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September 29, 2009

Mr. Dan Miller
The Irvine Company
550 Newport Center Drive
Newport Beach, CA 92660

Mr. Mark Sanderson
The Nature Conservancy
Director of Conservation Programs –
South Coast and Deserts
1400 Quail Street, Suite 130
Newport Beach, CA 92660

Subject: Open Space Lands Transaction – Letter of Intent

Dear Messrs. Miller and Sanderson:

Negotiations over the past year have resulted in a mutually acceptable basis for the transfer of the Irvine Company's remaining open space lands to the County.

On September 29, 2009, the Board of Supervisors considered the transfer and authorized me to convey to you the County's intentions, as follows:

- The County will accept the following lands from the Irvine Company (TIC) upon their fee simple title transfer (approximate acreages):
 - NCCP Reserve lands – 5,000 acres
 - The Nature Conservancy (TNC) Conservation Easement lands – 11,550 acres
 - East Orange Project Open Space lands – 270 acres.
- The County will also accept from TIC the existing Limestone Canyon Irrevocable Offer of Dedication lands (approximately 3,500 acres) upon their fee simple title transfer.
- The County will accept all lands with applicable deed restrictions, including the preservation of the conservation values embodied in the existing TNC conservation easements and NCCP restrictions.
- The acceptance of the above lands is contingent upon:
 - TIC and the Irvine Ranch Conservancy (IRC) providing, at no cost to the County, completed Resource Management Plans (reviewed and approved by TNC on TNC easement lands) for use in managing the lands and complying with the deed restrictions.
 - TIC paying for the preparation of all applicable legal documents and maps relating to the transfer of the TNC Easement lands.




- The County will enter into an agreement with TNC to provide for the transfer of TNC Easement Compliance Fund (endowment) current balance to the County. Current estimated balance is approximately \$5 million; the actual transfer must be at least \$4.6 million (the original TIC contribution).
- The County will enter into an agreement with IRC to retain IRC for transition services on a one-year contract, renewable for two additional one-year terms, based on satisfactory performance; the estimated cost is approximately \$1.5 million per year.
- The County will enter into an agreement with TIC to ensure the following:
 - TIC funding of deed restriction monitoring by TNC.
 - TIC endowment funding to establish a research center at the University of California at Irvine (UCI) to provide scientific research to inform resource management activities on County open space lands.
 - TIC transfer of fee simple title to the County of 6 acres for Augustine Staging Area (adjacent to Hicks Haul Road), deed restricted for park purposes.
 - At no cost to the County, TIC/IRC design and permitting of temporary riding and hiking trail infrastructure in Hicks Canyon (adjacent to Hicks Haul Road), subject to: 1) the County allowance for alternative trail grade standards, 2) resolution of use conflicts at concrete plant and 3) removal of the Jeffrey Road extension from the County Master Plan of Arterial Highways.
 - At no cost to the County, TIC/IRC design, permitting and implementation of entrance and parking improvements for Black Star Regional Park, consistent with concept plan developed by IRC and similar to improvements at Peters Canyon Regional Park and General Thomas Riley Wilderness Park

On behalf of both the County and OC Parks, we look forward to finalizing the transfer and taking over your stewardship of this extraordinary open space.

Please call me at (949) 923-3743 if you any questions.

Sincerely,



Mark Denny, Director
OC Parks

cc: Members, Board of Supervisors
Clerk of the Board of Supervisors
Thomas Mauk, CEO
Alisa Drakodaidis, Deputy CEO
Steve Franks, Director, OC Community Resources