remedies consistent with the purpose of this Agreement. In the event of any such legal action involving or arising out of this Agreement, the prevailing party will be entitled to recover from the losing party, reasonable litigation expenses, attorneys' fees and costs incurred. The parties acknowledge that if a breach of this Agreement by the City occurs, irreparable harm is likely to

occur to the Developer and damages may be an inadequate remedy. Therefore, to the extent permitted by law, the parties agree that specific enforcement of this Agreement by the Developer is an appropriate and available remedy, in addition to any and all other remedies which may be available to the Developer under law or at equity.

26. INSURANCE

The Developer agrees to and will hold the City, its officers, agents, employees and representatives harmless from liability for damage or claims for damage for personal injury, including death and claims for property damage which may arise out of the direct or indirect operations of the Developer with respect to the Project, to the extent of the insurance described below, To the same extent, the Developer agrees to and will defend the City and its officers, agents, employees and representatives from actions for damages caused by or alleged to have been caused by reason of the Developer's activities with respect to the Project.

This "hold harmless" agreement applies to all damages and claims for damages suffered or alleged to have been suffered by reason of the operations referred to in this Section,

Before beginning work on the Project, the Developer will obtain the insurance required under this Section and receive the approval of the City Attorney as to form, content, amount and carrier and the Developer will maintain such insurance throughout the term of this Agreement. The insurance will extend to the City, its elective and appointive boards, commissions, officers, agents, employees and representatives and to the Developer. In

addition, the Developer will furnish to the City, before beginning work on the Project, a certificate of insurance constituting satisfactory evidence of the insurance required and providing that each carrier is required to give the city at least 10 days prior written notice by certified mail to the city Hall, of the cancellation or reduction in coverage of any insurance.

26.1 Compensation Insurance. The Developer will maintain Workers Compensation Insurance for all persons employed by the Developer at the site of the Project. The Developer will require each contractor and subcontractor to provide Workers Compensation Insurance for their respective employees. The Developer agrees to indemnify the City for damages resulting from the failure of the Developer to take out and maintain such insurance.

26.2 Public Liability and Property Damage Insurance. The Developer will maintain public liability insurance in an amount not less than $1,000,000.00 for injuries (including death) to any one person and in an amount not less than $1,000,000.00 on account of any one occurrence; and property damage insurance in an amount not less than $100,000.00 for damage to the property of each covered person on account of any one occurrence.

CITY

APPROVED AS TO FORM & LEGALITY:

JOHN R. HARPER, CITY ATTORNEY

CITY OF LAKE ELSINORE, a municipal corporation and political subdivision of the State of California

By: _____
Mayor

ATTEST:

_____
City Clerk

DEVELOPER

RIALTO DEVELOPMENT CORPORATION,
a Texas corporation, doing
business as LD JOHNSON COMPANIES

By: _____
Its

STATE OF CALIFORNIA)
) ss.
COUNTY OF *Riverside*)

On *June 20, 1990*, 1990, before me, the undersigned, a Notary Public in and for said State and County, personally appeared *William H. Frey*, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the *Vice Pres* of the Corporation that executed the within instrument and acknowledged to me that such corporation executed the within instrument pursuant to its Bylaws or a resolution of its Board of Directors.

WITNESS my hand and official seal.

_____
Notary Public in and for said
State and County

SEAL:

OFFICIAL SEAL
ADRIA LEE BRYNING
NOTARY PUBLIC - CALIFORNIA
RIVERSIDE COUNTY
My comm. expires MAR 8, 1993

PROPERTY

EXHIBIT "A"

OPERATING MEMORANDUM OF UNDERSTANDING

THIS OPERATING MEMORANDUM OF UNDERSTANDING (this "Memorandum") is made this 4th day of November, 2003, by and between the City of Lake Elsinore (the "City"), a California municipal corporation, and White Rock Acquisition Company, L.P., a Delaware limited partnership ("White Rock").

RECITALS

The parties have entered into this Memorandum with reference to the following:

A. On June 20, 1990, the City approved and adopted that certain "DEVELOPMENT AGREEMENT BETWEEN THE CITY OF LAKE ELSINORE AND RIALTO DEVELOPMENT CORPORATION, which does business as LD JOHNSON COMPANIES FOR RAMSGATE[,]" which Development Agreement was recorded on June 27, 1990 in the Official Records of Riverside County, California as Instrument No. 237507 (the "Development Agreement").

B. The subject of the Development Agreement is the approximately 1,190 acres of the approximate total of 1,240 acres, commonly referred to as "The Ramsgate Specific Plan," a planned development community located within the City of Lake Elsinore, County of Riverside, State of California, principally within Township 5 South, Range 4 West, San Bernardino Baseline and Meridian. The Ramsgate Specific Plan includes the approximately 50-acre Clurman property (TTM No. 30698), which is not subject to the Development Agreement.

C. The Ramsgate Specific Plan, as amended, is comprised of nine Tentative Tract Maps ("TTMs"), designated TTM Nos. 25472 to 25479, inclusive, and TTM No. 30698.

D. White Rock is successor-in-interest to Rialto Development Corporation ("Rialto") with respect to the Ramsgate Specific Plan, and White Rock is the assignee of all of Rialto's right, title and interest in the Development Agreement.

E. Pursuant to Section 22 of the Development Agreement, the City acknowledges that White Rock may enter into one or more purchase and sale agreements with third party developers or builders ("Third Party Purchasers") to convey all or a portion of the property owned by White Rock which is the subject of the Development Agreement. It is anticipated that portions of the Ramsgate Specific Plan will be sold by White Rock to one or more Third Party Purchasers, and developed in phases by multiple parties.

F. White Rock anticipates a conveyance of the single-family detached housing parcels contained within TTM Nos. 25476 through 25479 to a single Third Party Purchaser, who will develop the parcels in accordance with the terms of the Development Agreement. However, it is possible that there may be more than one Third Party

Purchaser of the single-family detached housing parcels contained within TTM Nos. 25476 through 25479. White Rock also anticipates the conveyance of the portions of TTM No. 25479 which are designated on the map as commercial or multi-family housing to other Third Party Purchasers who will develop the commercial and/or multi-family housing parcels in accordance with the terms of the Development Agreement.

G. Section 7.3 of the Development Agreement provides for "operating memoranda approved by the Community Development Director of the City" to "effectuate...changes or adjustments" involving "the details of each party's performance pursuant to this Agreement[.]" The parties to the Development Agreement, and their successors and assigns, acknowledge that the matters set forth in this Memorandum are within the scope and contemplation of Section 7.3 of the Development Agreement.

H. The duration of the Development Agreement is 15-years from the date of recordation of the Development Agreement. The Development Agreement was recorded on June 27, 1990, and unless extended, will terminate on June 27, 2005. The Development Agreement provides for "Permitted Delays" and provides that "the term of this Agreement will be extended by the period of any such delay."

I. Without amending the Development Agreement, based on the passage of time, and certain changes to the project including the possibility of significantly reduced project densities, the City and White Rock mutually desire to further clarify and allocate the performance obligations of certain terms and conditions of the Development Agreement, particularly as those terms and conditions relate to specific Tentative Tract Maps. Those performance obligations, terms and conditions for which the parties desire further clarification include, but are not limited to, the following items: (i) the timing of payment of Development Agreement Fees (§ 4.1.1); (ii) School Siting (§ 4.1.4); (iii) Park Siting (§ 4.1.5); (iv) compliance with the Affordable Housing requirements (§ 4.1.6); (v) compliance with the Highway 74 Realignment requirements (§ 9.9); and (vi) Wasson Canyon trail requirements.

J. Condition No. 14 of "Conditions of Approval For Tentative Tract Maps 25472, 25473, 25474, 25475, 25476, 25477, 25478, and 25479" addresses water service for the Ramsgate Specific Plan. With respect to a portion of the Ramsgate Specific Plan subsurface water rights were previously dedicated to the City in connection with Parcel Map No.19924, P.M.B. 122-44-48. The applicable water service for the Ramsgate Specific Plan is currently Elsinore Valley Municipal Water District ("EVMWD").

NOW, THEREFORE, the parties to the Development Agreement, and their respective successors and assigns, including White Rock and its successors and assigns, do hereby set forth the following operating clarifications and understandings pertaining to the performance of the Development Agreement:

1. Term of Development Agreement. The City acknowledges that White Rock's required compliance with regulatory requirements, including Section 7 of the Endangered Species Act of 1973, and compliance with the Riverside County

Transportation Commission's requirements relating to the Highway 74 realignment, widening, and related improvements resulted in a tolling of the Development Agreement based on "Permitted Delays," as defined in Section 10 of the Development Agreement, which were "not within the reasonable Control [*sic*] of the developer[ ]." Accordingly, by this Memorandum the City acknowledges that the Development Agreement was tolled for a period of two (2) years because of Permitted Delays, and the Development Agreement shall terminate on June 27, 2007. The City further acknowledges that the two (2) year tolling period does not constitute an extension to the Development Agreement.

2. Development Agreement Fee ("DAG"). The required DAG of $5.7 million will be allocated and funded in accordance with the following provisions and development schedule:

a. Community Park Site Improvements. White Rock's successor-in-interest or successors-in-interest ("Successors") under the Development Agreement as to the single-family detached housing parcels located within TTM Nos. 25476, 25477, 25478 and 25479, will fund $2.85 million for Community Park Site Improvements upon issuance by the City of the 650th Certificate of Occupancy for single-family detached housing units constructed within said TTMs as hereinafter set forth. Within 120-days after closing on the purchase of all of the single-family detached housing parcels located within TTM No. 25479, the Third Party Purchaser of those parcels located within TTM No. 25479, shall submit to the City for approval (which approval shall not be unreasonably withheld) a proposed design for the Community Park Site Improvements, and shall fund the Community Park Site Improvements in an amount not less than $1.5 million upon issuance by the City of the 200th Certificate of Occupancy for single-family detached housing units constructed within TTM No. 25479. The Third Party Purchasers of TTM Nos. 25476, 25477 and 25478 shall collectively fund an additional $1.35 million of Community Park Site Improvements upon issuance by the City of the 650th Certificate of Occupancy for single-family detached housing units constructed within these TTM's. The City shall establish a separate interest bearing Community Park Improvements Funding Account (the "Park Account") into which the sum of $1,800 shall be deposited by the Third Party Purchasers upon the issuance by the City of a final building permit for each single-family detached housing unit within TTM Nos. 25476, 25477 and 25478 until such time as the Park Account totals $1.35 million. The Third Party Purchasers of TTM Nos. 25476, 25477 and 25478 are required to fund no more than $1.35 million in Community Park Site Improvements. Upon the issuance of the 650th Certificate of Occupancy for the single-family detached housing units located within TTM Nos. 25476, 25477 and 25478, the City shall complete the Park Site Improvements utilizing the funds on deposit in the Park Account. In the event the Third Party Purchasers fail to timely pay the amounts set forth in this Section 2.a., the City shall withhold all future building permits and certificates of occupancy for single-family detached housing units in TTM Nos. 25476, 25477, 25478 and 25479 until such amounts are paid in full. Upon the sale of its interest

in all of the single-family detached housing parcels located within TTM Nos. 25476, 25477, 25478 and 25479, White Rock will no longer have any obligation to fund the Community Park Site Improvements set forth in the Development Agreement, and the City fully discharges and releases White Rock from any and all obligation to fund the Community Park Site Improvements set forth in the Development Agreement; provided, however, in the event White Rock reacquires the property within TTM Nos. 25476, 25477, 25478 and 25479, White Rock shall be deemed a Third Party Purchaser for purposes of this Section 2.a.

b. Fire Station Improvements. Should the City determine by way of a nexus study that the development of TTM Nos. 25476, 25477, 25478, and 25479 will require the construction and operation of a new Fire Station to be located within 1 mile of the Ramsgate Specific Plan, White Rock's Successors as to the single-family detached housing parcels located in TTM Nos. 25476, 25477, 25478, and 25479, will fund a maximum of $1.30 million in Fire Station Improvements, regardless of the actual cost of such facilities. The nexus study shall be completed by the City within ninety (90) days following the execution of this Memorandum. The location and timing of constructing any new Fire Station shall be determined by the City. For purposes of this paragraph and this Memorandum, Fire Station Improvements shall include, but not be limited to, the acquisition of a suitable parcel of land located within 1 mile of the Ramsgate Specific Plan on which to build the facility, the construction of the facility and the equipping of the facility, including a suitable fire engine to expeditiously respond to all calls within the Ramsgate Specific Plan consistent with City standards. The funding of the $1.30 million required in this paragraph shall be made on or before the issuance by the City of the 500th Certificate of Occupancy for the detached single-family housing units located within TTM Nos. 25476, 25477, 25478 and 25479. In the event that the City's nexus study concludes that a new Fire Station is not required, White Rock's Successors shall remain responsible for funding $1.3 million in municipal capital facilities and improvements, or municipal public services, as contemplated in paragraph 4.1.1 of the Development Agreement. In the event payments required pursuant to this Section 2.b. are not timely made to the City, the City shall withhold all future building permits and certificates of occupancy for single family detached housing units in TTM Nos. 25476, 25477, 25478 and 25479 until such amounts are paid in full. In the event that more than one Third Party Purchaser acquires the single-family detached housing parcels located within TTM Nos. 25476, 25477, 25478 and 25479, these Third Party Purchasers shall collectively fund $1.30 million in Fire Station Improvements, or other municipal capital facilities and improvements, and the cost shall be allocated among the Third Party Purchasers at a rate of up to $1,300 per single-family detached housing unit, and shall be paid upon the issuance by the City of the 500th Certificate of Occupancy for the detached single-family housing units located within TTM Nos. 25476, 25477, 25478 and 25479. At that time, any unpaid balance owed for the Fire Station Improvements set forth in this Section 2.b. shall be allocated on a pro rata basis and paid by the Third Party Purchasers. Upon White Rock's conveyance of all of the detached single-family housing

parcels contained within TTM Nos. 25476 through 25479, White Rock shall have no further obligation to fund any Fire Station Improvements or other alternative municipal improvements required under the Development Agreement in lieu of a Fire Station; provided, however, in the event White Rock reacquires the property within TTM Nos. 25476, 25477, 25478 and 25479, White Rock shall be deemed a Third Party Purchaser for purposes of this Section 2.b.

c. Multi-Family Site and TTM Nos.25472 through 25475. An additional $1.55 million shall be funded by White Rock or its Successors as to the multi-family site located within TTM No. 25479, and any single family detached dwelling units located within TTM Nos. 25472 through 25475, this amount representing the difference between the $4.15 million in improvements to be funded pursuant to paragraph(s) 2 (a) and 2 (b), hereof, and the $5.7 million required DAG under the Development Agreement. White Rock or its Successors will be responsible for payment to the City of $1.55 million, as follows: $2,000 per dwelling unit upon issuance of a building permit by the City for any multi-family building located within TTM No. 25479, with the balance, if any, to be paid to the City at the rate of $2,000 for each final building permit issued for any single family detached housing unit located in TTM Nos. 25472 through 25475. In the event more than one Third Party Purchaser acquires the multi-family site located within TTM No. 25479, or the single family detached parcels located within TTM Nos. 25472 through 25475, these Third Party Purchasers shall collectively be responsible for payment to the City of $1.55 million, and the cost shall be allocated among the Third Party Purchasers at a rate of $2,000 per permitted dwelling unit. In the event that White Rock or its Successors develop TTM Nos. 25472 through 25475 and the multi-family site within TTM No. 25479 at a combined density in excess of 775 dwelling units, White Rock or its Successors shall reimburse, pro rata, the Third Party Purchasers of the single-family detached parcels located within TTM Nos. 25476 through 25479 at a rate of $2,000 per permitted dwelling unit in excess of 775 dwelling units, until such time as a total of 2,850 dwelling units are permitted within the Ramsgate Specific Plan. Upon White Rock's conveyance to Third Party Purchasers of the multi-family site located within TTM No. 25479, and all of the single family detached parcels located within TTM Nos. 25472 through 25475, White Rock shall have no further obligation to fund the DAG pursuant to this Secton 2.c. to the City; provided, however, in the event White Rock reacquires the property within TTM No. 25479 and/or TTM Nos. 25472 through 25475, White Rock shall be deemed as Third Party Purchaser for purposes of this Section 2.c.

3. School Site. The School Site referred to in Section 4.1.4 of the Development Agreement for Phasing Area 1B which is to be conveyed to the Lake Elsinore Unified School District (the "LEUSD") will be located within TTM No. 25478. The graded School Site will be conveyed by White Rock's Successors to the LEUSD pursuant to a purchase and sale agreement with the LEUSD. The City acknowledges that the LEUSD requires only one K-6 elementary school within the Ramsgate Specific Plan which will be located within TTM No. 25478, unless the LEUSD elects to construct a

second school on the parcel it already owns within Planning Area 4 of the Ramsgate Specific Plan. The City also acknowledges that the LEUSD requires that the K-6 elementary school to be constructed within TTM No. 25478 rather than in TTM No. 25479. Should, however, the LEUSD elect not to construct a school within TTM No. 25478, and/or should the LEUSD fail to consummate the purchase of the school site within TTM No. 25478, White Rock or a Third Party Purchaser will be permitted to develop the site designated for the school in TTM No. 25478 with Medium Low Density (as defined in the Ramsgate Specific Plan) single-family detached housing.

4. Neighborhood Park Site. The required conveyance of the Neighborhood Park Site referred to in Section 4.1.5 of the Development Agreement shall be addressed solely in connection with the implementation and development of TTM No. 25475. The conveyance of the Neighborhood Park Site, pursuant to this Section 4 and as provided in Section 4.1.5 of the Development Agreement, by White Rock or its Successors to the City upon the implementation of TTM No. 25475 shall satisfy all Quimby Act requirements and the City requirements regarding neighborhood park fees, mitigations and dedications for TTM No. 25475. There shall be no requirement to convey the Neighborhood Park Site in connection with the implementation of TTM Nos. 25476 to 25479, inclusive. White Rock, or its Successors as to TTM No. 25475, shall receive the full value of Quimby Act credits based on the value of any park lands conveyed to the City upon the implementation of TTM No. 25475. Any excess Quimby Act credits associated with the dedication of the Neighborhood Park Site to the City shall be credited first to TTM Nos. 25472 through 25475, with the remainder, if any, to be applied to the TTM Nos. 25476 through 25479 (any such excess credits shall be allocated pro-rata among the Third Party Purchasers of the single-family detached parcels located within TTM Nos. 25476 through 25479).

5. Community Park Site. Any excess Quimby Act credits associated with the dedication of the Community Park Site to the City shall be credited first to TTM Nos. 25476 through 25479, with the remainder, if any, to be applied to TTM Nos. 25472 through 25475. Any such credits shall be allocated pro-rata among White Rock and the Third Party Purchasers of the single-family detached parcels located within TTM Nos. 25476 through 25479. The dedication of the Community Park Site pursuant to this Section 5 as required by the Ramsgate Specific Plan and Section 4.1.5 of the Development Agreement, shall satisfy all requirements under the Quimby Act and no other Quimby Act fees shall be required thereunder.

6. Affordable Housing. The "affordable housing units" described in Section 4.1.6 of the Development Agreement will be located on Lots 256, 258 and 259 (or such other lots to be designated by White Rock or its Successors) within TTM No. 25479, which are designated for development as multi-family housing. There shall be no additional affordable housing units required by the City for the Ramsgate Specific Plan, as amended. It is anticipated that White Rock will eventually enter into a purchase and sale agreement, pursuant to which White Rock will sell and assign its right, title and interest to develop the multi-family housing portion of the Ramsgate Specific Plan to a Third Party Purchaser. Upon such a sale, the Third Party Purchaser will provide the

affordable housing units consistent with the requirements of the Development Agreement. In lieu of providing the "affordable housing units" described in the Development Agreement, White Rock or its Successors shall have the option of making a payment to City of $2,500 per unit for the 157 units of affordable housing described in the Development Agreement. The in lieu affordable housing payment shall not exceed $392,500, shall be made at the time a building permit is issued by the City for the multi-family housing portion of the project, and shall fully satisfy White Rock and its Successors affordable housing obligations under the Development Agreement.

7. Exemption From TUMF Fees. City Ordinance No. 1096 became effective on May 22, 2003. The Ordinance provides for the imposition of a Transportation Uniform Mitigation Fee ("TUMF") by the City on new development projects to mitigate the impacts of development on transportation facilities in Western Riverside County in order to fund improvements to the County Regional Transportation System. Ordinance No. 1096 provides for certain specified exemptions from the TUMF, including development projects which are the subject of a Development Agreement entered into pursuant to Government Code Section 65864 et seq., prior to the effective date of the Ordinance, which prohibits the imposition of new fees. The City acknowledges that the Development Agreement for the Ramsgate Specific Plan was recorded June 27, 1990, and provided the Developer and its successors in interest with the "vested right" to be free from the imposition of new impact fees, exactions and mitigations enacted after the Development Agreement became effective on June 27, 1990. By this Agreement, the City acknowledges that the Ramsgate Specific Plan is exempt from the TUMF.

8. Lands Dedicated for Open Space Shall Be Removed from LLMAD. Any lands located within the Ramsgate Specific Plan which are dedicated or conveyed by White Rock or its successors-in-interest to the County of Riverside or other public entity, quasi-public entity or any conservation authority for public, recreational, or open space uses, shall, upon such dedication or conveyance, no longer be subject to a special assessment or taxation levied by the Landscaping and Lighting Maintenance Assessment District ("LLMAD"). The gross acreage which is the subject of any such dedication or conveyance shall be correspondingly removed from LLMAD.

9. Quitclaim of Water Rights. Concurrently with the execution and approval of this Memorandum, the City will quitclaim to White Rock and its Successors, all water rights in TTM Nos. 25478 and 25479 so that White Rock and its Successors may convey such water rights to the EVMWD. Alternatively, at White Rock's election, the City will quitclaim directly to the EVMWD, all water rights in TTM Nos. 25478 and 25479.

10. Highway 74 Realignment. The City acknowledges that White Rock has fully complied with the requirements of Section 9.9 of the Development Agreement, and Mitigation Monitoring Measure Nos. 22 and 23 relating to the realignment, widening, and related improvements to Highway 74. White Rock, or its Successors, and the City will enter into a definitive landscape maintenance agreement for slopes within the Ramsgate Specific Plan which front Highway 74.

11. Wasson Canyon Trail Requirements (Specific Plan Condition No. 40). The City acknowledges that based on the requirements of the United States Fish and Wildlife Service ("USFWS") under Section 7 of the Endangered Species Act of 1973 and as now precluded by USFWS Biological Opinion (FWS-WRIV-1083.4), White Rock and its Successors no longer have any right, duty or obligation to construct trail improvements within Wasson Canyon, as the central portion of Wasson Canyon within the Ramsgate Specific Plan is to be deed restricted and no hiking trails will be allowed therein.

12. Civic Center Feasibility Study. The City acknowledges that White Rock has fully complied with Section 4.1.2 of the Development Agreement pertaining to the payment to the City of $100,000 for the purpose of conducting a Civic Center siting feasibility study.

13. Offsite Fuel Modification or Weed Abatement Easements. White Rock and its Successors recognize the importance of ensuring a fire safe environment for the homes, school and other buildings constructed within the Ramsgate Specific Plan. White Rock and its Successors agree to make every reasonable effort to secure permission from the Riverside County Fire Department to maintain offsite buffer areas for all dwellings, school and other buildings constructed within the Ramsgate Specific Plan as recommended by the Riverside County Fire Department. Should White Rock or its Successors be unable to secure satisfactory offsite buffer areas, subject to the MSHCP requirements or other habitat conservation plans, the City agrees, to the extent legally permissible and subject to the requirements of the MSHCP or other applicable habitat conservation plans and applicable state or federal laws or regulations, to invoke its police power to enforce the regular maintenance of the offsite buffer areas by requiring the owners of those areas to remove, or reduce to safe levels, the vegetation on those areas to minimize the likelihood of the propagation and/or continuation of wildland fires. The City further agrees that, if necessary, it will request the County of Riverside to enforce its fire prevention ordinances with regard to vegetation removal within the required offsite buffer areas.

14. Ramsgate Specific Plan Amendments. Should White Rock or its Successors apply for an amendment to the Ramsgate Specific Plan, including the re-allocation and addition of dwelling units within certain TTM's to achieve the project densities set forth in the Development Agreement (so long as the overall density does not exceed 3,137 dwelling units), the City agrees that it shall not require changes or additions to the Conditions of Approval for TTM Nos. 25476, 25477, 25478 and 25479 in connection with the approval of any such amendment. To the extent that White Rock or its successors seek to increase the project density beyond 2,850 units, such additional units shall be subject to a unit fee of $2,000 per unit. The City agrees not to require changes or additions to the Conditions of Approval should the City seek to amend the Ramsgate Specific Plan, whether to address revisions to TTM Nos. 25472, 25473, 25474 and 25475, or revisions to TTM Nos. 25476, 25477, 25478 and 25479.

15. Addendum to Development Agreement. Upon execution of this Memorandum, pursuant to Section 7.3 of the Development Agreement, this Memorandum shall be attached as an Addendum to the Development Agreement incorporated therein in its entirety, and except as modified and clarified hereby, the Development Agreement remains unchanged and in full force and effect.

16. Notice of Assignment of White Rock's Rights Under Development Agreement. Pursuant to Section 21 of the Development Agreement, this Memorandum shall constitute Notice to the City of White Rock's intention to assign to Third Party Purchasers, White Rock's rights, duties and obligations under the Development Agreement as to the single family detached housing parcels located within TTM Nos. 25476 through 25479.

17. Estoppel. The City acknowledges and represents: (i) that the Development Agreement has been duly approved, executed and recorded by the City; (ii) that the Development Agreement is in full force and effect; (iii) that the obligations of the City under the Development Agreement are valid and binding; (iv) other than as set forth in this Memorandum, there have been no modifications, amendments, or additions to the Development Agreement; (v) there exists no breach, default, or event or condition which would constitute a breach or default under the Development Agreement; (vi) there are no existing claims, defenses or offsets which would suspend the City's performance obligations under the Development Agreement; and (vii) the Development Agreement and this Memorandum constitute the entire agreement between the City and White Rock with respect to the development of the Ramsgate Specific Plan.

18. Authority. Each of the signatories to this Memorandum represent and warrant, each to the other, that they have full power and authority to execute this Memorandum and to bind the parties to the provisions of this Memorandum.

19. Counterparts. This Memorandum, including the signature pages hereof, may be executed in counterparts, each of which is deemed to be an original, and all of which shall constitute one and the same Memorandum.

IN WITNESS WHEREOF, the parties have executed this Memorandum as of the date first written above.

APPROVED AS TO FORM:

City Attorney

CITY OF LAKE ELSINORE, a California municipal corporation

By:
Its: Community Development Director

ATTEST:

City Clerk

WHITE ROCK ACQUISITION COMPANY, L.P., a Delaware Limited Partnership

By:
Its: White Rock Acquisition Co., L.P.
By: Eastbridge Partners, L.P.
Its Attorney In Fact
By: Eastbridge Partners GP, LLC
Its General Partner
By: William A. Shopoff
Its President

SECOND OPERATING MEMORANDUM OF UNDERSTANDING

THIS SECOND OPERATING MEMORANDUM OF UNDERSTANDING (this "Memorandum" or "Second OMOU") is made this 25th day of April, 2006 (the "Effective Date"), by and between the City of Lake Elsinore (the "City"), a California municipal corporation, and White Rock Acquisition Company, L.P., a Delaware limited partnership ("White Rock").

RECITALS

The City and White Rock have entered into this Memorandum with reference to the following:

A. On June 20, 1990, the City approved and adopted that certain "DEVELOPMENT AGREEMENT BETWEEN THE CITY OF LAKE ELSINORE AND RIALTO DEVELOPMENT CORPORATION, which does business as LD JOHNSON COMPANIES FOR RAMSGATE", which Development Agreement was recorded on June 27, 1990 in the Official Records of Riverside County, California as Instrument No. 237507 (the "Development Agreement").

B. The subject of the Development Agreement is the approximately 1,190 acres of the approximate total of 1,240 acres, commonly referred to as "The Ramsgate Specific Plan," a planned development community located within the City of Lake Elsinore, County of Riverside, State of California, principally within Township 5 South, Range 4 West, San Bernardino Baseline and Meridian. The Ramsgate Specific Plan includes the approximately 50-acre Clurman property (TTM No. 30698), which is not subject to the Development Agreement.

C. The Ramsgate Specific Plan, as amended, is comprised of ten Tentative Tract Maps ("TTMs"), designated TTM Nos. 25472 to 25479, inclusive, and TTM Nos. 30698 and 34231. This Second OMOU is intended to apply to certain TTMs and proposed TTMs within the Ramsgate Specific Plan – namely, TTM Nos. 25473 and 25475 and proposed TTM 34231 (the "Applicable TTMs").

D. White Rock is successor-in-interest to Rialto Development Corporation ("Rialto") with respect to the Ramsgate Specific Plan, and White Rock is the assignee of all of Rialto's right, title and interest in the Development Agreement.

E. Pursuant to Section 22 of the Development Agreement, the City acknowledges that White Rock may enter into one or more purchase and sale agreements with third party developers or builders ("Third Party Purchasers") to convey all or a portion of the property owned by White Rock which is the subject of the Development Agreement. It is anticipated that portions of the Ramsgate Specific Plan will be sold by White Rock to one or more Third Party Purchasers, and developed in phases by multiple parties.

F. White Rock anticipates a conveyance of the single-family detached housing parcels contained within the Applicable TTMs to a single Third Party Purchaser, who will

develop the parcels in accordance with the terms of the Development Agreement. However, it is possible that there may be more than one Third Party Purchaser of the single-family detached housing parcels contained within the Applicable TTMs. White Rock also anticipates the conveyance of the portions of the Applicable TTMs which are designated on the map as commercial or multi-family housing to other Third Party Purchasers who will develop the commercial and/or multi-family housing parcels in accordance with the terms of the Development Agreement.

G. Section 7.3 of the Development Agreement provides for "operating memoranda approved by the Community Development Director of the City" to "effectuate…changes or adjustments" involving "the details of each party's performance pursuant to this Agreement[.]" The parties to the Development Agreement, and their successors and assigns, acknowledge that the matters set forth in this Second OMOU are within the scope and contemplation of Section 7.3 of the Development Agreement.

H. The duration of the Development Agreement is 15-years from the date of recordation of the Development Agreement. The Development Agreement was recorded on June 27, 1990.

I. The Development Agreement provides for "Permitted Delays" and provides that "the term of this Agreement will be extended by the period of any such delay."

J. Beginning in 1999, the United States Fish & Wildlife Service ("USFWS") and California Department of Fish & Game ("CDFG") required White Rock to dedicate and sell California gnatcatcher habitat in the eastern portion of the Ramsgate Specific Plan to the County of Riverside to mitigate development in that portion of the Specific Plan.

L. The open space land was conveyed in three separate transactions. The first step was an appraisal by an appraiser selected from a County list. The County delayed providing the list until 2001. The appraisals were completed in 2001.

M. White Rock and the County began negotiating three acquisition agreements in August, 2002, with funding secured through the State of California. The first two acquisition agreements were executed on December 10, 2002.

N. On or about November 4, 2003, the City and White Rock executed an Operating Memorandum ("Original OMOU") to account for two years of Permitted Delays. The Original OMOU specifies that the Development Agreement shall terminate on June 27, 2007.

O. Site planning and engineering and preparation of a Specific Plan Amendment ("SPA") (reducing project density as a result of the open space dedications) could not begin until a deed for each open space transaction was recorded because these deeds would delineate the boundary of the remaining Ramsgate Maps as well.

P. The County did not receive State funding until late 2003, delaying recordation of the first two transactions until November 5, 2003 and December 5, 2003 respectively.

Q. Additional State funding delays prevented the third transaction from being recorded until October 12, 2004, which memorialized the final open space lot line adjustments so that preparation of the SPA and site engineering could begin.

R. Western Riverside County jurisdictions, including the City, approved the Western Riverside County Multiple Species Habitat Conservation Plan ("MSHCP") in 2004. Since 2001, White Rock had been negotiating a Memorandum of Understanding ("MOU") with the USFWS and the CDFG to memorialize White Rock's compliance with federal and state gnatcatcher impact mitigation requirements. After the MSHCP was approved, White Rock attempted to negotiate an MOU with the County, the City, USFWS and CDFG memorializing White Rock's compliance with the MSHCP, which would also constitute compliance with federal and state requirements. The MOU is no longer being negotiated, but efforts to do so constitute a portion of the Permitted Delay.

S. Processing of the SPA and site engineering are ongoing and expected to continue at least several more months from the effective date of this MOU. State funding delays, County lot line adjustment delays, and delays in finalizing the MOU have caused three additional years of Permitted Delays since the execution of the Original OMOU, a cumulative five-year Permitted Delay.

T. White Rock has performed all obligations under the Original OMOU to the City's satisfaction with the exception of the Development Agreement Fee, which remains subject to the contingencies described in the Original OMOU and Development Agreement.

U. All rights and entitlements under the Development Agreement have fully vested and the Ramsgate Specific Plan is not subject to any inclusionary or other affordable housing requirements (except as expressly stipulated to in Section 6 of the Original OMOU) or any Transportation Uniform Mitigation fees ("TUMF") fees, and White Rock has complied with all requirements of the Western Riverside County Multiple Species Habitat Conservation Plan ("MSHCP"). Without either the City or White Rock admitting any fact or conclusion of law regarding the applicability of any other Development Impact Fee as that term is defined under the Development Agreement, certain Development Impact Fees to be funded by White Rock have been stipulated to by and between the City and White Rock as described in Section 4 below and the attached Exhibit "A".

NOW, THEREFORE, the parties to the Development Agreement, and their respective successors and assigns, including White Rock and its successors and assigns, do hereby set forth the following operating clarifications and understandings pertaining to the performance of the Development Agreement and hereby agree to be bound by the following terms:

1. Term of Development Agreement. The City acknowledges that, in addition to the two year tolling period established in the Original OMOU, White Rock's required compliance with regulatory requirements, including Section 7 of the Endangered Species Act of 1973, compliance with the MSHCP, and other permitting delays not within White Rock's reasonable control, has resulted in an additional three (3) year tolling of the Development Agreement as to the applicable TTMs, based on "Permitted Delays," as defined in Section 10 of the Development Agreement. Accordingly, by this Second OMOU, the City acknowledges that the Development Agreement was tolled for a period of an additional three (3) years because of Permitted Delays, and the Development Agreement, as to the Applicable TTMs, shall terminate on June 27, 2010. The City further acknowledges that the additional three (3) year tolling period does not constitute an extension to the Development Agreement.

2. Addendum to Development Agreement. Upon execution of this Second OMOU, pursuant to Section 7.3 of the Development Agreement, this Second OMOU shall be attached as an Addendum to the Development Agreement incorporated therein in its entirety, and except as modified and clarified hereby, the Development Agreement remains unchanged and in full force and effect.

3. Estoppel. The City and White Rock each acknowledge and represent: (i) that the Development Agreement has been duly approved, executed and recorded by the City; (ii) that the Development Agreement is in full force and effect; (iii) that the obligations of the City and White Rock under the Development Agreement are valid and binding; (iv) other than as set forth in the Original MOU and this Second OMOU, there have been no modifications, amendments, or additions to the Development Agreement; (v) there exists no breach, default, or event or condition which would constitute a breach or default under the Development Agreement; (vi) there are no existing claims, defenses or offsets which would suspend performance obligations under the Development Agreement by either the City or White Rock; and (vii) the Development Agreement, and the operating clarifications and understandings pertaining to the performance of the Development Agreement in the Original OMOU and this Second OMOU, constitute the entire agreement between the City and White Rock with respect to the vesting of development rights for the Ramsgate Specific Plan.

4. Development Impact Fees. Without the City or White Rock admitting any fact or conclusion of law regarding the applicability of any Development Impact Fee or exaction, based on the current Project acreage and number of dwelling units under White Rock's current ownership and control, White Rock (or its successors in interest) stipulate that the Development Impact Fees to be paid to the City on a per unit or per acreage basis, as the case may be, at the time they are due (unless they have already been paid) are those listed in Exhibit "A", attached hereto. If the Project acreage and/or number of dwelling units should decrease or increase for any reason, the Development Impact Fees to be paid by White Rock or its successors in interest to the City shall be decreased or increased proportionately by the amount of such decrease or increase.

White Rock and the City stipulate to the payment of the Development Impact Fees set forth in Exhibit "A", when due, including any increases in such fees if, and only if, such increases are applied citywide to all development projects in the City. White Rock and the City agree that each may rely upon and are bound by the Development Agreement, and the operating clarifications and understandings pertaining to the performance of the Development Agreement as set forth in the Original OMOU and this Second OMOU, as constituting the entire expression of the agreement and understanding between the City and White Rock regarding the subjects covered therein.

Notwithstanding the foregoing, the City reserves all rights to attempt to impose or collect any new Development Impact Fee not specified on Exhibit "A" hereto or in the Original OMOU, if such fees are authorized under the terms of the Development Agreement (and/or applicable law) without reference to the Original OMOU or this Second OMOU. White Rock, or its successors in interest, reserve their rights to dispute the applicability or amount of any new Development Impact Fee which the City may elect to impose and collect which is not specified

on Exhibit "A" hereto or in the Original OMOU on the basis of the Development Agreement (and/or applicable law) without reference to the Original OMOU or this Second OMOU.

Furthermore, the City and White Rock stipulate that no new Development Impact Fee may be imposed or collected in reference to lots for which a building permit has been issued.

5. Neighborhood Park Site. All obligations regarding the required conveyance of the Neighborhood Park Site referred to in Section 4.1.5 of the Development Agreement, and Section 4 of the Original OMOU, shall be satisfied by White Rock or its successor in interest through the payment of Quimby Act fees as specified in Exhibit "A" for the Applicable TTMs.

6. Authority. Each of the signatories to this Memorandum represent and warrant, each to the other, that they have full power and authority to execute this Memorandum and to bind the parties to the provisions of this Memorandum.

7. Counterparts. This Memorandum, including the signature pages hereof, may be executed in counterparts, each of which is deemed to be an original, and all of which shall constitute one and the same Memorandum.

IN WITNESS WHEREOF, the City and White Rock have executed this Memorandum as of the date first written above.

[Signatures on the following page.]

5.A. White Rock agrees to develop and construct parks in TTM 33725 in accordance with the conditions of approval therefor which shall include a neighborhood park and two small pocket parks with an aggregate of ± 3 acres to be maintained in perpetuity by an HOA or other acceptable management entity.

BJ

CITY OF LAKE ELSINORE, a California municipal corporation

By: Rolfe Preisendanz
Its: Community Development Director

APPROVED AS TO FORM:

Barbara Zeid Leibold
City Attorney

ATTEST:

Frederick Ray
City Clerk

WHITE ROCK ACQUISITION COMPANY, L.P., a Delaware Limited Partnership

By:
Its: White Rock Acquisition Co., L.P.
By: Eastbridge Partners, L.P.
Its Attorney in Fact
By: Eastbridge Partners GP, LLC
Its General Partner
By: William Shopoff
Its President

Exhibit "A"
Stipulated Development Impact Fees, as of the Effective Date
(Subject to Increase Only Pursuant to Section 4 of the Second OMOU)

Fee Description	Amount/Unit or Acre	TTM 25473	TTM 25475	TTM 34231	Total
		164 du's 58.7 acres[1]	132 du's 37.3 acres	126 du's 12.34 acres	422 du's
Development Agreement Fee ("DAG")	$2,000	$328,000	$264,000	$252,000	$844,000
MSHCP	$1,651	satisfied	satisfied	satisfied	
Riverside County TUMF	$7,248	exempt	exempt	exempt	
Traffic Impact Fee	$1,369	[$224,516][2]	$180,708	$120,834	[$526,058][2]
Park Capital Improvement Fund (Quimby)	$1,600	$262,400	$211,200	$201,600	$675,200
Library Capital Improvement Fund Fee	$150	$24,600	$19,800	$18,900	$63,300
New Fire Facility Impact Fee	$867	satisfied[3]	satisfied[3]	satisfied[3]	
Storm Drain Capital Improvement Fund Fee (per acre)	$7,085	$415,889	$264,271	already paid	$680,160
Kangaroo Rat Fee (per acre)	$500	$29,350	$18.650	already paid	$48,000
Public Building Impact Fee	$2,373	$389,172	$313,236	$141,876	$844,284
Affordable Housing Requirements, Including In-Lieu or Other Fees	--	satisfied[4]	satisfied[4]	satisfied[4]	
Subtotals	$24,843	[$1,721,618][2]	$1,100,221	$735,210	
Total Development Impact Fees					**[$3,768,249][2]**

[1] Acreages are gross acreages, not net acreages. The payment amounts listed are illustrative. Fees that are paid on an acreage basis will only be paid on the net acres of impact, not the gross acreage.

[2] City and White Rock anticipate that the street improvements required to be completed by White Rock as conditions of approval for TTM 25473 will qualify for Traffic Impact Fee credit of $224,516 pursuant to Lake Elsinore Municipal Code Section 16.74.120B. The total amount of Traffic and Development Impact Fees payable under this Second OMOU will depend in part on the total amount of credit, up to $224,516, for which White Rock or its successor in interest qualifies.

[3] Fire Facility Impact Fee requirements shall be deemed fully satisfied upon dedication of Fire Station Site in TTM 25479.

[4] Any future affordable housing requirements in lieu fees have been fully satisfied by payment received by City in the amount of $392,500 pursuant to Section 6 of the Original OMOU.

EXHIBIT "A"
LEGAL DESCRIPTION
OF RAMSGATE SPECIFIC PLAN

That certain land in the City of Lake Elsinore, County of Riverside, State of California, being all of Parcels 1, 2, 3 and 4 of Parcel Map No. 10239, as per map filed in Book 49, Page 94 of Parcel Maps in the Office of the County Recorder of said County, all of Parcels 1, 2, 3 and 4 of Parcel Map No. 12990, as per map filed in Book 93, Page 35 of said Parcel Maps, a portion of Parcel 1 and all of Parcels 2, 3 and 4 of Parcel Map No. 8112, as per map filed in Book 73, Page 69, of said Parcel Maps, a portion of Parcel 1 and all of Parcels 2, 3 and 4 of Parcel Map No. 19924, as per map filed in Book 122, Pages 44 through 48, inclusive, of said Parcel Maps, along with a portion of Lot 2, all of Lots 3, 4 and 5, a portion of Lot 9 and all of Lots 10, 11, 12 and 13 of W.H.Townsend's Subdivision, as per map filed in Book 13, Page 619 of Maps, records of San Diego County, California, along with the North half of the Southwest quarter together with the Southwest quarter of the Southwest quarter of Section 28, Township 5 South, Range 4 West, S. B. M., along with the West half of the Northeast quarter, the Northwest quarter and the South half of Section 33, Township 5 South, Range 4 West, S. B. M., along with the Southeast quarter of the Southeast quarter of Section 29, Township 5 South, Range 4 West, S. B. M., along with portions of the Southeast quarter of the Northeast quarter of the Northwest quarter and the Northwest quarter of the Northeast quarter of the Northwest quarter of Section 32, Township 5 South, Range 4 West, S. B. M., more particularly described as follows:

Beginning at the most Westerly corner of said Parcel Map No. 19924; thence along the boundary of said Parcel Map, North 19°58'40" East, 363.18 feet to the beginning of a tangent curve concave Southeasterly having a radius of 269.62 feet; thence Northeasterly 213.96 feet along said curve through a central angle of 45°28'05"; thence North 65°26'45" East, 561.40 feet to the beginning of a tangent curve concave Northwesterly having a radius of 623.69 feet; thence Northeasterly 555.84 feet along said curve through a central angle of 51°03'46"; thence North 14°22'59" East, 884.31 feet to the beginning of a tangent curve concave Easterly having a radius of 666.78 feet; thence Northerly 132.16 feet along said curve through a central angle of 11°21'24"; thence, non-tangent from said curve, North 64°15'37" West, 20.00 feet to a point on a non-tangent curve concave Southeasterly having a radius of 686.78 feet, a radial line to said

Date: June 4, 1991
H & A Legal No. 3173
Prepared by: J. Gill
Checked by: K. Donner
Prepared for: Frey Dev. Co's.
W.O. 855-3

point bears North 64°15'37" West; thence Northeasterly 387.51 feet along said curve through a central angle of 32°19'43"; thence North 58°04'06" East, 525.43 feet to the beginning of a tangent curve concave Southeasterly having a radius of 2834.93 feet; thence Northeasterly 320.10 feet along said curve through a central angle of 06°28'10"; thence North 64°32'16" East, 342.41 feet to the beginning of a tangent curve concave Northwesterly having a radius of 1462.69 feet; thence Northeasterly 416.30 feet along said curve through a central angle of 16°18'25" ; thence North 48°13'51" East, 12.59 feet; thence South 00°31'52" West, 1906.43 feet to the North line of the Southwest quarter of the Northwest quarter of the Southeast quarter of said Section 29; thence along said North line, South 89°43'15" East, 658.75 feet; thence along the East line of said Southwest quarter of the Northwest quarter of the Southeast quarter of said Section 29 South 00°37'49" West, 659.65 feet to a point in the North line of the Southwest quarter of the Southeast quarter of said Section 29; thence along said North line, South 89°42'41" East, 658.00 feet to the North line of the Southeast quarter of the Southeast quarter of said Section 29; thence along said North line South 89°43'04" East, 1316.37 feet to a point in the West line of said Section 28; thence along said West line, North 00°48'41" East, 1319.84 feet to a point in the South line of Lot 9 of said W.H.Townsend's Subdivision; thence along said South line, North 89°44'10" East, 330.45 feet to the West line of the East half of said Lot 9; thence along said West line, North 00°39'14" East, 1313.59 feet; thence North 89°45'16" East, 30.00 feet; thence South 00°39'14" West, 101.00 feet; thence North 89°45'16" East, 300.00 feet; thence North 00°39'14" East 115.00 feet to the North line of Lot 10 of said W.H.Townsend's Subdivision; thence along said North line and the North line of Lot 11 of said W.H.Townsend's Subdivision, North 89°45'16" East, 1322.64 feet to the West line of Lot 5 of said W.H.Townsend's Subdivision; thence along said West line, North 00°40'51" East, 1326.81 feet to the North line of said Lot 5; thence along said North line, North 89°46'49" East, 660.81 feet to the Northwest corner of said Parcel Map No. 12990; thence along the Northerly line of said Parcel Map, North 89°45'55" East, 435.59 feet to the Northeast corner of said Parcel Map; thence along the Northerly line of Lots 4, 3 and 2 of said W.H.Townsend's Subdivision, North 89°45'55" East, 1217.86 feet to the East line of the West half of the West half of said Lot 2; thence along said East line, South 00°42'27" West, 1326.21 feet to the South line of said Lots 2 and 3; thence along said South line, South 89°45'16" West, 165.28 feet to a point in the West line of the East half of the West half of said Lot 2; thence

along said West line, North 0°42'27" East, 608.86 feet; thence parallel with said South line of Lots 2 and 3, South 89°45'16" West, 994.25 feet to the East line of the West 15 acres of said Lot 4; thence along said East line, South 0°50'40" West, 608.89 feet to the South line of said Lots 2 and 3; thence along said South line, South 89°45'16" West, 169.40 feet to the Northeast corner of Lot 13 of said W.H.Townsend's Subdivision; thence along the East line of said Lot 13, South 00°41'54" West, 1326.66 feet to the South line of said Lot 13; thence along said South line, South 89°44'10" West, 674.57 feet to the Northeast corner of the North half of the Southwest quarter of said Section 28; thence along the East line of said North half, South 00°58'38" West, 1311.00 feet to a point in the North line of said Parcel Map No. 10239; thence along said North line, North 89°32'27" East, 1329.14 feet to the Northeast corner of said Parcel Map; thence along the East line of said Parcel Map, South 01°45'34" West, 1306.97 feet to the Northeast corner of the West half of the Northeast quarter of said Section 33; thence along the East line of said West half, South 00°10'59" West, 2645.63 feet to the North line of the South half of said Section 33; thence along said North line, North 89°29'31" East, 1313.34 feet to the East line of said South half; thence along said East line, South 00°06'23" West, 2644.03 feet to the South line of said South half; thence along said South line, South 89°35'16" West, 2632.14 feet; thence continuing along said South line, South 89°34'56" West, 2631.55 feet to the West line of said South half; thence along said West line, North 00°19'38" East, 2635.60 feet to a point in the West line of the Northwest quarter of said Section 33; thence along said West line, North 00°19'38" East, 1317.80 feet to the Southeast corner of said Parcel Map No. 8112; thence along the South line of said Parcel Map and its Westerly prolongation, North 89°46'14" West, 2722.34 feet; thence North 00°01'25" East, 60.00 feet; thence North 31°38'00" East, 181.99 feet; thence North 15°20'00" East, 116.00 feet; thence North 46°07'00" West, 41.22 feet; thence North 00°23'37" East, 177.00 feet; thence South 89°26'00" West, 120.00 feet to the beginning of a tangent curve concave Northeasterly having a radius of 20.00 feet; thence Northwesterly 31.42 feet along said curve through a central angle of 90°00'00"; thence North 00°34'00" West, 7.00 feet; thence South 89°26'00" West, 102.00 feet; thence North 80°21'00" West, 210.00 feet; thence North 88°42'00" West, 43.01 feet; thence North 39°49'00" West, 87.19 feet; thence North 11°40'00" West, 525.74 feet; thence North 17°15'00" West, 151.70 feet; thence North 22°24'00" West, 108.47 feet; thence North 33°36'00" West, 123.00 feet; thence South 49°26'00" West, 25.00 feet; thence

North 45°36'00" West, 164.00 feet; thence South 41°00'00" West, 400.00 feet to a point in the Southerly boundary of said Parcel Map No. 19924; thence along said Southerly boundary, South 89°55'31" West, 104.82 feet and South 89°56'35" West, 1318.08 feet to the Westerly boundary of said Parcel Map; thence along said Westerly boundary, North 01°32'49" East, 323.29 feet and North 46°19'25" West, 483.44 feet to the Point of Beginning.

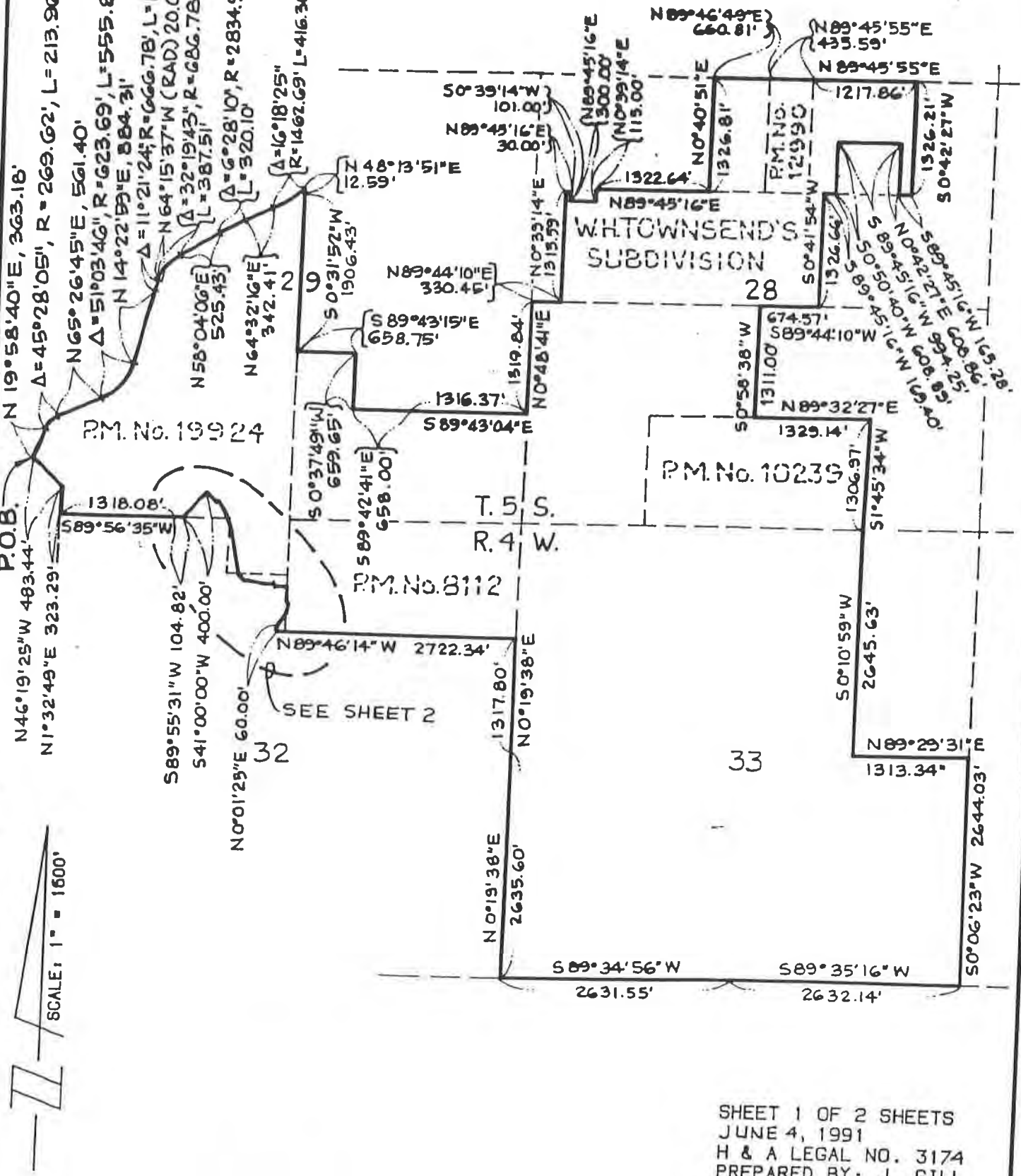
As shown on Exhibit "B" attached hereto and by this reference made a part hereof.

James R. Gill, L.S. 5780
Expires 6/30/92

Sheet 4 of 4 Sheets
Date: June 4, 1991
H & A Legal No. 3173
Prepared by: J. Gill
Checked by: K. Donner
Prepared for: Frey Dev. Co's.
W.O. 855-3

EXHIBIT "B"

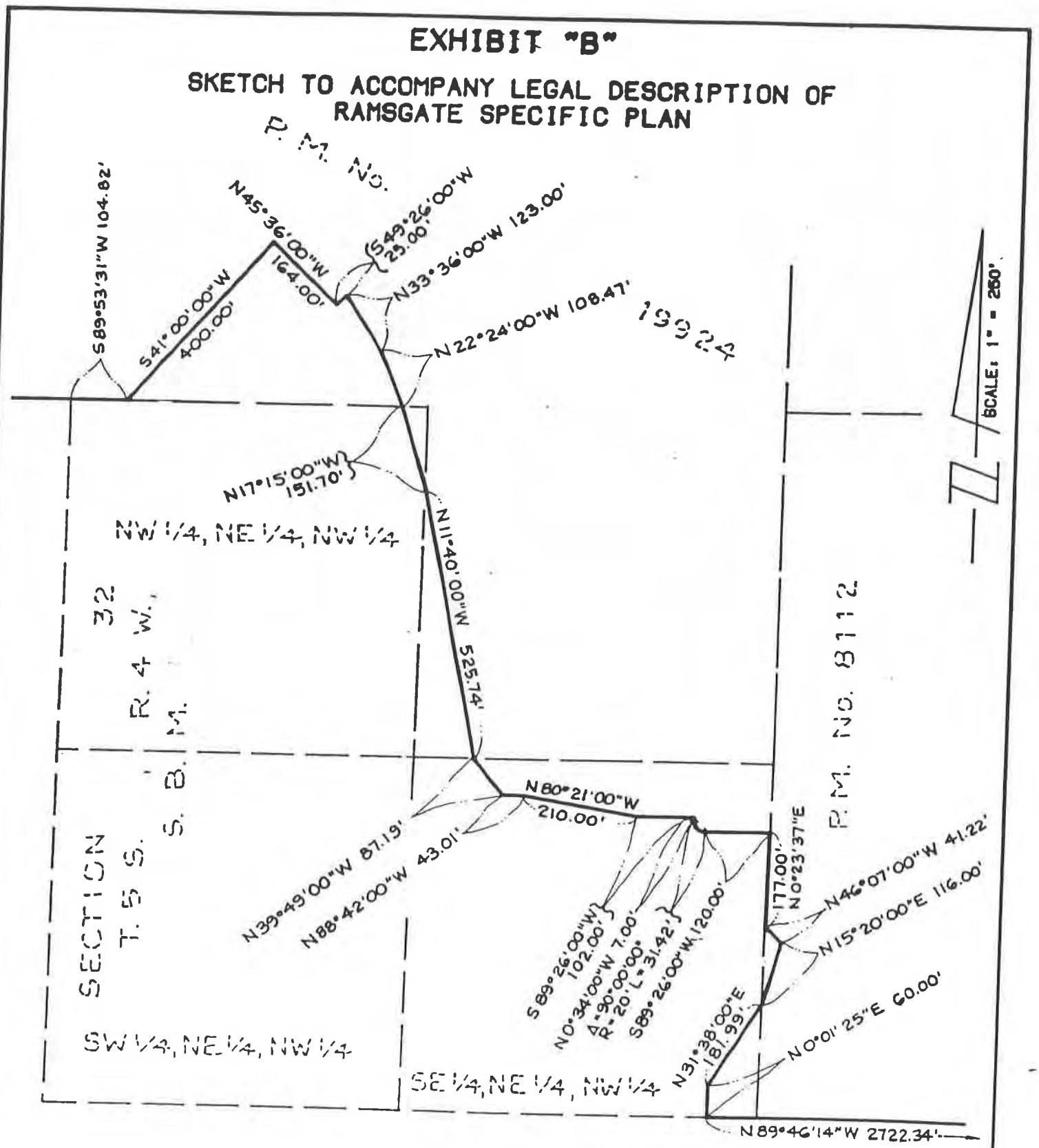
SKETCH TO ACCOMPANY LEGAL DESCRIPTION OF RAMSGATE SPECIFIC PLAN



SHEET 1 OF 2 SHEETS
JUNE 4, 1991
H & A LEGAL NO. 3174
PREPARED BY: J. GILL
CHECKED BY: K. DONNER
W. O. 855-3

EXHIBIT "B"

SKETCH TO ACCOMPANY LEGAL DESCRIPTION OF RAMSGATE SPECIFIC PLAN



SHEET 2 OF 2 SHEETS
JUNE 4, 1991
H & A LEGAL NO. 3174
PREPARED BY: J. GILL
CHECKED BY: K. DONNER
W. O. 855-3

The following property is added to the boundaries of the Ramsgate Specific Plan, as part of Ramsgate Specific Plan, Revision No. 5:

LEGAL DESCRIPTION OF TTM 33725 (LITTLE VALLEY)

In the County of Riverside, State of California, being portions of the northeast quarter of the southeast quarter of the southeast quarter of Section 28, Township 5 South, Range 4 West, San Bernardino Base and Meridian; Parcels 1 and 2 of Parcel Map 17808, filed in Book 102, Page 47 of Parcel Maps of said County, Parcel 3 and a portion of Parcel 4 of Parcel Map 8478, filed in Book 31, Pages 52 and 53 of Parcel Maps of said County, Parcel 1 of Parcel Map 7982, filed in Book 31, Page 21 of Parcel Maps of said County, and Parcel 1 of Parcel Map 8070, filed in Book 33, Page 62 of Parcel Maps of said County.

The following property is added to the boundaries of the Ramsgate Specific Plan, as part of Ramsgate Specific Plan, Revision No. 6:

LEGAL DESCRIPTION

Real property in the City of Lake Elsinore, County of Riverside, State of California, described as follows:

TENTATIVE TRACT MAP 32537 BEING A SUBDIVISION OF THE FOLLOWING DESCRIBED PROPERTY:

PARCEL A: (347-330-001)

THE WEST ONE-HALF OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 32, TOWNSHIP 5 SOUTH, RANGE 4 WEST, SAN BERNARDINO BASE & MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF.

PARCEL B: (347-330-002)

THAT PORTION OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 32 TOWNSHIP 5 SOUTH, RANGE 4 WEST, SAN BERNARDINO BASE AND MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF THE WEST HALF OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 32 BEING ALSO THE NORTHEAST CORNER OF THAT CERTAIN PARCEL OF LAND CONVEYED TO KATHERINE D. TAPIE BY DEED RECORDED SEPTEMBER 30, 1949, AS INSTRUMENT NO. 3584, OFFICIAL RECORDS;

THENCE SOUTH ALONG THE EAST LINE OF SAID TAPIE PARCEL OF LAND 330 FEET TO THE NORTHWEST CORNER OF THAT CERTAIN PARCEL OF LAND AS CONVEYED TO ETHER JONES AND BETHINE A. JONES BY DEED RECORDED NOVEMBER 6, 1957, IN BOOK 2174 PAGE 111 OF OFFICIAL RECORDS;

THENCE EAST ALONG THE NORTH LINE OF SAID JONES PARCEL OF LAND 165 FEET TO THE NORTHEAST CORNER THEREOF;

THENCE SOUTH ALONG THE EAST LINE OF SAID JONES PARCEL OF LAND 330 FEET TO THE SOUTH LINE OF SAID NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER;

THENCE EAST ALONG SAID SOUTH LINE 165 FEET TO THE WEST LINE OF THAT CERTAIN PARCEL OF LAND CONVEYED TO JOSEPH A. BROUSSARD BY DEED RECORDED JUNE 5, 1952, AS INSTRUMENT NO. 23603, OFFICIAL RECORDS;

THENCE NORTH ALONG THE WEST LINE OF SAID BROUSSARD PARCEL OF LAND 664.57 FEET TO THE NORTH LINE OF SAID SECTION 32;

THENCE WEST ALONG LAST SAID NORTH LINE 330 FEET TO THE POINT OF BEGINNING.

PARCEL C: (347-330-014)

PARCEL 1 OF LOT LINE ADJUSTMENT NO. 5042 RECORDED ON JULY 28, 2006 AS INSTRUMENT NO. 2006-552510 OF OFFICIAL RECORDS OF SAID COUNTY.

PARCEL D: (347-330-020 AND 347-330-021)

PARCELS 2 AND 3 OF LOT LINE ADJUSTMENT NO. 5042 RECORDED ON JULY 28, 2006 AS INSTRUMENT NO. 2006-552510 OF OFFICIAL RECORDS OF SAID COUNTY.

PARCEL E: (347-330-022)

PARCEL 3 AND LOTS B AND E OF PARCEL MAP NO. 15317 AS SHOWN BY MAP ON FILE IN BOOK 83 PAGES 3 AND 4 OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL F: (347-330-023)

PARCEL 4 AND LOT F OF PARCEL MAP 15471, AS PER MAP RECORDED IN BOOK 83, PAGE 3 OF 5 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY, AS AMENDED BY THAT CERTAIN CERTIFICATE OF CORRECTION RECORDED APRIL 27, 1981 AS INSTRUMENT NO. 75319 OF OFFICIAL RECORDS.

PARCEL G: (347-360-001)

THE NORTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 32, TOWNSHIP 5 SOUTH, RANGE 4 WEST, SAN BERNARDINO BASE AND MERIDIAN

PARCEL H: (347-360-002)

THE SOUTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 32, TOWNSHIP 5 SOUTH, RANGE 4 WEST, SAN BERNARDINO BASE AND MERIDIAN, ACCORDING TO THE UNITED STATES GOVERNMENT TOWNSHIP PLAT THEREOF.

PARCEL H1:

A NON-EXCLUSIVE EASEMENT FOR INGRESS, EGRESS AND PUBLIC UTILITY PURPOSES, WITH THE RIGHT TO CONVEY SAID EASEMENT TO OTHERS, OVER AND ACROSS THE FOLLOWING DESCRIBED LAND:

THAT PORTION OF LOT 4, BLOCK 13, AS SHOWN BY MAP ON FILE IN BOOK 5 PAGE 105, OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID LOT 4;
THENCE NORTHERLY ALONG THE EAST LINE OF SAID LOT 4, A DISTANCE OF 350 FEET;
THENCE WESTERLY AT RIGHT ANGLES TO SAID EAST LINE, A DISTANCE OF 30.00 FEET;
THENCE SOUTHERLY AND PARALLEL WITH SAID EAST LINE TO THE SOUTHERLY LINE OF SAID LOT 4.

PARCEL I: (377-100-009)

PARCEL 3 TOGETHER WITH LETTERED LOT B OF PARCEL MAP 8205, AS SHOWN BY MAP ON FILE IN BOOK 32 PAGE 43 OF PARCEL MAPS, RECORDS OF SAID COUNTY.

PARCEL J: (377-100-010)

PARCEL 4 OF PARCEL MAP 8205, AS SHOWN BY MAP ON FILE IN BOOK 32 PAGE 43 OF PARCEL MAPS, RECORDS OF SAID COUNTY

LOT 4 IN BLOCK 13 OF NORTH ELSINORE TRACT, AS SHOWN BY MAP ON FILE IN BOOK 5 PAGE 105 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

APN: 347-330-001 and 347-330-002

Appendix D

Resolutions & Ordinances

RESOLUTION NO. 2007-146

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE, CALIFORNIA, ADOPTING FINDINGS THAT THE RAMSGATE APPLICATIONS ARE CONSISTENT WITH THE MULTIPLE SPECIES HABITAT CONSERVATION PLAN (MSHCP)

WHEREAS, the Shopoff Group has submitted applications for Annexation No. 79, General Plan Amendment No. 2007-01, Pre-Annexation Zone Change No. 2007-01, Ramsgate Specific Plan No. 89-1 Sixth Revision, Tentative Tract Map No. 32537 and Tentative Tract Map No. 35422 ("Ramsgate Applications"), to entitle property located approximately one mile east of Interstate 15, south of Highway 74, and west of Greenwald Avenue (the "Property"); and

WHEREAS, Section 6.0 of the MSHCP requires that all projects which are proposed on land covered by an MSHCP criteria cell and which require discretionary approval by the legislative body undergo the Lake Elsinore Acquisition Process ("LEAP") and a Joint Project Review ("JPR") between the City and the Regional Conservation Authority ("RCA") prior to public review of the project applications; and

WHEREAS, Section 6.0 of the MSHCP further requires that development projects not within an MSHCP criteria cell must be analyzed pursuant to the MSHCP "Plan Wide Requirements"; and

WHEREAS, the Ramsgate Applications are discretionary in nature and require review and approval by the legislative body; and

WHEREAS, the Ramsgate Applications are within the Elsinore Plan Area of the MSHCP, but are not within an MSHCP Criteria Cell, Core or Linkage; and

WHEREAS, Section 6.0 of the MSHCP requires that the City adopt consistency findings prior to approving any discretionary project entitlements for development of property that is subject to the MSHCP; and

WHEREAS, after considering the Ramsgate Applications at a regular meeting held on July 17, 2007, the Planning Commission of the City of Lake Elsinore recommended that the City Council find that the Ramsgate Applications are consistent with the MSHCP; and

WHEREAS, public notice of the Ramsgate Applications has been given, and the City Council has considered the Planning Commissions recommendation and evidence presented by the Community Development Department and other interested parties at a public hearing held with respect to this item on August 14, 2007.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The City Council has considered the Ramsgate Applications and their consistency with the MSHCP prior to making a decision to find the Ramsgate Applications consistent with the MSHCP.

SECTION 2. That in accordance with the MSHCP, the City Council makes the following findings:

1. The proposed project is a project under the City's MSHCP Resolution, and the City must make an MSHCP Consistency finding before approval.

   The Ramsgate Applications include two (2) tentative tract maps and a host of related discretionary requests, including CEQA review.

   Pursuant to the City's MSHCP Resolution, the Ramsgate Applications have been reviewed for MSHCP consistency, including consistency with "Other Plan Requirements." These include the Protection of Species Associated with Riparian/Riverine Areas and Vernal Pool Guidelines (MSHCP, § 6.1.2), Protection of Narrow Endemic Plant Species Guidelines (MSHCP, § 6.1.3), Urban/Wildlands Interface Guidelines (MSHCP, § 6.1.4), Vegetation Mapping (MSHCP, § 6.3.1) requirements, Additional Survey Needs and Procedures (MSHCP, § 6.3.2), Fuels Management Guidelines (MSHCP, § 6.4), and payment of the MSHCP Local Development Mitigation Fee (MSHCP Ordinance, § 4).

2. The proposed project is subject to the City's LEAP and the County's Joint Project Review processes.

   The Property is within the MSHCP Elsinore Area Plan but is not located in a Criteria Cell, Core or Linkage. Therefore, a formal LEAP application was not required by the City.

3. The proposed project is consistent with the Riparian/Riverine Areas and Vernal Pools Guidelines.

   The disturbed wetland onsite is considered riparian/riverine, although none of the riparian/riverine covered species have any potential to occur onsite. Seasonal ponds occur onsite, some of which possess indicators of all three wetland parameters (soils, vegetation and hydrology). Wet season surveys for sensitive fairy shrimp were negative.

   A Determination of Biologically Equivalent or Superior Preservation (DBESP) analysis report was prepared to address impacts to disturbed wetland, which describes why avoidance of seasonal disturbed wetland is not feasible or preferable, quantifies unavoidable impacts, describes features and measures to reduce indirect effects, and makes findings that demonstrate that the project would be biologically equivalent or superior to an avoidance alternative.

   Because the disturbed wetland onsite is of low quality, preservation of the disturbed wetland is not considered feasible or desirable. In order to avoid the disturbed wetland onsite, a minimum of ten percent (10%) of the housing units would need to be eliminated. The resulting preservation would leave small, isolated disturbed wetland areas surrounded by housing development that drain into existing residential development areas. The alternative is not considered feasible because a viable reserve cannot be reasonably implemented at this location, and superior mitigation options are available offsite that would provide for better long-term conservation of the resources being impacted onsite.

   Mitigation for impacts would include acquisition of 0.54 acre for restoration on property known as the "Cloverleaf" in the southern end of Lake Elsinore, or other offsite mitigation parcels acceptable to the City and resource agencies. The riparian habitat restored within the "Cloverleaf" site will be of a much higher quality than the disturbed wetland habitat being impacted, and will contribute to long-term MSHCP conservation goals. The offsite acquisition meets the definition of a Biologically Equivalent Preservation Alternative consistent with Section 6.1.2.

4. The proposed project is consistent with the Protection of Narrow Endemic Plant Species Guidelines.

   The Property not located within the NEPSSA as shown on Figure 6-1 of the MSHCP and therefore the Ramsgate Applications are consistent with MSHCP Section 6.1.3.

5. The proposed project is consistent with the Urban/Wildlands Interface Guidelines.

   Section 6.1.4 of the MSHCP sets forth guidelines which are intended to address indirect effects associated with locating development in proximity to the MSHCP Conservation Area, where applicable. To minimize Edge Effects, guidelines shall be implemented in conjunction with review of individual public and private development projects in proximity to the MSHCP Conservation Area. The Property is not located adjacent to conserved land or other applicable open space and therefore, an assessment of indirect impacts associated with the Urban/Wildlands Interface is not required.

6. The proposed project is consistent with the Vegetation Mapping requirements.

   The Ramsgate Applications were subject to the Protection of Species Associated with Riparian/Riverine and Vernal Pool policies, and as such, any related resources were mapped as part of the Determination of Biological Equivalent or Superior Preservation submittal. No other circumstances for which vegetation is required were applicable. The Ramsgate Applications are consistent with MSHCP Section 6.3.1.

7. The proposed project is consistent with the Additional Survey Needs and Procedures.

   The Property is outside of any Criteria Area Species Survey Area for plants, amphibians and mammals, and no Criteria Area Species Survey Area plant species were observed during site surveys. The Property occurs within the burrowing owl survey area. No owls were observed during surveys onsite. Therefore, the Ramsgate Applications are consistent with MSHCP Section 6.3.2.

8. The proposed project is consistent with the Fuels Management Guidelines.

   The Property is not located adjacent to conserved land or other applicable open space and therefore, any further action related to Fuels Management is not applicable.

9. The proposed project will/will not be conditioned to pay the City's MSHCP Local Development Mitigation Fee.

   The applicant will be conditioned to pay the City's MSHCP Local Development Mitigation Fees.

10. The proposed project overall is consistent with the MSHCP.

    The Ramsgate Applications are consistent with the MSHCP and provide effective mitigation measures for conservation to meet the biological issues and considerations of the MSHCP.

SECTION 3. Based upon all of the evidence presented, both written and testimonial, the above findings, and the conditions of approval imposed upon each of the Ramsgate Applications, the City Council hereby finds the Ramsgate Applications consistent with the MSHCP.

SECTION 4. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED, APPROVED AND ADOPTED this 14th day of August, 2007, by the following vote:

AYES:	COUNCILMEMBERS:	Buckley, Hickman, Kelley Schiffner, Magee
NOES:	COUNCILMEMBERS:	None
ABSENT:	COUNCILMEMBERS:	None
ABSTAIN:	COUNCILMEMBERS:	None

Robert E. Magee, Mayor
City of Lake Elsinore

ATTEST:

Michelle Soto, Interim City Clerk
City of Lake Elsinore

APPROVED AS TO FORM:

Barbara Zeid Leibold, City Attorney
City of Lake Elsinore

RESOLUTION NO. 2007-147

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE, CALIFORNIA, ADOPTING MITIGATED NEGATIVE DECLARATION NO. 2007-01 AND THE MITIGATION MONITORING PROGRAM PERTAINING THERETO

WHEREAS, the Shopoff Group has filed applications with the City of Lake Elsinore to annex 75± acres into the City boundaries ("Annexation No. 79"), redesignate certain acreage to City General Plan land use designations, pre-zone certain acreage to City zoning, revise Ramsgate Specific Plan No. 89-1, and to subdivide approximately 74.56± acres of property into 269 residential lots, three (3) detention/water basins and twenty-six (26) open space lots (the "Project"); and

WHEREAS, Annexation No. 79 and its related cases pertain to property located south of State Route 74, north of Wasson Canyon, west of Rosetta Canyon Drive and east of Cambern and Conard Avenues, and known as Assessor's Parcel Nos. 347-330-001, -002, -022, -023, -065, -067 through -074; 347-360-001 and -002; 377-100-006, -009, and -010 (the "Property"); and

WHEREAS, Annexation No. 79 and its related cases qualify as a "project" under California Public Resources Code Section 21065, which defines a project for purposes of the California Environmental Quality Act (Public Resources Code Sections 21000 *et seq.*: "CEQA") and the State Guidelines for Implementation of CEQA (Title 14, California Code of Regulations Sections 15000 *et seq.*: "CEQA Guidelines") as any activity which may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment and which includes the issuance to a person of a lease, permit, license, certificate, or other entitlement for use by one or more public agencies (Public Resources Code Section 21065); and

WHEREAS, pursuant to CEQA Guidelines Section 15063, the City conducted an Initial Study which revealed that the Project may present potentially significant environmental impacts; and

WHEREAS, based upon the results of the Initial Study, and based upon the standards set forth in CEQA Guidelines Section 15070, it was determined appropriate to prepare Mitigated Negative Declaration No. 2007-01 (State Clearinghouse No. 2007041063) for the Project (the "Mitigated Negative Declaration"); and

WHEREAS, consistent with Section 21081.6 of CEQA, which requires that a lead agency prepare a reporting or monitoring program for changes made to the project or conditions of project approval when adopting an environmental impact

report or a mitigated negative declaration, the City prepared and circulated a Mitigation and Monitoring Program with the Mitigated Negative Declaration; and

WHEREAS, pursuant to CEQA Guidelines Section 15072, on April 13, 2007, the City duly issued a notice of intent to adopt the Mitigated Negative Declaration; and

WHEREAS, after considering the Ramsgate Applications, the Mitigated Negative Declaration and the Mitigation Monitoring and Reporting Program at a regular meeting held on July 17, 2007, the Planning Commission of the City of Lake Elsinore recommended that the City Council approve Mitigated Negative Declaration No. 2007-01 and its related Mitigation and Monitoring Program; and

WHEREAS, at a duly noticed public hearing on August 14, 2007, the City Council considered the Planning Commission's recommendation and evidence presented by the Community Development Department and other interested parties with respect to the Mitigated Negative Declaration.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The City Council has evaluated all comments, written and oral, received from persons who have reviewed Mitigated Negative Declaration No. 2007-01 and the Mitigation and Monitoring Program, prior to making its decision.

SECTION 2. The City Council finds and determines that Mitigated Negative Declaration No. 2007-01 and the Mitigation and Monitoring Program for the Project are adequate and have been completed in accordance with CEQA, the State CEQA Guidelines, and the City's procedures for implementation of CEQA. The City Council has reviewed and considered the information contained in the Mitigated Negative Declaration and Mitigation and Monitoring Program and finds that the documents represent the independent judgment of the City.

SECTION 3. That in accordance with CEQA, the CEQA Guidelines, the Planning and Zoning Law, and the Lake Elsinore Municipal Code, the City Council makes the following findings for the approval of Mitigated Negative Declaration No. 2007-01 and the related Mitigation Monitoring Program:

1. Revision in the Project plan or proposal made by or agreed to by the applicant before a proposed mitigated negative declaration and initial study are released for public review would avoid the effects or mitigate the effects to a point where clearly no significant effects would occur.

   The Project would alter the site from natural/vacant land, sparse single-family residence, agricultural land, and a detention basin to an urbanized site. This change is not necessarily considered a substantial or significant degradation to the environment, and as such no revision to the proposed project plan or proposal was determined to be necessary to bring potential impacts to a level of less than significant.

2. The Project has individual impacts that can be mitigated to below the level of significance through implementation of Mitigation Monitoring Program and the conditions of approval.

   While conversion of land would potentially impact biological resources, this Project would not substantially reduce the habitat of a fish or wildlife species, nor will it cause a population to drop below self-sustaining levels. The Project will not eliminate a plant or animal community, nor reduce the number or range of a rare or endangered species. Further, conversion of this vacant site does have the potential to impact cultural resources. Both the Phase I and Phase II cultural studies indicated that no further action is necessary. However, archeological and Tribal mitigation were incorporated to ensure that impacts to these resources will be less than significant. In addition, potential impacts related to air quality, light and glare, noise, and traffic attributed to construction and increased urbanization will be less than significant with the implementation of mitigation measures and conditions of approval. Issue areas related to human health and safety such as geology, hazards and hazardous materials, and public services were also evaluated and found to be less than significant with the implementation of appropriate mitigation and conditions of approval.

SECTION 4. Based upon all of the evidence presented, both written and testimonial, the above findings, and the conditions of approval imposed upon the Project, the City Council approves Mitigated Negative Declaration 2007-01 and its related Mitigation and Monitoring Program.

SECTION 5. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED, APPROVED AND ADOPTED this 14th day of August, 2007, by the following vote:

AYES:	COUNCILMEMBERS:	Buckley, Hickman, Kelley Schiffner, Magee
NOES:	COUNCILMEMBERS:	None
ABSENT:	COUNCILMEMBERS:	None
ABSTAIN:	COUNCILMEMBERS:	None

Robert E. Magee, Mayor
City of Lake Elsinore

ATTEST:

Michelle Soto, Interim City Clerk
City of Lake Elsinore

APPROVED AS TO FORM:

Barbara Zeid Leibold, City Attorney
City of Lake Elsinore

RESOLUTION NO. 2007-148

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE, CALIFORNIA, APPROVING GENERAL PLAN AMENDMENT NO. 2007-01

WHEREAS, the Shopoff Group has filed an application with the City of Lake Elsinore to amend the City's General Plan Land Use designation ("General Plan Amendment") for the properties located at Assessor's Parcel Nos. 347-330-001, -002, -022, -023, -065, -067 through -074; 347-360-001 and -002; 377-100-006, -009, and -010 (the "Properties") from County Very Low Density Residential, 1 acre minimum lot size (VLDR) and from the City's Low-Medium Density Residential and Freeway Business, to Ramsgate Specific Plan ("Ramsgate SP"); and

WHEREAS, Government Code Section 65358 empowers the legislative body to amend all or part of an adopted general plan if to do so would be in the public interest and so long as no mandatory element of the general plan is amended more frequently than four times during any calendar year; and

WHEREAS, this General Plan Amendment is part of the City's Second (2^{nd}) cycle of amendments to the Lake Elsinore General Plan Land Use Map for the 2007 calendar year; and

WHEREAS, after considering the General Plan Amendment at a regular meeting held on July 17, 2007, the Planning Commission of the City of Lake Elsinore recommended that the City Council approve General Plan Amendment No. 2007-01; and

WHEREAS, public notice of the General Plan Amendment has been given and the City Council has considered the Planning Commission's recommendation and evidence presented by the Community Development Department and other interested parties at a public hearing held with respect to this item on August 14, 2007.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The City Council has considered the proposed General Plan Amendment prior to making a decision. The City Council finds and determines that the General Plan Amendment comports with the goals and policies of the Lake Elsinore General Plan and the Lake Elsinore Municipal Code. Moreover, the

General Plan Amendment comports with the requirements of the California Planning and Zoning Law.

SECTION 2. That in accordance with the California Planning and Zoning Law and the Lake Elsinore Municipal Code, the City Council hereby makes the following findings for the approval of General Plan Amendment No. 2007-01:

1. The proposed General Plan Amendment will not be: a) detrimental to the health, safety, comfort or general welfare of the persons residing or working within the neighborhood of the proposed amendment or within the City, or b) injurious to the property or improvements in the neighborhood or within the City.

   a. *The proposed General Plan Amendment has been analyzed relative to its potential to have detrimental effects and conditions have been imposed to ensure that the health, safety and welfare of surrounding residents will be protected. Indeed the development of the project of which General Plan Amendment 2007-01 is a part, will result in the installation of infrastructure (such as water, sewer, paving and drainage facilities) which will provide services to existing and future residents.*

   b. *Application of the "Ramsgate SP" land use designation to the Property will ensure that the new construction is developed in such a way as to blend into the surrounding development.*

2. The proposed General Plan Amendment will permit reasonable development of the area consistent with its constraints and will make the area more compatible with adjacent properties.

   The proposed land use designation of "Ramsgate SP" to the Property will allow for the continuation of single family detached residential neighborhoods that have been built or are under construction to the east. The proposed designation will also provide flexibility in designing the site to be compatible with existing uses along its western boundary, which is proposed for higher density residential, light industrial and commercial uses in the General Plan Update.

3. The proposed General Plan Amendment would establish a land use density and usage more in character with the subject property's location, access, and constraints.

The General Plan Amendment proposes a boundary adjustment to allow for an integration of the property into the adjacent Ramsgate Specific Plan. The accompanying Ramsgate Specific Plan Amendment provides for the opportunity to bring continuity between the established neighboring land uses to the west, land uses expected to result from the City's General Plan Update, and the development that will occur as a result of Annexation No. 79.

Access to the development will utilize existing roadways from both the west and east. In addition, infrastructure to support future development on the Property will tie into existing infrastructure.

4. The proposed General Plan Amendment will not have a significant effect on the environment.

   The General Plan Amendment may result in significant environmental impacts, all of which can be mitigated to below a level of significance through the implementation of appropriate mitigation measures. The Mitigation and Monitoring Program prepared in conjunction with the Mitigated Negative Declaration for the project outlines the appropriate mitigation for the site.

SECTION 3. Based upon all of the evidence presented, both written and testimonial, and the above findings, the City Council hereby approves General Plan Amendment No. 2007-01.

SECTION 4. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED, APPROVED AND ADOPTED this 14th day of August 2007, by the following roll call vote:

AYES:	COUNCILMEMBERS:	Buckley, Hickman, Kelley Schiffner, Magee
NOES:	COUNCILMEMBERS:	None
ABSENT:	COUNCILMEMBERS:	None
ABSTAIN:	COUNCILMEMBERS:	None

Robert E. Magee, Mayor
City of Lake Elsinore

ATTEST:

Michelle Soto, Interim City Clerk
City of Lake Elsinore

APPROVED AS TO FORM:

Barbara Zeid Leibold, City Attorney
City of Lake Elsinore

RESOLUTION NO. 2007-149

RESOLUTION OF THE OF THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE, CALIFORNIA, COMMENCING PROCEEDINGS TO ANNEX THE TERRITORY DESIGNATED AS ANNEXATION NO. 79 INTO THE CORPORATE BOUNDARIES OF THE CITY OF LAKE ELSINORE

WHEREAS, the Shopoff Group has filed an application with the City of Lake Elsinore to annex ("Annexation No. 79") approximately 75± acres of land which is currently located within the City of Lake Elsinore's Sphere of Influence south of State Route 74 (Central Avenue), north of Wasson Canyon, west of Rosetta Canyon Drive, and east of Cambern and Conard Avenues (APNs 347-330-001, -002, -022, -023, -065, -067 through -074; 347-360-001 and 002; 377-100-006, -009 and -010: the "Property") into the corporate boundaries of the City of Lake Elsinore; and

WHEREAS, the annexation proposal is made pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code §§ 56000 *et seq.*; the "Cortese Knox Act"); and

WHEREAS, consistent with the requirements of Government Code Sections 56375 and 65859, the Shopoff Group has initiated Pre-Annexation Zone Change No. 2007-01 to determine the zoning that will apply to the Property upon annexation into the City; and

WHEREAS, after considering the annexation proposal at a regular meeting held on July 17, 2007, the Planning Commission of the City of Lake Elsinore recommended that the City Council approve commencement of Annexation No. 79; and

WHEREAS, public notice of Annexation No. 79 has been given, and the City Council has considered the Planning Commission's recommendation and evidence presented by the Community Development Department and other interested parties at a public hearing held with respect to this item on August 14, 2007.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The City Council has considered Annexation No. 79 prior to making its decision. The City Council hereby finds and determines that Annexation No. 79 would be consistent with the goals and policies of the Lake Elsinore General Plan and Lake Elsinore Municipal Code.

SECTION 2. That in accordance with Cortese Knox Act, State Planning and Zoning law, and the Lake Elsinore Municipal Code, the City Council makes the following findings for the approval of Annexation No. 79:

1. The proposed annexation area is contiguous to the City of Lake Elsinore, is within the City of Lake Elsinore Sphere of Influence, and will not create pockets or islands.

   Annexation No. 79 Property borders the City of Lake Elsinore, is within the City of Lake Elsinore's Sphere of Influence and is adjacent to the Ramsgate Specific Plan Area. Annexation No. 79 is conditioned to be null and void in the event that the City fails to complete the "Third Street Annexation," which is located to the south of the Property. As conditioned, the annexation proposes a reasonable and desirable extension of the city boundary area in that, at the completion of both Annexation No. 79 and the Third Street Annexation, pockets or islands of County property will be eliminated.

2. The proposed annexation will not result in any adverse significant impacts on the environment.

   Annexation No. 79 will not have a significant effect on the environment. Development of the Property will be consistent with the City's General Plan in light of General Plan Amendment No. 2007-01. In addition, the City's General Plan Update takes into consideration development of the Property.

3. The proposed annexation will eliminate an existing undesired pocket of the county and will assist in the efficient provision of governmental services.

   Annexation No. 79 is conditioned to be null and void in the event that the City fails to complete the "Third Street Annexation," which is located to the south of the Property. As conditioned, Annexation 79 proposes a reasonable and desirable extension of the city boundary area in that, at the completion of both Annexation No. 79 and the Third Street Annexation, pockets or islands of County property will be eliminated.

SECTION 3. Based upon all of the evidence presented, both written and testimonial, the above findings, and the conditions of approval imposed upon Annexation No. 79, the City Council hereby commences annexation proceedings for the Property.

SECTION 4. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED, APPROVED AND ADOPTED this 14th day of August, 2007, upon the following roll call vote:

AYES:	COUNCILMEMBERS:	Buckley, Hickman, Kelley Schiffner, Magee
NOES:	COUNCILMEMBERS	None
ABSENT:	COUNCILMEMBERS:	None
ABSTAIN:	COUNCILMEMBERS:	None

Robert E. Magee, Mayor
City of Lake Elsinore

ATTEST:

Michelle Soto, Interim City Clerk
City of Lake Elsinore

APPROVED AS TO FORM:

Barbara Zeid Leibold, City Attorney
City of Lake Elsinore

RESOLUTION NO. 2007-150

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE, CALIFORNIA, APPROVING TENTATIVE TRACT MAP NO. 32537

WHEREAS, the Shopoff Group has filed an application with the City of Lake Elsinore to subdivide approximately 19.5± acres of land located south of State Route 74 (Central Avenue), west of Rosetta Canyon Drive, east of Conard and Welch Avenues, and north of Third Street (APNs 347-330-001, -002, -065, and -067 through -073: the "Property") into 70 single family residential lots, and six (6) open space lots including a detention basin and pocket park ("Tentative Tract Map No. 32537"); and

WHEREAS, according to Government Code Section 66426 and Chapter 16 of the Lake Elsinore Municipal Code, a tentative and final tract map shall be required for all subdivisions creating five or more parcels; and

WHEREAS, after considering the proposed subdivision at a regular meeting held on July 17, 2007, the Planning Commission of the City of Lake Elsinore recommended that the City Council approve Tentative Tract Map No. 32537; and

WHEREAS, public notice of Tentative Tract Map No. 32537 has been given, and the City Council has considered the Planning Commission's recommendation and evidence presented by the Community Development Department and other interested parties at a public hearing held with respect to this item on August 14, 2007.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The City Council has considered the proposed Tentative Tract Map No. 32537 prior to making a decision to subdivide the Property. The City Council hereby finds and determines that the subdivision comports with the goals and policies of the Lake Elsinore General Plan and the Lake Elsinore Municipal Code.

SECTION 2. That in accordance with the Subdivision Map Act (California Government Sections 66000 *et seq.*) and the City of Lake Elsinore Municipal Code, the City Council makes the following findings for the approval of Tentative Tract Map No. 32537:

1. The proposed subdivision, together with the provisions for its design and improvements, is consistent with the City of Lake Elsinore General Plan. The proposed subdivision is compatible with the objectives, policies, general land uses and programs specified in the General Plan (Government Code Section 66473.5).

   The design of the proposed subdivision and density of 3.59 dwelling units per acre are consistent with the proposed Ramsgate Specific Plan Sixth Revision ("Sixth Revision"), and therefore with the General Plan because the Ramsgate Specific Plan has been found to be consistent with the General Plan. The Sixth Revision provides a balanced mix of housing types and densities within the Plan.

   The project proposes single family residential lots ranging in size from 6,256 square feet to 35,284 square feet, with an average lot size of 9,073 square feet, which is consistent with the proposed Ramsgate Specific Plan.

2. The site of the proposed division of land is physically suitable for the proposed density of development in accordance with the General Plan.

   The project density and design is compatible with existing neighborhoods to the west and east. The map provides two pocket parks within the project.

3. The effects that this project are likely to have upon the housing needs of the region, the public service requirements of its residents and the available fiscal and environmental resources have been considered and balanced.

   Tentative Tract Map No. 32537 is consistent with proposed General Plan Amendment No. 2007-01 (GPA). During the review of the GPA, housing needs, public services and fiscal resources are scrutinized to achieve a balance within the City.

   Tentative Tract Map No. 32537 has been conditioned to annex into the Mello-Roos Community Facilities District 2003-01 to offset the annual negative fiscal impacts of the project on public safety operations and maintenance issues in the City.

   Tentative Tract Map No. 32537 has been conditioned to annex into Lighting and Landscape Maintenance District No. 1 to offset the annual negative fiscal impacts of the project on public right-of-way landscaped areas to be maintained by the City, and for street lights in the public right-of-way for

which the City will pay for electricity and a maintenance fee to Southern California Edison.

Tentative Tract Map No. 32537 has been conditioned to annex into the Parks, Open Space and Storm Drain Maintenance Mello-Roos Community Facilities District to fund the ongoing operation and maintenance of new parks, parkways, open space and public storm drains constructed within the development, and to fund federal NPDES requirements to offset the annual negative fiscal impacts of the project.

4. The design of the proposed division of land or type of improvements is not likely to cause serious public health problems.

   Tentative Tract Map No. 32537 is conditioned to comply with all development standards of the Ramsgate Specific Plan, Sixth Revision. These standards have been prepared and reviewed to benefit the public health, safety and welfare.

5. The design of the proposed division of land or the type of improvements will not conflict with easements, acquired by the public at large, for access through or use of property within the proposed division of land.

   All known easements or requests for access have been incorporated into the design of Tentative Tract Map No. 32537 and its conditions of approval. The map has been circulated to City departments and outside agencies, and appropriate conditions of approval have been applied to the project.

SECTION 3. Based upon all of the evidence presented, both written and testimonial, the above findings, and the conditions of approval imposed upon the Project, the City Council hereby approves Tentative Tract Map No. 32537.

SECTION 4. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED, APPROVED, AND ADOPTED at a regular meeting of the City Council of the City of Lake Elsinore, California, on this 14th day of August 2007.

ROBERT E. MAGEE
MAYOR
CITY OF LAKE ELSINORE

ATTEST:

MICHELLE SOTO
INTERIM CITY CLERK

APPROVED AS TO FORM:

BARBARA ZEID LEIBOLD
CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF LAKE ELSINORE)

I, MICHELLE SOTO, Interim City Clerk of the City of Lake Elsinore, California, hereby certify that Resolution No. 150 was adopted by the City Council of the City of Lake Elsinore at a regular meeting held on the 14th day of August 2007, and that the same was adopted by the following vote:

AYES:	MAYOR ROBERT E. MAGEE MAYOR PRO TEM DARYL HICKMAN COUNCILMEMBER THOMAS BUCKLEY COUNCILMEMBER GENIE KELLEY COUNCILMEMBER ROBERT SCHIFFNER
NOES:	NONE
ABSTAIN:	NONE
ABSENT:	NONE

MICHELLE SOTO
INTERIM CITY CLERK

RESOLUTION NO. 2007-151

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE, CALIFORNIA, APPROVING TENTATIVE TRACT MAP NO. 35422

WHEREAS, the Shopoff Group has filed an application with the City of Lake Elsinore to subdivide approximately 55.06± acres of land located south of State Route 74 (Central Avenue), west of Rosetta Canyon Drive, east of Cambern Avenue, and north of Wasson Canyon (APNs 347-360-001 and 002; 377-100-006, -009 and -010: the "Property") into 199 single family residential lots, and twenty-three (23) open space lots including a detention basin, electric power easement and a 5.6 acre park ("Tentative Tract Map No. 35422"); and

WHEREAS, according to Government Code Section 66426 and Chapter 16 of the Lake Elsinore Municipal Code, a tentative and final tract map shall be required for all subdivisions creating five or more parcels; and

WHEREAS, after considering the proposed subdivision at a regular meeting held on July 17, 2007, the Planning Commission of the City of Lake Elsinore recommended that the City Council approve Tentative Tract Map No. 35422; and

WHEREAS, public notice of Tentative Tract Map No. 35422 has been given, and the City Council has considered the Planning Commission's recommendation and evidence presented by the Community Development Department and other interested parties at a public hearing held with respect to this item on August 14, 2007.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The City Council has considered the proposed Tentative Tract Map No. 35422 prior to making a decision to approve the subdivision of the Property. The City Council hereby finds and determines that the subdivision comports with the goals and policies of the Lake Elsinore General Plan and the Lake Elsinore Municipal Code.

SECTION 2. That in accordance with the Subdivision Map Act (California Government Sections 66000 *et seq.*) and the City of Lake Elsinore Municipal Code, the City Council makes the following findings for the approval of Tentative Tract Map No. 35422:

1. The proposed subdivision, together with the provisions for its design and improvements, is consistent with the City of Lake Elsinore General Plan. The proposed subdivision is compatible with the objectives, policies, general land uses and programs specified in the General Plan (Government Code Section 66473.5).

   The design of Tentative Tract Map No. 35422 and density of 3.61 dwelling units per acre are consistent with the proposed Ramsgate Specific Plan Sixth Revision ("Sixth Revision"), and therefore with the General Plan because the Ramsgate Specific Plan has been found to be consistent with the General Plan. The Sixth Revision provides a balanced mix of housing types and densities within the Plan.

   The project proposes single family residential lots ranging in size from 4,600 square feet to 17,445 square feet, with an average lot size of 6,944 square feet, which is consistent with the proposed Ramsgate Specific Plan.

2. The site of the proposed division of land is physically suitable for the proposed density of development in accordance with the General Plan.

   The project density and design is compatible with the higher density residential neighborhoods, light industrial and commercial uses expected to develop to the west. The mix of lot sizes within the map transitions to the single family residences already under construction to the east. The map provides a 5.6 acre park and pedestrian walkways within the project.

3. The effects that this project are likely to have upon the housing needs of the region, the public service requirements of its residents and the available fiscal and environmental resources have been considered and balanced.

   Tentative Tract Map No. 35422 is consistent with proposed General Plan Amendment No. 2007-01 (GPA). During the review of the GPA, housing needs, public services and fiscal resources are scrutinized to achieve a balance within the City.

   Tentative Tract Map No. 35422 has been conditioned to annex into Community Facilities District 2003-01 to offset the annual negative fiscal impacts of the project on public safety operations and maintenance issues in the City.

   Tentative Tract Map No. 35422 has been conditioned to annex into Lighting and Landscape Maintenance District No. 1 to offset the annual negative

fiscal impacts of the project on public right-of-way landscaped areas to be maintained by the City, and for street lights in the public right-of-way for which the City will pay for electricity and a maintenance fee to Southern California Edison.

Tentative Tract Map No. 35422 has been conditioned to annex into the Parks, Open Space and Storm Drain Maintenance Mello-Roos Community Facilities District to fund the ongoing operation and maintenance of new parks, parkways, open space and public storm drains constructed within the development, and to fund the federal NPDES requirements to offset the annual negative fiscal impacts of the project.

4. The design of the proposed division of land or type of improvements is not likely to cause serious public health problems.

   Tentative Tract Map No. 35422 is conditioned to comply with all development standards of the Ramsgate Specific Plan, Sixth Revision. These standards have been prepared and reviewed to benefit the public health, safety and welfare.

5. The design of the proposed division of land or the type of improvements will not conflict with easements, acquired by the public at large, for access through or use of property within the proposed division of land.

   All known easements or requests for access have been incorporated into the design of Tentative Tract Map No. 35422 and its conditions of approval. The map has been circulated to City departments and outside agencies, and appropriate conditions of approval have been applied.

SECTION 3. Based upon all of the evidence presented, both written and testimonial, the above findings, and the conditions of approval imposed upon the Project, the City Council hereby approves Tentative Tract Map No. 35422.

SECTION 4. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED, APPROVED, AND ADOPTED at a regular meeting of the City Council of the City of Lake Elsinore, California, on this 14th day of August 2007.

ROBERT E. MAGEE
MAYOR
CITY OF LAKE ELSINORE

ATTEST:

MICHELLE SOTO
INTERIM CITY CLERK

APPROVED AS TO FORM:

BARBARA ZEID LEIBOLD
CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF LAKE ELSINORE)

I, MICHELLE SOTO, Interim City Clerk of the City of Lake Elsinore, California, hereby certify that Resolution No. 151 was adopted by the City Council of the City of Lake Elsinore at a regular meeting held on the 14th day of August 2007, and that the same was adopted by the following vote:

AYES:	MAYOR PRO TEM DARYL HICKMAN COUNCILMEMBER GENIE KELLEY COUNCILMEMBER ROBERT SCHIFFNER
NOES:	MAYOR ROBERT E. MAGEE COUNCILMEMBER THOMAS BUCKLEY
ABSTAIN:	NONE
ABSENT:	NONE

MICHELLE SOTO
INTERIM CITY CLERK

ORDINANCE NO. 1228

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE, CALIFORNIA, APPROVING RAMSGATE SPECIFIC PLAN NO. 89-1 SIXTH REVISION (SPA6)

WHEREAS, the Shopoff Group filed an application with the City of Lake Elsinore to amend the Ramsgate Specific Plan No. 89-1 with a Sixth Revision (the "Specific Plan Amendment"); and

WHEREAS, Government Code Section 65453(a) states that a specific plan shall be amended in the same manner as a general plan, except that a specific plan may be adopted by resolution or by ordinance and may be amended as often as deemed necessary by the legislative body; and

WHEREAS, it is the policy of Lake Elsinore that Specific Plans serve as zoning mechanisms and specific plan amendments shall be approved by ordinance of the City Council; and

WHEREAS, after considering the Specific Plan Amendment at a regular meeting held on July 17, 2007, the Planning Commission of the City of Lake Elsinore recommended that the City Council approve Ramsgate Specific Plan No. 89-1 Sixth Revision; and

WHEREAS, public notice of the Specific Plan Amendment has been given, and the City Council has considered the Planning Commission's recommendation and evidence presented by the Community Development Department and other interested parties at a public hearing held with respect to this item on August 14, 2007.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE DOES ORDAIN AS FOLLOWS:

SECTION 1. The City Council has considered the proposed Specific Plan Amendment prior to making a decision. The City Council finds and determines that the proposed Specific Plan Amendment is consistent with the goals and policies of the Lake Elsinore General Plan and the Lake Elsinore Municipal Code.

SECTION 2. That in accordance with State Planning and Zoning Law and Chapter 17.99 of the Lake Elsinore Municipal Code, the City Council makes the following findings for approval of the Specific Plan Amendment:

1. The location and design of the proposed development is consistent with the goals and policies of the City's General Plan and with any other applicable plan or policies adopted by the City, or in the process of being prepared and adopted.

The General Plan supports the development of the Ramsgate Specific Plan. The Specific Plan Amendment adds acreage that is contiguous to the City's southern boundary into this planning area. The proposed Specific Plan Amendment has been reviewed and conditioned to enhance and update the previous revisions to the Ramsgate Specific Plan.

The proposed Specific Plan Amendment has been designed to support the objectives of the Multi-Species Habitat Conservation Plan adopted by the City, by preserving habitat areas identified in the Conservation Plan.

The Specific Plan Amendment has been considered and accounted for in the Draft General Plan Update. The Specific Plan Amendment is consistent with proposed land uses on its western boundary.

2. The proposed location allows the development to be well-integrated with or adequately buffered from its surroundings, whichever may be the case.

   The Specific Plan Amendment provides for the development of low density residential in proposed Tentative Tract Map No. 32537, which is an extension of the single-family detached residential neighborhoods adjacent to the west and under construction to the east.

   Development standards for a 4,600 square foot product line in Tentative Tract Map No. 35422 are proposed as part of the Specific Plan Amendment. A lot of this size is more compatible with the higher density residential, light industrial and commercial land uses proposed for properties to the west in the City's General Plan Update.

3. All vehicular traffic generated by the development, either in phased increments or at full build-out, is to be accommodated safely and without causing undue congestion upon adjoining streets.

   A Traffic Impact Analysis (TIA) was prepared by Urban Crossroads in January 2007. The results of the TIA revealed that the proposed TTM 32537 would generate 699 daily trips (55 a.m. peak hour trips and 74 p.m. peak hour trips), and that the proposed TTM 35422 would generate 1,924 daily trips (151 a.m. peak hour trips and 203 p.m. peak hour trips).

   The City of Lake Elsinore General Plan states that the objective of the City is to "strive to maintain a minimum Level of Service 'C' at all intersections during non-peak hours and Level of Service (LOS)'D' at all intersections during peak hours to ensure that traffic delays are kept to a minimum." With the incorporation of mitigation measures in the Mitigation Monitoring and Reporting Program, the project will meet LOS 'D' objective.

4. The Final Specific Plan shall identify a methodology to allow land uses to be adequately serviced by existing or proposed public facilities and services.

   The Specific Plan Amendment has been reviewed and conditioned to provide adequate public services to support the anticipated development. In addition, recreational amenities, pedestrian pathways, and open space for residents in the two proposed tract maps is required by the Specific Plan Amendment.

5. The overall design of the Specific Plan shall produce an attractive, efficient and stable development.

   The Specific Plan Amendment will allow the construction of single family neighborhoods in the western portion of the Plan with parks, amenities, and primary and secondary access.

6. In accordance with the requirements of the California Environmental Quality Act (CEQA), impacts have been reduced to a less than significant level through adoption of mitigation measures, the Mitigation and Monitoring Program, and conditions of approval.

SECTION 3. Based upon all of the evidence presented, both written and testimonial, the above findings, and the conditions of approval imposed upon the Project, the City Council hereby adopts an Ordinance amending the Ramsgate Specific Plan for a sixth revision.

SECTION 4. If any provision, clause, sentence or paragraph of this Ordinance or the application thereof to any person or circumstance shall be held invalid, such invalidity shall not affect the other provisions of this Ordinance and are hereby declared to be severable.

SECTION 5. This Ordinance shall take effect thirty (30) days after the date of its final passage. The City Clerk shall certify as to adoption of this Ordinance and cause this Ordinance to be published and posted in the manner required by law.

PASSED, APPROVED, AND ADOPTED at a regular meeting of the City Council of the City of Lake Elsinore, California, on this 28th day of August 2007.

ROBERT E. MAGEE
MAYOR
CITY OF LAKE ELSINORE

ATTEST:

MICHELLE SOTO
INTERIM CITY CLERK

APPROVED AS TO FORM:

BARBARA ZEID LEIBOLD
CITY ATTORNEY
CITY OF LAKE ELSINORE

STATE OF CALIFORNIA)
COUNTY OF RIVERSUDE)ss.
CITY OF LAKE ELSINORE)

I, MICHELLE SOTO, Interim City Clerk of the City of Lake Elsinore, California, hereby certify that the foregoing Ordinance No. 1230 was introduced at a regular meeting of the City Council of the City of Lake Elsinore on the 14th day of August 2007, and was finally passed at a regular meeting of the City Council of the City of Lake Elsinore held on the 28th day of August 2007, by the following roll call vote:

AYES: MAYOR ROBERT E. MAGEE
MAYOR PRO TEM DARYL HICKMAN
COUNCILMEMBER THOMAS BUCKLEY
COUNCILMEMBER GENIE KELLEY
COUNCILMEMBER ROBERT SCHIFFNER

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

MICHELLE SOTO
INTERIM CITY CLERK

ORDINANCE NO. 1229

AN ORDINANCE OF THE CITY OF LAKE ELSINORE, CALIFORNIA, APPROVING PRE-ANNEXATION ZONE CHANGE NO. 2007-01

WHEREAS, the Shopoff Group has submitted an application with the City of Lake Elsinore to Pre-Zone 75.1 acres of land proposed for annexation into the City of Lake Elsinore located south of State Route 74 (Central Avenue), north of Wasson Canyon, west of Rosetta Canyon Drive, and east of Cambern and Conard Avenues (APNs 347-330-001, -002, -022, -023, -065, -067 through -074; 347-360-001 and 002; 377-100-006, -009 and -010: the "Property") which will change the City's official zoning map and designate the Property as Ramsgate SP (the "Pre-Zone"); and

WHEREAS, Government Code Section 56375 indicates that as a condition to annexation, a city shall pre-zone the territory to be annexed or present evidence satisfactory to the Local Agency Formation Commission ("LAFCO") that the existing development entitlements on the territory are vested or built-out, and are consistent with the city's general plan; and

WHEREAS, the Pre-Zone conforms to and is consistent with the proposed General Plan Amendment No. 2007-01 for the Property; and

WHEREAS, after considering the Pre-Zone at a regular meeting held on July 17, 2007, the Planning Commission of the City of Lake Elsinore recommended that the City Council approve Pre-Annexation Zone Change No. 2007-01; and

WHEREAS, public notice of the Pre-Zone has been given, and the City Council has considered the Planning Commission's recommendation and evidence presented by the Community Development Department and other interested parties at a public hearing held with respect to this item on August 14, 2007.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE DOES ORDAIN AS FOLLOWS:

SECTION 1. The City Council has considered the proposed Pre-Zone prior to making a decision to approve Pre-Annexation Zone Change No. 2007-01.

SECTION 2. That in accordance with the Cortese Knox Hertzberg Local Government Reorganization Act of 2000, the State Planning and Zoning Law, and the Lake Elsinore Municipal Code, the City Council makes the following findings for the approval of Pre-Annexation Zone Change No. 2007-01:

1. The proposed zone change will not be: a) detrimental to the health, safety, comfort or general welfare of the persons residing or working within the neighborhood of the proposed zone change or within the City, or b) injurious to the property or improvements in the neighborhood or within the City.

The proposed Pre-Zone has been analyzed relative to its potential to have detrimental effects. It has been determined that the health, safety and welfare of surrounding residents may be improved as a result of future improvements to infrastructure such as water, sewer, paving and drainage facilities brought to the site as a requirement of any future development. The proposed "Ramsgate SP" zoning will ensure that development standards and design guidelines of the specific plan will be consistently applied throughout the site.

2. The proposed zone change will permit reasonable development of the area consistent with its constraints and will make the area more compatible with adjacent properties.

   The proposed zoning of "Ramsgate SP" will allow for the continuation of the single family residential neighborhoods that already exist or are under construction to the east.

3. The proposed zone change would establish a land use density and usage more in character with the subject property's location, access, and constraints.

   The zone change proposes a boundary adjustment to allow for an integration of the Property with the adjacent Ramsgate Specific Plan. The zone change allows for the development of the Property in accordance with proposed Tentative Tract Map Nos. 32537 and 35422, which provide a 5.6 acre park and two small pocket parks, walking trails, water basins, and open space lots.

SECTION 3. Based upon all of the evidence presented, both written and testimonial, the above findings, and the conditions of approval imposed upon the Project, the City Council approves Pre-Annexation Zone Change No. 2007-01.

SECTION 4. If any provision, clause, sentence or paragraph of this Ordinance or the application thereof to any person or circumstance shall be held invalid, such invalidity shall not affect the other provisions of this Ordinance and are hereby declared to be severable.

SECTION 5. This Ordinance shall take effect thirty (30) days after the date of its final passage. The City Clerk shall certify as to adoption of this Ordinance and cause this Ordinance to be published and posted in the manner required by law.

PASSED, APPROVED, AND ADOPTED at a regular meeting of the City Council of the City of Lake Elsinore, California, on this 28th day of August 2007.

ROBERT E. MAGEE
MAYOR
CITY OF LAKE ELSINORE

ATTEST:

MICHELLE SOTO
INTERIM CITY CLERK

APPROVED AS TO FORM:

BARBARA ZEID LEIBOLD
CITY ATTORNEY
CITY OF LAKE ELSINORE

STATE OF CALIFORNIA)
COUNTY OF RIVERSUDE)ss.
CITY OF LAKE ELSINORE)

I, MICHELLE SOTO, Interim City Clerk of the City of Lake Elsinore, California, hereby certify that the foregoing Ordinance No. 1229 was introduced at a regular meeting of the City Council of the City of Lake Elsinore on the 14th day of August 2007, and was finally passed at a regular meeting of the City Council of the City of Lake Elsinore held on the 28th day of August 2007, by the following roll call vote:

AYES: MAYOR ROBERT E. MAGEE
MAYOR PRO TEM DARYL HICKMAN
COUNCILMEMBER THOMAS BUCKLEY
COUNCILMEMBER GENIE KELLEY
COUNCILMEMBER ROBERT SCHIFFNER

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

MICHELLE SOTO
INTERIM CITY CLERK