

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

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Paul Hastings Janofsky & Walker, LLP
695 Town Center Drive, 17th Floor
Costa Mesa, CA 92626

(Space above this line for Recorder's use only)

PARTIAL ASSIGNMENT AND ASSUMPTION
OF DEVELOPMENT AGREEMENT
(Home Ranch)

This PARTIAL ASSIGNMENT AND ASSUMPTION OF DEVELOPMENT AGREEMENT (this "Assignment") is dated as of this _____ day of January, 2004, by and between C.J. Segerstrom & Sons, a California general partnership ("CJS"), Ruth Ann Moriarty Properties LLC, a California limited liability company ("Ruth LLC"), and Henry T. Segerstrom Properties LLC, a California limited liability company ("Henry LLC") (collectively, "Assignor"), Emulex Corporation, a California corporation ("Assignee"), and the City of Costa Mesa, a general law city ("City").

RECITALS

A. Assignor is the owner of land located in the City of Costa Mesa, County of Orange, California, consisting of approximately 93.34 acres, which is commonly known as the "Home Ranch" and is more particularly described on Exhibit A attached hereto and incorporated herein by this reference (the "Home Ranch").

B. Assignor and City are parties to that certain Development Agreement for the Home Ranch dated December 3, 2001 and recorded in the Official Records of Orange County, California on March 20, 2002 as Instrument No. 20020229863 (the "Development Agreement"), which has a term of 15 years commencing on January 3, 2002, and contains certain rights, duties and obligations relating to the development of Home Ranch with retail, office, and industrial uses. Ruth LLC and Henry LLC are successors in interest to Segerstrom Properties LLC, a California limited liability company, both as to ownership of the Home Ranch and as a party to the Development Agreement.

C. CJS, as "Seller," and Assignee, as "Buyer," have entered into a certain Purchase and Sale Agreement and Escrow Instructions (the "Purchase Agreement"), dated as of January 9, 2004, pursuant to which Assignor is selling to Assignee certain real property within the Home Ranch, which real property is described on Exhibit B attached hereto and incorporated herein by this reference (the "Sale Property"). The portions of Home Ranch other than the Sale Property are sometimes collectively referred to herein as the "Other Property."

D. Pursuant to the terms of the Purchase Agreement, Assignor is obligated to assign and convey to Assignee certain of its rights and interests under the Development Agreement, as the Development Agreement relates to the Sale Property. In addition, Assignor and Assignee have agreed that Assignor shall delegate to Assignee certain of the obligations of Assignor under the Development Agreement relating to the Sale Property, and that those obligations not delegated to and assumed by Assignee pursuant to this Assignment shall remain the obligations of Assignor, as set forth herein.

E. The purpose of this Assignment is to set forth the terms and provisions agreed upon between Assignor and Assignee with respect to the assignment of certain rights and interests and the delegation of certain obligations of Assignor under the Development Agreement, as the Development Agreement relates to the Sale Property.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Partial Assignment. Assignor hereby assigns, conveys and transfers to Assignee all of Assignor's rights and interests under the Development Agreement to the extent such rights and interests relate to, benefit, or are reasonably necessary for the ownership, development or use of, the Sale Property, including, without limitation, all Development Approvals (as defined in the Development Agreement) and other vested entitlement and development rights with respect to the Sale Property including any fees prepaid pursuant to Exhibit F to the Development Agreement.

2. Delegation and Assumption of Obligations.

2.1 Assignor hereby delegates to Assignee and Assignee hereby assumes those obligations of Assignor under the Development Agreement which relate specifically to improvements and dedications within the boundaries of the Sale Property ("On-Site Obligations"), including those obligations relating to (i) onsite development, (ii) the payment of fire suppression fees and any other permit or occupancy fees which have not been prepaid by Assignor (but excluding any obligation to prepay fees for any property other than the Sale Property) and (iii) the indemnity obligations arising under the Development Agreement with respect to any future development on the Sale Property.

2.2 The parties acknowledge that the On-site Obligations are the only "Owner" obligations under the Development Agreement being assumed by Assignee hereunder and that Assignee is not assuming and Assignor shall remain fully responsible for all obligations of the "Owner" under the Development Agreement with respect to the Other Property and for any dedications, exactions or improvements required under the terms of the Development Agreement outside the boundaries of the Sale Property, including all obligations set forth in Exhibit F to the Development Agreement other than fire suppression impact fees for future development within the Sale Property (collectively, the "Master Developer Obligations").

3. Density/Trip Allocations. The parties acknowledge and agree that pursuant to Section 1.1(o) of the Development Agreement, the Sale Property has been allocated a

maximum density of 0.4 FAR. Assignor hereby irrevocably allocates and assigns to Assignee 376 a.m. and 362 p.m. peak trips from the overall trip budget for the Home Ranch, which trips shall hereafter be the property of Assignee and may not be used by Assignor for the development of any of the Other Property.

4. Pre-Paid Fees and Costs. Assignor, Assignee and City all acknowledge and agree that (a) the Traffic Impact Fees under the first paragraph of Section A of Exhibit F to the Development Agreement applicable to the Sale Property have been paid in full, (b) the intersection improvement costs pursuant to the second paragraph of Section A of Exhibit F to the Development Agreement applicable to the Sale Property have been paid in full and (c) the site access improvements outlined in the third paragraph of Section A of Exhibit F to the Development Agreement applicable to the Sale Property have been completed. In addition, Assignor has also made the contributions required under Sections C, D and E of Exhibit F to the Development Agreement.

5. No Cross-Defaults. City and Assignor agree that any default by Assignor with respect to the Master Developer Obligations shall not be considered a default by Assignee as to the Sale Property and shall not impact Assignee's development rights with respect to the Sale Property under the Development Agreement. In addition, City and Assignee agree that any default by Assignee with respect to the Sale Property shall not be considered a default by Assignor as to the Other Property and shall not impact Assignor's development rights with respect to the Other Property under the Development Agreement.

6. Estoppel. In accordance with Section 3.16 of the Development Agreement, Assignor and City each certify to Assignee that: (i) the Development Agreement is in full force and effect and a binding obligation of the parties thereto; (ii) the Development Agreement has not been amended or modified except as provided in Exhibit C attached hereto; and (iii) to the best knowledge of such party, the other parties to the Development Agreement are not in default of their respective obligations under the Development Agreement.

7. Amendment to Development Agreement. Assignor and Assignee agree that any amendment to the Development Agreement requiring the approval of the "Owner" that affects the entitlements or development rights for the Sale Property shall require the approval in writing of both Assignor and Assignee. Assignor shall have the right to amend the Development Agreement without the approval of Assignee if the amendment does not affect the entitlements or development rights for the Sale Property under the Development Agreement or otherwise modify the Development Agreement in a manner that materially affects Assignee's obligations or liabilities thereunder. Hereafter, Assignor shall have no rights as they relate to modification of the Development Agreement solely with respect to the Sale Property.

8. Contingency. The parties hereby agree that the effectiveness of this Assignment is contingent upon the completion of the sale of the Sale Property to Assignee pursuant to the provisions of the Purchase Agreement, which completion shall be evidenced by the recordation of a grant deed conveying the Sale Property to Assignee. If such grant deed is not recorded in the Official Records of Orange County, California, on or before February 28, 2004, then this Assignment shall be of no force or effect whatsoever.

9. Miscellaneous.

9.1 Interpretation; Governing Law. This Assignment shall be construed according to its fair meaning and as if prepared by all parties hereto. This Assignment shall be construed in accordance with and governed by the laws of the State of California. Any action hereunder shall be brought in a court of competent jurisdiction located in Orange County, California.

9.2 Hold Harmless. Assignor agrees to indemnify and hold Assignee harmless from and against any and all losses, costs, liabilities, damages and expenses, including, without limitation, reasonable attorneys' fees, accruing prior to the date hereof and arising out of any default or alleged default of Assignor, as "Owner" under the Development Agreement. Assignee agrees to indemnify and hold Assignor harmless from and against any and all losses, costs, liabilities, damages and expenses including, without limitation, reasonable attorneys' fees, accruing on or after the date hereof and arising out of any default or alleged default of Assignee in connection with the On-Site Obligations. The covenants in this Section 9.2 shall run with the land and shall be binding on, and inure to the benefit of, the parties hereto, and to their respective successors and assigns who succeed to title to the Home Ranch Project, as defined in the Development Agreement, or a portion thereof. The indemnities herein are between Assignor and Assignee and shall not impact any rights, remedies or indemnifications in favor of City under the terms of the Development Agreement.

9.3 Attorneys' and Other Fees. In the event of any dispute between the Assignor and Assignee or institution of any action or proceeding between Assignor and Assignee to interpret or enforce the provisions of this Assignment, or arising out of the subject matter of this Assignment or the transaction contemplated hereby, the prevailing party shall be entitled to recover its reasonable expenses, attorneys' fees and costs, including professional or expert consultation or testimony fees, both at trial and on any appeal and in any administrative proceeding.

9.4 Authority. Each of the parties hereto represents and warrants to the others that the person or persons executing this Assignment on behalf of such party is or are authorized to execute and deliver this Assignment and that this Assignment shall be binding upon such party.

9.5 Further Assurances. Assignor and Assignee each agree to do such further acts and things and to execute and deliver such additional agreements and instruments as the other may reasonably request to consummate, evidence, confirm or more fully implement the agreements of the parties as contained herein.

9.6 Execution in Counterparts. This Assignment may be executed in several counterparts, and all so executed shall constitute one agreement between the parties hereto, notwithstanding that all parties are not signatories to the original or the same counterpart.

IN WITNESS WHEREOF, the parties have executed this Partial Assignment and Assumption of Development Agreement (Home Ranch) to be effective as of the date of the satisfaction of the contingency set forth in Section 8 above.

C.J. SEGERSTROM & SONS, a California general partnership

EMULEX CORPORATION, a California corporation

By Henry T. Segerstrom Management LLC, a California limited liability company, Manager

By _____

Title: _____

By _____
Manager

By _____

By HTS Management Co., Inc., a California corporation, Manager

Title: _____

By _____
Title: Senior Vice President

“Assignee”

RUTH ANN MORIARTY PROPERTIES LLC, a California limited liability company

CITY OF COSTA MESA

By _____
Manager

By: _____
Mayor of The City of Costa Mesa

“City”

HENRY T. SEGERSTROM PROPERTIES LLC, a California limited liability company

ATTEST:

By Henry T. Segerstrom Management LLC, a California limited liability company, Manager

City Clerk, City of Costa Mesa

By _____
Manager

APPROVED AS TO FORM:

“Assignor”

City Attorney, City of Costa Mesa

EXHIBIT "A"

LEGAL DESCRIPTION OF THE HOME RANCH PROPERTY

PARCEL A

Parcels 1 and 3, as shown on Parcel Map 94-120 in the City of Costa Mesa, County of Orange, filed in Book 284, Pages 7 through 10 of Parcel Maps, in the office of the County Recorder of said County.

PARCEL B

Parcel 1, as shown on Parcel Map 84-379 in the City of Costa Mesa, County of Orange, filed in Book 194, Pages 13 and 14 of Parcel Maps, in the office of the County Recorder of said County.

PARCEL C

Parcel 1

That certain parcel of land situated in the City of Costa Mesa, County of Orange, State of California, being Parcels 3 and 4 of Parcel Map No. 79-381 as shown on a map thereof filed in Book 139, Pages 21 through 24 of Parcel Maps, in the Office of the County Recorder of said Orange County, together with that portion of Parcel 2 of said Parcel Map No. 79-381 lying westerly of the following described line:

COMMENCING at the northwest corner of said Parcel 4; thence along the northerly line of said parcel map North 89°25'40" East 1370.17 feet to the beginning of a tangent curve, concave northerly and having a radius of 1384.00 feet; thence along said curve and northerly line easterly 89.79 feet through a central angle of 03°43'02" to a point on a non-tangent curve concave westerly and having a radius of 1135.50 feet; a radial line of said curve from said point bears North 88°08'36" West, said point also being the **TRUE POINT OF BEGINNING**; thence leaving said northerly line along said curve southerly 87.13 feet through a central angle of 04°23'48"; thence tangent from said curve South 06°15'12" West 119.68 feet to the beginning of a tangent curve concave easterly and having a radius of 1161.09 feet; thence along said curve southerly 154.54 feet through a central angle of 07°37'33"; thence along a radial line of said curve North 88°37'39" East 7.83 feet; thence South 00°53'48" East 198.66 feet to the beginning of a tangent curve concave northeasterly and having a radius of 513.45 feet; thence along said curve southerly 439.17 feet through a central angle of 49°00'24"; thence along a radial line of said curve North 40°05'48" East 12.79 feet to a point on a non-tangent curve concave northeasterly and having a radius of 500.66 feet, said curve being concentric with said curve hereinabove described as having a radius of 513.45 feet; thence along said concentric curve southeasterly 117.49 feet through a central angle of 13°26'45" to the southerly line of said Parcel 2.

EXCEPTING THEREFROM that portion described as follows:

COMMENCING at the northwest corner of said Parcel 4; thence along the northerly line of said parcel map North 89°25'40" East 1169.02 feet to the **TRUE POINT OF BEGINNING**; thence continuing along said northerly line North 89°25'40" East 201.15 feet to the beginning of a tangent curve concave northerly and having a radius of 1384.00 feet; thence along said curve and northerly line easterly 89.79 feet through a central angle of 03°43'02" to a point on a non-tangent

curve concave westerly and having a radius of 1135.50 feet, a radial line of said curve from said point bears North 88°08'36" West; thence leaving said northerly line along said curve southerly 87.13 feet through a central angle of 04°23'48"; thence tangent from said curve South 06°15'12" West 119.68 feet to the beginning of a tangent curve concave easterly and having a radius of 1161.09 feet; thence along said curve southerly 125.26 feet through a central angle of 06°10'52"; thence non-tangent from said curve South 88°33'29" West 249.74 feet; thence North 79°24'20" West 10.08 feet; thence North 00°53'48" West 329.52 feet to the **TRUE POINT OF BEGINNING**;

ALSO EXCEPTING THEREFROM Parcels 101839-1 and 101839-2 as described in that certain Grant Deed to the State of California, recorded October 27, 2000, as Instrument No. 20000582392 of Official Records, in the Office of the County Recorder of said Orange County.

And **ALSO EXCEPTING THEREFROM** Parcels 101837-1 and 101837-3 as described in that certain Grant Deed to the State of California recorded October 27, 2000 as Instrument No. 20000582393 of Official Records, in the Office of the County Recorder of said Orange County.

CONTAINING: 17.246 Acres, more or less.

Parcel 2

That certain parcel of land situated in the City of Costa Mesa, County of Orange, State of California, being those portions of Parcels 2 and 3 of Parcel Map No. 79-381 as shown on a map thereof filed in Book 139, Pages 21 through 24 of Parcel Maps, in the Office of the County Recorder of said Orange County described as follows:

COMMENCING at the northwest corner of Parcel 4 of said Parcel Map No. 79-381; thence along the northerly line, of said parcel map North 89°25'40" East 1169.02 feet to the **TRUE POINT OF BEGINNING**; thence continuing along said northerly line North 89°25'40" East 201.15 feet to the beginning of a tangent curve concave northerly and having a radius of 1384.00 feet; thence along said curve and northerly line easterly 89.79 feet through a central angle of 03°43'02" to a point on a non-tangent curve concave westerly and having a radius of 1135.50 feet, a radial line of said curve from said point bears North 88°08'36" West; thence leaving said northerly line along said curve southerly 87.13 feet through a central angle of 04°23'48"; thence tangent from said curve South 06°15'12" West 119.68 feet to the beginning of a tangent curve concave easterly and having a radius of 1161.09 feet; thence along said curve southerly 125.26 feet through a central angle of 06°10'52"; thence non-tangent from said curve South 88°33'29" West 249.74 feet; thence North 79°24'20" West 10.08 feet; thence North 00°53'48" West 329.52 feet to the **TRUE POINT OF BEGINNING**;

CONTAINING: 2.074 Acres, more or less.

Parcel 3

That certain parcel of land situated in the City of Costa Mesa, County of Orange, State of California, being that portion of Parcel 2 of Parcel Map No. 79-381 as shown on a map thereof filed in Book 139, Pages 21 through 24 of Parcel Maps, in the Office of the County Recorder of said Orange County, lying easterly of the following described line:

COMMENCING at the northwest corner of said Parcel 4; thence along the northerly line of said parcel map North 89°25'40" East 1370.17 feet to the beginning of a tangent curve, concave northerly and having a radius of 1384.00 feet; thence along said curve and northerly line easterly 89.79 feet through a central angle of 03°43'02" to a point on a non-tangent curve concave westerly and having a radius of 1135.50 feet, a radial line of said curve from said point bears North 88°08'36" West, said point also being the **TRUE POINT OF BEGINNING**; thence leaving said northerly line along said curve southerly 87.13 feet through a central angle of 04°23'48"; thence tangent from said curve South 06°15'12" West 119.68 feet to the beginning of a tangent curve concave easterly and having a radius of 1161.09 feet; thence along said curve southerly 154.54 feet through a central angle of 07°37'33"; thence along a radial line of said curve North 88°37'39" East 7.83 feet; thence South 00°53'48" East 198.66 feet to the beginning of a tangent curve concave northeasterly and having a radius of 513.45 feet; thence along said curve southerly 439.17 feet through a central angle of 49°00'24"; thence along a radial line of said curve North 40°05'48" East 12.79 feet to a point on a non-tangent curve concave northeasterly and having a radius of 500.66 feet, said curve being concentric with said curve hereinabove described as having a radius of 513.45 feet; thence along said concentric curve southeasterly 117.49 feet through a central angle of 13°26'45" to the southerly line of said Parcel 2.

EXCEPTING THEREFROM Parcels 101837-1, 101837-2 and 101837-3 as described in that certain Grant Deed to the State of California recorded October 27, 2000 as Instrument No. 20000582393 of Official Records, in the Office of the County Recorder of said Orange County.

CONTAINING: 31.214 Acres, more or less.

SUBJECT TO all Covenants, Rights, Rights-of-Way and Easements of Record.

EXHIBIT B

THE SALE PROPERTY

That certain real property in the State of California, County of Orange, City of Costa Mesa, described as follows:

Parcel 3, as shown on Parcel Map 94-120 in the City of Costa Mesa, County of Orange, filed in Book 284, Pages 7 through 10 of Parcel Maps, in the office of the County Recorder of said County.

EXHIBIT C

AMENDMENT TO DEVELOPMENT AGREEMENT

1. First Amendment to the Development Agreement for Home Ranch executed August, 2003.
2. Partial Assignment and Assumption of Development Agreement (Home Ranch) dated as of November 4, 2002, by the City of Costa Mesa and certain owners, to the extent this agreement might constitute an amendment to the Development Agreement. This agreement concerns the Home Ranch property transferred to Standard Pacific Corp.
3. Estoppel Certificate for Home Ranch executed June 28, 2002, by City of Costa Mesa and certain owners, to the extent this agreement might constitute an amendment to the Development Agreement. This agreement concerns the Home Ranch property transferred to Ikea Property, Inc.

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, before me, _____,
Notary Public, personally appeared _____, personally known to me
(or proved to me on the basis of satisfactory evidence) to be the person(s) whose names(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.

WITNESS my hand and official seal

SIGNATURE OF NOTARY PUBLIC

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, before me, _____,
Notary Public, personally appeared _____, personally known to me
(or proved to me on the basis of satisfactory evidence) to be the person(s) whose names(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.

WITNESS my hand and official seal

SIGNATURE OF NOTARY PUBLIC

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, before me, _____,
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(or proved to me on the basis of satisfactory evidence) to be the person(s) whose names(s) is/are
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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.

WITNESS my hand and official seal

SIGNATURE OF NOTARY PUBLIC

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, before me, _____,
Notary Public, personally appeared _____, personally known to me
(or proved to me on the basis of satisfactory evidence) to be the person(s) whose names(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.

WITNESS my hand and official seal

SIGNATURE OF NOTARY PUBLIC

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, before me, _____,
Notary Public, personally appeared _____, personally known to me
(or proved to me on the basis of satisfactory evidence) to be the person(s) whose names(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.

WITNESS my hand and official seal

SIGNATURE OF NOTARY PUBLIC

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, before me, _____,
Notary Public, personally appeared _____, personally known to me
(or proved to me on the basis of satisfactory evidence) to be the person(s) whose names(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.

WITNESS my hand and official seal

SIGNATURE OF NOTARY PUBLIC