

HIGH SCHOOL SITE PURCHASE AGREEMENT

THIS HIGH SCHOOL SITE PURCHASE AGREEMENT (this "**Agreement**") is made this 27th day of August, 2011 ("**Effective Date**"), by and between HERITAGE FIELDS EL TORO, LLC, a Delaware limited liability company ("**Heritage**"), and IRVINE UNIFIED SCHOOL DISTRICT, a Political Subdivision of the State of California ("**District**").

RECITALS

A. District is a Political Subdivision of the State of California, and is fully vested with the power to acquire property by eminent domain.

B. Heritage owns fee title to property within the City of Irvine and the jurisdictional boundaries of the District ("**Heritage Fields Property**"). Heritage is the master developer of a planned community on the Heritage Fields Property which will include residential dwelling units and non-residential development.

C. To mitigate anticipated school impacts from development of the Heritage Fields Property, Heritage and the District have entered into that certain Heritage Fields School Mitigation Agreement dated July 21, 2011 ("**School Mitigation Agreement**") under which, among other things, Heritage has agreed to provide District with school sites for, fund and/or construct interim and permanent school facilities, including but not limited to, construction and conveyance of two kindergarten through 8th grade school facilities and the conveyance to the District of certain real property more particularly described in Exhibit A ("**High School Site**") (the location or boundary configuration of which may be changed pursuant to the terms of this Agreement) on which the District intends to construct a fifth high school ("**High School**") using funds more particularly set forth in the School Mitigation Agreement.

D. The parties intend, by this Agreement, to more particularly set forth the terms, covenants and conditions under which Heritage will convey the High School Site to the District and guarantee performance of Heritage's obligations under the School Mitigation Agreement to convey the High School Site (the location or boundary configuration of which may be changed pursuant to the terms of this Agreement) pursuant to the terms hereof.

E. The Board of Education of District has found and determined that the public interest and necessity require the acquisition by District of the High School Site for purposes of constructing and operating high school facilities thereon.

AGREEMENT

NOW, THEREFORE, in view of the foregoing recitals and in consideration of the following terms, conditions and covenants, it is agreed as follows:

1. Sale of High School Site. Upon all of the terms, conditions and covenants of this Agreement and for a purchase price equal to the Appraised Value set forth in Section 9

("Purchase Price"), Heritage agrees to sell the High School Site to District by Grant Deed in the form attached hereto as Exhibit B (the "**Grant Deed**").

2. Conditions.

(a) District's obligation to purchase the High School Site is contingent upon satisfaction of the following conditions:

(i) Heritage shall not be in material default of any term or condition of this Agreement or those provisions of the School Mitigation Agreement solely with respect to the conveyance of the High School Site;

(ii) Heritage shall have deposited with Escrow Holder all documents required to be delivered by Heritage under this Agreement;

(iii) All representations and warranties as made by Heritage in this Agreement (subject to the provisions of Section 15(b) below) shall continue to be true and correct in all material respects as of the Close of Escrow as though made at that time;

(iv) District shall have approved the physical condition of the High School Site as provided in this Section 2(a)(iv), which approval may be withheld in District's sole and absolute discretion. Provided that District is not in breach of this Agreement, District shall be entitled to enter upon the High School Site, at reasonable times and upon reasonable notice during the Feasibility Period (defined below), for the purposes of conducting its evaluation of the physical condition of the High School Site, including investigation and evaluation of soil, subsurface soils, drainage, seismic and other geological and topographical matters, location of asbestos, toxic substances, hazardous materials or wastes, if any, and performing any environmental, soils and other engineering tests so as to ensure that the High School Site complies with all School Site Laws described in Section 2(a)(vi); provided that no intrusive drilling, boring, testing and/or changes shall be made in the condition of the High School Site without the express prior written approval of Heritage, which approval shall not be unreasonably withheld, conditioned or delayed, and District shall indemnify, protect, defend and hold Heritage harmless from and against any claims, losses, damages, liabilities, costs or expenses (including, without limitation, reasonable attorneys' and experts' fees and other costs) arising out of or in connection with any activities on the High School Site by District and/or District's agents or representatives. District shall be deemed to have approved the physical condition of the High School Site unless District has delivered to Heritage, not later than that date (the "**Feasibility Date**") which is the "State Approval Date" (as defined in Section 38 below), written notice disapproving the physical condition of the High School Site. The period between the Effective Date and the Feasibility Date shall be the known as the "**Feasibility Period.**" If District delivers written notice to Heritage of District's disapproval of a matter relating to the physical condition of the High School Site, Heritage shall have a period of ten (10) days after receipt of such notice to elect to cure any such disapproved matter (and failure by Heritage to elect in writing to cure any such matter within such ten (10) day period shall be deemed Heritage's election not to cure such disapproved matter). If Heritage elects to cure a disapproved matter relating to the physical condition of the High School Site, then it shall be a condition to District's obligation to purchase the High School

Site that such matter be cured prior to the Close of Escrow. If Heritage elects or is deemed to have elected not to cure any matter disapproved by District as provided above, the parties shall meet and confer to determine whether the disapproved matter can be remedied by reconfiguring the boundaries of the High School Site and, if so, the parties shall agree upon the appropriate reconfiguration of the boundaries of the High School Site as provided in Section 8(b). In the event the failure of condition cannot be remedied by reconfiguration of the boundaries, then the parties shall select a substitute site on the Heritage Fields Property as the High School Site as provided in Section 8(b);

(v) District shall have determined, in its sole and absolute discretion, that the High School Site is not in violation of any federal, state, or local law, ordinance, or regulation relating to Hazardous Materials, industrial hygiene, or to the environmental conditions on, under, or about the High School Site, or any portion thereof, including, but not limited to, soil and groundwater conditions ("**Environmental Laws**"). The term "**Hazardous Materials**" when used in this Agreement shall mean any hazardous waste, hazardous substance, hazardous materials or toxic substances as defined, as of the Close of Escrow, in any federal, state, or local statute, ordinance, rule, or regulation applicable to the High School Site, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (Title 42 United States Code sections 9601-9675), the Resource Conservation and Recovery Act (Title 42 United States Code sections 6901-6992k), the Carpenter-Presley-Tanner Hazardous Substance Account Act (Health and Safety Code sections 25300-25395), Hazardous Waste Control Law (Health and Safety Code sections 25100-25250.25), the Hazardous Materials Transportation Act, as amended (Title 49 United States Code Sections 1801-1819), and any substance defined as "hazardous waste" in Health and Safety Code Section 25117 or as a "hazardous substance" in Health and Safety Code Section 25316, and in the regulations adopted and publications promulgated under these laws. "Hazardous Materials" shall also include asbestos or asbestos-containing materials, radon gas, and petroleum or petroleum fractions, whether or not defined as a hazardous waste or hazardous substance in any such statute, ordinance, rule, or regulation as of the Close of Escrow. District shall be deemed to have determined that the High School Site is not in violation of any Environmental Laws unless District gives Heritage written notice to the contrary prior to the Feasibility Date. Once District has determined or is deemed to have determined that the High School Site is not in violation of any Environmental Laws, it shall be a condition to District's obligation to purchase the High School Site that no event shall thereafter occur prior to the Close of Escrow which would cause the High School Site to be in violation of any Environmental Laws;

(vi) District shall have determined, in its sole and absolute discretion, that its acquisition of the High School Site is in compliance with all applicable California laws and regulations relating to school site acquisition ("**School Site Laws**"), including without limitation the following:

(A) Requirements for school site approval by the California Department of Education (Education Code Sections 17210 et seq. and Title 5 of the California Code of Regulations, Sections 14000 et seq.);

(B) All environmental requirements applicable to school site acquisition, including without limitation, geological and soil engineering investigations, hazardous waste and hazardous air emissions, and Phase I and Phase II Reports and Preliminary Endangerment Assessments, if applicable (Education Code Sections 17210, 17212, 17212.5, 17213 and 17213.1; Public Resources Code Section 21151.8);

(C) California Environmental Quality Act (Public Resources Code Sections 21000 et seq.);

(D) Zoning compliance (Government Code Sections 53091, 53094 and 65402; Public Resources Code Section 21151.2);

(E) Any additional requirements of the State of California, including without limitation, the California Department of Education, the Department of Toxic Substances Control, the State Allocation Board and the Office of Public School Construction.

District shall be deemed to have determined that its acquisition of the High School Site is in compliance with School Site Laws unless District shall have delivered written notice to the contrary prior to the Feasibility Date. Once District has determined or is deemed to have determined that the High School Site is in compliance with School Site Laws, it shall be a condition to District's obligation to purchase the High School Site that no event shall thereafter occur prior to the Close of Escrow which would cause the High School Site to not be in compliance with all School Site Laws;

(vii) District shall have approved its review of due diligence materials that it obtains on its own or that are provided by or through Heritage, which approval may be withheld in District's reasonable discretion. District shall be deemed to have approved all such materials unless District shall have delivered written notice to the contrary prior to the Feasibility Date;

(viii) District shall have approved the condition of title as provided in this paragraph. Within fifteen days after the Effective Date, Heritage shall provide District with a North American Title Insurance Company Preliminary Title Report (the "**Preliminary Title Report**") offering to insure title to the High School Site in the amount of Purchase Price subject to the exceptions and exclusions shown thereon. Heritage makes no representation or warranty whatsoever in connection with the accuracy or completeness of any matter shown on the Preliminary Title Report. District shall take title to the High School Site subject to all items shown on said Preliminary Title Report except only such matters as District expressly disapproves in writing to Heritage, which approval may be withheld in District's sole and absolute discretion, on or before the Feasibility Date. Should District fail to disapprove any matter affecting the condition of title or constituting an exception to coverage under the Title Policy as set forth below, such matter and/or exception shall be deemed approved by District. If District delivers written notice to Heritage of District's disapproval of an item reflected in the Preliminary Title Report, Heritage shall have a period of ten (10) days after receipt of such notice to elect to remove any such disapproved item (and failure by Heritage to elect in writing to remove any such item within such ten (10) day period shall be deemed Heritage's

election not to remove such disapproved item). If Heritage elects to remove a disapproved item, then it shall be a condition to District's obligation to purchase the High School Site that such item be removed as an exception in the "Title Policy" (as defined below). If Heritage elects or is deemed to have elected not to remove any title item disapproved by District as provided above, then District may within ten (10) days after such election or deemed election by Heritage elect in writing to waive its previous disapproval of such item (and failure by District to waive such prior disapproval shall be deemed District's election not to waive such prior disapproval). In the event District elects, as described in subsection (ix) below, to obtain any extended coverage ALTA owner's title insurance policy, and such extended coverage requires an ALTA survey (all of which shall be at District's sole cost and expense), District shall take title subject to matters disclosed by such ALTA survey except only such matters as District expressly disapproves (which approval may be withheld in District's reasonable discretion) by that date specified above for approval of the original Preliminary Title Report. District acknowledges that the High School Site may be encumbered by a variety of utility or other easements, that Heritage has made absolutely no representations about the effect of any such easements on District's intended use of the High School Site or the possibility of removal or modification of such easements, and that District shall be solely responsible for evaluating such easements as part of District's title review under this Section. Upon the issuance of any amendment or supplement to the Preliminary Title Report which adds additional exceptions or adds any new requirement, the foregoing right of review and approval shall also apply to said amendment or supplement; provided, however, that District's period of review and approval or disapproval of any such additional exceptions shall be limited to ten (10) business days following District's receipt of the amendment or supplement and a copy of any new exception referred to therein.

(ix) North American Title Insurance Company (as agent for First American Title Insurance Company) ("**Title Company**") shall be committed to issue to District a CLTA standard coverage owner's policy of title insurance or, if District so elects and agrees to pay the incremental cost thereof, an ALTA extended coverage owner's policy (the "**Title Policy**"), with liability in the amount of the Purchase Price, insuring fee title to the High School Site vested in the District, subject only to those matters or exceptions set forth in Section 3 of this Agreement. District shall notify Heritage, in writing, on or before September 21, 2011, of its election to require an ALTA title insurance policy, and District's failure to provide such notice by that date shall be deemed District's election not to require an ALTA policy;

(x) The California Department of Education ("**CDE**") shall have approved the acquisition of the High School Site by District; and

(xi) If and to the extent required by applicable law, the California Department of Toxic Substances Control ("**DTSC**") shall have approved the condition of the High School Site.

(xii) If eligible for State Funds, the District shall have filed and shall be actively processing an application with the State Allocation Board ("**SAB**") for State Funds for the High School Site.

(xiii) Heritage (or District, as District's election) shall have obtained the Environmental Insurance described in Section 7(c) of this Agreement.

(b) Heritage's obligation to sell the High School Site to District is contingent upon satisfaction of the following conditions:

(i) District shall not be in material default of any term or condition of this Agreement;

(ii) District shall have deposited with Escrow Holder all documents required to be delivered by District under this Agreement;

(iii) All representations and warranties as made by District in this Agreement (subject to the provisions of Section 15(a) below) shall continue to be true and correct in all material respects as of the Close of Escrow as though made at that time;

(iv) The State Approvals shall have been received.

(c) District or Heritage, respectively, may at any time or times, at its election, waive any of the conditions set forth in Sections 2(a) or 2(b) above to its obligation to purchase or sell the High School Site, but any such waiver shall be effective only if contained in a writing signed by the party waiving the condition and delivered to the other party.

(d) In the event there is a failure of any condition to either party's obligation as set forth in Sections 2(a) and 2(b) above, unless such failure is waived by the party for whose benefit the condition exists as set forth in Section 2(c) above, then the parties shall meet and confer to determine whether the failure of condition can be remedied by reconfiguring the boundaries of the High School Site and, if so, the parties shall agree upon the appropriate reconfiguration of the boundaries of the High School Site as provided in Section 8(b). In the event the failure of condition cannot be remedied by reconfiguration of the boundaries, then the parties shall select a substitute site on the Heritage Fields Property as the High School Site as provided in Section 8(b); provided, however, that either party may at any time after the failure of a condition to the other party's obligations as set forth in Sections 2(a) and 2(b) give the other party written notice (a "**Demand Notice**") demanding that the other party either waive the failed condition or participate in the Reconfigured/Substituted Site Process described in Section 8(b), and the other party's failure to waive the failed condition in writing within ten (10) business days after receipt of the Demand Notice (or such longer period as may be established by the party giving such Demand Notice) shall be deemed the other party's consent to initiate the Reconfigured/Substituted Site Process described in Section 8(b). With the exception of the State Approvals condition and unless a "Default Transfer" has been triggered, if escrow closes and the High School Site is conveyed under this Agreement, both parties shall be deemed to have waived any condition set forth in Sections 2(a) and 2(b) which has failed, and if such failed condition required approval by either party, such deemed waiver of the condition shall also be deemed an approval of the previously disapproved item.

3. Title. Heritage shall transfer the High School Site to District in a condition which is insurable under the Title Policy showing and insuring title to the High School Site vested in District subject to the following:

(a) Conditions, covenants, restrictions, easements, reservations, rights, rights-of-way, dedications, offers of dedication and other matters of record shown the Preliminary Title Report and approved or deemed approved by District as provided in Section 2(a)(vii)above;

(b) All matters set forth on the Grant Deed in the form attached hereto as Exhibit B;

(c) The covenants, conditions, restrictions and reservations set forth in the Declaration of Special Land Use Restrictions, in the form attached hereto as Exhibit C, which is to be recorded as to the High School Site immediately after the Grant Deed;

(d) Title Company's usual and customary printed exceptions to CLTA title insurance (or, if District elects to obtain an ALTA extended coverage policy, then the usual and customary printed exceptions to ALTA extended coverage title insurance);

(e) All matters caused by District or its agents or representatives, including but not limited to liens for materials supplied to or services performed for District and relating to the High School Site; and

(f) All other matters approved in writing by District.

District shall obtain title insurance insuring its title to the High School Site upon recordation of the Grant Deed. Heritage shall in good faith cooperate with District and Title Company, so that as of the recordation of the Grant Deed, Title Company will be prepared or committed to deliver to District the Title Policy, issued in an amount equal to the Purchase Price of the High School Site but without any obligation on Heritage's part to expend any money therefor.

4. Taxes and Costs.

(a) All costs borne by the District related to seeking or obtaining State Approvals shall be reimbursed by Heritage within 30 days of receipt by District of an invoice related thereto. Notwithstanding the foregoing or anything herein to the contrary, (i) Heritage shall pay for the cost of the CLTA standard coverage title policy in a coverage amount equal to fifty percent (50%) of the Purchase Price (and if District elects ALTA extended coverage, District shall pay all of the incremental cost thereof), (ii) District shall pay any documentary transfer taxes, and recording fees, and all costs of any extended coverage, lender's or other title policy, and of any riders and endorsements to the owner's policy of title insurance and of any land surveys and all necessary zoning, subdivision or other permits costs, if any, as may be required for District's acquisition and use of the Property, and (iii) each party shall pay one half (1/2) of the escrow fees and shall bear its own respective legal and accounting costs.

(b) District is exempt from ad valorem taxes and shall file any necessary application to cancel such taxes for the period after the "Close of Escrow" (as defined in Section 5 below). Provided that the High School Site is acquired by District hereunder prior to commencement of the fiscal year for which the current taxes are a lien on the High School Site, neither District nor Heritage shall be liable for the payment of such taxes for such following fiscal year. If the High School Site is acquired by District hereunder after the beginning of the fiscal year for which the current taxes are a lien on the High School Site, then the following procedures shall apply:

(i) If the High School Site is to be acquired after July 1 of the fiscal year for which the current taxes are a lien on the High School Site, Heritage shall cause that portion of such current taxes, together with any allocable penalties and costs thereon, which are properly allocable to that part of the fiscal year which ends on the day before the date of acquisition of the High School Site to either (A) be paid by Heritage prior to the date of acquisition, or (B) if unpaid for any reason, be transferred to the unsecured roll pursuant to Revenue and Taxation Code Section 2921.5 and be collectible solely from Heritage.

(ii) The portion of such taxes, together with any penalties and costs thereon, which are allocable to that part of the fiscal year which begins on the date of acquisition of the High School Site, shall be cancelled and shall not be collectible either from Heritage or from District. District shall request the county tax collector to cancel such taxes.

(iii) For the purposes of this paragraph, the date of acquisition shall be the date that the Grant Deed is recorded in the name of District or on the date of actual possession by District of the parcel covered by such Grant Deed, whichever is earlier.

(iv) If taxes have been paid on the High School Site by Heritage after July 1 of the fiscal year for which the current taxes are a lien on the High School Site, the portion of such taxes which are allocable to the part of the fiscal year which begins on the date of acquisition and made uncollectible if unpaid by virtue of this paragraph and Revenue and Taxation Code Section 4986 shall be deemed between the parties to be erroneously collected pursuant to Revenue and Taxation Code Sections 5086 and 5096.7 and Heritage shall have the right, after the date of acquisition, to apply to the Orange County Auditor, Tax Collector, or Treasurer for refund of such taxes which may be due Heritage pursuant to Revenue and Taxation Code Section 5096.7.

(v) Any application for a tax refund pursuant to subparagraph (iv) above shall be the sole responsibility of Heritage.

(vi) All real property taxes and assessments for prior fiscal years together with any penalties and costs thereon, shall be paid by Heritage.

5. Close of Escrow.

(a) Escrow; Closing Date. Heritage and District shall open escrow with North American Title Company, Attn: Jo Anne Erro, Sr. Escrow Officer, Manager, VP, 2100 S.E. Main St, Suite 450, Irvine, CA 92614 ("**Escrow Holder**") to consummate the sale contemplated in this Agreement. This Agreement, together with such standard form riders as

may be required by Escrow Holder shall constitute escrow instructions, and Escrow Holder is hereby authorized and instructed to implement the terms of this Agreement, to cause Title Company to record at the close of escrow the Grant Deed and the Declaration of Special Land Use Restrictions; provided, however, if (i) a "Default Transfer" has been triggered, and (ii) the High School Site being conveyed has not received the State Approvals, then the Declaration of Special Land Use Restrictions shall not be recorded. The date such document(s) is/are recorded shall be referred to in this Agreement as the "**Close of Escrow.**" An executed copy of this Agreement shall be submitted to Escrow Holder by Heritage within ten (10) days of the Effective Date and Escrow Holder is hereby instructed to notify Heritage and District of the date received (the "**Opening Date**"). Unless otherwise agreed by the parties, the Close of Escrow of the conveyance of the High School Site shall occur no later than 60 days prior to the High School Construction Commencement Date pursuant to Section 6(a). The date upon which Escrow actually closes shall be considered the "**Closing Date.**"

(b) Deliveries at Closing. On or before the Closing Date (i) Heritage shall deliver to the Escrow Holder, funds sufficient to pay its share of the closing costs and such other documents and instructions as may be required by this Agreement, or reasonably requested by the Escrow Holder in order to consummate the Closing; and (ii) District shall deliver to the Escrow Holder Heritage's Allocable Share of all State Funds or other Public Funding received to date for the High School Site that are payable to Heritage under the terms of the School Mitigation Agreement ("**Site Funds**"); funds sufficient to pay its share of the closing costs; and such other documents and instructions as may be required by this Agreement, or reasonably requested by the Escrow Holder in order to consummate the Closing. If no State Funds or other Public Funding have been received as of the Closing Date, this shall not delay the Close of Escrow, and Heritage's Allocable Share of any State Funds or other Public Funding received after the Closing Date (if any) shall be paid to Heritage within 30 days of receipt by the District of such State Funds or other Public Funding.

(c) Closing and Recordation. On the Closing Date, the following shall occur, all of which shall be deemed concurrent conditions:

(i) Escrow Holder shall record the Grant Deed in the Official Records of Orange County;

(ii) The Title Company shall issue the Title Policy;

(iii) Escrow Holder shall pay all Site Funds held in Escrow, along with all such interest as is earned thereon while in Escrow, to Heritage; and

(iv) Heritage shall deliver possession of the High School Site to District.

6. High School; Streets and Infrastructure.

(a) District High School; Opening Date; Commencement of Construction: District shall construct the High School on the High School Site pursuant to the terms of the School Mitigation Agreement. Except as otherwise provided in Section 3.9 of the School Mitigation Agreement, all costs of construction of the High School shall be borne by the

District. As provided in the School Mitigation Agreement, the High School shall be planned, designed, constructed and ready for occupancy in the fall of the Calendar Year in which the Five-Year High School Projection shows that there will be at least 800 unhoused existing and projected 9-12 District Students in the fourth Calendar Year after the Calendar Year in which that Five-Year High School Projection was made ("**High School Opening Date**"). Construction of the High School shall commence 30 months before July 1 of the Calendar Year that includes the High School Opening Date ("**High School Construction Commencement Date**"). By way of example, if in Calendar Year 2016, the Five-Year High School Projection shows that there will be 830 unhoused existing and projected 9-12 District Students in Calendar Year 2020, the High School Opening Date would be the fall of 2020 and the High School Construction Commencement Date would be January 1, 2018. By way of contrasting example, if in Calendar Year 2015, the Five-Year High School Projection shows that there will be 765 unhoused existing and projected 9-12 District Students in Calendar Year 2019 and 820 unhoused existing and projected 9-12 District Students in Calendar Year 2020, the High School Opening Date would not have been established, and the High School Construction Commencement Date would not be triggered.

(b) High School Site Work and Off-Site Infrastructure:

(i) Site Grading and Compaction. Following receipt of the State Approvals, Heritage shall complete the mass-grading and compaction of the High School Site to the standards for such grading and compaction established by Section 1859.74.1(a)(2) of the School Facility Program Regulations in sufficient time to improve the High School Site to such condition prior to the Closing Date ("**High School Site Work**"). Heritage shall grade the entire High School Site to within a +/-2% slope. The High School Site Work to be performed by Heritage constitutes the improvements to the High School Site to be performed by Heritage pursuant to Sections 3.5 and 3.8(a) of the School Mitigation Agreement.

(ii) Temporary Utilities. To the extent permanent utilities have not yet been provided for the High School Site as described in Section 6(b)(iii) or as necessary to allow for the construction of the other infrastructure described in Sections 6(b)(v) below, if applicable, Heritage shall extend temporary electrical and water utilities to the High School Site sufficient for District to construct its intended improvements for the High School on the High School Site, in addition to such other temporary utilities as may be required by applicable governmental agencies in order to permit such construction activities, not later than 30 days prior to the High School Construction Commencement Date, or, as to any specific construction activity and related temporary utility, such later date as Heritage and District reasonably agree shall be required so as to permit District to pursue the applicable construction activity.

(iii) Permanent Utilities. Heritage shall extend the permanent sewer, water, storm drain and dry utilities (including gas and electrical) facilities from the existing point of stub out or connection of each such utility to the nearest point on, and extending five feet within, the boundary of the High School Site (the "**Permanent Utilities Work**") not later than 90 days prior to the High School Opening Date. Except for the Permanent Utilities Work (which shall either be performed or paid for by Heritage as described above), it shall be District's sole responsibility to install all other utilities and facilities (including but not limited

to water, electric and gas meters) necessary to serve the High School Site and District's intended use thereof. District shall be solely responsible for payment of utility connection or capacity fees and charges in connection with all permanent utilities provided to the High School Site, whether or not installed by Heritage.

(iv) Temporary Access. To the extent permanent streets have not been constructed as described in Section 6(b)(v), Heritage shall provide and maintain a temporary access route or routes to the High School Site in compliance with the requirements of the applicable governmental agencies and sufficient for District to construct its intended improvements for the High School on the High School Site not later than 30 days prior to the High School Construction Commencement Date.

(v) Permanent Streets. Heritage shall construct permanent streets, with curb, gutter, sidewalks, and street lighting to City standards on two sides of the High School Site and shall extend one such street as necessary to interconnect with the existing City roadway network (all such improvements, collectively, "**Permanent Street Work**") at least 60 days prior to the High School Opening Date. The Permanent Utilities Work and the Permanent Street Work together constitute the Off-Site Infrastructure to be installed by Heritage pursuant to Section 3.8 of the School Mitigation Agreement.

(vi) Infrastructure Cost Advances. Consistent with the School Mitigation Agreement, in the event the Five-Year High School Projection shows there will be at least 800 unhoused grade 9-12 District Students but fewer than 400 unhoused Project Students (as determined using the District-wide or the New Development Analysis generation rate or, if there are at least 1,500 occupied Project Units the Actual Student Generation Rate for Project Students), on the High School Opening Date, the District may nonetheless elect to proceed with construction of the High School provided it agrees to advance to Heritage the costs of installation of the High School Site Work and Off-Site Infrastructure, not to exceed \$50,000,000. The terms and conditions under which such funds shall be advanced to and repaid by Heritage shall be as set forth in the School Mitigation Agreement and in the advance funding agreement to be entered into between the parties pursuant to Section 3.8(b) of the School Mitigation Agreement.

(vii) No Other Improvements. Except as may be specifically provided to the contrary in this Agreement, Heritage is not obligated by reason of or related to the transfer of the High School Site hereunder to construct or install any street, infrastructure or other improvements on or benefiting the High School Site.

(c) Coordination. District and Heritage shall each coordinate all work being performed on or about the High School Site with the other party and its consultants so as not to unduly impede or interfere with the other party's construction activities. In addition, District shall cooperate with Heritage in processing tentative or final maps for the High School Site, including (if necessary) execution of any such maps; provided, however, that District shall not be obligated to cooperate with Heritage regarding any portion of such maps that relate to other property (i.e., other than the High School Site) and District shall not be responsible for any cost or liability in such map processing.

(d) Damage by District. If District damages any existing street, infrastructure or other improvements, District shall promptly upon request by Heritage repair and restore such damaged improvements to its or their original condition.

(e) Review and Approval of Plans and Specifications. The education and design specifications, landscaping, and outdoor physical education facilities for the High School shall be those set forth in the School Mitigation Agreement and exhibits thereto. Subject to the other provisions of this Section 6(e), District shall ensure that all elements of the High School that are visible from the surrounding properties or improvements thereon or from adjacent streets shall reasonably comply with the design guidelines and criteria established by Heritage for the community in which the High School Site is located. District and Heritage shall develop a design review process reasonably acceptable to both District and Heritage to enable Heritage to review and provide input during the preparation and development of plans and specifications for the High School improvements (the "**Design Review Protocol**"), and District and Heritage shall thereafter follow the Design Review Protocol with regard to the design of such improvements. The Design Review Protocol shall contemplate not less than three meetings between District and Heritage during High School design development (including preparation of elevations, architectural plans, grading and drainage plans, site plans and landscape plans), preparation of plans and specifications, and preparation of working drawings. Heritage's comments and recommendations shall be limited to aesthetic features and architecture (including landscape theme) of visible elements of the High School. District may at all times reject Heritage's requested design modification(s) if (i) such requested design modification(s) would, in District's sole reasonable discretion, lead to inequities among District facilities or (ii) such requested design modification(s) would be by their very nature inappropriate for, or would violate state guidelines regulating, public high school facilities. Notwithstanding the foregoing, failure by District and Heritage to develop the Design Review Protocol shall not affect District's obligation to comply with the design guidelines and criteria described above; subject, however to the restrictions and conditions in the immediately preceding three sentences. There shall be no review by Heritage of plans and specifications for any altering, reconstruction, modernization or replacement of High School improvements by District.

7. Indemnification; Environmental Insurance.

(a) Indemnification by District. To the maximum extent permitted by law, Heritage, Five Point Communities Management, Inc. ("**Five Point**"), the "Heritage Affiliates" (as hereinafter defined), and their respective direct and indirect owners, shareholders, partners, members, officers, directors, employees, agents, servants, lenders, representatives and consultants, and all of their respective predecessors-in-interest, successors-in-interest and assigns (collectively, the "**Heritage Indemnitees**," and each, singularly, a "**Heritage Indemnitee**") shall not be liable for any loss, damage, cost (including costs of suit and attorneys' fees and expenses), injury or claim of any kind or character to any person (including death) or property, or demands of whatever nature, character, type or description, whether direct or indirect, known or unknown, existing or potential, suspected or unsuspected, which may now or hereinafter exist or be asserted against Heritage Indemnitees, or any of them, which are based upon, arise out of or relate to the development of the High School Site and the construction of improvements thereon including, without limitation, any loss, damage,

cost, injury, claim or demand arising from or caused by or alleged to arise from or be caused by (i) a defect in soils or in the preparation of soils or in the design and accomplishment of grading, (ii) the design, construction, engineering or other work with respect to the High School Site provided or performed by or for Heritage either before or after the date hereof, or (iii) a slope failure or subsurface geologic or ground water condition; or (iv) any condition of the High School Site described in the Natural Hazard Disclosure Report (described in Section 15(c) below) and/or in any other written disclosure provided by Heritage to the District. To that end, District hereby waives on its behalf all claims and demands against Heritage and the other Heritage Indemnitees and each of them for any such loss, damage, cost, injury, claim or demand, and agrees to indemnify, defend and hold harmless Heritage and the other Heritage Indemnitees and each of them and its and their property from all such loss, damage, cost (including cost of suit and attorneys' fees and expenses), injury, claim or demand, and all liabilities related thereto, whether incurred or made by District or any other person(s). The foregoing indemnity and obligation to defend and hold harmless shall not require payment as a condition precedent, a finding of liability shall not be a condition precedent to the duty to defend, and the obligations shall survive the termination of this Agreement and the delivery of the Grant Deed and be binding on District. Notwithstanding anything to the contrary above, nothing contained in this paragraph shall operate to relieve Heritage from any loss, damage, cost, injury, claim or demand which is determined by a court of competent jurisdiction was solely and proximately caused by the gross negligence or intentional misconduct of Heritage and the other Indemnitees or any of them. "**Heritage Affiliates**" shall mean, collectively, any entity in which Heritage or Five Point has a direct or indirect ownership interest of fifty percent (50%) or more or any entity that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with Heritage or Five Point (where the term "control" shall mean the power to direct the management of such entity through voting rights, ownership or contractual obligations) and all of their respective divisions, subsidiaries and other affiliates, and all of their respective predecessors-in-interest, successors-in-interest, and assigns.

(b) Indemnification by District. To the maximum extent permitted by law, District and its officers, directors, trustees, employees and all of their successors and assigns (collectively, the "**District Indemnitees**") shall not be liable for and Heritage agrees to indemnify, defend and hold harmless District and the other District Indemnitees and each of them and their property from, any loss, damage, cost (including costs of suit and attorneys' fees and expenses), injury or claim of any kind or character to any person (including death) or property, or demands of whatever nature, character, type or description, whether direct or indirect, known or unknown, existing or potential, suspected or unsuspected, which may now or hereinafter exist or be asserted against the District Indemnitees, or any of them, which are based on, arise out, or relate to any material misrepresentations or material breach of representations or warranties made by Heritage in this Agreement. The foregoing indemnity and obligation to defend and hold harmless shall not require payment as a condition precedent, a finding of liability shall not be a condition precedent to the duty to defend, and the obligations under this paragraph shall survive the termination of this Agreement and the delivery of the Grant Deed and remain binding on Heritage.

(c) Environmental Insurance. If, following completion of its due diligence regarding Hazardous Materials pursuant to Section 2(a)(v), the District determines (in its sole

and absolute discretion) that environmental insurance will be needed with respect to the High School Site, Heritage agrees to obtain (or if agreed to by District at a later date, cooperate with and assist District in connection with District's procurement of), on or before the Closing Date, a pollution legal liability insurance policy or similar insurance policy, reasonably satisfactory to District, providing coverage for claims filed by third parties against District arising from or related to pollution conditions on, under or at the High School Site and for cleanup costs associated with pollution conditions existing on, under, or at the High School Site that District becomes legally obligated to pay (the "**Environmental Insurance**"). Heritage agrees to pay, prior to the Close of Escrow, any and all commercially reasonable premiums for such policy, but only for policy limits up to five million dollars per incident and ten million dollars in the aggregate, and a term of five years from the Closing Date.

8. Relocation or Reconfiguration of High School Site.

(a) Change of Location of Site; Parties' Election. The parties may, by mutual consent, elect to designate a different site that Heritage is capable of conveying or causing to be conveyed to the District that is suitable for use as a high school site. If the parties jointly agree upon and designate such a site, Heritage shall reserve the site as the High School Site for the benefit of the District and the site thus designated shall be substituted for the property described as the High School Site on Exhibit A ("**Originally Identified Site**") in the manner described in Section 10(c), and the reservation of the Originally Identified Site shall forthwith be canceled and shall have no further force and effect.

(b) Reconfiguration or Selection of Substitute Site; School Site Laws. If the precise configuration of the Originally Identified Site fails to satisfy one or more conditions set forth in Section 2(a), the parties shall meet and confer for the purpose of reconfiguring the boundaries of the High School Site to the parties' mutual satisfaction until such reconfiguration has been agreed upon and preliminarily approved by the CDE, whereupon the legal description of the reconfigured site shall be substituted for the legal description of the Originally Identified Site, and the reservation of the Originally Identified Site shall be rescinded. If the Originally Identified Site as a whole fails to satisfy one or more conditions set forth in Section 2(a), the parties shall jointly identify and agree upon an alternative school site on the Heritage Fields Property, which, upon preliminary approval by the CDE, shall be substituted for the Originally Identified Site in the manner described in the preceding sentence and shall constitute the High School Site. The process of reconfiguring the High School Site or selecting a substitute school site on the Heritage Fields Property as the High School Site described in this Section 8(b) shall be known as the "**Reconfigured/Substituted Site Process.**"

9. Appraisal. The parties shall jointly select a certified MAI appraiser ("**Appraiser**") from a list of eight qualified appraisers selected by the District with the reasonable approval of Heritage ("**Approved List**"). The Appraiser shall conduct an appraisal of the High School Site according to its highest and best use without regard to its proposed use for school purposes using the Uniform Standards of Professional Appraisal Practice, and in accordance with all applicable requirements for appraisal of property to be acquired for school purposes ("**Appraised Value**"). The High School Site shall be appraised as if it were a clean site, safe from all contaminants in accordance with School Facility.

Program Regulations, Section 1859.74.1, CDE guidelines, and Title 5, California Code of Regulations. The High School Site shall be appraised in a construction-ready superpad condition, mass-graded and compacted with wet and dry utilities installed and stubbed to the site and curb, gutter, sidewalks and streets (including street lighting) on at least two sides of the site. The Appraiser shall consider the purchase prices of other school sites recently acquired by the District in determining the Appraised Value. All costs of the appraisal shall be borne by Heritage. If the parties cannot agree on a single appraiser, each party shall select one appraiser from the Approved List to prepare an independent opinion of value of the High School Site. If the two opinions of value differ by 10% or less, the Appraised Value shall be the average of the two. If the opinions of value differ by more than 10%, the two appraisers shall agree upon a third appraiser from the Approved List, who shall provide an independent opinion of value of the High School Site, and the Appraised Value of the High School Site shall be the average of the two closest opinions of value. If close of escrow of the conveyance of the High School does not occur within six (6) months of the date of the appraisal(s) determining the Purchase Price, all appraisals shall be updated, such that the appraised fair market value of the High School Site shall always be established as of a date not more than six (6) months prior to the date of acquisition of the High School Site by District. Each appraisal noted above shall be conducted in accordance with the applicable State requirements related to school site acquisition by school districts to ensure State Funds eligibility, and District and Heritage agree that in no event shall any of the procedures set forth above operate to circumvent such applicable State requirements, which State requirements shall be followed by District and Heritage in the event of any conflict with the procedures set forth above.

10. Memorandum and Deed in Escrow; Substitution.

(a) Deed In Escrow. Within 10 days after receipt of the ARDA Entitlements, Heritage shall deposit with the Escrow Holder the fully executed Grant Deed. If Heritage fails to convey the High School Site to the District as and when required under the terms of this Agreement, and a "Default Transfer" has been triggered, the District shall have the right, in its sole and absolute discretion and without any further action or consent by Heritage, to instruct the Escrow Holder to record and deliver the Grant Deed to the District. Notwithstanding anything to the contrary in this Agreement, deposit of the Grant Deed in escrow and provision for its recordation and delivery under this Section 10(a) is intended solely to secure the obligation of Heritage to convey the High School Site as and when required under the terms of this Agreement and does not constitute security for any other obligation under this Agreement or the School Mitigation Agreement.

(b) Memorandum of Agreement. Within 10 days after receipt of the ARDA Entitlements, Heritage shall record against the property described in Exhibit A a memorandum of agreement in the form attached as Exhibit D, executed on behalf of Heritage and the District providing record notice of the existence of this Agreement and the purchase and sale obligations hereunder.

(c) Substitution of Legal Description, Memorandum and Grant Deed. In the event Heritage and the District identify and designate a different site on the High School Site as the High School Site pursuant to Sections 8(a) and 8(b), or in the event the High School Site boundaries are reconfigured pursuant to Section 8(b), the parties shall (a) substitute a

legal description of the substituted or reconfigured site for the depiction of the Originally Identified Site attached as Exhibit A; (b) record a memorandum of agreement against substituted or reconfigured site, in the form attached as Exhibit D, and a Notice of Cancellation of Memorandum of Agreement against the Originally Identified Site, whereupon the memorandum of agreement applicable to the Originally Identified Site shall forthwith be canceled and shall have no further force and effect; and (c) substitute in escrow a new, fully executed Grant Deed, in the form attached as Exhibit B, describing the substituted or reconfigured site, whereupon the Grant Deed applicable to the Originally Identified Site shall forthwith be canceled and shall have no further force and effect.

11. Federal, State and Local Funding; Allocation and Payment. All of the provisions of the School Mitigation Agreement regarding pursuit, receipt, allocation and disbursement of State Funds and other Public Funding shall remain in full force and effect, unmodified and applicable to the High School Site and the High School, and all costs associated therewith. Wherever this Agreement provides that State Funds or other Public Funding shall be paid to Heritage, such payment shall be subject to the allocation of Public Funding pursuant to Sections 5.2, 5.3 and 5.6 of the School Mitigation Agreement. The amount payable to Heritage following such allocation shall be referred to as “**Heritage’s Allocable Share.**”

12. Conveyance In Lieu; State Funds or Other Public Funding. This Agreement implements the provisions of the School Mitigation Agreement relating to the High School Site and the High School. Consistent with the terms of the School Mitigation Agreement, the intent of this Agreement is that, in lieu of payment of fees or other mitigation funds or compliance with other School Mitigation Requirements with respect to 9th through 12th grade students, Heritage shall convey the High School Site, perform the High School Site Work and install the Off-Site Infrastructure, and shall be reimbursed its Allocable Share of any State Funds or other Public Funding received by the District for such land and improvements. The parties acknowledge and agree that if Heritage were providing mitigation in the form of a mitigation payment, such payment would be in the amount necessary to fund the cost of the High School Site (based on appraised value at highest and best use), High School Site Work and Off-Site Infrastructure, and that the District would reimburse to Heritage any State Funds or other Public Funding received for such land and improvements, such that Heritage’s mitigation obligation did not exceed the District’s local match obligation under the School Facility Program. Consistent with the foregoing, in lieu of payment by Heritage to the District of a mitigation payment equal to the Appraised Value, and payment of the Purchase Price to Heritage through escrow, the transaction is structured such that (a) Heritage’s and the District’s respective mitigation and Purchase Price payment obligations concerning the High School Site shall be deemed to have been fulfilled as of the date of Close of Escrow, and no funds shall change hands (except for Heritage’s Allocable Share of such State Funds or other Public Funding received by the District as of the Closing Date, as provided below); and (b) Heritage shall be entitled to Heritage’s Allocable Share of the balance of any State Funds or other Public Funding received by the District for the High School Site after the Closing Date consistent with the terms of the School Mitigation Agreement. If State Funds or other Public Funding is received by the District for the High School Site prior to Close of Escrow, Heritage’s Allocable Share of such shall be deposited by the District into escrow and paid to Heritage at Close of Escrow. Heritage acknowledges that it shall be entitled only to

Heritage's Allocable Share of State Funds or other Public Funding actually received by the District and bears the risk that no such State Funds or other Public Funding will be received by the District, either before or after Close of Escrow, despite the best efforts of both parties to secure such funds. The parties acknowledge and agree that this Agreement shall be used by the District as evidence that it has secured funding for the 50% local matching funds for the purchase of the High School Site required under the School Facility Program and as part of the certification to the SAB that the District will fund its local match share of the cost of purchasing the High School Site.

13. Default; Specific Performance.

(a) Breach, Default and Cure. Before either party may declare a Default and take any action based thereon (including, without limitation, commencing any administrative or judicial proceeding), the procedures in this Section 13 must be followed. The party asserting a Default ("**Non-Defaulting Party**") may elect to do so by providing written notice to the party alleged to be in Default ("**Defaulting Party**") specifying the nature of the Default and the actions, if any, to be taken by the Defaulting Party to cure or remedy the Default ("**Default Notice**"). The Defaulting Party shall have 30 days from receipt of the Default Notice within which to cure the Default (the "**Cure Period**") and, if it fails to do so within that period, it shall be deemed in Default, and the Non-Defaulting Party may exercise any rights or remedies available under this Agreement, in equity (including the right to specifically enforce this Agreement pursuant to Section 13(c)) or by law; provided, however, that if the nature of the Default is such that it cannot reasonably be cured within 30 days, the Defaulting Party shall be afforded reasonable additional time so long as it commences such cure within the Cure Period and diligently pursues such cure to completion.

(b) Default Transfer. A "Default Transfer" shall be deemed to have occurred hereunder if Heritage fails to convey the High School Site to the District as and when required under the terms of this Agreement following the passing of the applicable Default Notice and Cure Period, provided that notwithstanding the provisions of Section 13(a) that allow for additional time to cure defaults (i.e., additional beyond the initial 30-day Cure Period), for this purposes of failing to convey the High School Site to the District as and when required under this Agreement, the Cure Period shall not exceed a total of 60 days.

(c) Specific Performance. The parties acknowledge and agree that, in the event of a Default under this Agreement, the Non-Defaulting Party would be irreparably and immediately harmed and could not be made whole by monetary damages, and that the High School Property, or any substituted or reconfigured site in relation thereto, is/are unique given the fact that the High School Site ultimately transferred to the District is particularly valuable property to the District based upon the specific terms upon which it will be transferred pursuant to this Agreement and the School Mitigation Agreement. It is accordingly agreed that the parties hereto (a) will waive, in any action for specific performance, the defense of adequacy of a remedy at law and (b) shall be entitled, in addition to any other remedy to which they may be entitled at law or in equity, to compel specific performance of this Agreement in any action.

14. ARDA Entitlements. The obligations and undertakings of Heritage described herein assume and are contingent upon receipt of the ARDA Entitlements. In the event the ARDA Entitlements are not received by Heritage, or are set aside or invalidated following approval, this Agreement may be terminated at Heritage's option.

15. Representations and Warranties; Natural Hazard Disclosure.

(a) District's Representations and Warranties. District represents and warrants to Heritage as follows:

(i) District will, by the Feasibility Date, make such independent investigations as it deems necessary or appropriate concerning the use, sale, development or suitability for development of the High School Site, including but not limited to: any desired investigations or analysis of the economic value of the High School Site; the size, dimensions, location or topography of the High School Site; the availability or adequacy of access to the High School Site, or of water, sewage or any other utilities serving the High School Site; the presence or adequacy of infrastructure or other improvements on, near or concerning the High School Site; any surface, soil, subsoil or other physical conditions of or affecting the High School Site, such as climate, drainage, air, water or minerals; the amount, nature, condition or compaction of soil or subsoil; the extent or condition of title to the High School Site; present or future governmental laws, statutes, rules, regulations, ordinances, limitations, restrictions or requirements concerning the use, density, location or suitability of the High School Site or any existing or proposed development or condition thereof (collectively "**Regulations**"), including but not limited to zoning, subdivision, environmental or other such Regulations; the necessity of availability of any general or specific plan amendments, rezoning, zone variances, conditional use permits, building permits, environmental impact reports, parcel or subdivision maps, public reports or waivers by the California Department of Real Estate under the Subdivided Lands Act, or any other governmental permits, approvals or acts (collectively, the "**Permits**"); the necessity or existence of any dedications, fees, charges, costs or assessments that may be imposed in connection with any Regulations or the obtaining of any required Permits; and all other matters concerning the condition, use, development or sale of the High School Site.

(ii) Except as expressly set forth herein, District is relying solely upon its own inspection, investigation and analysis of the foregoing matters in acquiring the High School Site and is not relying in any way upon any representations, statements, agreements, warranties, studies, reports, descriptions, guidelines or other information or material furnished by Heritage or its representatives, whether oral or written, express or implied, of any nature whatsoever regarding any of the foregoing matters.

(iii) Except as set forth in Section 6, District is acquiring the High School Site "AS IS," in its condition at the close of escrow, without representation by Heritage or its representatives as to any matter, unless as expressly provided herein. No patent or latent condition affecting the High School Site in any way, whether or not known or discoverable or hereafter discovered, shall affect District's obligations to accept transfer of the High School Site or otherwise contained in this Agreement, nor shall give rise to any right of damages, rescission or otherwise against Heritage.

(iv) District has reviewed and approved the Lender Recognition Agreement attached as Exhibit E, and acknowledges that the Lender Recognition Agreement fully satisfies and discharges any and all obligations under Section 3.6(g) of the School Mitigation Agreement. District, Heritage and the lender named in the Lender Recognition Agreement shall execute such agreement concurrently with the execution of this Agreement.

(v) District is a duly organized and existing public entity by virtue of the laws of the State of California, and it has full right, power and authority to carry on its activities and to execute, deliver and perform, comply with and consummate this Agreement, subject to the State Approvals.

(vi) The execution of this Agreement by District, its delivery to Heritage and the performance by District of its obligations under this Agreement have been duly authorized by its Board of Education.

(vii) The execution, delivery, performance of and compliance with this Agreement has not resulted and will not result in any violation of, or be in conflict with, or result in the creation of, or constitute a default under, any mortgage, indenture, contract, agreement, instrument, franchise, permit, judgment, decree, order, ordinance, statute, rule or regulation applicable to District.

(viii) To District's knowledge, there is no suit, action, or legal, administrative, arbitration or other proceedings or investigation pending or, to the knowledge of District, threatened which affects its ability to perform any obligations hereunder or which materially adversely affects their respective businesses and affairs.

If District becomes aware of any act or circumstance which would change or render incorrect, in whole or in part, any representation or warranty made by District hereunder, whether as of the Effective Date or any time thereafter through the close of escrow, District will give immediate written notice of such changed fact or circumstance to Heritage, but such notice shall not release District of any liabilities or obligations with respect thereto.

The words "District's knowledge" as used herein shall mean the present, actual knowledge of Lisa Howell and Lorrie Ruiz of District, without any duty of inquiry or investigation and without any individual liability of either such person for any matters disclosed or not disclosed, and Heritage expressly waives any claims for damages or other relief against those individuals arising out of or relating to any matters disclosed or not disclosed by them pursuant to this Agreement.

(b) Heritage's Representations and Warranties. Heritage represents and warrants to District that, except as may have been disclosed on or in due diligence materials provided by Heritage to District, to Heritage's knowledge:

(i) Heritage has not received any written notice currently in effect that a condition on the High School Site violates any federal, state or local law, ordinance or regulation related to environmental conditions on or under the High School Site.

(ii) There are no conditions on the High School Site which violate any federal, state or local law, ordinance or regulation related to the condition of the High School Site as of the date hereof.

(iii) There are no pending or threatened, actions, suits, writs, injunctions, decrees, legal proceedings or governmental investigations against or affecting the High School Site or title to, the condition of, or the right to use and develop the High School Site.

(iv) Except as may be shown on the Preliminary Title Report, there are no leases, licenses or other agreements relating to the possession or occupancy of the High School Site which would be binding upon District after the Close of Escrow.

(v) Heritage has not caused or knowingly permitted any contamination by Hazardous Materials to occur on or within the High School Site, or any portion thereof, and otherwise knows of any such contamination of Hazardous Materials on or within the High School Site, or any portion thereof.

If Heritage becomes aware of any act or circumstance which would change or render incorrect, in whole or in part, any representation or warranty made by Heritage hereunder, whether as of the Effective Date or any time thereafter through the close of escrow, Heritage will give immediate written notice of such changed fact or circumstance to District, but such notice shall not release Heritage of any liabilities or obligations with respect thereto.

The words "Heritage's knowledge" as used herein shall mean the present, actual knowledge of Lynn Jochim and Richard Leigh, of Heritage's development manager (Five Point), without any duty of inquiry or investigation and without any individual liability of either such person or of Five Point for any matters disclosed or not disclosed, and District expressly waives any claims for damages or other relief against those individuals and Five Point arising out of or relating to any matters disclosed or not disclosed by them pursuant to this Agreement.

(c) Natural Hazard Disclosure. District and Heritage acknowledge that Heritage is required to disclose if any of the High School Site lies within the following natural hazard areas or zones: (i) a special flood hazard area designated by the Federal Emergency Management Agency; (ii) an area of potential flooding; (iii) a very high fire hazard severity zone; (iv) a wild land area that may contain substantial forest fire risks and hazards; (v) an earthquake fault or special studies zone; or (vi) a seismic hazard zone. District and Heritage acknowledge that Heritage has employed the services of GeoLogic or another company selected by Heritage ("**Natural Hazard Expert**") to examine the maps and other information specifically made available to the public by government agencies for the purposes of enabling Heritage to fulfill its disclosure obligations with respect to the natural hazards referred to above and to report the results of its examination to District and Heritage in writing. The written report prepared by the Natural Hazard Expert regarding the results of its examination (the "**Natural Hazard Disclosure Report**") to be provided to District by Heritage fully and completely discharges Heritage from its disclosure obligations referred to herein, and, for the purposes of this Agreement, the provisions of Civil Code Section 1103.4 regarding the non-

liability of Heritage for errors and/or omissions not within its personal knowledge shall be deemed to apply, and the Natural Hazard Expert shall be deemed to be an expert dealing with matters within the scope of its expertise with respect to the examination and written report regarding the natural hazards referred to above.

16. Mello-Roos District.

(a) CFD Proceedings. District acknowledges that prior to the Close of Escrow, Heritage intends to establish, participate in, and/or authorize the following (collectively, referred to herein as the “**CFD Proceedings**”): (i) formation of a Mello-Roos community facilities district (the “**CFD**”) pursuant to the Mello-Roos Community Facilities Act of 1982, commencing with California Government Code Section 53311 (the “**Mello-Roos Act**”), over the Heritage Fields Property, including the High School Site and any potential substitute site described in Section 10(c) (each a “**Potential School Site**”); (ii) the designation of two or more improvement areas (each an “**Improvement Area**”) within the CFD, one of which will include each Potential School Site; (iii) the levy of special taxes for each Improvement Area pursuant to a separate rate and method of apportionment of special tax (each an “**RMA**”); (iv) the issuance of one or more series of bonds for each Improvement Area secured by the levy of special taxes within an Improvement Area (the “**Bonds**”); and (v) the amendment of or annexation to the CFD, an Improvement Area, the RMA, and/or the authorization of Bonds pursuant to the Mello-Roos Act.

(b) Approval of Title Exception; Exempt Property. Notwithstanding Section 2(a)(viii) and the ability of the District to object to an encumbrance on the Potential School Site, the District does hereby approve as an exception to title to the Potential School Site (whether it appears on the Preliminary Title Report or any supplement thereto) the lien of the CFD on the Potential School Site so long as the Potential School Site is identified as public property exempt from the payment of any special tax under the RMA or, upon acquisition and continued ownership by the District, will be considered public property exempt from payment of any special tax under the RMA (herein, the “**CFD Exemption Provision**”).

(c) Cooperation. The District acknowledges that the CFD is an integral part of Heritage’s development of the Heritage Fields Property. Accordingly, so long as the CFD Exemption Provision is included in the RMA, the District agrees as follows: (i) to cooperate with Heritage and all participating governmental agencies forming the CFD or governmental agencies considering the execution of a joint community facilities agreement with the CFD (collectively, the “**Governmental Agencies**”) as necessary and to execute any necessary documents required by Heritage or the Governmental Agencies signifying District’s approval of and consent to the CFD Proceedings; (ii) to not, under any circumstances, file any written or oral protest or opposition of any kind to the CFD Proceedings; (iii) to not contest, protest or otherwise challenge the formation of the CFD, the designation of any Improvement Area, the authorization, amendment and/or levy of the special taxes, or the issuance of any Bonds; (iv) to not take any action that would in any way interfere with the CFD Proceedings or the Bond financing relating thereto, including, without limitation, the timing of commencement of special taxes, the amount of special taxes, the apportionment of special taxes, and the use of the special taxes so collected by the CFD or the proceeds of the Bonds; and (v) to not interfere

with or impede the issuance of any series of Bonds issued by or in connection with the CFD or any Improvement Area.

(d) Survival of Covenants. The covenants and provisions contained in this Section 16 will survive the Close of Escrow for the Potential School Site.

17. Survivability. All covenants which are expressly intended hereunder to be performed in whole or in part after the recordation of the Grant Deed and all representations, warranties and indemnities by any party to any other, shall survive the recordation of the Grant Deed and be binding upon and inure to the benefit of the respective successors and permitted assigns. Any agreements, understandings, warranties or representations not expressly contained herein shall in no way bind any party. Each party expressly waives any right of rescission and all claims for damage by reason by any statement, representation, warranty, promise and/or agreement, if any, not contained in or attached to this Agreement.

18. Broker's Commission. Each party represents to the other that to the best of its knowledge, no brokerage commission, finder's fee or other compensation of any kind is due or owing to any person or entity in connection with the transactions covered by this Agreement. Each party agrees to and does hereby indemnify, defend and hold harmless the other from and against any and all costs, liabilities, losses, damages, claims, causes of action or proceedings which may result from any broker, agent or finder, licensed or otherwise, claiming through, under or by reason of the conduct of the indemnifying party in connection with this transaction.

19. Waiver, Consent and Remedies. Any party may specifically and expressly waive in writing any portion of this Agreement or any breach thereof as to it, but no such waiver shall constitute a further or continuing waiver of any preceding or succeeding breach of the same or any other provision. A waiving party may at any time thereafter require future compliance by the other party with any breach or provision so waived. The consent by one party to any act by any other for which such consent was required shall not be deemed to imply consent or waiver of the necessity of obtaining such consent for the same or any similar acts in the future. No waiver or consent shall be implied from silence or any failure of a party or act, except as otherwise specified in this Agreement. All rights, remedies, undertakings, obligations, options, covenants, conditions and agreements contained in this Agreement shall be cumulative and no one of them shall be exclusive of any other. Except as otherwise specified herein, the parties may pursue any one or more of its rights, options or remedies hereunder or may seek damages or specific performance in the event of a breach hereunder, or may pursue any other remedy by law or equity, whether or not stated in this Agreement.

20. Attorney's Fees. In the event of any action instituted between any parties hereto in connection with this Agreement, the prevailing party shall be entitled to recover from the losing party all of its costs and expenses, including court costs, expert fees and reasonable attorneys' fees.

21. Notices. Any notice, request, demand, consent, approval or other communication required or permitted hereunder or by law shall be validly given or made only if in writing and delivered in person to the designated representatives identified below or deposited in the

United States mail, duly certified or registered (return receipt requested), postage prepaid, and addressed to the party for whom intended, as follows:

TO DISTRICT:

Superintendent
Irvine Unified School District
5050 Barranca Parkway
Irvine, CA 92604-4652

With a copy to:

Atkinson, Andelson, Loya, Ruud & Romo
12800 Center Court Drive, Suite 300
Cerritos, CA 90703
Attn: Andreas Chialtas

TO HERITAGE:

Heritage Fields El Toro, LLC
25 Enterprise Way, Suite 400
Aliso Viejo, CA 92656
Attn: Lynn Jochim and Mike Alvarado

With a copy to:

Perkins Coie, LLP
Four Embarcadero Center, 24th Floor
San Francisco, CA 94111
Attn: Geoffrey Robinson

Any party may from time to time, by written notice to the other, designate a different address which shall be substituted for that specified above. If any notice or other document is sent by mail as aforesaid, the same shall be deemed fully delivered and received forty-eight (48) hours after mailing as provided above.

22. Gender and Number. In this Agreement (unless the context requires otherwise), the masculine, feminine and neuter genders and the singular and the plural shall be deemed to include one another, as appropriate.

23. Entire Agreement. This Agreement is intended to be read and interpreted in conjunction with the School Mitigation Agreement. Subject to the foregoing, this Agreement and its exhibits (all of which are incorporated herein by this reference) constitute the entire agreement between the parties hereto pertaining to the subject matter hereof, and the final, complete and exclusive expression of the terms and conditions thereof. With the sole exception of the School Mitigation Agreement, all prior agreements, representations, negotiations and understandings of the parties hereto, oral or written, express or implied, are hereby superseded and merged herein. In the event of an apparent inconsistency or conflict

between the provisions of the School Mitigation Agreement and the provisions of this Agreement, the parties shall use their best efforts to harmonize the provisions of the two agreements consistent with their purpose and intent and in a manner that preserves, to the maximum extent possible, all material consideration to both parties. If, notwithstanding such efforts to harmonize the provisions of the two agreements, there remains an inconsistency or conflict between those provisions, the provisions of this Agreement shall control.

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

25. Governing Law. This Agreement and the exhibits attached hereto have been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California.

26. Invalidity of Provision. If any provision of this Agreement as applied to any party or to any circumstance shall be adjudged by a court of competent jurisdiction to be void and unenforceable for any reason, the same shall in no way affect (to the maximum extent permissible by law) any other provision of this Agreement, the application of any such provision under circumstances different from those adjudicated by the court, or the validity of enforceability of the Agreement as a whole.

27. Amendments. No addition to or modification of any provisions contained in this Agreement shall be effective unless fully set forth in writing signed by all parties.

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

29. Authority to Execute. Each individual executing this Agreement warrants that he or she is duly authorized to execute and deliver this Agreement on behalf of such corporation or entity in accordance with its requirements therefor.

30. Assignment by District. District's rights under this Agreement may not be assigned or transferred, in whole or in part, to any other party.

31. Time of the Essence. Time is of the essence of each and every obligation of the parties under this Agreement.

32. Independent Contractors. Each party is an independent contractor and shall be solely responsible for the employment, acts, omissions, control and directing of its employees. Except as expressly set forth herein, nothing contained in this Agreement shall authorize or empower a party to assume or create any obligation or responsibility whatsoever, express or implied, on behalf of or in the name of the other party or to bind the other party or make any representation, warranty or commitment on behalf of any other party.

33. Force Majeure. The obligations of any party under this Agreement, and all deadlines by which any party's obligations hereunder must be performed, shall be excused or extended for a period of time equal to any prevention, delay or stoppage in performance

which is attributable to any strike, lock-out or other labor or industrial disturbance, civil disturbance, act of a public enemy, war, riot, sabotage, blockade, embargo, lightning, earthquake, fire, storm, hurricane, tornado, flood or explosion ("**Force Majeure**"). Any party relying on a Force Majeure shall give the other party reasonable notice thereof and the parties shall use their best efforts to minimize potential adverse effects from such Force Majeure.

34. No Joint Venture. Nothing in this Agreement shall be deemed to create any form of business organization between the parties, including, without limitation, a joint venture or partnership.

35. Rules of Construction. As used in this Agreement, "shall" is mandatory, and "may" is permissive. "Party" or "parties" means the parties to this Agreement. The parties acknowledge and agree that each of the parties and each of the parties' attorneys have participated fully in the negotiation and drafting of this Agreement. In cases of uncertainty as to the meaning, intent or interpretation of any provision of this Agreement, the Agreement shall be construed without regard to which of the parties caused, or may have caused, the uncertainty to exist. No presumption shall arise from the fact that particular provisions were or may have been drafted by a specific party, and prior versions or drafts of this Agreement shall not be used to interpret the meaning or intent of this Agreement or any provision hereof.

36. Costs of Agreements. As an extension of, and necessary part of implementing the terms of this Agreement, Heritage agrees that it will pay District reasonably in advance, and otherwise reimburse District, for all actual costs and fees associated with District's legal counsel and consultants fees attributable to the negotiation, drafting and approval of this Agreement, and all documents related thereto and required to be negotiated, drafted and approved hereunder.

37. Successors and Assigns. Subject to the conditions and limitations set forth in this Section 37, all of the covenants, stipulations, promises, and agreements contained in this Agreement by or on behalf of, or for the benefit of, any of the parties hereto, shall bind or inure to the benefit of the successors and assigns of the respective parties. Heritage shall not transfer or delegate any of Heritage's obligations under this Agreement with respect to the conveyance of the High School Site, the High School Site Work or the Off-Site Infrastructure (collectively, the "**Conveyance and Infrastructure Obligations**") without the prior written consent of District, which consent shall not unreasonably be withheld, conditioned or delayed ("**Permitted Delegation**"). Upon the effective date of such Permitted Delegation, the Conveyance and Infrastructure Obligations described in the instrument of transfer shall be transferred to and assumed by the transferee and Heritage shall be relieved of those Conveyance and Infrastructure Obligations. Heritage (and Heritage successor(s)) may assign this Agreement, or any or all of such party's rights or obligations under this Agreement, to a Heritage Affiliate (or to a lender who has advanced funds for the Project, as additional security), without the need to obtain any consent of District (except to the extent to which such assignment relieves Heritage of any of its Conveyance and Infrastructure Obligations under this Agreement, for which the consent of the District shall be required, which consent shall not unreasonably be withheld, conditioned or delayed). The conveyance or transfer of portions of the Heritage Fields Property to merchant builders or to non-residential owners,

users or developers shall not operate to transfer to or impose any of the obligations under this Agreement on any such merchant builder or non-residential owner, user or developer, which may only occur pursuant to an express Permitted Delegation.

38. Definitions. The capitalized terms used in this Agreement have the meanings set forth as follows unless the context clearly indicates otherwise:

"**Agreement**" means this High School Site Purchase Agreement.

"**Appraised Value.**" See Section 9.

"**Appraiser.**" See Section 9.

"**Approved List.**" See Section 9.

"**ARDA Entitlements**" means approval by the City of the vesting tentative maps and other entitlements pending before the City as of the Effective Date for development of 4,894 residential dwelling units on the Property and expiration of all limitations periods for legal challenge or, if any legal challenge is brought, the final resolution of that challenge (including all appeals) by dismissal, judgment or otherwise.

"**Bonds.**" See Section 16(a).

"**District**" means the Irvine Unified School District.

"**CDE**" means California Department of Education.

"**CFD.**" See Section 16(a).

"**CFD Exemption Provision.**" See Section 16(b).

"**CFD Proceedings.**" See Section 16(a).

"**Close of Escrow.**" See Section 5(a).

"**Closing Date.**" See Section 5(a).

"**Conveyance and Infrastructure Obligations.**" See Section 37.

"**Cure Period.**" See Section 13(a).

"**Default**" means any material or substantial failure by a party to perform its obligations or responsibilities under this Agreement. Minor or technical breaches or deviations from the terms of the Agreement that do not materially affect the rights or obligations of the parties shall not constitute a Default. A Default shall not exist until expiration of the applicable notice and cure period under Section 13(a).

"**Defaulting Party.**" See Section 13(a).

"Default Notice." See Section 13(a).

"Demand Notice." See Section 2(d).

"District Indemnitees." See Section 7(b).

"DTSC" means Department of Toxic Substances Control.

"Effective Date" means the date in the first paragraph of this Agreement.

"Environmental Insurance." See Section 7(b).

"Environmental Laws." See Section 2(a)(v).

"Escrow Holder." See Section 5(a).

"Feasibility Date." See Section 2(a)(iv).

"Feasibility Period." See Section 2(a)(iv)

"Five Point" means Five Point Communities Management, Inc.

"Force Majeure." See Section 33.

"Governmental Agencies." See Section 16(c).

"Grant Deed." See Section 1.

"Hazardous Materials." See Section 2(a)(iv).

"Heritage" shall mean Heritage Fields El Toro, LLC, a Delaware limited liability company.

"Heritage Affiliates." See Section 7(a).

"Heritage Indemnitee(s)." See Section 7(a).

"Heritage's Allocable Share." See Section 11.

"High School" means the district's fifth high school, to be constructed on the High School Site.

"High School Construction Commencement Date." See Section 6(a).

"High School Opening Date." See Section 6(a).

"High School Site" means real property more particularly described in Exhibit A.

"High School Site Work." See Section 6(b)(i).

"Improvement Area." See Section 16(a).

"Mello-Roos Act." See Section 16(a).

"Natural Hazard Expert." See Section 15(c).

"Natural Hazard Disclosure Report." See Section 15(c).

"Non-Defaulting Party." See Section 13(a).

"Originally Identified Site." See Section 8(a).

"Permanent Street Work." See Section 6(b)(iv).

"Permanent Utilities Work." See Section 6(b)(iii).

"Permits." See Section 15(a)(i).

"Permitted Delegation." See Section 36.

"Potential School Site." See Section 16(a).

"Preliminary Title Report." See Section 2(a)(vii).

"Project" means the project built pursuant to the ARDA Entitlements (as they may be amended or modified); provided, however, that if Heritage obtains Additional Entitlements, "Project" shall also include all development pursuant to those Additional Entitlements.

"Public Funding" means Federal Funds, State Funds and Local Funds available to fund the school site acquisition, site development and construction costs described in this Agreement.

"Purchase Price." See Section 1.

"Reconfigured/Substituted Site Process." See Section 8(b).

"Regulations." See Section 15(a)(i).

"RMA." See Section 16(a).

"SAB" means the State Allocation Board.

"School Facility Program Regulations" means the regulations adopted by the SAB.

"School Mitigation Agreement" means that certain Heritage Fields School Mitigation Agreement dated July 21, 2011, entered into by Heritage Fields Property, Heritage and the District.

"School Site Laws." See Section 2(a)(vi).

"Site Funds." See Section 5(b).

"State Approval Date" means that date upon which District determines it is in compliance with the School Site Laws pursuant to subsection (vi) of Section 2(a) and receives the approval or determination from CDE and DTSC described in subsections 2(a)(x) and 2(a)(xi) of Section 2(a).

"State Approvals" means the approvals by CDE, DTSC, OPSC and SAB.

"State Funds" means funds available to or obtained by District from the State, and which funds are either (a) designated by the State for the school facilities contemplated to be constructed pursuant to this Agreement, or (b) in the event such funds are not specifically designated by the State for such facilities, applied by District in a proportionate share to all District facilities authorized to be funded by such funds; provided, however, that "State Funds" shall not include any funds available to or obtained by District from the State exclusively for enhancements to such facilities beyond the size, scope, design and education specifications of the facilities contemplated by this Agreement."

"Title Company." See Section 2(a)(ix).

"Title Policy." See Section 2(a)(ix).

*[** Signatures on Following Page **]*

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

"District"

IRVINE UNIFIED SCHOOL DISTRICT

By: [Signature]
Name: Lisa Howell
Its: CFO

APPROVED AS TO FORM:

ATKINSON, ANDERSON, LOYA, RUIZ + FORD

[Signature]
District Counsel

"Heritage"

HERITAGE FIELDS EL TORO, LLC,
a Delaware limited liability company

By: HERITAGE FIELDS EL TORO SOLE MEMBER LLC, a
Delaware limited liability company
Its: Sole Member

By: HERITAGE FIELDS LLC,
a Delaware limited liability company
Its: Sole Member

By: LENNAR HERITAGE FIELDS, LLC,
a California limited liability company
Its: Administrative Member

By: LENNAR HOMES OF
CALIFORNIA, INC.,
a California corporation
Its: Managing Member


By: [Signature]
Name: Erik R. Higgins
Title: Vice President

JOINDER AND CONSENT

Irvine Unified School District Community Facilities District No. 09-01 ("CFD 09-01") is a party to that certain Heritage Fields Mitigation Agreement ("School Mitigation Agreement") dated July 21, 2011. Pursuant to the School Mitigation Agreement, Heritage Fields El Toro, LLC ("Heritage") and the Irvine Unified School District ("District") are entering into the High School Site Purchase Agreement ("Purchase Agreement") to which this Joinder and Consent is attached. CFD 09-01 hereby consents to the terms and conditions of the Purchase Agreement and agrees to cooperate with Heritage and the District, to the extent necessary or appropriate, in the implementation and consummation of the transaction contemplated in the Purchase Agreement.

"CFD 09-01"

Irvine Unified School District Community Facilities
District No. 09-01

By: 
Name: Lisa Howell
Title: CFD

EXHIBITS

- A Depiction of the High School Site
- B Grant Deed
- C Declaration of Special Land Use Restrictions
- D Memorandum of Agreement
- E Lender Recognition Agreement

EXHIBIT A

DEPICTION OF THE HIGH SCHOOL SITE

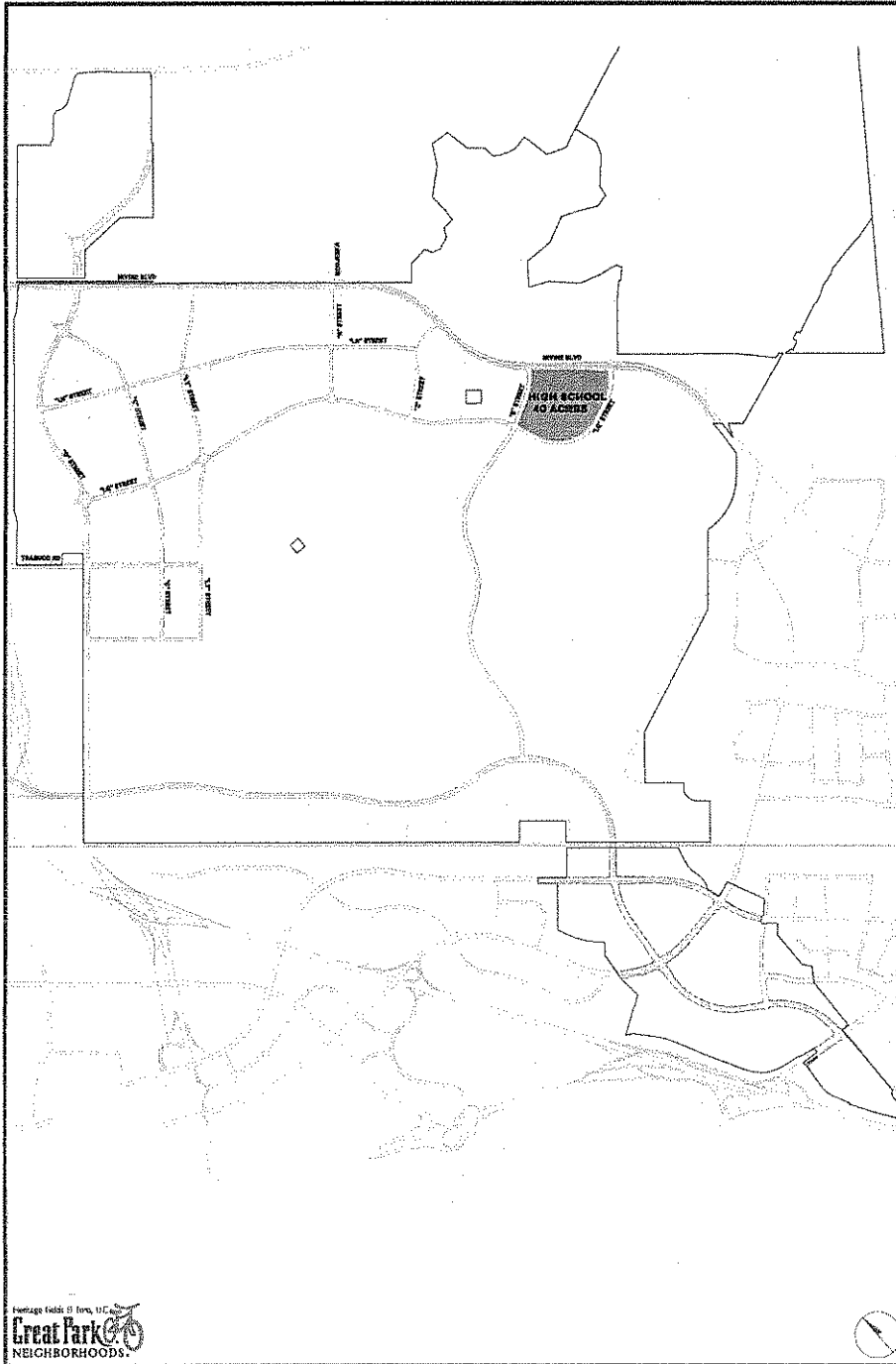


EXHIBIT B
GRANT DEED

RECORDING REQUESTED
BY:

WHEN RECORDED MAIL TO:

Irvine Unified School District
P.O. Box 19535
Irvine, CA 92713
Attn: Lisa Howell

SPACE ABOVE THIS LINE FOR RECORDER'S USE

GRANT DEED

The undersigned Grantor declares:

Documentary transfer tax is \$ Exempt (RT&R Code 11422)

() Unincorporated area: (X) City of Irvine.

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, HERITAGE FIELDS EL TORO, LLC, a Delaware limited liability company, as "**Grantor**," hereby GRANTS to the IRVINE UNIFIED SCHOOL DISTRICT, a Political Subdivision of the State of California, as "**Grantee**," that certain real property in the City of Irvine, County of Orange, State of California, described on Attachment "A" attached hereto (the "**Land**").

SUBJECT TO:

1. Covenants, conditions, restrictions, reservations, rights, right-of-way, dedications, offers of dedication and easements of record or apparent.
2. That certain Declaration of Special Land Use Restrictions ("**Declaration**") recorded simultaneously herewith, if any.

IN WITNESS WHEREOF, Grantor has caused this Grant Deed to be executed by its duly authorized officer.

Dated: _____

HERITAGE FIELDS EL TORO, LLC,
a Delaware limited liability company

By: HERITAGE FIELDS EL TORO SOLE MEMBER LLC, a
Delaware limited liability company
Its: Sole Member

By: HERITAGE FIELDS LLC,
a Delaware limited liability company
Its: Sole Member

By: LENNAR HERITAGE FIELDS, LLC,
a California limited liability company
Its: Administrative Member

By: LENNAR HOMES OF
CALIFORNIA, INC.,
a California corporation
Its: Managing Member

By: _____
Name: _____
Title: _____

ACCEPTANCE

Grantee by its execution of this Instrument, hereby accepts the transfer of the Land upon the conditions and reservations stated in this Instrument.

Dated: _____

IRVINE UNIFIED SCHOOL DISTRICT,
a Political Subdivision of the State of California

By: _____

By: _____
Its: _____

APPROVED AS TO FORM

Irvine Unified School District Legal Counsel

By: _____

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, 200__, before me, _____, a
Notary Public in and for said State, personally appeared _____

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

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

WITNESS my hand and official seal.

Notary Public in and for said State

(SEAL)

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, 200__, before me, _____, a
Notary Public in and for said State, personally appeared _____

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

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

WITNESS my hand and official seal.

Notary Public in and for said State

(SEAL)

EXHIBIT C

DECLARATION OF SPECIAL LAND USE RESTRICTIONS

RECORDING
REQUESTED BY:

WHEN RECORDED MAIL
TO:

SPACE ABOVE THIS LINE FOR RECORDER'S USE

DECLARATION OF SPECIAL LAND USE RESTRICTIONS

This DECLARATION OF SPECIAL LAND USE RESTRICTIONS ("**Declaration**") is made as of _____, 20_____ by and between HERITAGE FIELDS EL TORO, LLC, a Delaware limited liability company ("**Declarant**"), and IRVINE UNIFIED SCHOOL DISTRICT, a Political Subdivision of the State of California ("**District**"), with reference to the following facts.

A. District is acquiring from Declarant certain real property ("**Land**") situated in the City of Irvine, Orange County, California described on EXHIBIT A attached hereto.

B. In connection with such acquisition, District has represented to Declarant that it is acquiring the Land to develop the same as a site for public high school facilities consistent with the provisions of this Declaration. It is agreed that Declarant is transferring the Land under terms and conditions which it otherwise would not do except in reliance on such representation by District. But for such representation by District, Declarant would not have transferred the Land to District.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, including the transfer of the Land by Declarant to District, the Parties hereto agree as follows:

ARTICLE I
Representations and Warranties.

District represents and warrants to Declarant that District is acquiring the Land to develop the same as a site for public high school facilities. On the basis of such representations and warranties, Declarant is willing to transfer the Land to District.

ARTICLE II
Establishment of Restrictions.

Section 2.1 Certain Definitions.

(a) **"Benefited Property"** shall mean the real property to which the benefit of the provisions of this Declaration inures, and as of the execution of this Declaration shall mean the real property described on EXHIBIT B attached hereto and by this reference made a part hereof. Declarant shall have the right by a duly recorded amendment hereto to unilaterally substitute for or add to the Benefited Property any real property owned by Declarant or Declarant's Affiliates in the County of Orange, California.

(b) **"Declarant's Affiliates"** shall mean, collectively, Declarant or any direct or indirect member of Declarant, and Five Point Communities Management, Inc., and all entities controlling, controlled by, or under common control with Declarant and/or Five Point Communities Management, Inc., and all of their respective divisions, subsidiaries and other affiliates, and all of their respective predecessors-in-interest, successors-in-interest, and assigns, except Declarant. Where the context reasonably requires, references in this Declaration to the term "Declarant's Affiliates" shall be deemed a reference, individually, to each of the persons or entities included within the definition of the term.

(c) **"Declarant"** shall mean Heritage Fields El Toro, LLC, a Delaware limited liability company and any "Successor Declarant" (as defined in Section 3.7 below).

(d) **"District"** shall mean the Irvine Unified School District and each and every successor, assign, owner, lessee, licensee or other occupant during its ownership or occupancy of the Land or any portion thereof or interest therein, as the context may require.

(e) **"Improvements"** or **"Structures"** shall mean and include permanent and temporary buildings, outbuildings, parking or loading areas, roadways or walkways, display or storage areas, paved areas, athletic facilities, temporary or permanent storage or other containers, portable toilets or other portable facilities, fences, walls, poles, lights, signs, trees, hedges, mass or large plantings, and all other structures of any kind located above the ground level of any site, and any replacements, additions, repairs or alterations thereto of any kind whatsoever, whether interior or exterior.

(f) **"Parties"** shall mean Declarant and District, and either may be sometimes referred to as a "Party."

(g) **"Regulations"** shall mean all present or future applicable laws, statutes, codes, ordinances, rules, regulations, limitations, restrictions, orders, judgments or other requirements of any governmental authority having jurisdiction.

Section 2.2 Purpose of Restrictions. The following covenants ("**Restrictions**") are hereby declared and agreed to be part of a general plan for the purpose of assuring use of the Land for public high school facilities and as otherwise provided below and for the enhancement and protection of the value, desirability and attractiveness of the Benefited Property. Each of the Restrictions shall be construed as covenants and conditions running with and binding upon the Land and equitable servitudes upon the Land and every part thereof, and each of the Restrictions shall be binding upon any person or entity who acquires any right, title or interest in or to any portion of the Land, for the benefit of and appurtenant to the Benefited Property, as such Benefited Property presently exists or as it may be developed and used in the future, including without limitation each parcel or lot into which the Benefited Property may be divided or subdivided. It is intended that the dominant tenement shall be all or any portion of the Benefited Property, and that the servient tenement shall be all or any portion of the Land; provided, however, that the Restrictions shall be enforceable solely by either Declarant, Declarant's Affiliates, or their successors-in-interest, notwithstanding any transfers of the Benefited Property or any portion thereof by Declarant. Every person or entity who now or hereafter owns or acquires any right, title or interest in or to any portion of the Land is and shall be conclusively deemed to have consented and agreed to be bound by every Restriction, for the benefit of the Benefited Property, whether or not any reference to this Declaration is contained in the instrument by which such person acquired an interest in the Land. District and every other person or entity that now or hereafter owns or acquires the right, title or interest in or to any portion of the Land agrees to comply with all of the Restrictions as covenantor to Declarant. District acknowledges that Declarant's Affiliates are the covenantees and third-party beneficiaries of the Restrictions (as provided in Section 3.8 below), with full rights to enforce the same as if such entities were direct parties to this instrument.

Section 2.3 Restrictions. The Restrictions are as follows:

(a) Maintenance Requirements. Prior to development of the Land by District as contemplated herein, District shall maintain the Land in a neat, clean and sanitary condition, reasonably free of weeds, pests and debris in a manner consistent with District's normal maintenance policies. Following development of the Land, and subject to District's normal budgetary requirements, District shall maintain the Land and all Improvements on the Land in a neat, clean, sanitary and safe condition according to District's normal standards for other school sites in the City of Irvine.

(b) Occupancy and Use. District shall occupy and use the Land solely for District's own use and solely for the following purposes ("**Permitted Uses**"):

(i) Specific Permitted Uses. For a public high school, including classrooms, administrative offices, athletic fields and other Improvements commonly required for operation of a public high school, and parking relating thereto, together with auxiliary school facilities which are necessary to operate, repair and maintain such classrooms, administrative offices, athletic fields and related parking (collectively, a "**Public High School**").

(ii) Permissible Ancillary Uses. Ancillary to District's use of the Land as a Public High School, District may license or otherwise grant to others a right to use portions of the Land and/or space in any Structures located thereon as required by applicable law for a use which is incidental to or in furtherance of District's use of the Land as a Public High School, provided that (A) the use by the proposed licensee or grantee, and the nature of the activities to be conducted by such licensee or grantee would not be detrimental to or in competition with uses located on the Benefited Property, (B) such activities are temporary in nature and do not restrict or limit the use of the Land on a full time basis as a Public High School, (C) such activities are consistent with and similar to activities permitted by District in its other public high school facilities, and (D) the Public High School facilities described in Section 2.3(b)(i) above have been completed. In furtherance of the foregoing restriction, retail, office, commercial and residential activities of any type (other than periodic children's fairs, book sales, bake sales or similar public high school sponsored fund raisers conducted in the evenings or on weekends) shall not be permitted on the Land, notwithstanding the fact that the school or District may benefit from the proceeds, profits, rents or other payments from or related to any such activity.

(iii) Mandated Ancillary Uses. Ancillary to District's use of the Land as a Public High School, District shall have the right to license or otherwise grant to others a right to use portions of the Land and/or space in any Structures located thereon for a use which is specifically mandated and required under applicable California law to be made of this Public High School or all similar public high school sites. Any use which is merely made permissive for a public high school site by any such law shall not be included within the permitted ancillary use allowed under this paragraph, but is not precluded so long as it meets the other herein provided requirements.

District acknowledges and agrees that Declarant and Declarant's Affiliates may suffer significant economic damages if the Land is used for other than the Permitted Uses, including but not limited to the loss of revenues from competing uses on other properties owned by Declarant, and the loss of value of Declarant's residential land due to the unavailability of nearby school facilities.

(c) Subdivision or Rezoning. Without Declarant's consent, which consent may be withheld by Declarant in its sole discretion, District shall not (i) request, make application for or agree to any change or amendment to any parcel or final map covering the Land or record any further parcel or final map or any other document creating or recognizing a division of the Land or any portion thereof or Improvements thereon pursuant to California Governmental Code Sections 66410 et seq. or any similar statute hereafter enacted, or any local ordinances adopted pursuant thereto, or file any applications with any governmental agency with respect thereto, or (ii) change or attempt any change in zoning, or obtain or apply for a zone change, variance, exception or conditional use permit with respect to the use or development of the Land or any portion thereof not expressly allowed under existing zoning.

ARTICLE III
Other Provisions Concerning Restrictions.

The foregoing Restrictions shall be subject to the following additional provisions:

Section 3.1 Term. Unless (i) a Restriction automatically terminates pursuant to the express terms of this Declaration, or (ii) Declarant records a declaration terminating one or more of the Restrictions (which are not expressly for the benefit of District), the Restrictions contained in Sections 2.3(a), 2.3(b) and 2.3(c) shall automatically terminate on that date which is thirty (30) years after the date of this Declaration.

Section 3.2 Default by District; Remedies. The breach, violation or failure by District, or its successors and assigns, to perform or satisfy any Restriction shall constitute an event of default hereunder only if such default continues for a period of thirty (30) days after written notice ("**Default Notice**") thereof from Declarant to District; provided, however, that if such default is of a type which for reasons other than reasons within the reasonable control of District is not susceptible of cure within such thirty (30) day period, but is susceptible of cure within a reasonable period of time, then no event of default shall occur hereunder if District commences such cure within such thirty (30) day period and thereafter continuously and diligently pursues the cure of such default to completion within a reasonable period of time. Upon an event of default by District hereunder, in addition to all other remedies set forth herein, Declarant at its sole option may enforce any one or more of the following remedies or any other rights or remedies to which Declarant may be entitled by law or equity, whether or not set forth herein. To the maximum extent permitted by law, all remedies provided herein or by law or equity shall be cumulative and not exclusive.

(a) Damages. Declarant may bring a suit for damages for any compensable breach of or noncompliance with any of the Restrictions.

(b) Declaratory Relief. Declarant may bring a suit for declaratory relief to determine the enforceability of any of the Restrictions.

(c) Specific Performance. District recognizes that a particular or ongoing violation of the Restrictions may cause Declarant to suffer material injury or damage not compensable in money, and that Declarant shall be entitled to bring an action for specific performance to enforce compliance with the Restrictions or an injunction to enjoin the continuance of any such breach or violation thereof, whether or not Declarant exercises any other remedy set forth herein.

Section 3.3 Exculpation. Neither Declarant nor Declarant's Affiliates shall be liable for any damage, loss or prejudice suffered or claimed by District or any owner, occupant, lessee, licensee or other person subject to or benefited or otherwise affected by the Restrictions on account of (i) any construction, performance or nonperformance by District of any work on the Land or improvements thereto and (ii) the enforcement of, or failure to enforce, any of the Restrictions.

Section 3.4 Right of Repurchase.

(a) Declarant's Right to Purchase. Except for a "Permitted Transfer" (described below), if at any time within sixty (60) years after recordation of this Declaration, District shall determine to sell or otherwise transfer all or any part of the Land or any interest therein (such Land or interest, collectively, "**Interest**"), District shall, after first complying with the provisions of California Government Code Sections 54220 et seq. regarding Surplus Lands, California Education Code Sections 17455, et seq. regarding Sale of Real Property, or any other applicable California law regarding the sale or disposal of school district real property, notify Declarant of the price and other material monetary terms on which District is willing to sell the Interest (an "**Offer Notice**"). The following transfers are "**Permitted Transfers**" and are exempt from the requirements of this Section 3.4: (i) the conveyance of an easement or others interest in the Land for installation of utilities or communication facilities serving the Land and required in connection with the Permitted Uses, (ii) a license or other agreement relating to an ancillary Permitted Use described in subsections 2.3(b)(ii), (iii) and (iv) above, or (iii) a lease by District (without any option to purchase) to a non-profit corporation and a sublease back by District from such corporation, where the lease and sublease are co-terminus, the subleasee's interest is not assignable by District to any third party, and the transaction is part of a lease financing transaction made to generate funds to finance school facilities. The Offer Notice shall also contain all relevant information which would reasonably be relied upon in evaluating whether to acquire the Interest (including but not limited to a recent preliminary title report, a list of known litigation, notices, citations and other material matters affecting the Interest, and the most recent environmental site assessment obtained by or in the possession of District concerning the Interest). If Declarant, within thirty (30) days after receipt of District's Offer Notice, notifies the District in writing of its agreement to purchase said Interest for the price and on the terms stated in District's Offer Notice, then District and Irvine shall enter into a definitive contract for the purchase and sale of said Interest and shall consummate such sale within sixty (60) days thereafter. If Declarant does not notify the District of such agreement within such thirty (30) day period or declines to purchase the Interest, then District thereafter shall have the right to sell and convey the Interest to a third party, but only for a price not less than the price offered to Declarant and on terms not more favorable than those stated in the Offer Notice, and in the event such sale to a third party is entered into within one hundred eighty (180) days after such Notice and consummated within three hundred sixty-five (365) days after such Offer Notice, Declarant's right of first offer under this Section 3.4 shall be extinguished and of no further force or effect. If District does not so contract, sell and convey the Interest within the period(s) described in the preceding sentence, any future transaction shall be deemed a new determination by District to sell and convey said Interest, and the provisions of this Section 3.4 shall again be applicable.

(b) Binding Effect. Subject to termination as provided in Section 3.4(a) above or expiration as provided in Section 3.4(c) below, the provisions of this Section 3.4 shall be binding upon and shall inure to the benefit of the respective successors in interest of District and Declarant.

(c) Irrevocability and Duration. The right of Declarant to repurchase as provided in this Section 3.4 shall be irrevocable and shall expire, if not exercised or terminated

as provided in Section 3.4(a) above, at 5:00 p.m. on the day prior to the sixtieth (60th) anniversary of the date of this Declaration.

(d) Restrictions to Continue. Nothing in this Section 3.4, including but not limited to Declarant's failure to exercise its rights granted under this Section 3.4, shall affect the other provisions of this Declaration, all of which (including the Restrictions) shall continue in full force and effect and be binding on all subsequent owners and occupants of the Land for the periods set forth in this Declaration.

Section 3.5 Waiver. Neither a waiver by Declarant of a breach of any of the Restrictions, nor a delay or failure by Declarant or District to enforce any of the Restrictions, shall (a) be construed to be a waiver of any earlier or later breach of the same or any other provision of the Restrictions, or (b) be implied from any inaction or omission by Declarant to take any action on account of such breach or failure. No express waiver by Declarant shall affect any breach or failure other than as specified in said waiver. The consent or approval by either Party to or of any act by the other Party requiring such Party's consent or approval shall not be deemed to imply consent or waiver of the necessity of obtaining such Party's consent to or approval of any subsequent similar acts by the other Party.

Section 3.6 Costs of Enforcement. In the event any declaratory or other legal or equitable action or proceeding shall be instituted between Declarant and District to enforce any provision of this Declaration, the Party prevailing in such action shall be entitled to recover from the losing Party the prevailing Party's costs and expenses, including court costs and reasonable attorneys' fees; provided, however, that if District is the original "District" hereunder (i.e., Irvine Unified School District), then each Party shall bear its own costs and expenses, including court costs and attorneys' fees.

Section 3.7 Assignment by Declarant. Any and all of the rights, powers, duties and reservations of Declarant herein contained may be assigned to any of Declarant's Affiliates, to any real estate investment trust of which any of the foregoing directly or indirectly owns at least 50% of the equity ownership interest, to any partnership of which any of the foregoing is a general partner, to a limited liability company of which any of the foregoing is the managing member, to any successor-in-interest to any of the above, or to any person or entity which acquires a material part of the assets of Declarant or any of the above entities (a "**Successor Declarant**"). Any Successor Declarant will assume the duties of Declarant pertaining to the particular rights, powers and reservations assigned and upon any such Successor Declarant evidencing its consent in writing to accept such assignment and assume such duties, he, she or it shall, to the extent of such assignment, have the same rights and powers and be subject to the same obligations and duties as are given to and assumed by Declarant herein. Except as specifically provided in Section 3.8 below concerning enforcement by Declarant's Affiliates, no party other than Declarant or a Successor Declarant (whether or not such party owns any interest in the Benefited Property) shall have any right to enforce the Restrictions against District.

Section 3.8 Declarant's Affiliate as Third Party Beneficiary. Declarant and District hereby acknowledge that, to the extent any of Declarant's Affiliates owns any portion of the Benefited Property, such Declarant's Affiliate is a third party beneficiary of the Restrictions, with full rights to enforce the same as if such Declarant's Affiliate were a third party to this

Declaration; provided, however, that any approval given by Declarant hereunder shall be binding upon Declarant's Affiliate as if Declarant's Affiliate had itself given such approval.

Section 3.9 Termination or Amendment. The Restrictions may be validly terminated, amended, modified or extended, in whole or in part, only by recordation with the Orange County Recorder of a proper Declaration approved by District and duly executed and acknowledged by Declarant to that effect.

Section 3.10 Captions. The captions used herein are for convenience only and are not a part of this Declaration and do not in any way limit or amplify the scope or intent of the terms and provisions hereof.

Section 3.11 Invalidity of Provisions. If any provision of this Declaration as applied to Declarant or District or to any circumstance shall be adjudged by a court of competent jurisdiction to be void or unenforceable for any reason, the same shall in no way affect (to the maximum extent permissible by law) any other provision of this Declaration, the application of any such provision under circumstances different from those adjudicated by the court, or the validity or enforceability of the Declaration as a whole.

Section 3.12 Notices. All notices, consents, requests, demands, approvals, authorizations and other communications provided for herein shall be in writing and shall be deemed to have been duly given if and when personally served or forty-eight (48) hours after being sent by United States registered or certified mail, return receipt requested, postage prepaid, to the other Party at the following respective addresses:

TO DISTRICT:

Superintendent
Irvine Unified School District
5050 Barranca Parkway
Irvine, CA 92604-4652

With a copy to:

Atkinson, Andelson, Loya, Ruud & Romo
12800 Center Court Drive
Suite 300
Cerritos, CA 90703
Attn: Andreas Chialtas

TO DECLARANT:

Heritage Fields El Toro, LLC
25 Enterprise Way, Suite 400
Aliso Viejo, CA 92656
Attn: Project Manager

With a copy to:

Perkins Coie, LLP
Four Embarcadero Center, 24th Floor
San Francisco, CA 94111
Attn: Geoffrey Robinson

or at such other address as the Declarant or District may designate to the other in writing.

Section 3.13 Application to Declarant. Notwithstanding anything herein contained to the contrary, if Declarant reacquires title to the Land or any portion thereof at any time after the date hereof, the Restrictions automatically shall cease and terminate and be of no further force or effect as to Declarant and such Land or portion thereof, effective as of the date of such reacquisition by Declarant.

Section 3.14 Time of Essence. Time is of the essence of each provision of this Declaration in which time is an element.

Section 3.15 Governing Law and Venue. This Declaration shall be governed by and construed under the laws of the State of California. In the event of any legal action to enforce or interpret this Declaration, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the Parties hereto agree to and do hereby submit to the jurisdiction of such court.

Section 3.16 Dispute Resolution.

(a) Any controversy, dispute or claim whatsoever arising out of, in connection with, or in relation to this Declaration, any other document relating to the subject matter of this Declaration or the use or development of the Land, including, without limitation, the validity, scope, and enforceability of this provision, shall be determined and settled, at the request of any Party, by a general reference conducted in the County of Orange, State of California, by a judge pro tem appointed pursuant to the provisions of California Code of Civil Procedure Section 638(1) *et seq.* as they may be amended from time to time, who shall be a retired judge of the Superior Court of the State of California ("**Referee**"). The Referee shall follow all of the statutes and rules applicable in a proceeding before the Superior Court of the State of California for the County of Orange, including, without limitation, the statutes and rules pertaining to discovery, evidence and law and motion. The Referee shall render its final decision in a statement of decision pursuant to California Code of Civil Procedure Section 644 ("**Statement of Decision**").

(b) If the Parties cannot agree upon a Referee within ten (10) days of either Party's request for a general reference, the Parties shall request the Presiding Judge of the Superior Court of the State of California for the County of Orange to select a Referee from among the Court's list of retired judges of the Superior Court willing to act as judge pro tem.

(c) Unless otherwise specified in the Statement of Decision or other ruling of the Referee, (i) the cost of the Referee and the expenses relating to the reference proceedings

(exclusive of attorney's fees and costs)(collectively "**Reference expenses**") shall be borne equally by the Parties, and (ii) each party shall bear its own attorney's fees and costs. The Referee, in ruling on any contested issue or motion, may award the prevailing party its Reference expenses and its attorneys' fees and costs incurred in litigating the issue or motion on which it prevailed.

(d) The provision of this Section 3.16 shall not apply to any request or application for any provisional remedy (such as a temporary restraining order and/or preliminary injunction) with respect to any right or obligation arising out of or related to this Declaration, any other document relating to the subject matter of this Declaration, or the use or development of the Land. A final and binding determination of such right or obligation shall be made by a Referee in a reference proceeding conducted pursuant to this Section 3.16.

Section 3.17 Counterparts. This Declaration may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

*[** Signatures on Following Page **]*

IN WITNESS WHEREOF, each of the undersigned has executed this Declaration as of the date first written above by its officers thereunto duly authorized.

Dated: _____

"DECLARANT"

HERITAGE FIELDS EL TORO, LLC,
a Delaware limited liability company

By: HERITAGE FIELDS EL TORO SOLE MEMBER LLC, a
Delaware limited liability company
Its: Sole Member

By: HERITAGE FIELDS LLC,
a Delaware limited liability company
Its: Sole Member

By: LENNAR HERITAGE FIELDS, LLC,
a California limited liability company
Its: Administrative Member

By: LENNAR HOMES OF
CALIFORNIA, INC.,
a California corporation
Its: Managing Member

By: _____
Name: _____
Title: _____

Dated: _____

"DISTRICT"

IRVINE UNIFIED SCHOOL DISTRICT,
a Political Subdivision of the State of California

By: _____
Its: _____

APPROVED AS TO FORM

Irvine Unified School District Legal Counsel

By: _____

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, 200__, before me, _____, a
Notary Public in and for said State, personally appeared _____

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

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

WITNESS my hand and official seal.

Notary Public in and for said State

(SEAL)

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, 200__, before me, _____, a
Notary Public in and for said State, personally appeared _____

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

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

WITNESS my hand and official seal.

Notary Public in and for said State

(SEAL)

ATTACHMENT A
TO DECLARATION OF SPECIAL LAND USE RESTRICTIONS

[Legal description of High School Site]

ATTACHMENT B
TO DECLARATION OF SPECIAL LAND USE RESTRICTIONS

[Legal description of Heritage Fields Property]

EXHIBIT D

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

[This space for Recorder's use only]

MEMORANDUM OF HIGH SCHOOL SITE PURCHASE AGREEMENT

This MEMORANDUM OF HIGH SCHOOL SITE PURCHASE AGREEMENT ("Memorandum") dated _____, __, 2011, is entered into between the IRVINE UNIFIED SCHOOL DISTRICT ("**District**"), a school district organized and existing under the laws of the State of California and HERITAGE FIELDS EL TORO, LLC, a Delaware limited liability company ("**Heritage**").

1. Property. Heritage owns fee title to certain property within the City of Irvine and the District described in Attachment A ("**Property**").
2. High School Site Purchase Agreement. Heritage and the District have entered into that certain High School Site Purchase Agreement dated August __, 2011 ("**Purchase Agreement**"), under which Heritage has agreed to sell and District has agreed to purchase the Property for purposes of construction and operation of a public high school thereon, under the terms and conditions set forth in the Purchase Agreement.
3. Purpose. The purpose of this Memorandum is to provide record notice of the existence of the Purchase Agreement and of the purchase and sale obligations thereunder.
4. No Alteration or Amendment. This Memorandum is not intended to, and shall not, alter or amend the terms, covenants and conditions of the Purchase Agreement. In the event of any conflict between the provisions of this Memorandum and those of the Purchase Agreement, the provisions of the Purchase Agreement shall prevail.

IN WITNESS WHEREOF, the parties, by their undersigned authorized signatories, have executed this Memorandum as of the date first written above.

IRVINE UNIFIED SCHOOL DISTRICT

By: _____
Name: _____
Its: _____

[Signatures continued on next page]

HERITAGE FIELDS EL TORO, LLC,
a Delaware limited liability company

By: HERITAGE FIELDS EL TORO SOLE MEMBER LLC, a
Delaware limited liability company
Its: Sole Member

By: HERITAGE FIELDS LLC,
a Delaware limited liability company
Its: Sole Member

By: LENNAR HERITAGE FIELDS, LLC,
a California limited liability company
Its: Administrative Member

By: LENNAR HOMES OF
CALIFORNIA, INC.,
a California corporation
Its: Managing Member

By: _____
Name: _____
Title: _____

ATTACHMENT A
TO MEMORANDUM OF HIGH SCHOOL SITE PURCHASE AGREEMENT

[Legal description of High School Site]

EXHIBIT D

LENDER RECOGNITION AGREEMENT