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November 1, 1999

Mr. Michael A. Kotch, President
Santa Clarita Organization for Planning the Environment (SCOPE)
Post Office Box 1182
Canyon Country, CA 91386



Re: John Laing Homes/ Entitlements for Stevenson Ranch Development

Dear Michael:

After several meetings with you and members of SCOPE, I believe our combined efforts have led to mutually acceptable modifications to entitlements related to John Laing Homes ("**Laing**") Stevenson Ranch Development, including without limitation Revised Vesting Tentative Tract Map No. 43896; Conditional Use Permit Case No. 97-204- (5); and Oak Tree Permit Case No. 97-204 – (5) (collectively the "**Entitlements**") which will satisfy both SCOPE, the community, and Laing. This letter memorializes our agreement with SCOPE regarding the Entitlements.

1. Pico Canyon Alignment and Storm Drain Design. Within 30 days after your execution of this letter, John Laing Homes (Laing) will file with County of Los Angeles a Revised Vesting Tentative Tract Map 43896 ("**TTM**") which will realign Pico Canyon Road and redesign the storm drainage channel as conceptually designated on the attached "Exhibit A" and will use good faith efforts to expeditiously process such TTM through Planning Commission, if necessary, with the County.

The purpose of the revised TTM is to provide a low flow soft bottom creek which will provide additional water recharge, vegetation, and improved aesthetics along Pico Canyon Road. It is the intent to create a meandering stream that would allow for a portion of the annual rainfall to flow through it. This design concept would need to be approved by the County of Los Angeles. A rectangular channel/ box (as conceptually depicted on Exhibit A) will still be required to carry larger drainage flows to protect public health and safety.

Additionally, Laing will redesign the alignment of Pico Canyon Road such that the southerly median curb will be approximately 20' to 25' south of the centerline of Oak Tree #419 as depicted on Exhibit A. The purpose of the modification is to minimize impacts on Oak Tree #419 from the construction of south half of Pico Canyon Road. Oak Tree #419 will still require pruning/trimming to provide vertical clearance necessary for vehicular movement under the canopy of such trees. Oak Tree #419 canopy encroachment over the south half of Pico Canyon Road is subject to approval of the County of Los Angeles. As such, it is anticipated that SCOPE will provide assistance in coordinating the support from the County of Los Angeles.

2. Future Construction of Pico Canyon Road. On June 24, 1999, Rich Welter, representing John Laing Homes, met with Dave Vannatta, Laurene Weste and Jeff Lambert with the City of Santa Clarita, Phil Doudar and Ron Ondrozeck with the County of Los Angeles Department of Public Works, Lee Stark with the County of Los Angeles Department of Regional Planning, Teresa Sousa of Lennar Homes, Hunt Brawley representing the Santa Monica Mountains Conservancy and Ron Druschen with SR Consultants to resolve the future construction of Pico Canyon Road. It is our understanding that Lennar Homes will be processing an application for the downsizing of Pico Canyon Road as part of their Stevenson Ranch Phase V application. During this meeting, Laing with the concurrence of public works, agreed to delay the paving of the north half of Pico Canyon Road for a period of 3 years. However, Laing would still be obligated to provide a full dedication of the master planned highway (100' dedication) and would be required to fully bond for these improvements.

The purpose of the delay in construction of Pico Canyon Road is to preserve the Pico Canyon area from unnecessary road improvements if it is determined that the downsizing of Pico Canyon Road is both warranted and approved by the County of Los Angeles. Laing agrees to use good faith efforts to preserve oak trees north of the proposed revised centerline of Pico Canyon Road (particularly Oak Trees #419, #436, #459, #460, & #464). Laing will not remove said trees unless required to by the County of Los Angeles for the widening of Pico Canyon. If the removal is required for any other reason, Laing will notify SCOPE in advance. Laing will provide protective fencing around the above mentioned trees to indicate its intent on preservation.

It is Laing's intent to use good faith efforts to preserve several oak trees, where feasible, currently located at the edge or in the right of way at the entry to 'A' Street (Oak Tree #247 and #249) and along the south side of Pico Canyon (Oak Tree #234). Laing will use such means as retaining walls or meandering sidewalks. Laing will continue to review Oak Trees within the Pico Canyon right-of-way (but not within the curb-to-curb paving area) with the intent of preserving other Oak Trees, where feasible, using the same methods as above. It is understood that some of the constraints that Laing has are: grade differential with proposed roadway and existing elevation, handicap accessibility across 'A' street, pedestrian accessibility, vehicular safety and County standards for street sections. It is also understood by the parties that the County may not approve such changes and it may not be feasible to avoid impacts to said trees and they still may need to be pruned or removed and that their survivability can not be guaranteed.

3. Consideration. In consideration of Laing's agreements under items 1 and 2 above, SCOPE's execution of this letter will constitute a binding agreement on its part to (a) withdraw all appeals of the Entitlements previously filed by SCOPE with the County of Los Angeles by November 3, 1999; (b) refrain from filing any further or other appeal, contest, legal proceeding or action challenging the Entitlements or any other aspect of Laing's Stevenson Ranch Phase 4 development unless such Entitlements or development are materially inconsistent with the revised tentative map currently under appeal as modified in accordance with this letter; (c) take a non-opposition stance (in the public arena) and not speak in opposition to the development in any hearings or entitlement processing; and (d) support Laing's proposed changes as described above to help facilitate the speedy completion of the Laing's Stevenson Ranch development. However Laing may terminate its obligations under

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items 1 and 2 if SCOPE fails to comply with its above obligations or there is any other appeal, contest, legal proceeding or action taken by anyone funded or advocated by the Board of Directors of SCOPE to challenge the Entitlements or any aspect of Laing's Stevenson Ranch Phase 4 development as proposed in this agreement. Except as otherwise provided for in this agreement, the sole remedy of either party for breach of this letter agreement shall be for specific performance of this agreement but not for monetary damages. This agreement shall be binding on successors in interest.

I look forward to your execution of this letter and hope our recent efforts become a standard for future cooperative efforts between your organization and the development community.

Sincerely,


John Laing Homes



David J. McKinzie
Division President

Part 1 of 10

The undersigned has read and agrees to the terms and conditions above on November 1, 1999.



Santa Clarita Organization for Planning the Environment
Michael A. Kotch, President