

2. Prior to approval of each tentative or parcel map, the property owner/developer shall reach an agreement with the City Traffic Engineer regarding on-site vehicular circulation. Such agreement shall consider the following:

(a) Access to each phase of development shall be evaluated by the City Traffic Engineer to ensure adequacy of driveways, entrances and median configuration;

(b) Private communities shall include the following on-site features: separate lanes for residents and visitors, turn arounds, and parking spaces designed for visitor cars (if full time security guards are not provided); and

(c) All improvements shall conform to City of Anaheim Standards and shall be subject to the approval of the City Traffic Engineer.

3. All public residential streets shall be designed in accordance with City standards and reviewed and approved by the City Traffic Engineer prior to each tentative tract or parcel map approval.

4. Prior to final tract map approval, street names shall be approved by the City Planning Department.

5. Temporary street name signs shall be installed prior to any occupancy if permanent street name signs have not been installed.

6. No public or private street grades shall exceed 10% except by prior approval of the Chief of the Fire Department and the Engineering Division.

2.1.3 Signals. The developer of the Highlands shall provide traffic signals, in lieu of the payment of traffic signal assessment fees, at the following locations:

- o Serrano/Canyon Rim;
- o Serrano/proposed access road;
- o Fairmont/Canyon Rim (if deemed necessary prior to the construction of the 401st dwelling unit by future studies or circumstances); and
- o Santa Ana Canyon Road/proposed access road (provide median opening on Santa Ana Canyon Road at this point).

The precise location and phasing of these signals will be subject to review and approval by the City Traffic Engineer prior to the issuance of building permits or as deemed necessary by the City Traffic Engineer. All signals shall be interconnected with the City system.

2.1.4 Public Transit. The property owner/developer will construct bus bays as deemed necessary by the Orange County Transit District (OCTD) and the City Traffic Engineer at no cost to the City. Written proof of an agreement to construct any required bus bays within the project and specific designs for said amenities will be furnished to the Planning Department prior to the approval of the first final tract map.

In addition, the property owner/developer shall, in cooperation with the City of Anaheim and Orange County Transit District, prepare a coordinated study to examine methods of implementing a Transportation Systems Management program with specific guidelines indicating strategies to reduce the amount of trips and increase the amount of non-vehicular transportation. Such strategies may include transit service, park and ride turnouts,

carpool and vanpool facilities, bikeways, and other transportation demand management strategies applicable to the development site. This study shall be completed prior to approval of the first final tract or parcel map.

2.1.5 Land. The property owner/developer shall dedicate the land for the public street system for public use with the recordation of each final tract map for each individual residential areas. Land or easements required for any off-site roads through adjacent properties will be acquired and dedicated to the City at the expense of the property owner/developer.

2.1.6 Costs/Financing. The owner/developer of the Highlands project shall be financially responsible for the following:

- a) Design and construction of the public and private road system.
- b) Design and construction associated with landscaping of the parkways adjacent to public and private roads.
- c) Design and construction of any off-site access road with the final destination being the connection to Santa Ana Canyon Road (see Condition of Approval 91(c)).¹

The owner/developer shall also be financially responsible for the following at the time of issuance of building permits.

¹To the extent the owner/developer qualifies for reimbursement from surrounding or other benefiting properties for identified off-site improvements, he may petition the City Council for the establishment of reimbursement agreements or benefit districts. The cost associated with the establishment of any such districts shall be at the expense of the Highlands project owner/developer.

- o Bridge Thoroughfare Fee for the Eastern Transportation Corridor pursuant to City Council Resolution No. 85-R-423.
- o Fair share of the costs determined by the financial plan prepared for the widening of Santa Ana Canyon Road between Imperial Highway and the Bauer Ranch improvements and improvements to the eastbound 91 Freeway/Weir Canyon Road off ramp (see Condition of Approval 113).

The maintenance responsibilities for the Highlands roadway system shall be as follows:

1. Maintenance of the public street system will be the responsibility of the City.
2. Private streets will be maintained by the owner/developer unless maintained by another financial mechanism approved by the City. Said financial mechanism will be established at the expense of the owner/developer prior to the approval of any final map that incorporates a private street.
3. All public and private street parkways will be maintained by the owner/developer unless maintained by another financial mechanism approved by the City. Said financial mechanism will be established at the expense of the owner/developer prior to the approval of final tract or parcel maps.
4. Slopes adjacent to roadways which provide access to the Highlands (and which roadways may be located in the Wallace Ranch or Oak Hills Ranch) will be maintained by a special maintenance district or other financial mechanism acceptable to and approved by the City. Said financial mechanism will be established at the expense of the owner/developer prior to the approval of the first final tract or parcel map.

2.1.7 Phasing and Bonding. The phasing and bonding requirements for the Highlands roadway system will be as specified below.

1. The construction of Serrano Avenue within the Highlands property will be provided as in Item #3 (a, b, c) in Section 2.1.1.
2. Construction of the backbone roads will be phased in conjunction with the development of adjacent residential tracts. The property owner/developer shall submit a phasing plan for both roadway construction and traffic signalization in the Highlands to the City Traffic Engineer for his review and approval prior to approval of the first final tract or parcel map. Bonding for on-site roadways and traffic signals will be furnished as part of in-tract improvements at the time of final map recordation. Bonding for any off-site road extension, shall be furnished prior to approval of the first final tract or parcel map.
3. The off-site roadway extension to the north, or the provision of a roadway east through the Wallace Ranch property, or the widening of Fairmont Boulevard to its ultimate designation between Canyon Rim Road and Santa Ana Canyon Road will be provided prior to the issuance of a building permit for the 401st residential unit (see Item #3 (c) in Section 2.1.1 for bonding schedule).
4. Widening of Imperial Highway by one additional northbound lane from Santa Ana Canyon Road to Route 91 shall be secured by performance bond, letter of credit or other form of security in an amount and form approved by the City prior to approval of the first final tract or parcel map.

2.2 WATER SUPPLY SYSTEM

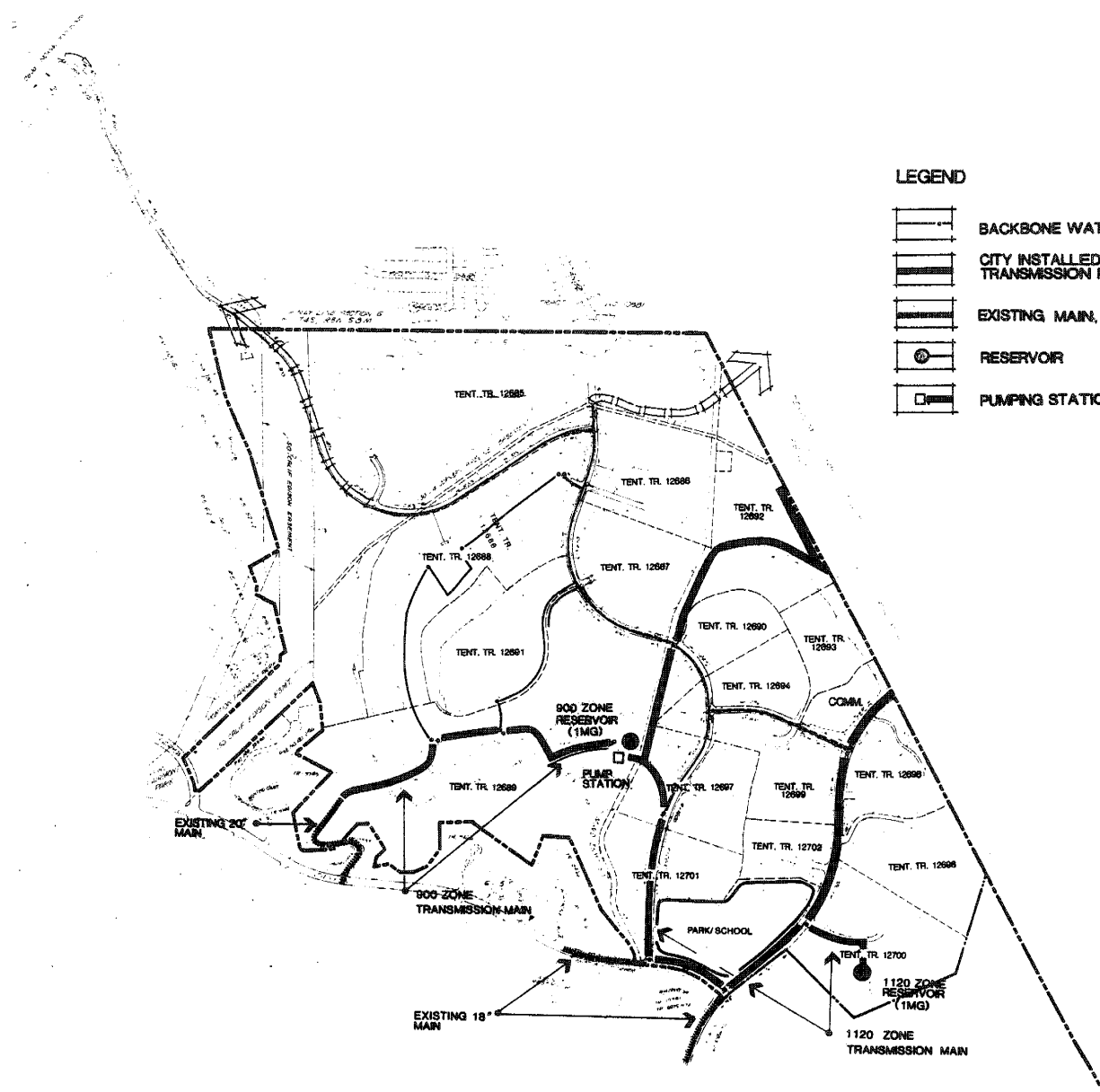
2.2.1 Identification. The water supply system for the Highlands development will be designed in accordance with the Water Utility's Master Plan for Special Facilities District No. 1. The conceptual system is shown on Exhibit 2 and described below.

The Master Plan system includes the primary transmission mains and storage reservoirs serving the 900 and 1120 pressure zones and method of serving areas in the 1320 pressure zone. The primary transmission lines will extend from the existing supply mains off of Canyon Rim Road and Serrano Avenue and connect to the two storage reservoirs on-site. Secondary in-tract systems will be installed from the Master Plan system to deliver water to individual dwelling units for domestic, irrigation and fire protection purposes.

In addition to the above on-site improvements, the developer is currently working with the Public Utilities Department to accomplish the orderly completion of other planned water system features in the Anaheim Hills area including the Twin Peaks Reservoir and Phase II Parkview Booster Station expansion.

2.2.2 Capacities. The mains and storage reservoirs shall be designed as part of the City's Master Water System ultimately serving areawide development. The master facilities and local mains, as such, will be sized to provide domestic and fire flow service in accordance with the standards of the Anaheim Public Utilities Department and Fire Department.

2.2.3 Land. The land required for implementation of the water system shall be dedicated to the City in conjunction with streets, and through easements at the time of final tract or parcel map recordation. The reservoir sites will be dedicated with the final maps, or when required by the City.



LEGEND

- BACKBONE WATER SYSTEM
- CITY INSTALLED TRANSMISSION MAIN
- EXISTING MAIN
- RESERVOIR
- PUMPING STATION



WATER CONCEPT

The Highlands at Anaheim Hills

0 400 800
FEET

CU
Cohen, Van Ness & Partners
ARCHITECTURE/PLANNING

EXHIBIT 2

2.2.4 Alignment, Phasing and Bonding. The location and alignment of the water supply lines and reservoirs is based on the street system configuration, lot layouts and areawide service requirements. Construction details will be provided on plans prepared by the City. All water supply planning for the project shall be closely coordinated with, and be subject to review and final approval by, the City of Anaheim Public Utilities Department.

The initial phases of development will be serviced from the existing transmission mains at the intersection of Canyon Rim Road and Serrano Avenue. Engineering studies have indicated that approximately 500 units can be served from the existing system at this location, assuming the Twin Peaks Reservoir is operative and Parkview Phase II is under design. Therefore, prior to the rendering of Water Services or the issuance of the first building permit within the Highlands project, the Twin Peaks Reservoir shall be operative and the Parkview Booster Pump Station, Phase II, shall be under design.

Prior to the approval of the first tentative tract or parcel map, the developer shall obtain approval of a Master Plan of Improvements from the General Manager, Public Utilities Department. The Master Plan of Improvements shall, in accordance with the Water Utility's Rates, Rules and Regulations and the Public Facilities Plan, address primary mains, reservoirs, projected water demands and phasing of improvements. The Master Plan shall provide hydraulic analysis for the proposed system under average day, maximum day and peak hour demands. The Master Plan of Improvements shall give consideration to pressure zones, phasing of improvements and the Water Utility's ultimate service area. Upon approval of the Master Plan of Improvements, said Plan shall be incorporated into the Specific Plan by reference and shall be carried out in accordance therewith. The General Manager-Public Utilities Department reserves the right at any

time to revise and update the Master Plan of Improvements provided that such revisions shall not affect contracts previously executed by the City and the owners/developers in accordance with the Master Plan of Improvements prior to said revision.

Bonding for construction of the required water system improvements shall be furnished in conjunction with each final map.

2.2.5 Costs/Financing. The water supply system will be funded and constructed in accordance with the Water Utility's Rates, Rules and Regulations as provided below.

- 1) The developer shall install the secondary system improvements at no cost to the City.
- 2) Funds for construction of the pump stations and reservoirs shall be advanced by the developer through the payment of special facilities fees as provided for in Rule 15-B.
- 3) Primary mains shall be installed by the City with funds provided by the developer in the form of primary acreage fees as provided for in Rule 15-A.
- 4) The necessary financial arrangements for construction of the special facilities and required primary main fees shall be made prior to final tract or parcel map approval.

Operation and maintenance of the water supply system will be provided by the City, financed by user charges.