



Orange County Flood Control District Parcel
Santa Ana River RFP – Segment 2
City of Orange – Katella Segment

OPTION AGREEMENT

THIS OPTION AGREEMENT (“**Option Agreement**”) is made _____, 2026, (“**Effective Date**”) by and between the ORANGE COUNTY FLOOD CONTROL DISTRICT, a body corporate and politic (hereinafter called “**District**”) and CITY OF ORANGE, a California municipal corporation organized and existing under the laws of the State of California (hereinafter called “**Optionee**”). County and Optionee may sometimes hereinafter individually be referred to as “**Party**” or jointly as “**Parties.**”

Recitals

- A. Optionee desires to obtain an option to lease certain real property depicted as the “**Premises**” in Exhibit A to that certain ground lease, attached hereto as **Attachment I** and made a part hereof (“**Lease**”), for the purposes and uses provided in the Lease.
- B. District is the fee owner of the Premises and is willing to enter into an option to lease said Premises for such purposes and uses as set forth herein and in the Lease.

NOW, THEREFORE the Parties agree as follows:

1. DEFINITIONS (PM02.1 S)

- a. “**Board of Supervisors**” means the Board of Supervisors of the County of Orange, a political subdivision of the State of California.
- b. “**Chief Real Estate Officer**” means the Chief Real Estate Officer, County Executive Office, County of Orange, or designee, or upon written notice to Optionee, such other person as may be designated by the Board of Supervisors.
- c. “**City**” means the City of Orange, State of California, within which the Premises is located.
- d. “**County**” means the County of Orange, a political subdivision of the State of California, and shall include its Board of Supervisors, its elected and appointed officials, officers, agents, employees, and contractors
- e. “**District**” means the Orange County Flood Control District, a body corporate and politic. Any reference to the District herein, unless expressly stated to the contrary, shall refer to the District solely in its capacity as owner of the Premises and not the District in its capacity as a land use or other governmental approval authority.

- f. **“Lease”** means that certain Ground Lease attached hereto as **Attachment I**, including any and all addenda, amendments and exhibits hereto.
- g. **“Premises”** means that certain real property containing approximately 7.3 acres with Assessor Parcel Nos: portion of 375-311-13, and portion of 375-301-01 in the City, together with all easements, rights and privileges appurtenant thereto, to be leased to Optionee pursuant to the Lease for the uses and purposes as set forth therein. The legal description of the Premises is attached to the Lease as **Exhibit A**. A rendering showing the approximate boundaries of the Premises is also attached to the Lease as **Exhibit A-1**.

2. OPTION (PM03.1 S)

District hereby grants Optionee the option (**“Option”**) to lease said Premises in accordance with the covenants and conditions set forth herein and in the Lease.

3. TERM (PM05.1 S)

The term of this Option Agreement shall be thirty-six (36) months (**“Option Term”**) and shall commence on the Effective Date shown above. This Term is conditioned upon the District’s termination rights set forth in Section 16.

4. OPTION PRICE (PM04.2 N)

The price of the Option granted herein is \$1.00 (**“Option Price”**), which shall be paid District in full upon execution of this Option Agreement.

The Option Price shall be retained by District in consideration for the granting of the Option. No portion of the Option Price shall be refunded or credited to rent payments under the Lease regardless of whether Optionee exercises the Option prior to the expiration of the Option Term.

5. OPTION TERM EXTENSION (PM06.1 N)

Optionee may request an additional extension to the Option Term and the County will have sole discretion to accept or reject the Optionee’s extension request, which may additionally require Board of Supervisors approval. During the Option Term, the Optionee will fulfill the conditions precedent to the execution of the Ground Lease.

Optionee may request one (1) one (1)-year option to extend the Option Term, however the County retains sole discretion to accept or reject this request. To exercise an Option Term extension, the Optionee must submit written notification to the Chief Real Estate Officer and notification must be delivered a minimum of thirty (30) days prior to the expiration of the current Option Term and should clearly specify the desired duration of the requested extension.

6. CONDITIONS (PM07.1 N)

The Optionee may exercise its option to enter into the Ground Lease at any time during the Option Term, including any extensions, provided that all of the following conditions have been satisfied to the District's reasonable satisfaction:

1. **Insurance Requirements:** Optionee shall have provided the District with evidence of insurance coverage fully complying with the requirements set forth in Section 11 (Insurance) of the Option.
2. **Verification of Project Funding:** Optionee shall provide the District and Chief Real Estate Officer verification of the availability of secured funding to fully fund the development of the park, construction improvements and recreational facilities on the Premises. The District shall have no obligation to enter into a long-term lease unless and until Optionee has demonstrated, to the District's satisfaction, that such funding has been secured.
3. **Preliminary Plan Approval:** Optionee shall have submitted preliminary development plans to the District and received written approval from the District and Chief Real Estate Officer. The Preliminary Plans shall be prepared by an architect licensed in the State of California and who is adequately insured.
4. **Environmental Compliance:** Optionee shall have completed all required environmental reviews and obtained all necessary approvals and environmental clearances under all appropriate authorities and governmental agencies having jurisdiction over the Premises and complied with all applicable laws including but not limited to the California Environmental Quality Act (CEQA) or any other applicable environmental regulations, and delivered written confirmation of same to the Chief Real Estate Officer.
5. **Construction Readiness:** Optionee shall demonstrate its readiness to commence construction of the improvements necessary for the development of the park and recreational facilities.
6. **Permits and Clearances:** Optionee shall have obtained all applicable permits, licenses, and regulatory approvals required to initiate construction and development activities on the Premises. Optionee shall have obtained and provided Chief Real Estate Officer with satisfactory evidence of, all necessary clearances and permits from the City and any other applicable governmental or regulatory agencies. If District's consent on any application for such permits is required by any governmental or regulatory agency as a condition to the issuance of permits for the Project, then Chief Real Estate Officer shall not unreasonably withhold such consent.
7. **Maintenance:** Optionee is responsible for maintaining the Parcel in good condition during the Option and Ground Lease terms, including ordinary maintenance and repair activities. The maintenance obligations of the Optionee includes landscaping, trash removal, and minor repairs as necessary. Optionee is responsible for maintaining the Parcels, keeping parcels in good order, condition, and repair throughout the Option Term. Optionee must conduct regular inspections, keep records of inspections, and make these records available to the County upon request. No

construction or alterations to the property is permitted during the Option Term. Any proposed alterations to the parcels require prior written approval from the Chief Real Estate Officer. The Optionee must bear the cost of all due diligence work and ensure compliance with applicable laws.

Upon satisfaction of the above conditions, the District and Optionee shall execute the Ground Lease in substantially the form attached to this Agreement.

7. REVIEW BY DISTRICT (PM08.1 N)

Optionee hereby acknowledges that one of the purposes of this Option Agreement is to afford Optionee and District the opportunity to determine whether Optionee is able to meet the various conditions of this Option Agreement and is able to obtain the required approvals as set forth in this Option Agreement. Several of those conditions involve obtaining reviews and approvals from officers, employees or agents of the District, and/or the City. Each of those reviews shall be conducted in an independent manner and nothing contained herein shall be deemed to limit the jurisdiction or authority otherwise possessed by said officers, employees or agents in the conduct of such review.

Nothing contained in this Option Agreement shall be deemed to imply that required approvals will be forthcoming, and the failure to issue any such approval or permit by any officer, employee or agent of the District, and/or the City shall not be deemed in any manner a breach of this Option Agreement, nor shall any such denial give rise to any claim, liability, obligation, or cause of action with respect to this Option Agreement or the attached Lease.

No permit, approval, or consent given by the District, and/or the City, or their officers, employees, or agents, acting in its/their governmental capacity, shall affect or limit Optionee's obligations under this Option Agreement or under the Lease, nor shall any approvals or consents given under this Option Agreement by District, as a Party hereto, or by the Chief Real Estate Officer be deemed approval as to compliance or conformance with applicable governmental codes, laws, rules, and/or regulations.

8. DISCLAIMER OF REPRESENTATIONS OF WARRANTIES (PM015.1 N)

Optionee agrees that District has made no representations, warranties, or agreements as to any matters concerning the Premises, including, but without being limited to, the land, marketability of title, topography, climate, air, water, water rights, utilities, present or future zoning, soil, subsoil, hazardous substances, waste or materials, the purposes for which the Premises is suited, drainage, access to public roads, proposed routes of roads or extensions thereof or the availability of governmental permits or approvals of any kind. Optionee represents and warrants to District that it and its representatives and employees have made or will make their own independent inspection and investigation of such matters concerning the Premises.

9. OPTIONEE'S RIGHT TO ENTER PREMISES, INDEMNIFICATION (PM09.1.1 S)

Subject to prior written approval and conditions as may be specified by the Chief Real Estate Officer, Optionee and its authorized representatives shall have the right to enter upon, to pass and to repass over and along said Premises. Optionee hereby agrees to indemnify District and hold District, its officers, and

employees harmless from any loss, claims, liability, or costs arising out of or incurred by reason of such investigation. Whether or not this option terminates or expires, Optionee agrees to repair any and all damages caused to the Premises by reason of any such investigation or investigations.

10. HOLD HARMLESS (PMGE10.1 S)

Optionee hereby releases and waives all claims and recourse against District, including the right of contribution for loss or damage of persons or property, arising from, growing out of or in any way connected with or related to this Option Agreement except claims arising from the concurrent active or sole negligence of District, its officers, agents, employees and contractors. Optionee hereby agrees to indemnify, defend (with counsel approved in writing by District), and hold harmless, District, the County and its elected and appointed officials, officers, agents, employees and contractors against any and all claims, losses, demands, damages, cost, expenses or liability for injury to any persons or property, arising out of the Optionee's exercise of the rights under this Option Agreement, except for liability arising out of the concurrent active or sole negligence of District, the County and its elected and appointed officials, officers, agents, employees or contractors including the cost of defense of any lawsuit arising therefrom. If District is named as co-defendant in a lawsuit, Optionee shall notify District of such fact and shall represent District in such legal action unless District undertakes to represent itself as co-defendant in such legal action, in which event, Optionee shall pay to District its litigation costs, expenses, and attorneys' fees. If judgment is entered against District and Optionee by a court of competent jurisdiction because of the concurrent active negligence of District and Optionee, District and Optionee agree that liability will be apportioned as determined by the court. Neither party shall request a jury apportionment.

Optionee acknowledges that it is familiar with the language and provisions of California Civil Code Section 1542 which provides as follows:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

Optionee, being aware of and understanding the terms of Section 1542, hereby waives all benefit of its provisions to the extent described in this paragraph.

11. INSURANCE (PM09.2.2S)

A. General Requirements

Optionee agrees to purchase all required insurance at Optionee's expense and to deposit with District certificates of insurance, including all endorsements required herein, necessary to satisfy District that the insurance provisions of this Option Agreement have been complied with and to keep such insurance coverage and the certificates and endorsements therefor on deposit with District during the entire term of this Option Agreement and any extension thereof.

The Option shall automatically terminate at the same time Optionee's insurance coverage is terminated. If within ten (10) business days after termination under this Section, Optionee obtains and provides evidence of the required insurance coverage acceptable to Chief Real Estate Officer, this Option Agreement may be reinstated at the sole discretion of Chief Real Estate Officer.

Optionee shall pay District Seven Hundred Fifty Dollars (\$750.00) for processing the reinstatement of this Option Agreement.

Optionee agrees that Optionee shall not operate on the Premises at any time the required insurance is not in full force and effect as evidenced by a certificate of insurance and necessary endorsements or, in the interim, an official binder being in the possession of Chief Real Estate Officer. In no cases shall assurances by Optionee, its employees, agents, including any insurance agent, be construed as adequate evidence of insurance. Chief Real Estate Officer will only accept valid certificates of insurance and endorsements, or in the interim, an insurance binder as adequate evidence of insurance. Optionee also agrees that upon cancellation, termination, or expiration of Optionee's insurance, District may take whatever steps are necessary to interrupt any operation from or on the Premises until such time as the Chief Real Estate Officer reinstates the Option.

If Optionee fails to provide Chief Real Estate Officer with a valid certificate of insurance and endorsements, or binder at any time during the term of the Option, District and Optionee agree that this shall constitute a material breach of this Option Agreement. Whether or not a notice of default has or has not been sent to Optionee, said material breach shall permit District to take whatever steps necessary to interrupt any operation from or on the Premises, and to prevent any persons, including, but not limited to, members of the general public, and Optionee's employees and agents, from entering the Premises until such time as Chief Real Estate Officer is provided with adequate evidence of insurance required herein. Optionee further agrees to hold District harmless for any damages resulting from such interruption of business and possession, including, but not limited to, damages resulting from any loss of income or business resulting from District's action.

All contractors performing work on behalf of Optionee pursuant to this Option Agreement shall obtain insurance subject to the same terms and conditions as set forth herein for Optionee. Optionee shall not allow contractors or subcontractors to work if contractors have less than the level of coverage required by District from the Optionee under this Option Agreement. It is the obligation of the Optionee to provide written notice of the insurance requirements to every contractor and to receive proof of insurance prior to allowing any contractor to begin work within the Premises. Such proof of insurance must be maintained by Optionee through the entirety of this Option Agreement and be available for inspection by a District representative at any reasonable time.

All self-insured retentions (SIRs) and deductibles shall be clearly stated on the Certificate of Insurance. If no SIRs or deductibles apply, indicate this on the Certificate of Insurance with a zero (0) by the appropriate line of coverage. Any self-insured retention (SIR) or deductible in excess of \$25,000 (\$5,000 for automobile liability), shall specifically be approved by County Executive Office/Office of Risk Management, or designee ("**Risk Manager**").

If the Optionee fails to maintain insurance acceptable to District for the full term of this Option Agreement, District may terminate this Option Agreement.

B. Qualified Insurer

The policy or policies of insurance must be issued by an insurer licensed to do business in the state of California (California Admitted Carrier) or have a minimum rating of A- (Secure A.M. Best's Rating) and VIII (Financial Size Category) as determined by the most current edition of the Best's key Rating Guide/Property-Casualty/United States or ambest.com.

If the insurance carrier is not an admitted carrier in the state of California and does not have an A.M. Best rating of A-/VIII, the Risk Manager retains the right to approve or reject a carrier after a review of the company's performance and financial ratings.

C. Minimum Limits

The policy or policies of insurance maintained by the Optionee shall provide the minimum limits and coverage as set forth below:

| <u>Coverages</u> | <u>Minimum Limits</u> |
|--|---|
| Commercial General Liability | \$1,000,000 per occurrence \$2,000,000 aggregate |
| Automobile Liability including coverage for owned, non-owned and hired vehicle | \$1,000,000 limit per occurrence |
| Workers' Compensation | Statutory |
| Employers' Liability Insurance | \$1,000,000 per occurrence |

D. Coverage Forms

The Commercial General Liability coverage shall be written on Insurance Services Office (ISO) form CG 00 01, or a substitute form providing liability coverage at least as broad.

The Business Auto Liability coverage shall be written on ISO form CA 00 01, CA 00 05, CA 00 12, CA 00 20, or a substitute form providing liability coverage as broad.

E. Required Endorsements

- 1) The Commercial General Liability policy shall contain the following endorsements, which shall accompany the Certificate of insurance:
 - a. an Additional Insured endorsement using ISO form CG 2010 or CG 2033 or a form at least as broad naming the District, County of Orange its elected and appointed officials, officers, employees, agents as Additional Insureds;
 - b. a primary non-contributing endorsement evidencing that the Optionee's insurance is primary and any insurance or self-insurance maintained by District shall be excess and non-contributing; and
- 2) All insurance policies required by this contract shall waive all rights of subrogation

against the District, County of Orange and members of the Board of Supervisors, its elected and appointed officials, officers, agents and employees when acting within the scope of their appointment or employment.

- 3) The Workers' Compensation policy shall contain a waiver of subrogation endorsement waiving all rights of subrogation against the District, County of Orange, and members of the Board of Supervisors, its elected and appointed officials, officers, agents and employees.
- 4) All insurance policies required by this contract shall give DISTRICT thirty (30) days' notice in the event of cancellation and ten (10) days for non-payment of premium. This shall be evidenced by policy provisions or an endorsement separate from the Certificate of Insurance.

F. Severability of Interest Clause - Commercial General Liability

The Commercial General Liability policy shall contain a severability of interests clause, also known as a "separation of insureds" clause (standard in the ISO CG 001 policy).

G. Delivery

Insurance certificates should be forwarded to District address provided in Section 17 (Notices) below or to an address provided by the Chief Real Estate Officer. Optionee has ten (10) business days to provide adequate evidence of insurance or this Option Agreement may be cancelled.

H. Insurance Requirement Changes

District expressly retains the right to require Optionee to increase or decrease insurance of any of the above insurance types throughout the term of this Option Agreement. Any increase or decrease in insurance will be as deemed by the Risk Manager as appropriate to adequately protect District.

Chief Real Estate Officer shall notify Optionee in writing of changes in the insurance requirements. If Optionee does not deposit copies of acceptable certificates of insurance and endorsements with District incorporating such changes within thirty (30) days of receipt of such notice, this Option Agreement may be in breach without further notice to Optionee, and District shall be entitled to all legal remedies.

The procuring of such required policy or policies of insurance shall not be construed to limit Optionee's liability hereunder nor to fulfill the indemnification provisions and requirements of this Option Agreement, nor in any way to reduce the policy coverage and limits available from the insurer.

12. ASSIGNMENT (PM010.1 S)

This Option shall not be sold, assigned, or otherwise transferred without the prior written consent of District, which consent may be withheld in the District's sole and absolute discretion. Failure to obtain District's required written consent shall render said sale, assignment, or transfer void.

If Optionee hereunder is a corporation or an unincorporated association or partnership, the sale, transfer, or assignment of any stock or interest in said corporation, association, or partnership in the aggregate exceeding twenty-five percent (25%) shall be deemed an assignment within the meaning of this clause.

13. EXERCISE OF OPTION TO LEASE (PM011.1 S)

At any time during the Option Term that Optionee shall have performed all conditions as set forth in Section 6 (Conditions) of this Option Agreement to the satisfaction of Chief Real Estate Officer, Optionee may exercise the Option by giving Chief Real Estate Officer written notice of election do so, accompanied by properly executed copies of the Lease in triplicate.

14. EXECUTION OF LEASE (PM012.1 N)

Acting as District's representative, Chief Real Estate Officer shall execute the Lease within fifteen (15) days of receipt of Optionee's notice of election to exercise the Option and the Lease executed by Optionee.

15. LEASE DATE (PM013.1 S)

It is understood and agreed by the Parties hereto that the effective date of the Lease shall be the date of execution of the Lease by District.

16. TERMINATION (PM014.1 S)

Failure of Optionee to fully and satisfactorily meet the terms and conditions of this Option Agreement within the time limits stated shall absolutely and conclusively terminate Optionee's rights hereunder, notwithstanding the fact that District may choose to negotiate a lease with Optionee within a reasonable time after the expiration of this Option Agreement.

Upon execution of this Option Agreement, the Optionee shall execute, acknowledge, and deliver to the Chief Real Estate Officer a quitclaim deed, in a form as approved by the Chief Real Estate Officer, quitclaiming all right title and interest created by this Option Agreement back to the District ("**Quitclaim Deed**"). The Quitclaim Deed shall be retained by the Chief Real Estate Officer for the duration of this Option Agreement and shall be recorded in the event of the termination of this Option Agreement for any reason to remove any cloud on title created by this Option Agreement.

17. NOTICES (PM018.1 N)

All notices, documents, correspondence and communications concerning this Option Agreement shall be addressed as set forth in this Section 17, or as the Parties may hereafter designate by written notice, and shall be sent through the United States mail, return receipt requested or with other proof of delivery, with postage prepaid, by personal delivery, Federal Express or similar courier service, or by facsimile. Notices so given shall be deemed to have been given upon receipt with the exception of transmittals via facsimile which shall be deemed delivered on the day transmitted provided transmitted by 4:30 P.M. (PT) on the receiving Party's regular business day, otherwise delivery shall be deemed to have been given on the next business day.

To DISTRICT:

Orange County Flood Control District
c/o CEO Real Estate
Attn: Chief Real Estate Officer
400 W. Santa Ana Blvd, 5th Floor
Santa Ana, CA 92701

With a copy to:

Orange County Flood Control District
c/o OC Public Works
Attn: Director
601 N. Ross Street, 4th Floor
Santa Ana, CA 92701

To OPTIONEE:

City of Orange
c/o Public Works Department
RE: Katella Park
300 E. Chapman Ave.
Orange, CA 92866
Attn: Director, Public Works Dept.

Either Party may change the address for notices by giving the other Party at least ten (10) calendar days' prior written notice of the new address.

18. VENUE (PMES13.1S)

The Parties hereto agree that this Option Agreement has been negotiated and executed in the State of California and shall be governed by and construed under the laws of California. In the event of any legal action to enforce or interpret this Option Agreement, the sole and exclusive venue shall be a court of competent jurisdiction located in the County of Orange, California, and the Parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the Parties hereto specifically agree to waive any and all rights to request that an action be transferred for trial to another county.

19. SEVERABILITY (PMES15.1S)

If any term, covenant, condition, or provision of this Option Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

20. ATTORNEYS' FEES (PMES16.1S)

In any action or proceeding brought to enforce or interpret any provision of this Option Agreement, or where any provision hereof is validly asserted as a defense, each Party shall bear its own attorney fees and costs.

21. SUCCESSORS AND ASSIGNS (PMES18.1S)

The terms, covenants, and conditions contained herein shall apply to and bind the heirs, successors, executors, administrators, and assigns of the Parties hereto.

22. AUTHORITY (PMES20.1S)

The Parties to this Option Agreement represent and warrant that it has been duly authorized and executed and constitutes the legally binding obligation of their respective organization or entity, enforceable in accordance with its terms.

23. ENTIRE AGREEMENT (PM017.1 S)

This instrument contains the entire agreement between the Parties relating to the Option granted herein and all negotiations and agreements between the Parties hereto or their agents with respect to this transaction are merged herein. Any oral representations, modifications, or waivers concerning this instrument shall be of no force and effect, except in a subsequent instrument made in writing and signed by both Parties. Time is of the essence in the performance of the Parties' respective obligations herein contained. Subject to the restrictions against sale, assignment, or other transfer above, this Option Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective heirs, successors, and assigns.

24. ATTACHMENTS TO OPTION

This Option includes the following, which are attached hereto and made a part hereof:

- I. Exhibit A -1-2 – Description of Property
- II. Exhibit B – Depiction of Premises
- III. Attachment I – Ground Lease

Intentionally left blank

IN WITNESS WHEREOF, the Parties have executed this Option Agreement the day and year first above written.

OPTIONEE

CITY OF ORANGE
a municipal corporation

By:

By: _____
Name:
Title:

By: _____
Name:
Title:

APPROVED AS TO FORM:
COUNTY COUNSEL

By: _____
Deputy

Date _____

DISTRICT

ORANGE COUNTY FLOOD CONTROL DISTRICT,
a body corporate and politic

By: _____

Thomas A. Miller, Chief Real Estate Officer
By Delegated Authority
Per Minute Order Dated August 27, 2024.

EXHIBIT A-1

LEGAL DESCRIPTION OF THE PREMISES

LEGAL DESCRIPTION

Santa Ana River Trail
Facility No.: E01
Parcel: 1254

That certain portion of land in the City of Orange, County of Orange, State of California, over a portion of Parcel 1306.01 described Grant Deed recorded December 9, 1960, in Book 5541, Page 451 of Official Records in the Office of the County Recorder of said County, described as follows:

Beginning at the northeasterly terminus of that line shown as "N21°58'55"E 753.13' " along the southeasterly boundary of the Designated Remainder Parcel on Parcel Map 98-107, filed in Book 303, Pages 45 through 48 of Parcel Maps in said Office of the County Recorder;

thence, southwesterly along said boundary, coincident with the southeasterly boundary of abovesaid Parcel 1306.01, the following three courses:

1. South 21°58'55" West, 753.13 feet
2. North 88°52'34" West, 10.70 feet, and
3. South 21°58'55" West, 1076.00 feet;

thence, leaving said boundary, North 88°54'16" West, 131.00 feet to the beginning of a non-tangent curve concave easterly and having a radius of 132.00 feet, a radial line through said beginning bears South 81°11'28" West;

thence, northerly along said curve, 70.12 feet through a central angle of 30°26'15" to the beginning of a compound curve concave southeasterly and having a radius of 60.00 feet, a radial line through said beginning bears North 68°22'31" West;

thence, northeasterly along said curve, 26.99 feet through a central angle of 25°46'33";

thence, North 47°24'02" East, 16.00 feet;

thence, North 42°35'58" West, 14.00 feet to the beginning of a non-tangent curve concave southwesterly and having a radius of 71.00 feet, a radial line through said beginning bears South 78°53'03" East;

thence, northwesterly along said curve, 74.04 feet through a central angle of 59°44'48" to the cusp of a curve concave southeasterly and having a radius of 175.00 feet, a radial line through said cusp bears North 79°47'09" West;

thence, northeasterly along said curve, 50.97 feet through a central angle of 16°41'17";

thence, North 26°54'08" East, 163.00 feet;

thence, North 24°52'12" East, 282.00 feet;

thence, North 21°20'29" East, 126.00 feet;

EXHIBIT A-2

thence, North 24°33'13" East, 258.00 feet;

thence, North 60°58'05" East, 24.00 feet;

thence, North 26°17'02" East, 27.00 feet;

thence, North 08°37'23" West, 25.50 feet;

thence, North 25°04'55" East, 920.00 feet;

thence, South 82°39'46" East, 8.00 feet;

thence, North 07°20'14" East, 49.00 feet;

thence, South 82°39'46" East, 32.20 feet to the intersection with the easterly boundary of aforesaid Designated Remainder Parcel and abovesaid Parcel 1306.01;

thence, southerly along said boundary, South 00°44'54" West, 224.76 feet to the Point of Beginning.

Containing 6.836 Acres, more or less.

See EXHIBIT B attached and by reference made a part.

APPROVED

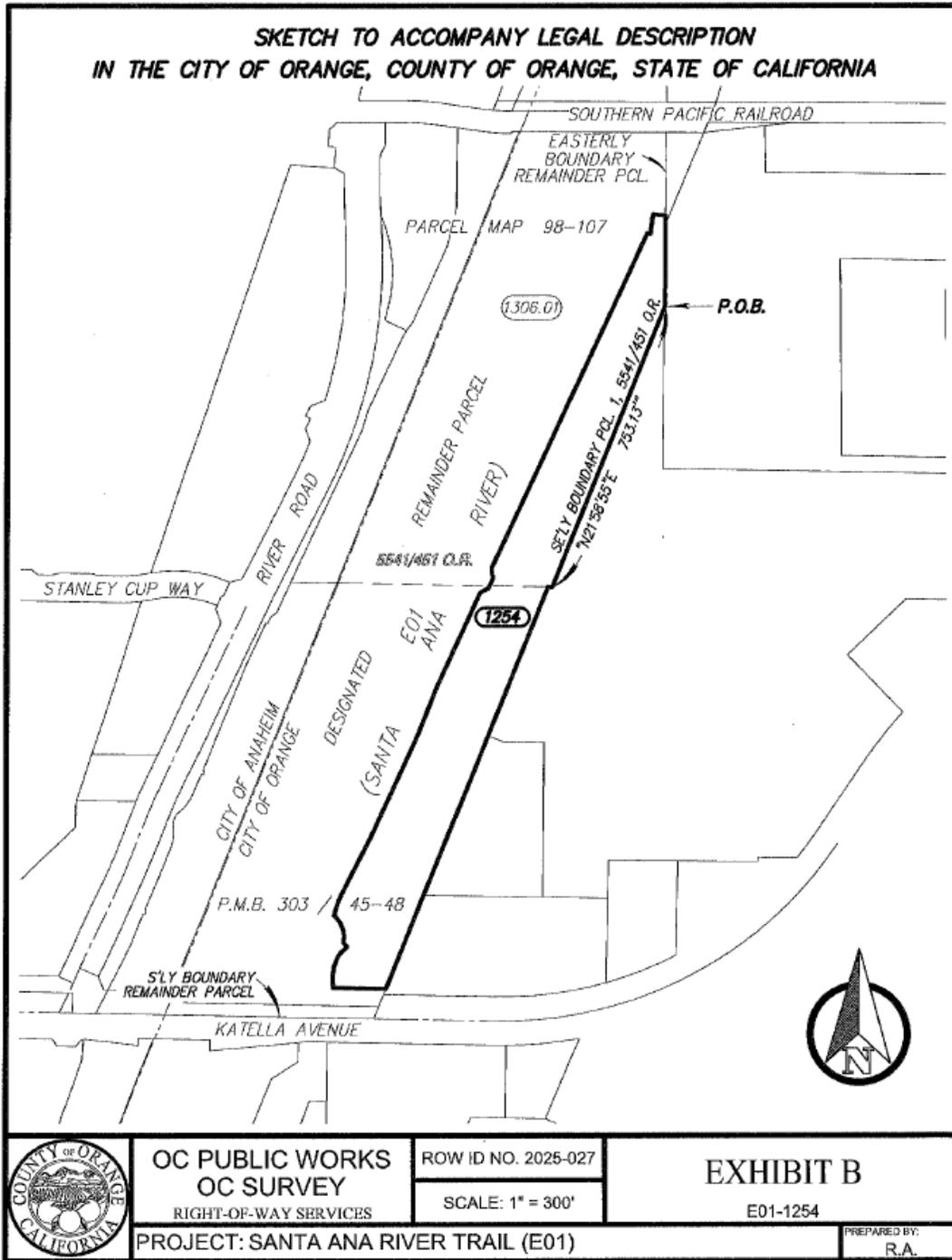
Lily M. N. Sandberg, Chief Deputy County Surveyor L.S. 8402


By: Raymond J. Rivera, L.S. 8324

Date: *Oct. 22, 2005*



EXHIBIT B
DEPICTION OF PREMISES



ATTACHMENT I
GROUND LEASE

ATTACHMENT