Staff Report

TO: City Council

FROM: Katie Jenson, Assistant Planner
Carole Kendrick, Interim Community Development Director

DATE February 18, 2025

SUBJECT: PLAN2024-0145, PLAN2024-0146, PLAN2025-0147, PLAN2024-0149, PLAN2024-0150, PLAN2024-0151, PLAN2024-0152 Annual Review of Active Development Agreements (DA)

Description Annual review of active Development Agreements.

Background and Analysis:

The City of Beaumont Resolution No. 1987-34, adopted May 11, 1987, sets forth the regulations and requirements for the City to enter into a development agreement (Attachment A). The resolution contains seven (7) articles addressing the development agreement process. The articles are as follows:

1. Applications;
2. Notices and Hearings;
3. Standards of Review, Findings and Decision;
4. Amendment and Cancellation of Agreement by Mutual Consent;
5. Recordation;
6. Periodic Review; and
7. Modification or Termination.

Article 6 of Resolution 1987-34 requires that all development agreements be reviewed by the Planning Commission, annually. The intent of the annual review is to determine if the property owner (or parties to the development agreement), are complying with the terms of the agreement. Beginning in 2020, staff re-established the annual review process and each agreement is now reviewed annually at the Planning Commission. If the Commission finds the parties to the agreement to be compliant, the review period is concluded. If the Commission finds the parties non-compliant, it may take actions, per the resolution. For the previous review periods each agreement was found to be in compliance.

The City currently has seven (7) active development agreements. Of the seven (7) active agreements, one (1) project is completed, one (1) is not active and five (5) are in progress. Each of the development agreements have specific terms and conditions agreed to by the City and developer.

DEVELOPER	PROJECT	START	END	TERM	PROJECT STATUS
Pardee Homes	Sundance	August 2004	August 2029	25 years	Active/In Progress
Pardee Homes	Tournament Hills	November 2002	November 2027	25 years	Active/In Progress
SDC Fairway Canyon LLC	Fairway Canyon	November 2002	November 2027	25 years	Active/In Progress
LV Heartland LLC	Heartland Specific Plan/Olivewood	October 1993	December 2028	35 years	Active/In Progress
Exeter Cherry Valley Land LLC	Sunny-Cal Specific Plan	September 2007	September 2032	25 years	Not Active
McDonald Property Group	Hidden Canyon Specific Plan	December 2019	December 2026	7 years	Complete
USEF Crossroads III, LLC	Rolling Hills	June 2021	Terminated upon either party's request	N/A	Active/ In Progress

Pardee Homes (PLAN2024-0150)

Entitlements consist of Sundance Specific Plan, EIR Addendum, Tentative Maps on approximately 200 acres of land for a maximum of 4,597 single-family residential dwelling units and associated improvements. There were revisions to the original DA for Deutsch SP that allows for Community Facilities District (CFD), fee rates are not locked in and extends validity of tract maps for length of the DA (see Attachment C).

Pardee Homes (PLAN2024-0152)

Tournament Hills is part of Specific Plan 318 (Oak Valley SCPGA) more specifically, 409 dwelling units of the 4,660 dwelling units approved in the Oak Valley SCPGA SP, other entitlements consist of Tentative Maps, EIR and Addendums. The DA allows for

Phasing, Community Facilities District (CFD) and fee rates are not locked (see Attachment D).

SDC Fairway Canyon LLC (PLAN2024-0145)

This DA is a part of Specific Plan 318 (Oak Valley SCPGA) with a maximum of 4,660 dwelling units. Entitlements also include EIR and Addendum, Findings of Substantial Conformance, Vesting Tentative Maps. The DA allows for Phasing, Community Facilities District (CFD) and fee rates are not locked (see Attachment E).

LV Heartland LLC (PLAN2024-0146)

The Heartland SP consists of 417 acres allowing for a maximum of 1,224 residential units and 11 acres of commercial land. Entitlements also include a General Plan Amendment, Specific Plan, EIR, and Tentative Maps. The DA has an option for one, five (5) year extension if permits for at least 500 residential lots have been issued prior to original expiration. The DA addresses a settlement agreement issue and offers dedication. It allows for a Community Facilities District (CFD) and requires a deposit for formation. The DA provides for the establishment of a Homeowners Association (HOA) and outlines HOA obligations. It requires a Phasing Plan for phasing of the development and fee rates are not locked in. The DA extends validity of tract maps for ten years with the opportunity for two, one (1) year extensions and allows for vesting tentative maps. It also speaks extensively to sewer treatment and facilities (see Attachment F).

Exeter Cherry Valley Land LLC (PLAN2024-0151)

Entitlements include General Plan Amendment, Sunny-Cal Specific Plan, EIR, Annexation, Tentative Maps on approximately 200 acres of land for a maximum of 597 single-family residential dwelling units and associated improvements. The DA allows for Community Facilities District (CFD) and phasing. Fee rates are not locked in, and it provides a Statement of Benefits to the City (see Attachment G).

McDonald Property Group (PLAN2024-0147)

This DA is a part of Hidden Canyon Specific Plan. Entitlements include Specific Plan, EIR, and Plot Plan. Extension of the entitlements for Plot Plan 2018-0134 for a period of seven (7) years from the current expiration date (November 13, 2026). The allowance of assignment or transfer of the development agreement and establishes a maximum allowable sewer flow (see Attachment H).

USEF Crossroads I, LLC

This DA's entitlements include Rolling Hills Specific Plan, EIR, General Plan Amendment, Addendums, Plot Plan, and Parcel Map. The DA allows for 3 million square feet of industrial development which consists of 126 developable acres in the Rolling Hills Specific Plan. The original Rolling Hills Specific Plan was adopted in April 1991 and amended in 2000 ("First Amendment"), 2002 ("Second Amendment") and

2004 ("Third Amendment") to reflect changing market conditions and planning considerations. The Fourth Amendment in 2018 was three-fold, to amend zoning standards in the Specific Plan to increase allowable building height, amend zoning ordinance to clearly delineate the uses which are permitted and not permitted in this SPA Zone, and third to amend Permitted Land Uses to recognize that the City has eliminated the LM zoning classification on which the Permitted Land Uses were based and replaced it with a proposed Land use list based on the current M zoning classification**.** In 2021, a Development Agreement was adopted to address sewer discharge limitations and establish a maximum allowable sewer flow (see Attachment I).

Good Faith and Compliance:
Staff has reviewed all of the current Development Agreements and has determined that all property owners and participants have demonstrated good faith and compliance.

Planning Commission Authority:

Pursuant to Resolution 1987-34, Article 6, Section 601 states that “the City shall review the development agreement every 12 months from the date the agreement is entered into”. Section 603 requires that the Planning Commission “conduct a public hearing at which the property owner must demonstrate good faith compliance with the terms of the agreement”. Resolution 1987-34 is provided as Attachment A to this staff report. At the February 12, 2025, Planning Commission by a vote of 4-0 made the determination that development agreements are in compliance.

Public Communications:

The annual review was published with a 10-day hearing notice in addition to a public notice in the Press Enterprise (see Attachment J). At the time of report preparation, the Planning Department has not received any letters of comment from the public in favor or opposition to the project. Any comments received prior to the time of the scheduled Planning Commission meeting will be provided to the Commission at the time of the public hearing.

Fiscal Impact:

The cost to prepare this report is approximately $250.

Recommended Action:

Receive and file.

Attachments:

A. Resolution No. 1987-34
B. Development Agreement Map
C. Pardee – Sundance DA (PLAN2024-0150)
D. Pardee – Tournament Hills DA (PLAN2024-0152)
E. Fairway Canyon DA (PLAN2024-0145)
F. Heartland DA (PLAN2024-0146)
G. Exeter Cherry Valley – SunnyCal DA (PLAN2024-0151)
H. Hidden Canyon DA (PLAN2024-0147)
I. Rollings Hills DA (PLAN2024-0149)
J. Proof of Publication

Incorporated by Reference:

- City of Beaumont General Plan
- City of Beaumont Zoning Ordinance
- Contents of City of Beaumont Planning Department's Development Agreement Project File PLAN2024-0145 through -0152, PLAN2021-0625, PLAN2021-0776, PLAN2022-0875, PLAN2023-0906 and PLAN2023-0920

RESOLUTION NO. 1987-34

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF BEAUMONT, CALIFORNIA,
ESTABLISHING PROCEDURES AND REQUIREMENTS
FOR CONSIDERATION OF DEVELOPMENT AGREEMENTS
UNDER GOVERNMENT CODE, SECTIONS 65864-65869.5

WHEREAS, Government Code, Sec. 65864-65869.5 authorize cities and counties to enter into binding development agreements with person having legal or equitable interests in real property for the development of such property and authorize the City of Beaumont to establish procedures for consideration of applications for such agreements;

WHEREAS, it is in the public interest to do so and the public health, safety and welfare will be promoted thereby,

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BEAUMONT, CALIFORNIA, DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

Table of Articles

Article 1 Applications
Article 2 Notices and Hearing
Article 3 Standards of Review, Findings and Decision
Article 4 Amendment and Cancellation of Agreement by Mutual Consent
Article 5 Recordation
Article 6 Periodic Review
Article 7 Modification or Termination

ARTICLE 1 Applications

Section 101 Authority for adoption
Section 102 Forms and information
Section 103 Fees
Section 104 Qualification as an applicant
Section 105 Proposed form of agreement
Section 106 Review of application

Section 101. Authority for adoption. These regulations are adopted under the authority of Government Code

Sections 65864-65869.5. The City of Beaumont, a Municipal Corporation, shall hereinafter be referred to as the "City".

Section 102. Forms and information.

(a) The Planning Director shall prescribe the form for each application, notice and documents provided for or required under these regulations for the preparation and implementation of development agreements.

(b) The Planning Director may require an applicant to submit such information and supporting data as the Planning Director considers necessary to process the application.

Section 103. Fees. The applications and documents provided for or required under these regulations shall be accompanied by non-refundable fees and charges for filing and processing in amounts determined by the City Council through a separate resolution, alone or in conjunction with setting other land use fees.

Section 104. Qualification as an applicant. Only a qualified applicant may file an application to enter into a development agreement. A qualified applicant is a person who has legal or equitable interest in the real property which is the subject of the development agreement. Applicant includes authorized agent. The Planning Director may require an applicant to submit proof of his interest in the real property and of the authority of the agent to act for the applicant. Before processing the application, the Planning Director shall obtain the opinion of the City Attorney as to the sufficiency of the applicant's interest in the real property to enter into the agreement.

Section 105. Proposed form of agreement. Each application shall be accompanied by the form of development agreement proposed by the applicant. This requirement may be met by designating the City's standard form of development agreement and including specific proposals for changes in or additions to the language of the standard form.

Section 106. Review of application. The Planning Director shall endorse on the application, the date it is received. He shall review the application and may reject it if it is incomplete or inaccurate for processing. If he finds that the application is complete, he shall accept it for filing. The director shall review the application and determine the additional requirements necessary to complete the agreement. After receiving the required information, he shall prepare a staff report and recommendation and shall state whether or not the agreement proposed or in an amended form would be consistent with the general plan and any applicable specific plan.

ARTICLE 2. Notices and Hearing

Section 201	Duty to give notice
Section 202	Requirements for form and time of notice of intention to consider adoption of development agreement
Section 203	Failure to receive notice
Section 204	Rules governing conduct of hearing
Section 205	Irregularity in proceedings

Section 201. Duty to give notice. Upon receipt of an application, the Planning Commission shall set a date for and

hold a public hearing. The Planning Director shall give notice as required by Section 202 of intention to consider adoption of development agreement.

Section 202. Requirements for form and time of notice of intention to consider adoption of development agreement. Any public hearing held pursuant to the provisions of this Chapter shall be noticed in the following manner:

(a) Form of notice. The form of notice of intention to consider adoption of development agreement shall contain:

(1) The time and place of the hearing;

(2) A general explanation of the matter to be considered, including a general description of the area affected; and

(3) Other information required by specific provision of these regulations or which the Planning Director considers necessary or desirable.

(b) Time and manner of notice. Notice shall be given at least ten calendar days before the hearing in the following manner:

(1) Publication or posting. Publication at least once in a newspaper of general circulation, published and circulated in the City or if there is none, posting in at least 3 public places in the City; and

(2) Mailing, Mailing of the notice to all persons shown on the last equalized assessment roll as owning real property within 300 feet of the property which is the subject of the proposed development agreement.

(c) Additional notice. The Planning Commission or City Council as the case may be, may direct that notice of the public hearing to be held before it shall be given in a manner that exceeds the notice requirements prescribed by state law.

(d) Declaration of existing law. The notice requirements referred to in subsections (a) and (b) are declaratory of existing law (Govt. Code, Sec. 65867 and Sec. 65854, 65854.5 and 65856 as incorporated by reference). If state law prescribes a different notice requirement, notice shall be given in that manner.

Section 203. Failure to receive notice. The failure of any person entitled to notice required by law or these regulations does not affect the authority of the City to enter into a development agreement.

Section 204. Rules governing conduct of hearing. The public hearing shall be conducted as nearly as may be in accordance with the procedural standards adopted under Government Code, Sec. 65804 for the conduct of zoning hearings. Each person interested in the matter shall be given an opportunity to be heard. The applicant has the burden of proof at the public hearing on the proposed development agreement.

Section 205. Irregularity in proceedings. No action, inaction or recommendation regarding the proposed development agreement shall be held void or invalid or be set aside by a court by reason of any error, irregularity, informality, neglect or omission ("error") as to any matter pertaining to petition, application, notice, finding, record, hearing, report, recommendation, or any matters of procedure whatever, unless after an examination of the entire case, including the evidence, the court is of the opinion that the error complained of was prejudicial and that by reason of the error the complaining party sustained and suffered substantial injury, and that a different result would have been probable if the error had not occurred or existed. There is not presumption that error is prejudicial or that injury was done if error is shown.

ARTICLE 3. Standards of Review, Findings and Decision

Section 301 Determination by Planning Commission
Section 302 Decision by City Council
Section 303 Approval of development agreement

Section 301. Determination by Planning Commission. After the hearing by the Planning Commission, the Planning Commission shall make its recommendation in writing to the City Council. The recommendation shall include the Planning Commission's determination whether or not the development agreement proposed:

(1) Is consistent with the objectives, policies, general land uses and programs specified in the general plan and any applicable specific plan;

(2) Is compatible with the uses authorized in, and the regulations prescribed for, the land use district in which the real property is located;

(3) Is in conformity with public convenience, general welfare and good land use practice,

(4) Will be detrimental to the health, safety and general welfare,

(5) Will adversely affect the orderly development of property or the preservation of property values.

The recommendation shall include the reasons for recommendation.

Section 302. Decision by City Council.

(a) After receiving the recommendation from the Planning Commission, the City Council shall hold a public hearing after giving notice as required by Section 202. After the City Council completes the public hearing, it may accept, modify or disapprove the recommendation of the Planning Commission. It may, but need not, refer matters not previously considered by the Planning Commission during its hearing back to the Planning Commission for report and recommendation. The Planning Commission may, but need not, hold a public hearing on matters referred back to it by the City Council.

(b) No development agreement may be approved by the City Council unless all of the following conditions are met:

(1) The City Council must find that:

A. The provisions of the agreement are consistent with the general plan and any applicable specific plan; and

B. The development agreement complies with all applicable zoning, subdivision, and building regulations and with the general and any relevant specific plan.

(2) The agreement must state:

A. The specific duration of the agreement;

B. The permitted uses of the property;

C. The density and intensity of use;

D. The maximum height and size of proposed buildings;

E. Specific provisions for reservation or dedication of land for public purposes.

Section 303. Approval of development agreement. If the City Council approves the development agreement, it shall do so by the adoption of an ordinance.

After the ordinance approving the development agreement takes effect, the City may enter into the agreement.

ARTICLE 4. Amendment and Cancellation of Agreement by Mutual Consent

Section 401 Initiation of amendment or cancellation by mutual consent
Section 402 Procedure

Section 401. Initiation of amendment or cancellation. Either party may propose an amendment to or cancellation in whole or in part of the development agreement previously entered into.

Section 402. Procedure. The procedure for proposing and adoption of an amendment to or cancellation in whole or in part of the development agreement is the same as the procedure for entering into an agreement in the first instance (Articles 1 through 3).

However, where the City initiates the proposed amendment to or cancelation in whole or in part of the development agreement it shall first give notice to the property owner of its intention to initiate such proceddings at least ten days in advance of the giving of notice of intention to consider the amendment or cancellation required by Section 202.

ARTICLE 5. Recordation.

Section 501 Recordation of development agreement, amendment or cancellation

Section 501. Recordation of development agreement, amendment or cancellation.

(a) Within 10 days after the City enters into the development agreement, the City Clerk shall have the agreement recorded with the County Recorder.

(b) If the parties to the agreement or their successors in interest amend or cancel the agreement as provided in Government Code, Sec. 65868, or if the City terminates or modifies the agreement as provided in Government Code Sec. 6586.1 for failure of the applicant to comply in good faith with the terms and conditions of the agreement, the City Clerk shall have notice of such action recorded with the County Recorder.

ARTICLE 6. Periodic Review

Section 601 Time for and initiation of review
Section 602 Notice of periodic review
Section 603 Public hearing
Section 604 Findings upon public hearing
Section 605 Procedure upon findings

Section 601. Time for and initiation of review. The City shall review the development agreement every twelve months from the date the agreement is entered into.

The time for review may be modified either by agreement between the parties or by initiation in one or more of the following ways:

(1) Recommendation of the planning staff;

(2) Affirmative vote of at least three members of the Planning Commission;

(3) Affirmative vote of at least three members of the City Council

Section 602. Notice of periodic review. The Planning Director shall begin the review proceeding by giving notice that the Planning Commission intends to undertake a periodic review of the development agreement to the property owner. He shall give notice at least ten days in advance of the time at which the matter will be considered by the Planning Commission.

Section 603. Public hearing. The Planning Commission shall conduct a public hearing at which the property owner must demonstrate good faith compliance with the terms of the agreement. The burden of proof on this issue is upon the property owner.

Section 604. Findings upon public hearing. The Planning Commission shall determine upon the basis of substantial evidence whether or not the property owner has, for the period under review, complied in good faith with the terms and conditions of the agreement.

Section 605. Procedure upon findings.

(a) If the Planning Commission finds and determines on the basis of substantial evidence that the property owner has complied in good faith with the terms and conditions of the agreement during the period under review, the review for that period is concluded.

(b) If the Planning Commission finds and determines on the basis of substantial evidence that the property owner has not complied in good faith with the terms and conditions of the agreement during the period under review, the Planning Commission may modify or terminate the agreement.

(c) The Planning Commiossion shall make its decision within 20 days after the close of the public hearing. Notice of the decision shall be filed by the Planning Director with the City Clerk, together with a report of the proceedngs, not more than 10 days after the decision. A copy of the notice of decision shall be mailed by registered mail to the applicant. If the Planning Commission is unable to make a decision, that fact shall be reported to the City Council in the same manner for reporting decisions and the failure to make a decision shall constitute a denial of the application. The decision of the Planning Commission shall be final unless, within 15 days of the mailing of said decision, the applicant or any interested person files an appeal accompanied by the fees set forth in the fee schedule with the City Clerk or unless the Council orders the matter set for public hearing.

ARTICLE 7. Modification or Termination.

Section 701 Proceedings upon modification or termination
Section 702 Hearing on modification or termination

Section 701. Proceedings upon modification or termination. If, upon a finding under Section 605(b), the City determines to proceed with modification or termination of the agreement, the City shall give notice referred to in Section 605 (c) to the property owner of its intention so to do. The notice shall contain:

(1) The time and place of the hearing;

(2) A statement as to whether or not the City proposes to terminate or to modify the development agreement;

(3) Other information which the City considers necessary to inform the property owner of the nature of the proceeding.

Section 702. Hearing on modification or termination. At the time and place set for the hearing on modification or termination, the property owner shall be given an opportunity to be heard. The City Council may refer the matter back to the Planning Commission for further proceedings or for report and recommendation. The City Council may impose those conditions to the action it takes as it considers necessary to protect the interests of the City. The decision of the City Council is final.

NOW THEREFORE, IT IS HEREBY RESOLVED as folows:

The City Council of the City of Beaumont, California does hereby approve the procedures and requirements of development agreements.

MOVED, PASSED AND ADOPTED this 11th day of May, 1987, by the following vote:

AYES: Council Member Connors, Shaw, Waller and Mayor Partain.

NOES: None.

ABSTAIN: None.

ABSENT: None.

Jim Partain
MAYOR OF THE CITY OF BEAUMONT

ATTEST:

Robert J. Bounds
CITY CLERK

APPROVED AS TO FORM:

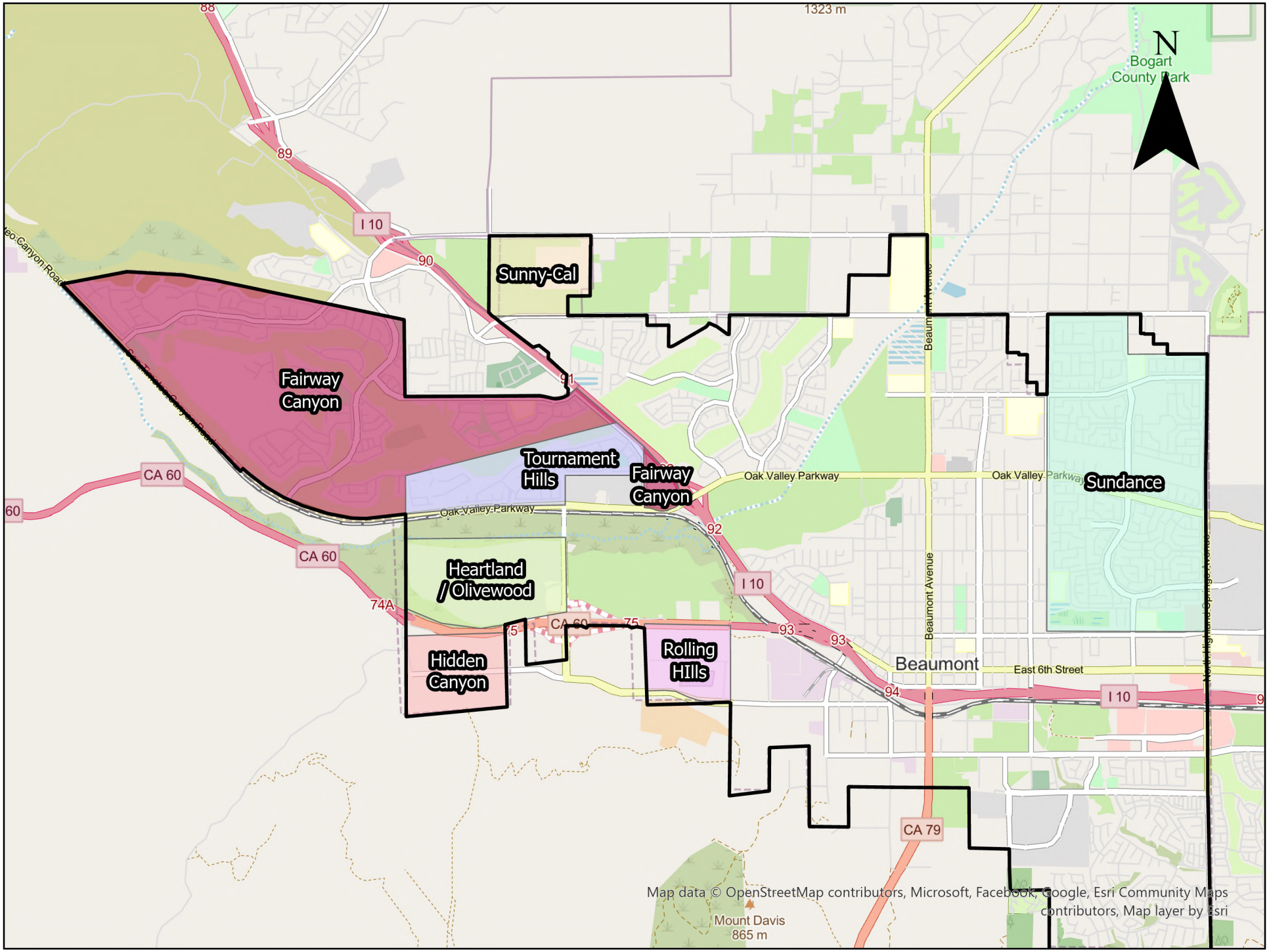
George R. Rapkin
CITY ATTORNEY

CERTIFICATION

The foregoing is certified to be a true copy of Resolution No. 1987- 34, duly adopted by said City Council on the date herein set forth.

Robert J. Bounds
CITY CLERK, CITY OF BEAUMONT

CITY OF BEAUMONT (SEAL) SEAL INCORPORATED NOV. 18, 1912



Created By: Bradley Barnhart
Date: Feb 6 2025

ORDINANCE NO. 869

AN UNCODIFIED ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BEAUMONT, CALIFORNIA, ADOPTING THE DEVELOPMENT AGREEMENT BETWEEN THE CITY OF BEAUMONT AND PARDEE HOMES (PURSUANT TO GOVERNMENT CODE SECTIONS 65864-65869.5)

WHEREAS, in order to strengthen the public planning process, to encourage private participation in comprehensive planning, and the reduce the economic risks of development, the Legislature of the State of California has adopted Sections 65864 through 65869.5 of the Government Code which authorize the City of Beaumont (hereinafter referred to as "City") to enter into a Development Agreement; and

WHEREAS, the Beaumont City Council adopted an Addendum to the Deutsch Specific Plan Environmental Impact Report, in conjunction with the approval of Pardee Homes' Sundance Specific Plan on May 4, 2004, and the City Council finds that the findings made in connection with said Addendum are applicable and adequately address the environmental implications associated with the subject actions; and

WHEREAS, the applicant, Pardee Homes, proposed and submitted and City staff has reviewed and negotiated the Development Agreement between Pardee Homes and the City, to govern the carrying out of the Sundance Specific Plan in a manner that will ensure certain anticipated benefits to both the City and Pardee Homes; and

WHEREAS, duly noticed public hearings were conducted on this matter as required by law by the Planning Commission on June 8, 2004 and the City Council on July 20, 2004, and the Planning Commission recommends that the City Council approve the proposed Development Agreement based upon the following findings:

1. The proposed agreement is consistent with the objectives, policies, general land uses and programs specified in the Beaumont General Plan;

2. The proposed agreement facilitates land uses which are compatible with the uses authorized in, and the regulations prescribed for, the land use districts in which the real property is located;

3. The proposed agreement is in conformity with public convenience, general welfare and good land use planning practice;

4. The proposed agreement will not be detrimental to the health, safety and general welfare;

5. The proposed agreement will not adversely affect the orderly development of the property or the preservation of property values;

6. The proposed agreement will facilitate quality master planned development, the Sundance Specific Plan, which will aid in the economic development of the City; and

7. The proposed agreement will not have an adverse impact on the environment.

WHEREAS, the City Council of the City of Beaumont has reviewed the reasons for the recommendation of approval by the Planning Commission as described above.

THEREFORE, THE CITY COUNCIL OF THE CITY OF BEAUMONT DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1: It has been determined that:

A. The provisions of the Development Agreement between the City and Pardee Homes are consistent with the General Plan; and

B. The Development Agreement complies with all applicable zoning, subdivision and building regulations and with the Sundance Specific Plan; and

C. The Development Agreement states the duration of the Agreement shall be a period of 25 years, sets forth the uses of the property, and the density and intensity of use, and sets forth the maximum height and size of proposed buildings and provides for the reservation, dedication and improvement of land uses for public facility uses.

SECTION 2: The Development Agreement between the City and Pardee Homes attached hereto as Exhibit "A" is hereby approved and the Mayor of the City of Beaumont is authorized and directed to execute said Development Agreement on behalf of the City on or after the date when by law this Ordinance shall take effect.

SECTION 3: This Ordinance shall take effect thirty (30) days after its final passage and within fifteen (15) days after its passage the City Clerk shall cause a summary to be published in a newspaper of general circulation, printed and published in the City of Beaumont, in a manner prescribed by law for publishing of ordinances of said City.

MOVED, PASSED AND ADOPTED THIS 17th **DAY OF** August , **2004 BY THE FOLLOWING VOTE:**

AYES: Mayor Dressel, Council Members Fox, DeForge, Berg, and Killough.

NOES: None.

ABSTAIN: None.

ABSENT: None.

MAYOR OF THE CITY OF BEAUMONT

ATTEST:

CITY CLERK

RECORDING REQUESTED BY, AND
WHEN RECORDED, MAIL TO:

City Clerk
City of Beaumont
550 East Sixth Street
Beaumont, California 92223

EXEMPT: GOV'T CODE § 6103

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Larry W. Ward
Assessor, County Clerk & Recorder

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DEVELOPMENT AGREEMENT

NO. 04-DA-06

BETWEEN

THE CITY OF BEAUMONT

AND

PARDEE HOMES

(SUNDANCE SPECIFIC PLAN)

(Pursuant to California Government Code Sections 65864 - 65869.5 and City of Beaumont Resolution No. 1987-34)

August 17, *2004*

TABLE OF CONTENTS

Page

1. DEFINITIONS 2
2. EXHIBITS 3
3. MUTUAL BENEFITS 3
4. INTEREST OF THE DEVELOPER 3
5. BINDING EFFECT OF AGREEMENT 4
6. PROJECT AS A PRIVATE UNDERTAKING 4
7. TERM 4
8. HOLD HARMLESS 4
9. VESTED RIGHT 4
10. DEVELOPMENT OF THE PROJECT 5
    - 10.1 Phasing and Timing of Development 5
    - 10.2 Effect of Agreement on Land Use Regulations 5
    - 10.3 Application Processing 5
    - 10.4 Administrative Changes and Amendments 5
    - 10.5 Mello-Roos Communities Facilities Districts; Other Assessment Districts or Financing Mechanisms 6
    - 10.6 Public Services and Facilities 6
    - 10.7 Other Governmental or Quasi-Governmental Permits 6
    - 10.8 Consistency Between This Agreement and Current Laws 6
    - 10.9 Assessments, Fees, Mitigation and Exactions 7
    - 10.10 Reimbursement by the City 7
11. RULES, REGULATIONS, REQUIREMENTS AND OFFICIAL POLICIES 7
    - 11.1 New Rules 7
    - 11.2 State and Federal Laws 8
12. AMENDMENT OR CANCELLATION OF AGREEMENT 8
13. ENFORCEMENT 8
14. PERIODIC REVIEW OF COMPLIANCE WITH AGREEMENT 8
15. Events of Default 9
    - 15.1 Default by the Developer 9

TABLE OF CONTENTS

Page

15.2 Default by the City 9

15.3 Specific Performance Remedy 9

16. INSTITUTION OF LEGAL ACTION 10

17. WAIVERS AND DELAYS 10

17.1 Waiver 10

17.2 Third Parties 10

17.3 Force Majeure 10

18. NOTICES 10

19. ATTORNEYS' FEES 11

20. TRANSFERS AND ASSIGNMENTS 11

20.1 Right to Assign 11

20.2 Release Upon Transfer 11

21. COOPERATION IN THE EVENT OF LEGAL CHALLENGE 11

22. EMINENT DOMAIN 11

23. AUTHORITY TO EXECUTE 11

24. ESTOPPEL CERTIFICATES 11

25. RECORDATION 12

26. PROTECTION OF MORTGAGE HOLDERS 12

27. SEVERABILITY OF TERMS 13

28. SUBSEQUENT AMENDMENT TO AUTHORIZING STATUTE 13

29. INTERPRETATION AND GOVERNING LAW 13

30. SECTION HEADINGS 13

31. INCORPORATION OF RECITALS AND EXHIBITS 13

32. RULES OF CONSTRUCTION AND MISCELLANEOUS TERMS 13

32.1 Gender 13

32.2 Time of Essence 13

32.3 Cooperation 13

33. TENTATIVE TRACT MAP EXTENSIONS 13

34. DEUTSCH DEVELOPMENT AGREEMENT 14

DEVELOPMENT AGREEMENT

This **DEVELOPMENT AGREEMENT ("Agreement")** is entered into to be effective on Aug 17, 2004, between **PARDEE HOMES**, a California corporation (the "**Developer**"), and the **CITY OF BEAUMONT,** a municipal corporation organized and existing under the laws of the State of California (the "**City**"). The Developer and the City are sometimes collectively referred to herein as the "parties."

RECITALS:

This Agreement is predicated upon the following facts:

A. These Recitals use certain capitalized terms which are defined in this Agreement.

B. Government Code Sections 65864 - 65869.5 authorize the City to enter into binding development agreements with persons having a legal or equitable interest in real property for the development of such property, all for the purpose of strengthening the public planning process, encouraging private participation and comprehensive planning and reducing the economic costs of such development. The City has implemented the law contained in such sections by adopting Resolution No. 1987-34, titled "Establishing Procedures and Requirements for Consideration of Development Agreements" (such Resolution, together with the aforementioned Government Code Sections, are being referred to herein as the "**Development Agreement Law**").

C. This Agreement is adopted pursuant to the Development Agreement Law.

D. Developer owns a portion of the property and is under a binding legal contract to acquire the remainder of the property located in the City and more particularly described on Exhibit "A" and as shown on Exhibit "B" attached and made a part of this Agreement (the "**Property**").

E. The Developer intends to develop the Property in accordance with the Amendment to the Deutsch Specific Plan ("**Sundance Specific Plan**") as part of the Development Plan, as hereinafter defined (the "**Project**"). The Project is highly capital intensive, especially in its initial phases, which, in order to make the Project economically and fiscally feasible, requires major commitment to and investment in public facilities and on-site and off-site infrastructure improvements prior to the construction and sale or leasing of residential and commercial buildings. This Agreement will facilitate the logical and orderly development of the Project in the City.

F. The City has determined the Development Plan is consistent with the City General Plan and has approved the Development Plan in order to promote the health, safety and welfare of its citizens and protect the quality of life of the community and the surrounding environment. The Development Plan consists of the Sundance Specific Plan, the Addendum to the Sundance EIR, and Tentative Tract Map Nos. 31468, 31469, 31470 and 31893 approved by

the City Council of City on May 4, 2004 by Resolution No. 2004-23. As part of the process of approving the Development Plan, the City has prepared and reviewed, pursuant to the California Environmental Quality Act ("CEQA"), an Addendum to the Deutsch Specific Plan EIR, with respect to the potential significant impacts of the Project resulting from development of the Property. The City has determined based on that review that the Addendum to the EIR adequately addresses the potential significant impacts of the Project, and that accordingly neither a supplemental nor subsequent environmental impact report is required for the Development Plan and/or this Agreement.

G. All of the proceedings relating to the approval of the Agreement have been conducted in accordance with the Development Agreement Law and CEQA.

H. On August 17, 2004, the City Council of the City adopted Ordinance No. 869 approving this Agreement with the Developer.

I. The terms and conditions of this Agreement have undergone extensive review by the City and its City Council and have been found to be fair, just and reasonable, and the City has found and determined that the execution of this Agreement is in the best interest of the public health, safety and general welfare of the City and its residents and that adopting this Agreement constitutes a present exercise of its police power.

AGREEMENT

In light of the foregoing Recitals, which are an operative part of this Agreement, the parties agree as follows:

1. DEFINITIONS.

"Agreement" is this Development Agreement.

"Agreement Date" is the date this Agreement is approved by the City Council.

"Alternative Financing Mechanism" has the meaning given that phrase in Section 10.5 below.

"CEQA" is the California Environmental Quality Act, Public Resources Code section 21000 *et seq.*

"CFD" is a Community Facilities District formed pursuant to the Mello-Roos Community Facilities Act of 1982, California Government Code section 53312 *et seq.*

"City" is the City of Beaumont, California.

"City's Discretion" is discretion exercised by the City in accordance with the policies and principles set forth in the Development Plan, this Agreement and the procedures in effect as of the Effective Date such that the approvals given by the City to the Developer pursuant to the exercise of such discretion shall not be unreasonably withheld or delayed.

"Developer" is Pardee Homes, a California corporation, their subsidiary entities, and successors in interest to all or any part of the Property.

"Development Agreement Law" is California Government Code sections 65864 *et seq.*, and Resolution No. 1987-34, titled "Establishing Procedures and Requirements for Consideration of Development Agreements."

"Development Plan" is, collectively, the permits, conditions and approvals listed on Exhibit "C."

"Effective Date" is that date which is the later to occur of (a) the expiration of the time for filing a referendum petition relating to this Agreement if no such petition is filed within such period, or (b) the certification of the results of a referendum election are declared approving this Agreement if a referendum petition is filed within the applicable period.

"EIR" is Addendum to the Deutsch Specific Plan Environmental Impact Report certified by the City Council of City on January 14, 1991 (Resolution No. 1991-03).

"Project" is the proposed mixed-use development of the Property included within the Development Plan and associated amenities, including, without limitation, on-site and off-site public and private improvements, and land uses consisting of residential (approximately 4,450 dwelling units), commercial, parks and schools, as the same may be further defined, enhanced or modified pursuant to the provisions of this Agreement.

"Property" is the real property on which the Project is, or will be, located as described on Exhibit "A" attached hereto and shown on Exhibit "B" attached hereto.

2. **EXHIBITS**. The following documents are referred to in this Agreement, attached hereto and incorporated herein by this reference:

Exhibit Designation	Description
A	Legal Description of the Property
B	Map of the Property
C	List of Permits and Approvals

3. **MUTUAL BENEFITS**. This Agreement is entered into for the purpose of implementing the Development Plan for the Project in a manner that will secure certain assurances to the Developer that the Property may be developed in accordance with the Development Plan and this Agreement, and certain benefits to the City as set forth in this Agreement. The City and the Developer agree that, due to the size and duration of the Project, the Agreement is necessary to achieve those desired benefits.

4. **INTEREST OF THE DEVELOPER**. The Developer represents that the Developer owns a legal fee in a portion of the Property and an equitable interest in a portion of the Property.

5. **BINDING EFFECT OF AGREEMENT**. The terms and conditions of this Agreement shall be binding upon and inure to the benefit of the parties and their successors and assigns as set forth herein.

6. **PROJECT AS A PRIVATE UNDERTAKING**. It is specifically understood and agreed that the development of the Project is a private and not a public sector development, that neither party is acting as the agent of the other in any respect hereunder, and that each party is an independent contracting entity with respect to the terms, covenants and conditions contained in this Agreement. No partnership, joint venture or other association of any kind is formed by this Agreement. The only relationship between the City and the Developer is that of a government entity regulating the development of private property by the owner of the Property and the equitable owner of the Deutsch Parcels.

7. **TERM**. The term of this Agreement shall be twenty-five (25) years following the Effective Date. Expiration of the term of this Agreement shall not in any manner affect rights which have otherwise vested under applicable law.

8. **HOLD HARMLESS** The Developer shall hold the City, its officers, agents, employees and representatives harmless from liability for damage or claims for damage for personal injury, including death and claims for property damage, arising on the Property from the wrongful or negligent activities of the Developer or those of the Developer's contractors, subcontractors, agents, employees or other persons acting on the Developer's behalf which relate to the Project. In the event any person not a party or a successor to a party to this Agreement institutes any type of action against the City with respect to this Agreement, City and Developer shall cooperate in defending against the action, provided that City may, in its sole discretion, elect to tender the defense of such action to the Developer. If the Developer accepts the tender, the Developer shall thereafter hold City harmless from and defend City from all costs and expenses incurred in the defense of such action, provided that City fully cooperates with the Developer in the defense of such action. If the Developer declines the tender, then City shall have no further obligation or duty to defend the action.

9. **VESTED RIGHT**. By entering into this Agreement the City grants to the Developer a vested right to develop the Property in accordance with the Development Plan. The City shall not enact and enforce against the Project and the Development Plan an ordinance, policy, rule, regulation or other measure which significantly alters the rate, type, manner, density, timing or sequencing of the Project and the Development Plan. In addition to and not in limitation of the foregoing, it is the intent of the Developer and the City that no moratorium, whether relating to the rate, type, manner, density, timing or sequencing of the Project and whether or not enacted by initiative or otherwise, except a moratorium imposed by the City to implement State or Federal laws, statutes, regulations, policies or orders as provided in Section 11.2, affecting parcel or subdivision maps, building permits, plot plans, special use permits, conditional use permits, occupancy certificates or other entitlements to use or permits approved, issued or granted within the City, or portions of the City, shall not apply to the Project to the extent such moratorium or other limitation is in conflict with the Project and the Development Plan. Notwithstanding the foregoing, should an ordinance, general plan or zoning amendment, measure, moratorium, policy, rule, regulation or other limitation enacted by the citizens of the City through the initiative process be determined by a court of competent jurisdiction to invalidate or prevail over

all or any part of the Development Plan, the Developer shall have no recourse against the City pursuant to this Agreement. The foregoing shall not be deemed to limit the Developer's right to appeal any such determination of such ordinance, general plan or zoning amendment, measure, policy, rule, regulation, moratorium or other limitation which purports to invalidate or prevail over all or any part of this Agreement.

10. DEVELOPMENT OF THE PROJECT.

10.1 **Phasing and Timing of Development**. When or the order in which Project phases will be developed, or whether it will be developed at all, depend upon numerous factors which are not within the control of the Developer or City, such as market orientation and demand, interest rates, availability of funding, competition and other similar factors. Accordingly, to the extent permitted by the Development Plan and this Agreement, the Developer shall have the right to develop the Project pursuant to the Development Plan in phases in such order and at such times as the Developer, in its sole discretion, deems appropriate within the exercise of its subjective business judgment; provided, however, that the City reserves the right to review, condition and approve each phase through discretionary and ministerial approvals consistent with this Agreement.

10.2 **Effect of Agreement on Land Use Regulations**. The rules, regulations and policies governing permitted uses of property, the density and intensity of use of property, the maximum height and size of proposed buildings and the design, improvement, construction and development standards and specifications applicable to development of the Property are those rules, regulations and policies in force as of the date of this Agreement, and those rules, regulations and official policies which may hereinafter be adopted by the City in accordance with Section 11.1 hereof, or State or Federal laws, statutes, regulations, policies or orders as provided in Section 11.2.

10.3 **Application Processing**. In connection with any approval which the City is permitted or has the right to make under this Agreement relating to the Project and the Development Plan, or otherwise under its rules, regulations and official policies, the City shall exercise the City's discretion or take action in a manner which is as expeditious as reasonably possible.

10.4 **Administrative Changes and Amendments**. The parties acknowledge that further planning and development of the Project may demonstrate that refinements and changes are appropriate with respect to the details of the Project or interpretation of the Development Plan. If and when the parties find that minor changes or adjustments are necessary or appropriate to the Project or the Development Plan, they shall, unless otherwise required by law, effectuate such changes or adjustments through administrative amendments approved by the Director of Planning, which, after execution, shall be attached hereto as addenda and become a part hereof, and may be further changed and amended from time to time as necessary, with approval by the Director of Planning as may be requested by the Developer. Minor changes or amendments shall be those which are consistent with the overall intent of the Development Plan and this Agreement and which do not materially alter the overall nature, scope, or design of the Project. Any such minor administrative changes or amendments shall not be deemed to be an

amendment to this Agreement under Government Code Section 65868 and, unless otherwise required by law, no such administrative amendments shall require prior notice or hearing.

10.5 **Mello-Roos Communities Facilities Districts; Other Assessment Districts or Financing Mechanisms**. Pursuant to Chapter 2.5 (commencing with section 53312) Part 1, Division 2, Title 5 of the Government Code of the State of California, commonly known as the "Mello-Roos Community Facilities Act of 1982," the Developer may, at its sole election, petition the City Council of the City or a joint powers agency in which the City is a member to establish a Community Facilities District ("CFD"), in accordance with the City's policies in existence on the Effective Date. Alternatively, or in addition thereto, the Developer may request that the City initiate and complete proceedings under the Municipal Improvement Act of 1911, the Municipal Improvement Act of 1913, the Improvement Bond Act of 1915, the Landscaping and Lighting Act of 1972, or any and all other available public financing mechanism, to provide public conduit financing for the construction of public infrastructure improvements on the Property ("**Alternative Financing Mechanisms**"). If so requested by the Developer, the City shall cooperate with the Developer (or, for matters beyond its control, shall use its best efforts) in taking all steps necessary to cause the CFD or Alternative Financing Mechanisms to issue bonds for such purposes. If the Property is included within a CFD or Alternative Funding Mechanism with other surrounding properties, the special taxes or special assessments burdening the various properties so included shall be apportioned on a fair share basis related to the benefit derived by each of such properties in accordance with City policies at the time such property is included.

10.6 **Public Services and Facilities**. The Project and Development Plan requires an integrated roadway system, and other public facilities including parks, schools, storm drains, and water and sewer facilities. City will reasonably assist Developer in obtaining public facilities and services for the Project on a timely basis in keeping with the pace of development of the Property. To the extent that the Developer constructs, installs or provides financing for public facilities or other public infrastructure improvements that benefit lands outside of the Property, the City shall use best reasonable efforts to adopt such ordinances, mitigation fees, liens or assessments as are necessary to provide credits, reimbursements, or in-kind funding to the Developer for the fair share of the benefits conferred upon such lands other than the Property by such public facilities or infrastructure improvements.

10.7 **Other Governmental or Quasi-Governmental Permits**. The Developer shall apply for such other permits and approvals as may be required by other governmental or quasi-governmental agencies having jurisdiction over the Project (such as public utilities or utility districts, or other federal or state agencies) to the extent required for the development of, or provision of, services and facilities to the Project as set forth in the Development Plan. The City shall cooperate with and assist the Developer in obtaining such permits and approvals, and, where necessary in making application for such approvals or permits. The Developer shall be solely responsible for all costs and shall be responsible for the processing of all such permits.

10.8 **Consistency Between This Agreement and Current Laws**. The City represents that as of the date of the execution of this Agreement, there are no rules, regulations, ordinances or official policies of the City that would interfere with the development of the Project according to the Development Plan.

10.9 **Assessments, Fees, Mitigation and Exactions**. The City shall not impose any future assessment, fee, mitigation measure or exaction on the Property, the Project or the Development Plan or any portion thereof, except (a) those existing and proposed assessments, fees, mitigation measures and exactions in existence on the date of this Agreement, (b) such other fees, assessments and exactions as may be adopted or imposed by the City in conformance with the requirements of Article XIII D of the California Constitution, (c) such other development impact fees or categories of development impact fees which are adopted on a City or County-wide basis or as required as a condition to obtaining County funding; and (d) such other development impact fees or categories of development impact fees which are imposed on other development projects in the City and are adopted and levied based on a benefit assessment. Fees payable to City shall be at rates applicable on the date the fee is paid. City shall recognize and apply a dollar-for-dollar in-lieu credit against any and all fees, for and equal to the cost of improvements and/or dedications made in the development of the Project by the Developer, or funded by any CFD or Alternative Financing Mechanism including the Property, and for which the fees would otherwise be imposed. City further agrees to use any fees paid with respect to development of the Project to fund improvements which benefit the Project, to the fullest reasonable extent available and applicable under the law.

10.10 **Reimbursement by the City**. Pursuant to Government Code Section 65865.2, the City hereby agrees that as future development fees, assessments and exactions are imposed on future projects which have benefited from the fees, assessments and exactions paid by the Developer, the City shall promptly reimburse the Developer to the extent that such fees, assessments and exactions paid by Developer benefited lands outside of the Property, but only to the extent that the City actually receives or collects such fees, assessments or exactions for a period of ten years from the date the fee was paid.

11. RULES, REGULATIONS, REQUIREMENTS AND OFFICIAL POLICIES.

11.1 **New Rules**. This Agreement shall not prevent the City from applying the following new rules, regulations, requirements and policies, if applied on a City-wide or area of benefit basis:

11.1.1 Processing fees and charges imposed by the City which cover only the estimated actual costs to the City of processing applications for development approvals, for monitoring compliance with any development approvals or for monitoring compliance with environmental impact mitigation measures.

11.1.2 Procedural regulations relating to hearing bodies, petitions, applications, notices, findings, records, hearings, reports, recommendations, appeals and any other matter of procedure, provided that such changes in procedural regulations do not have the effect of materially interfering with the benefits conferred by this Agreement.

11.1.3 Regulations governing construction standards and specifications including, without limitation, the City's Building Code, Plumbing Code, Mechanical Code, Electrical Code and Fire Code.

11.1.4 Regulations which are necessary to protect public health and safety, provided that to the maximum extent possible such regulations shall be designed, construed and applied in a manner to preserve the benefits of this Agreement.

11.1.5 New or increased fees or categories of fees imposed as a condition of development, for the purpose of defraying all or a portion of the cost of public facilities (as defined in Government Code Sections 66000 *et seq.)* related to development projects.

11.1.6 Regulations which are in conflict with the Development Plan or this Agreement if such regulations have been consented to in writing by the Developer.

11.2 **State and Federal Laws**. In the event that State or Federal laws or regulations enacted after this Agreement is executed prevent or preclude compliance with one or more of the provisions of this Agreement, such provisions of this Agreement shall be modified or suspended as may be necessary to comply with such State or Federal laws or regulations; provided, however, that this Agreement shall remain in full force and effect to the extent it is not inconsistent with such laws or regulations and to the extent such laws or regulations do not render such remaining provisions impractical to enforce.

12. **AMENDMENT OR CANCELLATION OF AGREEMENT**. This Agreement may be amended or canceled in whole or in part only by mutual consent of the parties in the manner provided for in Government Code Section 65868.

13. **ENFORCEMENT**. Unless amended or canceled as provided in Section 12 above, or modified or suspended pursuant to Government Code Section 65869.5, this Agreement is enforceable by either party hereto notwithstanding any change in any applicable general or specific plan, zoning, or subdivision regulation or standard adopted by the City (or by the voters of the City unless found by a court of competent and final jurisdiction to prevail over this Agreement) which alters or amends the Development Plan or is inconsistent with this Agreement.

14. **PERIODIC REVIEW OF COMPLIANCE WITH AGREEMENT**. The City shall review this Agreement at least once every year from the date this Agreement is executed. During each periodic review, each party is required to demonstrate good faith compliance with the terms of this Agreement. Such periodic review shall be conducted administratively by the City Manager and any appropriate department heads designated by the City Manager to perform such periodic review. If the City Manager finds that the Developer is not in good faith compliance with this Agreement, the Developer shall have the right to appeal such finding to the City Council. The City Council on appeal shall not hold a public hearing to review a finding that the Developer is not in good faith compliance with this Agreement unless so requested by the Developer in writing at the time of the submission of such appeal. The City shall notify the Developer in writing of the date for review at least thirty (30) days prior thereto. The Developer shall pay or reimburse the City for the City's reasonable costs incurred in connection with such periodic reviews.

15. Events of Default.

15.1 **Default by the Developer**. If the City Council determines on the basis of substantial evidence upon appeal of the City Manager's decision pursuant to Section 14 hereof that the Developer has not complied in good faith with the terms and conditions of this Agreement, it shall, by written notice to the Developer, specify the manner in which the Developer has failed to so comply and state the steps the Developer must take to bring itself into compliance. If, within sixty (60) days after the effective date of notice from the City specifying the manner in which the Developer has failed to so comply, the Developer does not commence action reasonably necessary to bring itself into compliance as required and thereafter diligently pursue such steps to completion, then the Developer shall be deemed to be in default under the terms of this Agreement and the City may, if such failure persists after thirty (30) days' prior written notice, exercise its rights and remedies pursuant to Section 15.3.

15.2 **Default by the City**. If the Developer determines on the basis of substantial evidence that the City has not complied in good faith with the terms and conditions of this Agreement, the Developer shall, by written notice to the City, specify the manner in which the City has failed to so comply and state the steps the City must take to bring itself into compliance. If, within sixty (60) days after the effective date of notice from the Developer specifying the manner in which the City has failed to so comply, the City does not commence steps reasonably necessary to bring itself into compliance as required and thereafter diligently pursue such steps to completion, then the City shall be deemed to be in default under the terms of this Agreement and if such failure persists after thirty days prior written notice, the Developer may terminate this Agreement or seek specific performance as set forth in Section 15.3.

15.3 **Specific Performance Remedy**. Due to the size, nature and scope of the Project, it will not be practical or possible to restore the Property to its natural condition following development of all or any portion of the Property. After such development, the Developer may be foreclosed from other choices it may have had to utilize the Property. The Developer has invested significant time and resources and performed extensive planning and processing of the Project in agreeing to the terms of this Agreement and will be investing substantially more time and resources in implementing the Project in reliance upon the terms of this Agreement. It would be difficult or impossible to accurately determine the sum of money which would adequately compensate the Developer for such efforts. For the above reasons, the City and the Developer agree that damages alone would not be an adequate remedy if the City fails to carry out its obligations under this Agreement. Similarly, if the Developer breaches certain of its obligations hereunder, monetary damages may not constitute an adequate remedy for the City. Therefore, the parties agree that specific performance of this Agreement is an appropriate remedy if either party defaults and fails to perform its non-monetary obligations under this Agreement. Notwithstanding the foregoing, nothing in this Agreement is intended to prevent either party from seeking recovery of appropriate damages in the event that the terms of this Agreement are breached. The City and the Developer acknowledge that if the Developer is in default of its obligations under this Agreement, the City shall have the right to refuse to issue any permits or other approvals to which the Developer would not otherwise have been entitled but for this Agreement.

16. **INSTITUTION OF LEGAL ACTION**. In addition to any other rights or remedies, either party may institute legal action to cure, correct or remedy any default, to enforce any covenants or agreements herein, to enjoin any threatened or attempted violation hereof, to recover damages for any default or to obtain any other remedies consistent with the purpose of this Agreement. Any such legal action shall be brought in the Superior Court of the State of California for the County of Riverside. The parties hereto waive any right to trial by jury.

17. **WAIVERS AND DELAYS.**

17.1 **Waiver**. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by the other party, and failure by a party to exercise its rights upon a default by the other party hereto, shall not constitute a waiver of such party's right to demand strict compliance by such other party in the future.

17.2 **Third Parties**. Nonperformance shall not be excused because of a failure of a third person except as provided in Section 17.3 below.

17.3 **Force Majeure**. Neither party shall be deemed to be in default for failure or delay in performance of any of its obligations under this Agreement if caused by floods, earthquakes, other Acts of God, fires, wars, riots or similar hostilities, strikes, other labor difficulties, government regulations or other causes beyond either of the parties' control. If any such event shall occur, the term of this Agreement and the time for performance by the Developer of any of its obligations hereunder or pursuant to the Development Plan shall be extended by the period of time that such events prevent or delay development of the Project.

18. **NOTICES**. All notices required or provided for under this Agreement shall be in writing and delivered in person and deposited in the United States mail, postage prepaid and addressed as follows:

To the City:	The City of Beaumont 550 East Sixth Street Beaumont, California 92223 Attn: City Manager
With a copy to:	Mr. Joseph Aklufi Aklufi & Wysocki 3403 Tenth Street, Suite 610 Riverside, CA 92501
To the Developer:	Pardee Homes 1181 California Ave., Suite 103 Corona, CA 92881 Attn: Michael Taylor
With a copy to:	Hewitt & O'Neil LLP 19900 MacArthur Blvd., Suite 1050 Irvine, California 92612 Attn: Dennis D. O'Neil, Esq.

Any party may change its address stated herein by giving notice, in writing, to the other parties.

19. **ATTORNEYS' FEES**. If legal action is brought by either party against the other for breach of this Agreement, or to compel performance under this Agreement, the prevailing party shall be entitled to an award of reasonable attorneys' fees and costs.

20. **TRANSFERS AND ASSIGNMENTS.**

20.1 **Right to Assign**. The Developer shall have the right to sell, assign or transfer this Agreement and any and all of its rights, duties and obligations hereunder, in whole or in part, to any person or entity at any time during the term of this Agreement; provided, however, in no event shall the rights, duties and obligations conferred upon the Developer pursuant to this Agreement be at any time so transferred or assigned except through a transfer of an interest of the Developer in the Property, or a portion thereof. The assignment shall not be effective without the City's prior approval, which shall not be unreasonably withheld, to ensure that the assignment will not prevent the orderly development of the Project consistent with the Agreement or Development Plan. In the event of any such assignment, the transferee shall thereafter be solely liable for the performance of all obligations of the Developer relating to the portion of the Property, or interest therein, so transferred. Such transferee or the Developer shall notify the City, in advance, and in writing of their intent to transfer such obligations.

20.2 **Release Upon Transfer**. Upon the sale, transfer or assignment of the Developer's rights and interests under this Agreement as permitted pursuant to Section 20.1, the Developer shall be released from its obligations under this Agreement and all of the Developer's obligations pursuant to the Development Plan, or other agreements assumed by transferee with respect to the Property, or portion thereof, so transferred, provided that (a) the Developer is not then in default under the Agreement, (b) the Developer or transferee has provided the City notice of such transfer and (c) the transferee executes and delivers to the City a written agreement in which (i) the name and address of the transferee is set forth and (ii) the transferee expressly and unconditionally assumes all of the obligations of the Developer under this Agreement with respect to the Property, or a portion thereof, so transferred.

21. **COOPERATION IN THE EVENT OF LEGAL CHALLENGE**. In the event of any legal action instituted by a third party or other governmental entity or official challenging the validity of this Agreement or any portion thereof, the parties hereby agree to cooperate in defending such action, subject to the provisions of Section 8. In the event of any litigation challenging the effectiveness of this Agreement, or any portion hereof, this Agreement shall remain in full force and effect while such litigation, including any appellate review, is pending.

22. **EMINENT DOMAIN**. No provision of this Agreement shall be construed to limit or restrict the exercise by the City of its power of eminent domain.

23. **AUTHORITY TO EXECUTE**. The person or persons executing this Agreement on behalf of the Developer warrant and represent that they have the authority to execute this Agreement on behalf of the Developer and warrant and represent that they have the authority to bind the Developer to the performance of its obligations hereunder.

24. **ESTOPPEL CERTIFICATES**. The City shall at any time upon not less than thirty (30) days' prior written notice from the Developer execute, acknowledge and deliver to the Developer

a statement in writing (i) certifying that this Agreement is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Agreement, as so modified, is in full force and effect); (ii) certifying the amounts of the fees, assessments and exactions that have been received from the Developer and what amounts, if any, remain outstanding; and (iii) acknowledging that there are not, to the City's knowledge, any defaults if any are claimed. Any such statement may be conclusively relied upon by any prospective purchaser, lender or joint venture partner.

25. **RECORDATION**. This Agreement and any amendment or cancellation hereto shall be recorded in the Official Records of the County of Riverside, by the City Clerk within the period required by Section 65868.5 of the Government Code.

26. **PROTECTION OF MORTGAGE HOLDERS**. The parties hereto agree that this Agreement shall not prevent or limit the Developer, in any manner, at the Developer's sole discretion, from encumbering the Property or any portion thereof or any improvement thereon by any mortgage, deed of trust or other security device securing financing with respect to the Property. The City acknowledges that the lenders providing such financing may require certain interpretations, estoppel certificates and modifications to this Agreement and agrees upon request, from time to time, to meet with the Developer and representatives of such lenders to negotiate in good faith any such request for interpretations, estoppel certificates or modifications. The City will not unreasonably withhold its consent to any such requested interpretation, estoppel certificate or modification provided the same is consistent with the intent and purposes of this Agreement. The holder(s) of any mortgage, deed of trust or other security instrument encumbering the Property (each, a "**Mortgagee**") shall have the following rights and privileges:

26.1.1 Neither entering into this Agreement nor a breach of this Agreement shall defeat, render invalid, diminish or impair the lien of any mortgage on the Property made in good faith and for value, unless otherwise required by law.

26.1.2 Any Mortgagee which has submitted a request in writing to the City in the manner specified herein for giving notices, shall be entitled to receive written notification from City of any default by the Developer in the performance of the Developer's obligations under this Agreement.

26.1.3 If the City timely receives a request from a Mortgagee requesting a copy of any notice of default given to the Developer under the terms of this Agreement, the City shall provide a copy of that notice to the Mortgagee within ten (10) days of sending the notice of default to the Developer. Mortgagee's not party to this Agreement. If the cure period for a default by the Developer set forth in Section 15.1 above has expired and such default has not been cured, the Mortgagee shall be provided with an additional thirty (30) day period after the expiration of such cure period in which to commence all steps reasonably necessary to bring the Developer in compliance as required under this Agreement and thereafter diligently pursue such steps to completion. During such cure period, and if the default is ultimately cured, the City shall not terminate this Agreement.

26.1.4 Any Mortgagee who comes into possession of the Property, or any part thereof, pursuant to foreclosure of the mortgage or deed of trust, or deed in lieu of such

foreclosure, shall take the Property, or part thereof, subject to the terms of this Agreement. Notwithstanding any other provision of this Agreement to the contrary, no Mortgagee shall have an obligation or duty under this Agreement to perform any of the Developer's obligations or other affirmative covenants of the Developer hereunder, or to guarantee such performance; provided, however, that to the extent that any covenant to be performed by the Developer is a condition precedent to the performance of a covenant by City, the performance thereof shall continue to be a condition precedent to City's performance hereunder, and further provided that any sale, transfer or assignment by any Mortgagee in possession shall be subject to the provisions of this Agreement.

27. **SEVERABILITY OF TERMS**. If any term, provision, covenant or condition of this Agreement shall be determined invalid, void or unenforceable, the remainder of this Agreement shall not be affected thereby to the extent such remaining provisions are not rendered impractical to enforce.

28. **SUBSEQUENT AMENDMENT TO AUTHORIZING STATUTE**. This Agreement has been entered into in reliance upon the provisions of the Development Agreement Law in effect as of the Agreement Date. Accordingly, subject to Section 11.2 above, to the extent a subsequent amendment to the Development Agreement Law would affect the provisions of this Agreement, such amendment shall not be applicable to the Agreement unless necessary for this Agreement to be enforceable or unless this Agreement is modified pursuant to the provisions set forth in the Agreement and Government Code Section 65868 in effect on the Agreement Date.

29. **INTERPRETATION AND GOVERNING LAW**. This Agreement and any dispute arising hereunder shall be governed and interpreted in accordance with the laws of the State of California.

30. **SECTION HEADINGS**. All section headings and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

31. **INCORPORATION OF RECITALS AND EXHIBITS**. Recitals A through J and attached Exhibits "A" through "E" are hereby incorporated herein by this reference as though set forth in full.

32. **RULES OF CONSTRUCTION AND MISCELLANEOUS TERMS.**

32.1 **Gender**. The singular includes the plural; the masculine gender includes the feminine; "shall" is mandatory, "may" is permissive.

32.2 **Time of Essence**. Time is of the essence regarding each provision of this Agreement in which time is an element.

32.3 **Cooperation**. Each party covenants to take such reasonable actions and execute all documents that may be necessary to achieve the purposes and objectives of this Agreement.

33. **TENTATIVE TRACT MAP EXTENSIONS**. In accordance with the provisions of Section 66452.6 of the California Government Code, tentative subdivision tract map(s) or

tentative parcel map(s), heretofore or hereafter approved in connection with development of the Property, shall be granted an extension of time for the term of this Agreement.

34. **DEUTSCH DEVELOPMENT AGREEMENT**. This Agreement shall supersede that certain Development Agreement between the City and Highland Farms, Aleisian Farms and Banning Farms (Deutsch) dated April 25, 1991 and recorded on May 24, 1991 in the Office of the Riverside County Recorder ("Deutsch Development Agreement"), except for any obligation Developer may have to provide access to the City's sewer system to those properties located on Eighth Street as may be required under the terms of the Deutsch Development Agreement.

The parties have executed this Development Agreement on the date and year first written above.

"City"

THE CITY OF BEAUMONT, a
municipal corporation of the State of California

By: _____
Larry Dressel, Mayor

"Developer"

PARDEE HOMES, a California corporation

By: _____
Mike Taylor, Vice President
Title

By: _____
John Arvin, Sr. Vice President
Title

SIGNED AND CERTIFIED THAT A COPY OF
THIS DOCUMENT HAS BEEN DELIVERED TO
THE MAYOR OF THE CITY COUNCIL

By: M. Lynn Chance
Lynn Chance, City Clerk

(All Signatures To Be Notarized)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California
County of Riverside } ss.

On 3/7/2006 (Date) before me, Karee Trinidad, Notary Public (Name and Title of Officer (e.g., "Jane Doe, Notary Public"))

personally appeared Larry Dressel (Name(s) of Signer(s)),

☒ personally known to me
☐ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(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.

Karee Trinidad
Signature of Notary Public

KAREE TRINIDAD
Commission # 1413025
Notary Public - California
Riverside County
My Comm. Expires Apr 22, 2007

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Development Agreement

Document Date: 2/23/2004 Number of Pages: 17

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

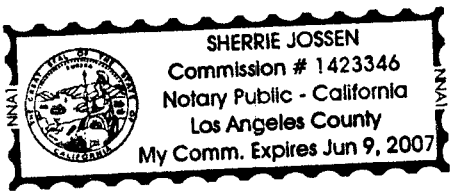
RIGHT THUMBPRINT OF SIGNER
Top of thumb here

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CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California
County of Los Angeles

On **February 16, 2006**, before me, Sherrie Jossen, Notary Public, personally appeared **John Arvin, Sr. Vice President**, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.



WITNESS my hand and official seal

Sherrie Jossen
Notary Public in and for said state.

----------**OPTIONAL**----------

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

DESCRIPTION OF ATTACHED DOCUMENT

Title or Type of Document: **Development Agreement**

Additional Information: Sundance Specific Plan

Date of Document: August 17, 2004 **Number of Pages:** 17

Signer is Representing: PARDEE HOMES

Signer(s) other than named above: N/A

CAPACITY CLAIMED BY SIGNER

Name of Signer: John Arvin
Signing As:

- [ ] INDIVIDUAL
- [x] CORPORATE OFFICER **TITLE:** Sr. Vice President
- [ ] PARTNER(S)
- [ ] LIMITED [ ] GENERAL
- [ ] ATTORNEY-IN-FACT
- [ ] TRUSTEE
- [ ] GUARDIAN/CONSERVATOR
- [ ] OTHER:

THUMB PRINT
RIGHT THUMB

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California
County of RIVERSIDE } ss.

On 2/10/06 (Date), before me, LORRAINE R. BANON Notary Public (Name and Title of Officer (e.g., "Jane Doe, Notary Public"))

personally appeared MIKE TAYLOR (Name(s) of Signer(s)),

☒ personally known to me
☐ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(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.

Lorraine R. Banon
Signature of Notary Public

LORRAINE R. BANON
Commission # 1509092
Notary Public - California
Riverside County
My Comm. Expires Aug 21, 2009

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document
Title or Type of Document: DEVTSCH DEVELOPMENT AGREEMENT

Document Date: 02/10/06 Number of Pages: 1

Signer(s) Other Than Named Above: NONE

Capacity(ies) Claimed by Signer
Signer's Name: MIKE TAYLOR

☐ Individual
☒ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: PARDEE HOMES

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

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CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California
County of Riverside } ss.

On 2/23/2004 (Date) before me, Karee Trinidad, Notary Public (Name and Title of Officer (e.g., "Jane Doe, Notary Public"))

personally appeared Martha Lynn Chance (Name(s) of Signer(s)),

☒ personally known to me
☐ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(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.

Karee Trinidad
Signature of Notary Public

KAREE TRINIDAD
Commission # 1413025
Notary Public - California
Riverside County
My Comm. Expires Apr 22, 2007

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Development Agreement

Document Date: 2/23/2004 Number of Pages: 17

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

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EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

RBF Consulting
14725 Alton Parkway
Irvine, California 92618

October 17, 2003
Exhibit "A" **JN 10-102112.01**

LEGAL DESCRIPTION
SUNDANCE DEVELOPMENT AGREEMENT

That certain parcel of land situated in the City of Beaumont, County of Riverside, State of California, being that portion of Section 35, Township 2 South, Range 1 West together with all of Section 2 and that portion of Section 11, Township 3 South, Range 1 West, all San Bernardino Meridian, described as follows:

BEGINNING at the centerline intersection of Brookside Avenue and Cherry Avenue being also the northwest corner of said Section 35 and an angle point in the existing boundary line of the Beaumont-Cherry Valley Water District.

thence along said existing boundary line and the westerly line of said Section 35 South 00°50'06" West 1420.14 feet to an angle point in said existing boundary line as established by "Annexation to Beaumont-Cherry Valley Water District LAFCO 92-19-3";

thence along the northerly, easterly and southerly lines of said annexation through the following courses: South 89°45'24" East 660.97 feet;

thence South 00°51'43" West 566.03 feet;

thence North 89°45'24" West 660.70 feet to said westerly line of Section 35;

thence leaving said southerly line, continuing along said existing boundary line through the following courses: along said westerly line South 00°50'06" West 662.03 feet to the west quarter corner of said section;

thence continuing along said westerly line South 00°39'07" West 2635.83 feet to the northwest corner of said Section 2;

thence along the westerly line of said Section 2 South 00°32'42" West 2401.99 feet to the west quarter corner of said section;

thence continuing along said westerly line South 00°18'18" East 2637.67 feet to the southwest corner of said Section 2;

thence along the southerly line of said Section 2 South 88°12'51" East 2401.95 feet to the northeasterly corner of Lot 7, Block 1 of the Map of the Subdivision of Section 11, Township 3 South, Range 1 West, San Bernardino Meridian recorded in Book 9, Page 10 of Maps in the Office of the County Recorder of said San Bernardino;

thence along the easterly line of said Lot 7 and the southerly prolongation thereof South 00°16'11" West 186.80 feet to the centerline of Eighth Street;

thence along said centerline through the following courses: South 89°46'16" East 424.88 feet;

thence South 89°44'45" East 1551.55 feet to the beginning of a tangent curve concave northerly and having a radius of 1000.00 feet;

thence along said curve easterly 251.56 feet through a central angle of 14°24'48";

thence tangent from said curve North 75°50'27" East 177.60 feet to the beginning of a tangent curve concave southerly and having a radius of 1000.00 feet;

thence along said curve easterly 239.28 feet through a central angle of 13°42'36";

thence tangent from said curve North 89°33'03" East 215.76 feet to the centerline of Highland Springs Avenue, being also the southeasterly corner of said Section 2;

thence leaving said centerline of Eighth Street and existing boundary line of Beaumont-Cherry Valley Water District, along the easterly line of said Section 2 North 00° 10'30" East 2640.08 feet to the east quarter corner of said section;

thence continuing along said easterly line North 00°10'12" East 2541.66 feet to the northeast corner of said section;

thence along the easterly line of said Section 35 North 01°08'32" East 2639.31 feet to the east quarter corner of said section;

thence continuing along said easterly line North 01°09'01" East 1980.24 feet to an angle point in said existing boundary line of the Beaumont-Cherry Valley Water District;

thence along said existing boundary line through the following courses: continuing along said easterly line of Section 35 North 01°09'01" East 659.33 feet to the northeast corner of said section being also on the centerline of said Brookside Avenue;

thence along the northerly line of said section North 89°40'48" West 1321.69 feet to the northwest corner of the northeast quarter of the northeast quarter of said section;

thence along the westerly line of said northeast quarter of the northeast quarter of Section 35 South 01°08'00" West 1322.94 feet to the centerline of Seventeenth Street;

thence along said centerline North 89°43'36" West 1321.39 feet to the centerline of Orchard Heights Avenue;

thence along said centerline North 00°56'50" East 1327.11 feet to said northerly line of Section 35 being also on the centerline of Brookside Avenue;

thence along said northerly line North 89°32'30" West 1327.60 feet;

thence continuing along said northerly line South 89°58'23" West 1319.10 feet to the **TRUE POINT OF BEGINNING**.

CONTAINING: 1217.16 Acres, more or less.

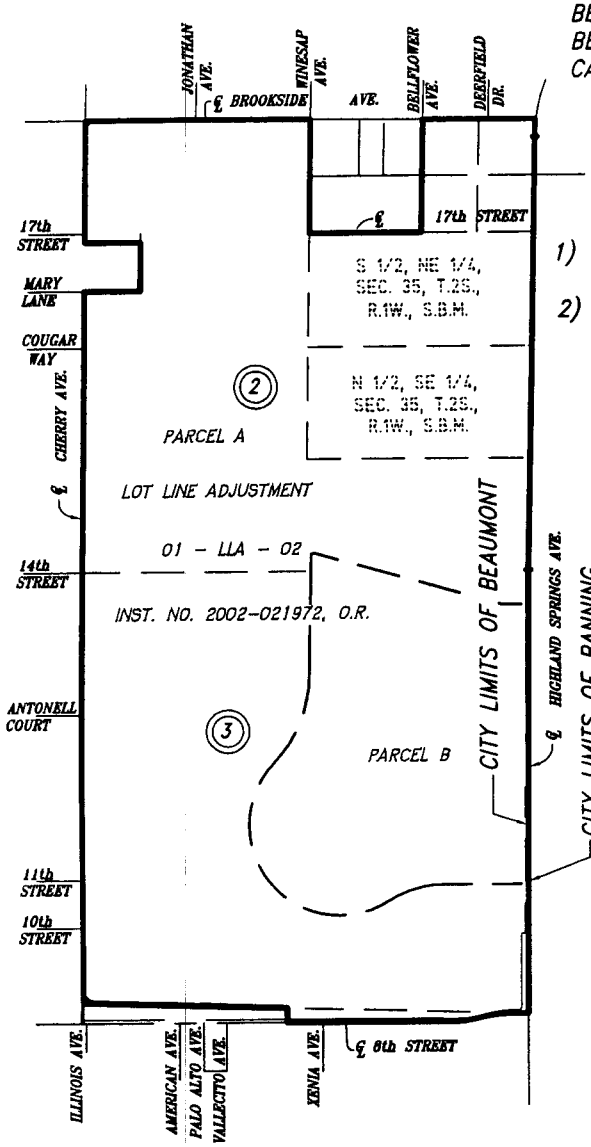
EXHIBIT "A-1" attached and by this reference made a part hereof.

EXHIBIT B

MAP OF THE PROPERTY

LEGAL DESCRIPTION

BEING A PORTION OF SECTION 35, TOWNSHIP 2 SOUTH, RANGE 1 WEST TOGETHER WITH ALL OF SECTION 2 AND A PORTION OF SECTION 11, TOWNSHIP 3 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN. ALL IN IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.



NOTES:

1) THIS ANNEXATION CONTAINS 1217.16 ACRES±.

2) UNLESS OTHERWISE NOTED, DISTANCES HEREON ARE GROUND MEASUREMENTS. TO OBTAIN GRID DISTANCES MULTIPLY BY A COMBINED FACTOR OF 0.99988764

SCALE: 1" = 2000'

LEGEND

(2) INDICATES SHEET NUMBER

2000 1000 0 2000

(SCALE IN FEET)

EXHIBIT "A-1"

SUNDANCE DEVELOPMENT AGREEMENT

SHEET 1 OF 3 SHEETS

RBF CONSULTING
PLANNING ■ DESIGN ■ CONSTRUCTION
14725 ALTON PARKWAY
IRVINE, CALIFORNIA 92618-2027
949.472.3505 • FAX 949.472.8373 • www.RBF.com

REVISED FEBRUARY 19, 2003
MARCH 15, 2002

J.N. 10-102112

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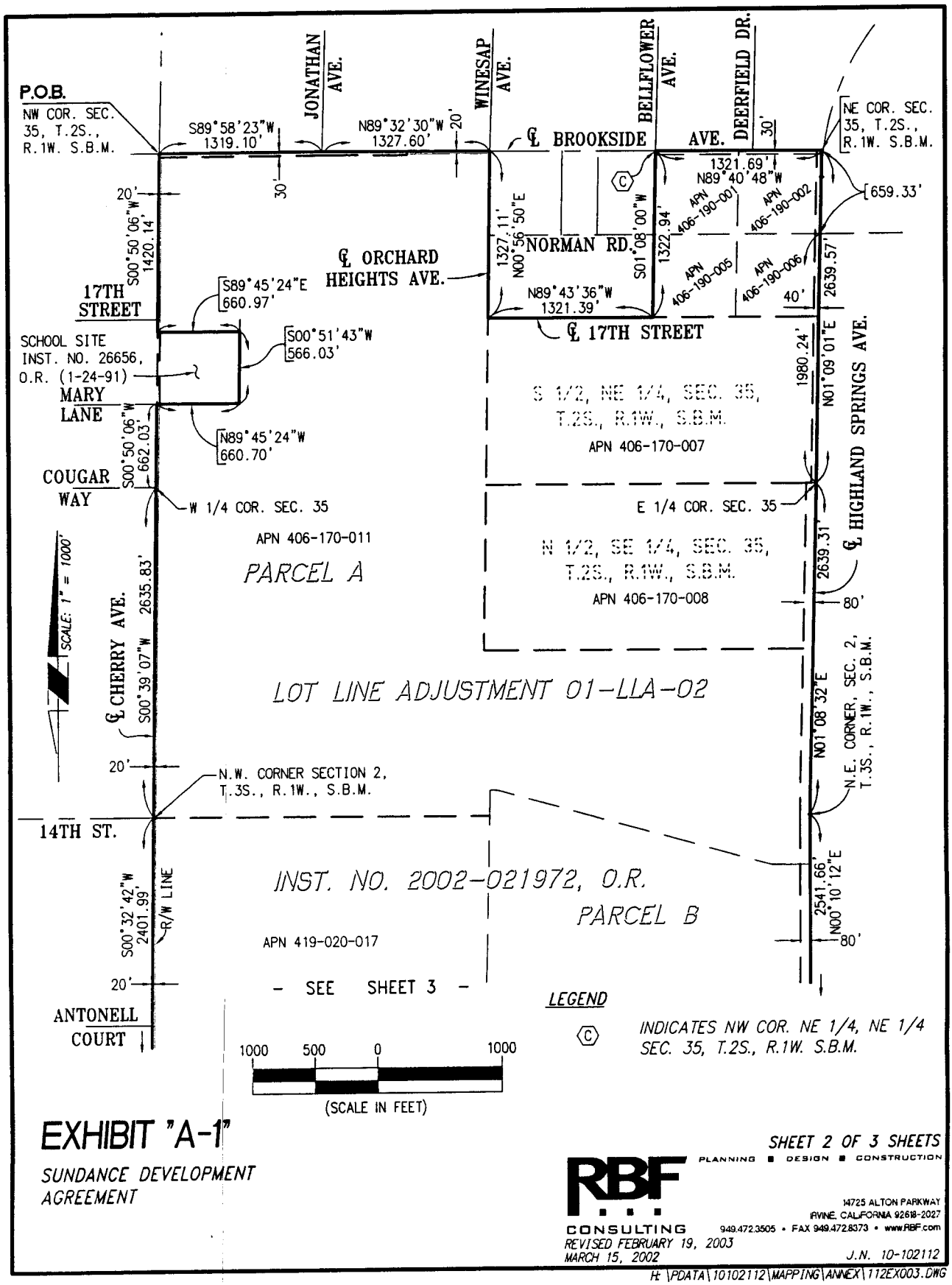


EXHIBIT "A-1"

SUNDANCE DEVELOPMENT AGREEMENT

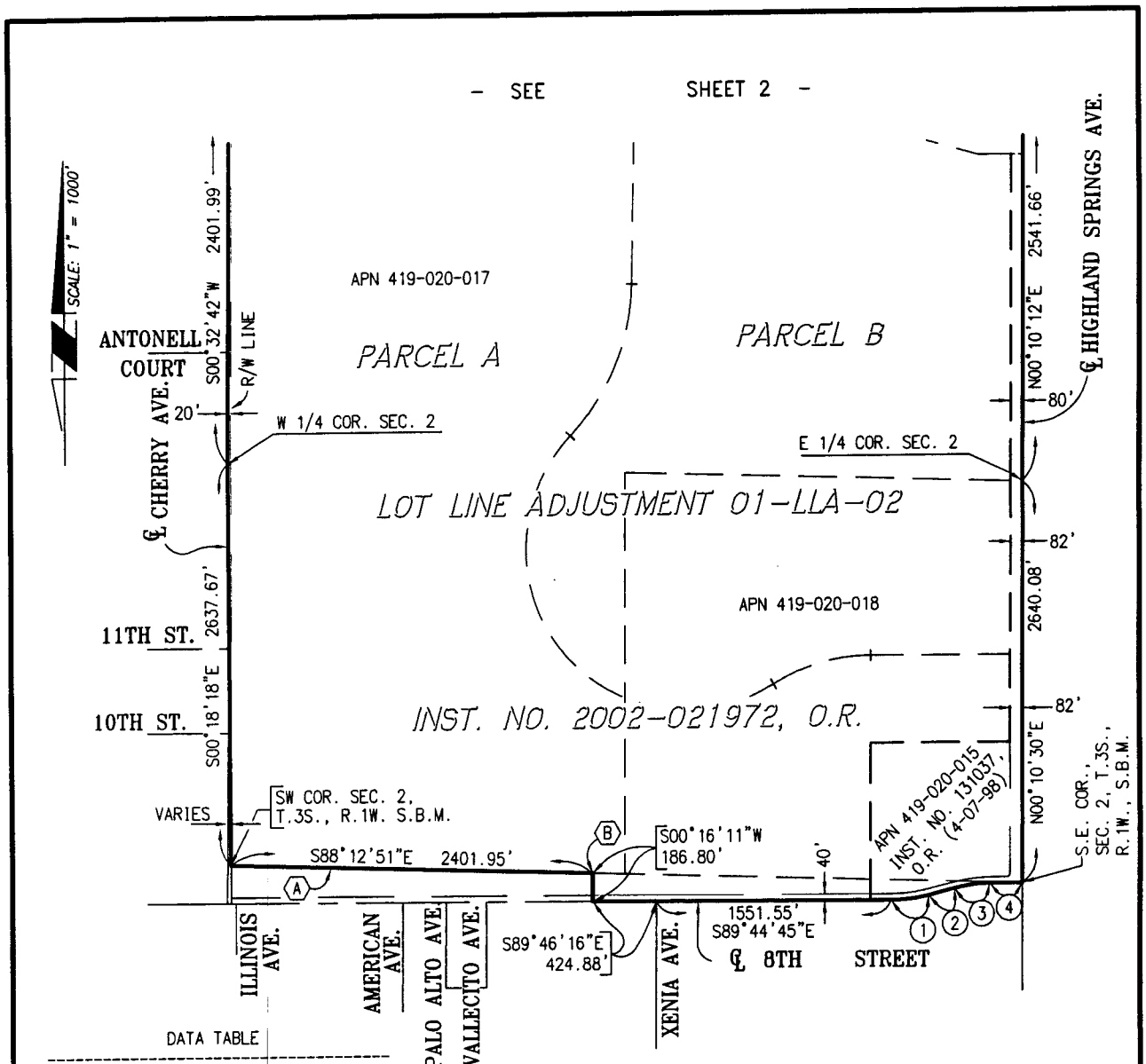
SHEET 2 OF 3 SHEETS

RBF CONSULTING
PLANNING ■ DESIGN ■ CONSTRUCTION
14725 ALTON PARKWAY
IRVINE, CALIFORNIA 92618-2027
949.472.3505 • FAX 949.472.8373 • www.RBF.com

REVISED FEBRUARY 19, 2003
MARCH 15, 2002

J.N. 10-102112

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DATA TABLE

NO	BRNG/DELTA	RADIUS	LENGTH
1	14°24'48"	1000.00'	251.56'
2	N75°50'27"E	--	177.60'
3	13°42'36"	1000.00'	239.28'
4	N89°33'03"E	--	215.76'

1000 500 0 1000

(SCALE IN FEET)

LEGEND

(A) INDICATES N'LY LINE, BLOCKS 1 & 2, MAP OF THE SUBDIVISION OF SEC. 11, T.3S., R.1W. S.B.M. PER BOOK 9, PAGE 10 OF MAPS.

(B) INDICATES NE'LY COR. LOT 7, BLOCK 1 PER BOOK 9, PAGE 10 OF MAPS.

EXHIBIT "A-1"

SUNDANCE DEVELOPMENT AGREEMENT

SHEET 3 OF 3 SHEETS

RBF CONSULTING
PLANNING ■ DESIGN ■ CONSTRUCTION
14725 ALTON PARKWAY
IRVINE, CALIFORNIA 92618-2027
949.472.3505 • FAX 949.472.8373 • www.RBF.com

REVISED FEBRUARY 19, 2003
MARCH 15, 2002

J.N. 10-102112

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EXHIBIT C

LIST OF PERMITS AND APPROVALS

Sundance Specific Plan
Tentative Tract Map Nos. 31468, 31469, 31470 and 31893
Addendum to the Sundance Specific Plan EIR

Agenda No. 3.b

STAFF REPORT

TO:	Planning Commissioners
FROM:	Ernest A. Egger, AICP, REA Director of Planning
AGENDA DATE:	June 8, 2004
SUBJECT:	**Development Agreement for Sundance Specific Plan, 04-DA-06.** **Applicant: Pardee Homes**

BACKGROUND/ANALYSIS:

The Pardee/Sundance Specific Plan was considered by the Planning Commission in March and was approved by the City Council on May 4, 2004. A development agreement was previously entered into by the prior property owner, the Deutsch Corporation, in 1991 and was subsequently assigned to Pardee Homes.

Pardee now wishes to have a new, clarified development agreement specifically in the name of Pardee Homes. The proposed agreement attached hereto involves no substantive changes in the terms of the prior agreement, and is based upon the standards and provisions of the Sundance Specific Plan.

RECOMMENDATION:

Staff recommends that the Planning Commission recommend to the City Council adoption of the proposed ordinance for the approval of Development Agreement No. 04-DA-06.

Set up File,
Pardee Homes
(Sundance)
Development
Agree

RECORDING REQUESTED BY, AND
WHEN RECORDED, MAIL TO:

City Clerk
City of Beaumont
550 East Sixth Street
Beaumont, California 92223

EXEMPT: GOV'T CODE § 6103

(Space above

DOC # 2006-0172944
03/10/2006 08:00A Fee:NC
Page 1 of 30
Recorded in Official Records
County of Riverside
Larry W. Ward
Assessor, County Clerk & Recorder

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DEVELOPMENT AGREEMENT

NO. 04-DA-06

BETWEEN

THE CITY OF BEAUMONT

AND

PARDEE HOMES

(SUNDANCE SPECIFIC PLAN)

(Pursuant to California Government Code Sections 65864 - 65869.5 and City of Beaumont Resolution No. 1987-34)

August 17, , *2004*

TABLE OF CONTENTS

		Page
1.	DEFINITIONS	2
2.	EXHIBITS	3
3.	MUTUAL BENEFITS	3
4.	INTEREST OF THE DEVELOPER	3
5.	BINDING EFFECT OF AGREEMENT	4
6.	PROJECT AS A PRIVATE UNDERTAKING	4
7.	TERM	4
8.	HOLD HARMLESS	4
9.	VESTED RIGHT	4
10.	DEVELOPMENT OF THE PROJECT	5
	10.1 Phasing and Timing of Development	5
	10.2 Effect of Agreement on Land Use Regulations	5
	10.3 Application Processing	5
	10.4 Administrative Changes and Amendments	5
	10.5 Mello-Roos Communities Facilities Districts; Other Assessment Districts or Financing Mechanisms	6
	10.6 Public Services and Facilities	6
	10.7 Other Governmental or Quasi-Governmental Permits	6
	10.8 Consistency Between This Agreement and Current Laws	6
	10.9 Assessments, Fees, Mitigation and Exactions	7
	10.10 Reimbursement by the City	7
11.	RULES, REGULATIONS, REQUIREMENTS AND OFFICIAL POLICIES	7
	11.1 New Rules	7
	11.2 State and Federal Laws	8
12.	AMENDMENT OR CANCELLATION OF AGREEMENT	8
13.	ENFORCEMENT	8
14.	PERIODIC REVIEW OF COMPLIANCE WITH AGREEMENT	8
15.	Events of Default	9
	15.1 Default by the Developer	9

TABLE OF CONTENTS

Page

15.2 Default by the City 9

15.3 Specific Performance Remedy 9

16. INSTITUTION OF LEGAL ACTION 10

17. WAIVERS AND DELAYS 10

17.1 Waiver 10

17.2 Third Parties 10

17.3 Force Majeure 10

18. NOTICES 10

19. ATTORNEYS' FEES 11

20. TRANSFERS AND ASSIGNMENTS 11

20.1 Right to Assign 11

20.2 Release Upon Transfer 11

21. COOPERATION IN THE EVENT OF LEGAL CHALLENGE 11

22. EMINENT DOMAIN 11

23. AUTHORITY TO EXECUTE 11

24. ESTOPPEL CERTIFICATES 11

25. RECORDATION 12

26. PROTECTION OF MORTGAGE HOLDERS 12

27. SEVERABILITY OF TERMS 13

28. SUBSEQUENT AMENDMENT TO AUTHORIZING STATUTE 13

29. INTERPRETATION AND GOVERNING LAW 13

30. SECTION HEADINGS 13

31. INCORPORATION OF RECITALS AND EXHIBITS 13

32. RULES OF CONSTRUCTION AND MISCELLANEOUS TERMS 13

32.1 Gender 13

32.2 Time of Essence 13

32.3 Cooperation 13

33. TENTATIVE TRACT MAP EXTENSIONS 13

34. DEUTSCH DEVELOPMENT AGREEMENT 14

DEVELOPMENT AGREEMENT

This **DEVELOPMENT AGREEMENT ("Agreement")** is entered into to be effective on Aug. 17, 2004, between **PARDEE HOMES**, a California corporation (the "**Developer**"), and the **CITY OF BEAUMONT,** a municipal corporation organized and existing under the laws of the State of California (the "**City**"). The Developer and the City are sometimes collectively referred to herein as the "parties."

RECITALS:

This Agreement is predicated upon the following facts:

A. These Recitals use certain capitalized terms which are defined in this Agreement.

B. Government Code Sections 65864 - 65869.5 authorize the City to enter into binding development agreements with persons having a legal or equitable interest in real property for the development of such property, all for the purpose of strengthening the public planning process, encouraging private participation and comprehensive planning and reducing the economic costs of such development. The City has implemented the law contained in such sections by adopting Resolution No. 1987-34, titled "Establishing Procedures and Requirements for Consideration of Development Agreements" (such Resolution, together with the aforementioned Government Code Sections, are being referred to herein as the "**Development Agreement Law**").

C. This Agreement is adopted pursuant to the Development Agreement Law.

D. Developer owns a portion of the property and is under a binding legal contract to acquire the remainder of the property located in the City and more particularly described on Exhibit "A" and as shown on Exhibit "B" attached and made a part of this Agreement (the "**Property**").

E. The Developer intends to develop the Property in accordance with the Amendment to the Deutsch Specific Plan ("**Sundance Specific Plan**") as part of the Development Plan, as hereinafter defined (the "**Project**"). The Project is highly capital intensive, especially in its initial phases, which, in order to make the Project economically and fiscally feasible, requires major commitment to and investment in public facilities and on-site and off-site infrastructure improvements prior to the construction and sale or leasing of residential and commercial buildings. This Agreement will facilitate the logical and orderly development of the Project in the City.

F. The City has determined the Development Plan is consistent with the City General Plan and has approved the Development Plan in order to promote the health, safety and welfare of its citizens and protect the quality of life of the community and the surrounding environment. The Development Plan consists of the Sundance Specific Plan, the Addendum to the Sundance EIR, and Tentative Tract Map Nos. 31468, 31469, 31470 and 31893 approved by

the City Council of City on May 4, 2004 by Resolution No. 2004-23. As part of the process of approving the Development Plan, the City has prepared and reviewed, pursuant to the California Environmental Quality Act ("CEQA"), an Addendum to the Deutsch Specific Plan EIR, with respect to the potential significant impacts of the Project resulting from development of the Property. The City has determined based on that review that the Addendum to the EIR adequately addresses the potential significant impacts of the Project, and that accordingly neither a supplemental nor subsequent environmental impact report is required for the Development Plan and/or this Agreement.

G. All of the proceedings relating to the approval of the Agreement have been conducted in accordance with the Development Agreement Law and CEQA.

H. On August 17, 2004, the City Council of the City adopted Ordinance No. 869 approving this Agreement with the Developer.

I. The terms and conditions of this Agreement have undergone extensive review by the City and its City Council and have been found to be fair, just and reasonable, and the City has found and determined that the execution of this Agreement is in the best interest of the public health, safety and general welfare of the City and its residents and that adopting this Agreement constitutes a present exercise of its police power.

AGREEMENT

In light of the foregoing Recitals, which are an operative part of this Agreement, the parties agree as follows:

1. DEFINITIONS.

"Agreement" is this Development Agreement.

"Agreement Date" is the date this Agreement is approved by the City Council.

"Alternative Financing Mechanism" has the meaning given that phrase in Section 10.5 below.

"CEQA" is the California Environmental Quality Act, Public Resources Code section 21000 *et seq.*

"CFD" is a Community Facilities District formed pursuant to the Mello-Roos Community Facilities Act of 1982, California Government Code section 53312 *et seq.*

"City" is the City of Beaumont, California.

"City's Discretion" is discretion exercised by the City in accordance with the policies and principles set forth in the Development Plan, this Agreement and the procedures in effect as of the Effective Date such that the approvals given by the City to the Developer pursuant to the exercise of such discretion shall not be unreasonably withheld or delayed.

"Developer" is Pardee Homes, a California corporation, their subsidiary entities, and successors in interest to all or any part of the Property.

"Development Agreement Law" is California Government Code sections 65864 *et seq.*, and Resolution No. 1987-34, titled "Establishing Procedures and Requirements for Consideration of Development Agreements."

"Development Plan" is, collectively, the permits, conditions and approvals listed on Exhibit "C."

"Effective Date" is that date which is the later to occur of (a) the expiration of the time for filing a referendum petition relating to this Agreement if no such petition is filed within such period, or (b) the certification of the results of a referendum election are declared approving this Agreement if a referendum petition is filed within the applicable period.

"EIR" is Addendum to the Deutsch Specific Plan Environmental Impact Report certified by the City Council of City on January 14, 1991 (Resolution No. 1991-03).

"Project" is the proposed mixed-use development of the Property included within the Development Plan and associated amenities, including, without limitation, on-site and off-site public and private improvements, and land uses consisting of residential (approximately 4,450 dwelling units), commercial, parks and schools, as the same may be further defined, enhanced or modified pursuant to the provisions of this Agreement.

"Property" is the real property on which the Project is, or will be, located as described on Exhibit "A" attached hereto and shown on Exhibit "B" attached hereto.

2. **EXHIBITS**. The following documents are referred to in this Agreement, attached hereto and incorporated herein by this reference:

Exhibit Designation	Description
A	Legal Description of the Property
B	Map of the Property
C	List of Permits and Approvals

3. **MUTUAL BENEFITS**. This Agreement is entered into for the purpose of implementing the Development Plan for the Project in a manner that will secure certain assurances to the Developer that the Property may be developed in accordance with the Development Plan and this Agreement, and certain benefits to the City as set forth in this Agreement. The City and the Developer agree that, due to the size and duration of the Project, the Agreement is necessary to achieve those desired benefits.

4. **INTEREST OF THE DEVELOPER**. The Developer represents that the Developer owns a legal fee in a portion of the Property and an equitable interest in a portion of the Property.

5. **BINDING EFFECT OF AGREEMENT**. The terms and conditions of this Agreement shall be binding upon and inure to the benefit of the parties and their successors and assigns as set forth herein.

6. **PROJECT AS A PRIVATE UNDERTAKING**. It is specifically understood and agreed that the development of the Project is a private and not a public sector development, that neither party is acting as the agent of the other in any respect hereunder, and that each party is an independent contracting entity with respect to the terms, covenants and conditions contained in this Agreement. No partnership, joint venture or other association of any kind is formed by this Agreement. The only relationship between the City and the Developer is that of a government entity regulating the development of private property by the owner of the Property and the equitable owner of the Deutsch Parcels.

7. **TERM**. The term of this Agreement shall be twenty-five (25) years following the Effective Date. Expiration of the term of this Agreement shall not in any manner affect rights which have otherwise vested under applicable law.

8. **HOLD HARMLESS** The Developer shall hold the City, its officers, agents, employees and representatives harmless from liability for damage or claims for damage for personal injury, including death and claims for property damage, arising on the Property from the wrongful or negligent activities of the Developer or those of the Developer's contractors, subcontractors, agents, employees or other persons acting on the Developer's behalf which relate to the Project. In the event any person not a party or a successor to a party to this Agreement institutes any type of action against the City with respect to this Agreement, City and Developer shall cooperate in defending against the action, provided that City may, in its sole discretion, elect to tender the defense of such action to the Developer. If the Developer accepts the tender, the Developer shall thereafter hold City harmless from and defend City from all costs and expenses incurred in the defense of such action, provided that City fully cooperates with the Developer in the defense of such action. If the Developer declines the tender, then City shall have no further obligation or duty to defend the action.

9. **VESTED RIGHT**. By entering into this Agreement the City grants to the Developer a vested right to develop the Property in accordance with the Development Plan. The City shall not enact and enforce against the Project and the Development Plan an ordinance, policy, rule, regulation or other measure which significantly alters the rate, type, manner, density, timing or sequencing of the Project and the Development Plan. In addition to and not in limitation of the foregoing, it is the intent of the Developer and the City that no moratorium, whether relating to the rate, type, manner, density, timing or sequencing of the Project and whether or not enacted by initiative or otherwise, except a moratorium imposed by the City to implement State or Federal laws, statutes, regulations, policies or orders as provided in Section 11.2, affecting parcel or subdivision maps, building permits, plot plans, special use permits, conditional use permits, occupancy certificates or other entitlements to use or permits approved, issued or granted within the City, or portions of the City, shall not apply to the Project to the extent such moratorium or other limitation is in conflict with the Project and the Development Plan. Notwithstanding the foregoing, should an ordinance, general plan or zoning amendment, measure, moratorium, policy, rule, regulation or other limitation enacted by the citizens of the City through the initiative process be determined by a court of competent jurisdiction to invalidate or prevail over

all or any part of the Development Plan, the Developer shall have no recourse against the City pursuant to this Agreement. The foregoing shall not be deemed to limit the Developer's right to appeal any such determination of such ordinance, general plan or zoning amendment, measure, policy, rule, regulation, moratorium or other limitation which purports to invalidate or prevail over all or any part of this Agreement.

10. DEVELOPMENT OF THE PROJECT.

10.1 Phasing and Timing of Development. When or the order in which Project phases will be developed, or whether it will be developed at all, depend upon numerous factors which are not within the control of the Developer or City, such as market orientation and demand, interest rates, availability of funding, competition and other similar factors. Accordingly, to the extent permitted by the Development Plan and this Agreement, the Developer shall have the right to develop the Project pursuant to the Development Plan in phases in such order and at such times as the Developer, in its sole discretion, deems appropriate within the exercise of its subjective business judgment; provided, however, that the City reserves the right to review, condition and approve each phase through discretionary and ministerial approvals consistent with this Agreement.

10.2 Effect of Agreement on Land Use Regulations. The rules, regulations and policies governing permitted uses of property, the density and intensity of use of property, the maximum height and size of proposed buildings and the design, improvement, construction and development standards and specifications applicable to development of the Property are those rules, regulations and policies in force as of the date of this Agreement, and those rules, regulations and official policies which may hereinafter be adopted by the City in accordance with Section 11.1 hereof, or State or Federal laws, statutes, regulations, policies or orders as provided in Section 11.2.

10.3 Application Processing. In connection with any approval which the City is permitted or has the right to make under this Agreement relating to the Project and the Development Plan, or otherwise under its rules, regulations and official policies, the City shall exercise the City's discretion or take action in a manner which is as expeditious as reasonably possible.

10.4 Administrative Changes and Amendments. The parties acknowledge that further planning and development of the Project may demonstrate that refinements and changes are appropriate with respect to the details of the Project or interpretation of the Development Plan. If and when the parties find that minor changes or adjustments are necessary or appropriate to the Project or the Development Plan, they shall, unless otherwise required by law, effectuate such changes or adjustments through administrative amendments approved by the Director of Planning, which, after execution, shall be attached hereto as addenda and become a part hereof, and may be further changed and amended from time to time as necessary, with approval by the Director of Planning as may be requested by the Developer. Minor changes or amendments shall be those which are consistent with the overall intent of the Development Plan and this Agreement and which do not materially alter the overall nature, scope, or design of the Project. Any such minor administrative changes or amendments shall not be deemed to be an

amendment to this Agreement under Government Code Section 65868 and, unless otherwise required by law, no such administrative amendments shall require prior notice or hearing.

10.5 **Mello-Roos Communities Facilities Districts; Other Assessment Districts or Financing Mechanisms**. Pursuant to Chapter 2.5 (commencing with section 53312) Part 1, Division 2, Title 5 of the Government Code of the State of California, commonly known as the "Mello-Roos Community Facilities Act of 1982," the Developer may, at its sole election, petition the City Council of the City or a joint powers agency in which the City is a member to establish a Community Facilities District ("CFD"), in accordance with the City's policies in existence on the Effective Date. Alternatively, or in addition thereto, the Developer may request that the City initiate and complete proceedings under the Municipal Improvement Act of 1911, the Municipal Improvement Act of 1913, the Improvement Bond Act of 1915, the Landscaping and Lighting Act of 1972, or any and all other available public financing mechanism, to provide public conduit financing for the construction of public infrastructure improvements on the Property ("**Alternative Financing Mechanisms**"). If so requested by the Developer, the City shall cooperate with the Developer (or, for matters beyond its control, shall use its best efforts) in taking all steps necessary to cause the CFD or Alternative Financing Mechanisms to issue bonds for such purposes. If the Property is included within a CFD or Alternative Funding Mechanism with other surrounding properties, the special taxes or special assessments burdening the various properties so included shall be apportioned on a fair share basis related to the benefit derived by each of such properties in accordance with City policies at the time such property is included.

10.6 **Public Services and Facilities**. The Project and Development Plan requires an integrated roadway system, and other public facilities including parks, schools, storm drains, and water and sewer facilities. City will reasonably assist Developer in obtaining public facilities and services for the Project on a timely basis in keeping with the pace of development of the Property. To the extent that the Developer constructs, installs or provides financing for public facilities or other public infrastructure improvements that benefit lands outside of the Property, the City shall use best reasonable efforts to adopt such ordinances, mitigation fees, liens or assessments as are necessary to provide credits, reimbursements, or in-kind funding to the Developer for the fair share of the benefits conferred upon such lands other than the Property by such public facilities or infrastructure improvements.

10.7 **Other Governmental or Quasi-Governmental Permits**. The Developer shall apply for such other permits and approvals as may be required by other governmental or quasi-governmental agencies having jurisdiction over the Project (such as public utilities or utility districts, or other federal or state agencies) to the extent required for the development of, or provision of, services and facilities to the Project as set forth in the Development Plan. The City shall cooperate with and assist the Developer in obtaining such permits and approvals, and, where necessary in making application for such approvals or permits. The Developer shall be solely responsible for all costs and shall be responsible for the processing of all such permits.

10.8 **Consistency Between This Agreement and Current Laws**. The City represents that as of the date of the execution of this Agreement, there are no rules, regulations, ordinances or official policies of the City that would interfere with the development of the Project according to the Development Plan.

10.9 **Assessments, Fees, Mitigation and Exactions**. The City shall not impose any future assessment, fee, mitigation measure or exaction on the Property, the Project or the Development Plan or any portion thereof, except (a) those existing and proposed assessments, fees, mitigation measures and exactions in existence on the date of this Agreement, (b) such other fees, assessments and exactions as may be adopted or imposed by the City in conformance with the requirements of Article XIII D of the California Constitution, (c) such other development impact fees or categories of development impact fees which are adopted on a City or County-wide basis or as required as a condition to obtaining County funding; and (d) such other development impact fees or categories of development impact fees which are imposed on other development projects in the City and are adopted and levied based on a benefit assessment. Fees payable to City shall be at rates applicable on the date the fee is paid. City shall recognize and apply a dollar-for-dollar in-lieu credit against any and all fees, for and equal to the cost of improvements and/or dedications made in the development of the Project by the Developer, or funded by any CFD or Alternative Financing Mechanism including the Property, and for which the fees would otherwise be imposed. City further agrees to use any fees paid with respect to development of the Project to fund improvements which benefit the Project, to the fullest reasonable extent available and applicable under the law.

10.10 **Reimbursement by the City**. Pursuant to Government Code Section 65865.2, the City hereby agrees that as future development fees, assessments and exactions are imposed on future projects which have benefited from the fees, assessments and exactions paid by the Developer, the City shall promptly reimburse the Developer to the extent that such fees, assessments and exactions paid by Developer benefited lands outside of the Property, but only to the extent that the City actually receives or collects such fees, assessments or exactions for a period of ten years from the date the fee was paid.

11. RULES, REGULATIONS, REQUIREMENTS AND OFFICIAL POLICIES.

11.1 **New Rules**. This Agreement shall not prevent the City from applying the following new rules, regulations, requirements and policies, if applied on a City-wide or area of benefit basis:

11.1.1 Processing fees and charges imposed by the City which cover only the estimated actual costs to the City of processing applications for development approvals, for monitoring compliance with any development approvals or for monitoring compliance with environmental impact mitigation measures.

11.1.2 Procedural regulations relating to hearing bodies, petitions, applications, notices, findings, records, hearings, reports, recommendations, appeals and any other matter of procedure, provided that such changes in procedural regulations do not have the effect of materially interfering with the benefits conferred by this Agreement.

11.1.3 Regulations governing construction standards and specifications including, without limitation, the City's Building Code, Plumbing Code, Mechanical Code, Electrical Code and Fire Code.

11.1.4 Regulations which are necessary to protect public health and safety, provided that to the maximum extent possible such regulations shall be designed, construed and applied in a manner to preserve the benefits of this Agreement.

11.1.5 New or increased fees or categories of fees imposed as a condition of development, for the purpose of defraying all or a portion of the cost of public facilities (as defined in Government Code Sections 66000 *et seq.)* related to development projects.

11.1.6 Regulations which are in conflict with the Development Plan or this Agreement if such regulations have been consented to in writing by the Developer.

11.2 **State and Federal Laws**. In the event that State or Federal laws or regulations enacted after this Agreement is executed prevent or preclude compliance with one or more of the provisions of this Agreement, such provisions of this Agreement shall be modified or suspended as may be necessary to comply with such State or Federal laws or regulations; provided, however, that this Agreement shall remain in full force and effect to the extent it is not inconsistent with such laws or regulations and to the extent such laws or regulations do not render such remaining provisions impractical to enforce.

12. **AMENDMENT OR CANCELLATION OF AGREEMENT**. This Agreement may be amended or canceled in whole or in part only by mutual consent of the parties in the manner provided for in Government Code Section 65868.

13. **ENFORCEMENT**. Unless amended or canceled as provided in Section 12 above, or modified or suspended pursuant to Government Code Section 65869.5, this Agreement is enforceable by either party hereto notwithstanding any change in any applicable general or specific plan, zoning, or subdivision regulation or standard adopted by the City (or by the voters of the City unless found by a court of competent and final jurisdiction to prevail over this Agreement) which alters or amends the Development Plan or is inconsistent with this Agreement.

14. **PERIODIC REVIEW OF COMPLIANCE WITH AGREEMENT**. The City shall review this Agreement at least once every year from the date this Agreement is executed. During each periodic review, each party is required to demonstrate good faith compliance with the terms of this Agreement. Such periodic review shall be conducted administratively by the City Manager and any appropriate department heads designated by the City Manager to perform such periodic review. If the City Manager finds that the Developer is not in good faith compliance with this Agreement, the Developer shall have the right to appeal such finding to the City Council. The City Council on appeal shall not hold a public hearing to review a finding that the Developer is not in good faith compliance with this Agreement unless so requested by the Developer in writing at the time of the submission of such appeal. The City shall notify the Developer in writing of the date for review at least thirty (30) days prior thereto. The Developer shall pay or reimburse the City for the City's reasonable costs incurred in connection with such periodic reviews.

15. Events of Default.

15.1 **Default by the Developer**. If the City Council determines on the basis of substantial evidence upon appeal of the City Manager's decision pursuant to Section 14 hereof that the Developer has not complied in good faith with the terms and conditions of this Agreement, it shall, by written notice to the Developer, specify the manner in which the Developer has failed to so comply and state the steps the Developer must take to bring itself into compliance. If, within sixty (60) days after the effective date of notice from the City specifying the manner in which the Developer has failed to so comply, the Developer does not commence action reasonably necessary to bring itself into compliance as required and thereafter diligently pursue such steps to completion, then the Developer shall be deemed to be in default under the terms of this Agreement and the City may, if such failure persists after thirty (30) days' prior written notice, exercise its rights and remedies pursuant to Section 15.3.

15.2 **Default by the City**. If the Developer determines on the basis of substantial evidence that the City has not complied in good faith with the terms and conditions of this Agreement, the Developer shall, by written notice to the City, specify the manner in which the City has failed to so comply and state the steps the City must take to bring itself into compliance. If, within sixty (60) days after the effective date of notice from the Developer specifying the manner in which the City has failed to so comply, the City does not commence steps reasonably necessary to bring itself into compliance as required and thereafter diligently pursue such steps to completion, then the City shall be deemed to be in default under the terms of this Agreement and if such failure persists after thirty days prior written notice, the Developer may terminate this Agreement or seek specific performance as set forth in Section 15.3.

15.3 **Specific Performance Remedy**. Due to the size, nature and scope of the Project, it will not be practical or possible to restore the Property to its natural condition following development of all or any portion of the Property. After such development, the Developer may be foreclosed from other choices it may have had to utilize the Property. The Developer has invested significant time and resources and performed extensive planning and processing of the Project in agreeing to the terms of this Agreement and will be investing substantially more time and resources in implementing the Project in reliance upon the terms of this Agreement. It would be difficult or impossible to accurately determine the sum of money which would adequately compensate the Developer for such efforts. For the above reasons, the City and the Developer agree that damages alone would not be an adequate remedy if the City fails to carry out its obligations under this Agreement. Similarly, if the Developer breaches certain of its obligations hereunder, monetary damages may not constitute an adequate remedy for the City. Therefore, the parties agree that specific performance of this Agreement is an appropriate remedy if either party defaults and fails to perform its non-monetary obligations under this Agreement. Notwithstanding the foregoing, nothing in this Agreement is intended to prevent either party from seeking recovery of appropriate damages in the event that the terms of this Agreement are breached. The City and the Developer acknowledge that if the Developer is in default of its obligations under this Agreement, the City shall have the right to refuse to issue any permits or other approvals to which the Developer would not otherwise have been entitled but for this Agreement.

16. **INSTITUTION OF LEGAL ACTION**. In addition to any other rights or remedies, either party may institute legal action to cure, correct or remedy any default, to enforce any covenants or agreements herein, to enjoin any threatened or attempted violation hereof, to recover damages for any default or to obtain any other remedies consistent with the purpose of this Agreement. Any such legal action shall be brought in the Superior Court of the State of California for the County of Riverside. The parties hereto waive any right to trial by jury.

17. **WAIVERS AND DELAYS.**

17.1 **Waiver**. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by the other party, and failure by a party to exercise its rights upon a default by the other party hereto, shall not constitute a waiver of such party's right to demand strict compliance by such other party in the future.

17.2 **Third Parties**. Nonperformance shall not be excused because of a failure of a third person except as provided in Section 17.3 below.

17.3 **Force Majeure**. Neither party shall be deemed to be in default for failure or delay in performance of any of its obligations under this Agreement if caused by floods, earthquakes, other Acts of God, fires, wars, riots or similar hostilities, strikes, other labor difficulties, government regulations or other causes beyond either of the parties' control. If any such event shall occur, the term of this Agreement and the time for performance by the Developer of any of its obligations hereunder or pursuant to the Development Plan shall be extended by the period of time that such events prevent or delay development of the Project.

18. **NOTICES**. All notices required or provided for under this Agreement shall be in writing and delivered in person and deposited in the United States mail, postage prepaid and addressed as follows:

To the City:	The City of Beaumont 550 East Sixth Street Beaumont, California 92223 Attn: City Manager
With a copy to:	Mr. Joseph Aklufi Aklufi & Wysocki 3403 Tenth Street, Suite 610 Riverside, CA 92501
To the Developer:	Pardee Homes 1181 California Ave., Suite 103 Corona, CA 92881 Attn: Michael Taylor
With a copy to:	Hewitt & O'Neil LLP 19900 MacArthur Blvd., Suite 1050 Irvine, California 92612 Attn: Dennis D. O'Neil, Esq.

Any party may change its address stated herein by giving notice, in writing, to the other parties.

19. **ATTORNEYS' FEES**. If legal action is brought by either party against the other for breach of this Agreement, or to compel performance under this Agreement, the prevailing party shall be entitled to an award of reasonable attorneys' fees and costs.

20. **TRANSFERS AND ASSIGNMENTS.**

20.1 **Right to Assign**. The Developer shall have the right to sell, assign or transfer this Agreement and any and all of its rights, duties and obligations hereunder, in whole or in part, to any person or entity at any time during the term of this Agreement; provided, however, in no event shall the rights, duties and obligations conferred upon the Developer pursuant to this Agreement be at any time so transferred or assigned except through a transfer of an interest of the Developer in the Property, or a portion thereof. The assignment shall not be effective without the City's prior approval, which shall not be unreasonably withheld, to ensure that the assignment will not prevent the orderly development of the Project consistent with the Agreement or Development Plan. In the event of any such assignment, the transferee shall thereafter be solely liable for the performance of all obligations of the Developer relating to the portion of the Property, or interest therein, so transferred. Such transferee or the Developer shall notify the City, in advance, and in writing of their intent to transfer such obligations.

20.2 **Release Upon Transfer**. Upon the sale, transfer or assignment of the Developer's rights and interests under this Agreement as permitted pursuant to Section 20.1, the Developer shall be released from its obligations under this Agreement and all of the Developer's obligations pursuant to the Development Plan, or other agreements assumed by transferee with respect to the Property, or portion thereof, so transferred, provided that (a) the Developer is not then in default under the Agreement, (b) the Developer or transferee has provided the City notice of such transfer and (c) the transferee executes and delivers to the City a written agreement in which (i) the name and address of the transferee is set forth and (ii) the transferee expressly and unconditionally assumes all of the obligations of the Developer under this Agreement with respect to the Property, or a portion thereof, so transferred.

21. **COOPERATION IN THE EVENT OF LEGAL CHALLENGE**. In the event of any legal action instituted by a third party or other governmental entity or official challenging the validity of this Agreement or any portion thereof, the parties hereby agree to cooperate in defending such action, subject to the provisions of Section 8. In the event of any litigation challenging the effectiveness of this Agreement, or any portion hereof, this Agreement shall remain in full force and effect while such litigation, including any appellate review, is pending.

22. **EMINENT DOMAIN**. No provision of this Agreement shall be construed to limit or restrict the exercise by the City of its power of eminent domain.

23. **AUTHORITY TO EXECUTE**. The person or persons executing this Agreement on behalf of the Developer warrant and represent that they have the authority to execute this Agreement on behalf of the Developer and warrant and represent that they have the authority to bind the Developer to the performance of its obligations hereunder.

24. **ESTOPPEL CERTIFICATES**. The City shall at any time upon not less than thirty (30) days' prior written notice from the Developer execute, acknowledge and deliver to the Developer

a statement in writing (i) certifying that this Agreement is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Agreement, as so modified, is in full force and effect); (ii) certifying the amounts of the fees, assessments and exactions that have been received from the Developer and what amounts, if any, remain outstanding; and (iii) acknowledging that there are not, to the City's knowledge, any defaults if any are claimed. Any such statement may be conclusively relied upon by any prospective purchaser, lender or joint venture partner.

25. **RECORDATION**. This Agreement and any amendment or cancellation hereto shall be recorded in the Official Records of the County of Riverside, by the City Clerk within the period required by Section 65868.5 of the Government Code.

26. **PROTECTION OF MORTGAGE HOLDERS**. The parties hereto agree that this Agreement shall not prevent or limit the Developer, in any manner, at the Developer's sole discretion, from encumbering the Property or any portion thereof or any improvement thereon by any mortgage, deed of trust or other security device securing financing with respect to the Property. The City acknowledges that the lenders providing such financing may require certain interpretations, estoppel certificates and modifications to this Agreement and agrees upon request, from time to time, to meet with the Developer and representatives of such lenders to negotiate in good faith any such request for interpretations, estoppel certificates or modifications. The City will not unreasonably withhold its consent to any such requested interpretation, estoppel certificate or modification provided the same is consistent with the intent and purposes of this Agreement. The holder(s) of any mortgage, deed of trust or other security instrument encumbering the Property (each, a "**Mortgagee**") shall have the following rights and privileges:

26.1.1 Neither entering into this Agreement nor a breach of this Agreement shall defeat, render invalid, diminish or impair the lien of any mortgage on the Property made in good faith and for value, unless otherwise required by law.

26.1.2 Any Mortgagee which has submitted a request in writing to the City in the manner specified herein for giving notices, shall be entitled to receive written notification from City of any default by the Developer in the performance of the Developer's obligations under this Agreement.

26.1.3 If the City timely receives a request from a Mortgagee requesting a copy of any notice of default given to the Developer under the terms of this Agreement, the City shall provide a copy of that notice to the Mortgagee within ten (10) days of sending the notice of default to the Developer. Mortgagee's not party to this Agreement. If the cure period for a default by the Developer set forth in Section 15.1 above has expired and such default has not been cured, the Mortgagee shall be provided with an additional thirty (30) day period after the expiration of such cure period in which to commence all steps reasonably necessary to bring the Developer in compliance as required under this Agreement and thereafter diligently pursue such steps to completion. During such cure period, and if the default is ultimately cured, the City shall not terminate this Agreement.

26.1.4 Any Mortgagee who comes into possession of the Property, or any part thereof, pursuant to foreclosure of the mortgage or deed of trust, or deed in lieu of such

foreclosure, shall take the Property, or part thereof, subject to the terms of this Agreement. Notwithstanding any other provision of this Agreement to the contrary, no Mortgagee shall have an obligation or duty under this Agreement to perform any of the Developer's obligations or other affirmative covenants of the Developer hereunder, or to guarantee such performance; provided, however, that to the extent that any covenant to be performed by the Developer is a condition precedent to the performance of a covenant by City, the performance thereof shall continue to be a condition precedent to City's performance hereunder, and further provided that any sale, transfer or assignment by any Mortgagee in possession shall be subject to the provisions of this Agreement.

27. **SEVERABILITY OF TERMS**. If any term, provision, covenant or condition of this Agreement shall be determined invalid, void or unenforceable, the remainder of this Agreement shall not be affected thereby to the extent such remaining provisions are not rendered impractical to enforce.

28. **SUBSEQUENT AMENDMENT TO AUTHORIZING STATUTE**. This Agreement has been entered into in reliance upon the provisions of the Development Agreement Law in effect as of the Agreement Date. Accordingly, subject to Section 11.2 above, to the extent a subsequent amendment to the Development Agreement Law would affect the provisions of this Agreement, such amendment shall not be applicable to the Agreement unless necessary for this Agreement to be enforceable or unless this Agreement is modified pursuant to the provisions set forth in the Agreement and Government Code Section 65868 in effect on the Agreement Date.

29. **INTERPRETATION AND GOVERNING LAW**. This Agreement and any dispute arising hereunder shall be governed and interpreted in accordance with the laws of the State of California.

30. **SECTION HEADINGS**. All section headings and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

31. **INCORPORATION OF RECITALS AND EXHIBITS**. Recitals A through J and attached Exhibits "A" through "E" are hereby incorporated herein by this reference as though set forth in full.

32. **RULES OF CONSTRUCTION AND MISCELLANEOUS TERMS.**

32.1 **Gender**. The singular includes the plural; the masculine gender includes the feminine; "shall" is mandatory, "may" is permissive.

32.2 **Time of Essence**. Time is of the essence regarding each provision of this Agreement in which time is an element.

32.3 **Cooperation**. Each party covenants to take such reasonable actions and execute all documents that may be necessary to achieve the purposes and objectives of this Agreement.

33. **TENTATIVE TRACT MAP EXTENSIONS**. In accordance with the provisions of Section 66452.6 of the California Government Code, tentative subdivision tract map(s) or

tentative parcel map(s), heretofore or hereafter approved in connection with development of the Property, shall be granted an extension of time for the term of this Agreement.

34. **DEUTSCH DEVELOPMENT AGREEMENT**. This Agreement shall supersede that certain Development Agreement between the City and Highland Farms, Aleisian Farms and Banning Farms (Deutsch) dated April 25, 1991 and recorded on May 24, 1991 in the Office of the Riverside County Recorder ("Deutsch Development Agreement"), except for any obligation Developer may have to provide access to the City's sewer system to those properties located on Eighth Street as may be required under the terms of the Deutsch Development Agreement.

The parties have executed this Development Agreement on the date and year first written above.

"City"

THE CITY OF BEAUMONT, a
municipal corporation of the State of California

By: _____
Larry Dressel, Mayor

"Developer"

PARDEE HOMES, a California corporation

By: _____
Mike Taylor, Vice President
Title

By: _____
John Arvin, Sr. Vice President
Title

SIGNED AND CERTIFIED THAT A COPY OF
THIS DOCUMENT HAS BEEN DELIVERED TO
THE MAYOR OF THE CITY COUNCIL

By: M. Lynn Chance
Lynn Chance, City Clerk

(All Signatures To Be Notarized)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California
County of Riverside } ss.

On 3/7/2006 (Date) before me, Karee Trinidad, Notary Public (Name and Title of Officer (e.g., "Jane Doe, Notary Public"))

personally appeared Larry Dressel (Name(s) of Signer(s)),

☒ personally known to me
☐ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(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.

Karee Trinidad
Signature of Notary Public

KAREE TRINIDAD
Commission # 1413025
Notary Public - California
Riverside County
My Comm. Expires Apr 22, 2007

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Development Agreement

Document Date: 2/23/2004 Number of Pages: 17

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

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CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California
County of Los Angeles

On **February 16, 2006**, before me, Sherrie Jossen, Notary Public, personally appeared **John Arvin, Sr. Vice President**, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

SHERRIE JOSSEN
Commission # 1423346
Notary Public - California
Los Angeles County
My Comm. Expires Jun 9, 2007

WITNESS my hand and official seal

Sherrie Jossen
Notary Public in and for said state.

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

DESCRIPTION OF ATTACHED DOCUMENT

Title or Type of Document: **Development Agreement**
Additional Information: Sundance Specific Plan
Date of Document: August 17, 2004 **Number of Pages:** 17
Signer is Representing: PARDEE HOMES
Signer(s) other than named above: N/A

CAPACITY CLAIMED BY SIGNER

Name of Signer: John Arvin
Signing As:

- ☐ INDIVIDUAL
- x CORPORATE OFFICER — **TITLE:** Sr. Vice President
- ☐ PARTNER(S)
- ☐ LIMITED ☐ GENERAL
- ☐ ATTORNEY-IN-FACT
- ☐ TRUSTEE
- ☐ GUARDIAN/CONSERVATOR
- ☐ OTHER:

THUMB PRINT
RIGHT THUMB

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California
County of RIVERSIDE } ss.

On 2/10/06 (Date), before me, LORRAINE R. BANON NOTARY Public (Name and Title of Officer (e.g., "Jane Doe, Notary Public"))

personally appeared MIKE TAYLOR (Name(s) of Signer(s)),

☒ personally known to me
☐ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(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.

Lorraine R. Banon
Signature of Notary Public

LORRAINE R. BANON
Commission # 1609092
Notary Public - California
Riverside County
My Comm. Expires Aug 21, 2008

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document
Title or Type of Document: DEUTSCH DEVELOPMENT AGREEMENT

Document Date: 02/10/06 Number of Pages: 1

Signer(s) Other Than Named Above: NONE

Capacity(ies) Claimed by Signer
Signer's Name: MIKE TAYLOR

☐ Individual
☒ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: PARDEE HOMES

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

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CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California
County of Riverside } ss.

On 2/23/2004 (Date) before me, Karee Trinidad, Notary Public (Name and Title of Officer (e.g., "Jane Doe, Notary Public"))

personally appeared Martha Lynn Chance (Name(s) of Signer(s)),

☒ personally known to me
☐ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(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.

Karee Trinidad
Signature of Notary Public

KAREE TRINIDAD
Commission # 1413025
Notary Public - California
Riverside County
My Comm. Expires Apr 22, 2007

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Development Agreement

Document Date: 2/23/2004 Number of Pages: 17

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

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EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

RBF Consulting
14725 Alton Parkway
Irvine, California 92618

October 17, 2003
Exhibit "A" **JN 10-102112.01**

LEGAL DESCRIPTION
SUNDANCE DEVELOPMENT AGREEMENT

That certain parcel of land situated in the City of Beaumont, County of Riverside, State of California, being that portion of Section 35, Township 2 South, Range 1 West together with all of Section 2 and that portion of Section 11, Township 3 South, Range 1 West, all San Bernardino Meridian, described as follows:

BEGINNING at the centerline intersection of Brookside Avenue and Cherry Avenue being also the northwest corner of said Section 35 and an angle point in the existing boundary line of the Beaumont-Cherry Valley Water District.

thence along said existing boundary line and the westerly line of said Section 35 South 00°50'06" West 1420.14 feet to an angle point in said existing boundary line as established by "Annexation to Beaumont-Cherry Valley Water District LAFCO 92-19-3";

thence along the northerly, easterly and southerly lines of said annexation through the following courses: South 89°45'24" East 660.97 feet;

thence South 00°51'43" West 566.03 feet;

thence North 89°45'24" West 660.70 feet to said westerly line of Section 35;

thence leaving said southerly line, continuing along said existing boundary line through the following courses: along said westerly line South 00°50'06" West 662.03 feet to the west quarter corner of said section;

thence continuing along said westerly line South 00°39'07" West 2635.83 feet to the northwest corner of said Section 2;

thence along the westerly line of said Section 2 South 00°32'42" West 2401.99 feet to the west quarter corner of said section;

thence continuing along said westerly line South 00°18'18" East 2637.67 feet to the southwest corner of said Section 2;

thence along the southerly line of said Section 2 South 88°12'51" East 2401.95 feet to the northeasterly corner of Lot 7, Block 1 of the Map of the Subdivision of Section 11, Township 3 South, Range 1 West, San Bernardino Meridian recorded in Book 9, Page 10 of Maps in the Office of the County Recorder of said San Bernardino;

thence along the easterly line of said Lot 7 and the southerly prolongation thereof South 00°16'11" West 186.80 feet to the centerline of Eighth Street;

thence along said centerline through the following courses: South 89°46'16" East 424.88 feet;

thence South 89°44'45" East 1551.55 feet to the beginning of a tangent curve concave northerly and having a radius of 1000.00 feet;

thence along said curve easterly 251.56 feet through a central angle of 14°24'48";

thence tangent from said curve North 75°50'27" East 177.60 feet to the beginning of a tangent curve concave southerly and having a radius of 1000.00 feet;

thence along said curve easterly 239.28 feet through a central angle of 13°42'36";

thence tangent from said curve North 89°33'03" East 215.76 feet to the centerline of Highland Springs Avenue, being also the southeasterly corner of said Section 2;

thence leaving said centerline of Eighth Street and existing boundary line of Beaumont-Cherry Valley Water District, along the easterly line of said Section 2 North 00° 10'30" East 2640.08 feet to the east quarter corner of said section;

thence continuing along said easterly line North 00°10'12" East 2541.66 feet to the northeast corner of said section;

thence along the easterly line of said Section 35 North 01°08'32" East 2639.31 feet to the east quarter corner of said section;

thence continuing along said easterly line North 01°09'01" East 1980.24 feet to an angle point in said existing boundary line of the Beaumont-Cherry Valley Water District;

thence along said existing boundary line through the following courses: continuing along said easterly line of Section 35 North 01°09'01⌊ East 659.33 feet to the northeast corner of said section being also on the centerline of said Brookside Avenue;

thence along the northerly line of said section North 89°40'48⌊ West 1321.69 feet to the northwest corner of the northeast quarter of the northeast quarter of said section;

thence along the westerly line of said northeast quarter of the northeast quarter of Section 35 South 01°08'00⌊ West 1322.94 feet to the centerline of Seventeenth Street;

thence along said centerline North 89°43'36⌊ West 1321.39 feet to the centerline of Orchard Heights Avenue;

thence along said centerline North 00°56'50⌊ East 1327.11 feet to said northerly line of Section 35 being also on the centerline of Brookside Avenue;

thence along said northerly line North 89°32'30⌊ West 1327.60 feet;

thence continuing along said northerly line South 89°58'23⌊ West 1319.10 feet to the **TRUE POINT OF BEGINNING**.

CONTAINING: 1217.16 Acres, more or less.

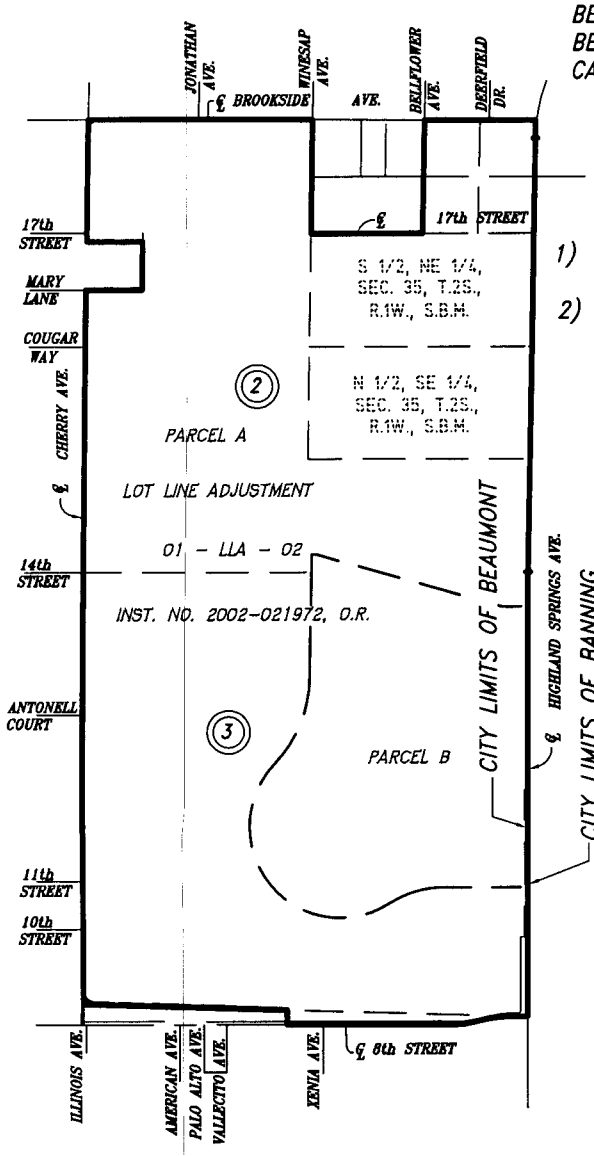
EXHIBIT "A-1" attached and by this reference made a part hereof.

EXHIBIT B

MAP OF THE PROPERTY

LEGAL DESCRIPTION

BEING A PORTION OF SECTION 35, TOWNSHIP 2 SOUTH, RANGE 1 WEST TOGETHER WITH ALL OF SECTION 2 AND A PORTION OF SECTION 11, TOWNSHIP 3 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN. ALL IN IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.



NOTES:

1) THIS ANNEXATION CONTAINS 1217.16 ACRES±.

2) UNLESS OTHERWISE NOTED, DISTANCES HEREON ARE GROUND MEASUREMENTS. TO OBTAIN GRID DISTANCES MULTIPLY BY A COMBINED FACTOR OF 0.99988764

SCALE: 1" = 2000'

LEGEND

(2) INDICATES SHEET NUMBER

2000 1000 0 2000

(SCALE IN FEET)

EXHIBIT "A-1"

SUNDANCE DEVELOPMENT AGREEMENT

SHEET 1 OF 3 SHEETS

RBF CONSULTING
PLANNING ■ DESIGN ■ CONSTRUCTION
14725 ALTON PARKWAY
IRVINE, CALIFORNIA 92618-2027
949.472.3505 • FAX 949.472.8373 • www.RBF.com

REVISED FEBRUARY 19, 2003
MARCH 15, 2002

J.N. 10-102112

H:\PDATA\10102112\MAPPING\ANNEX\112EX002.DWG

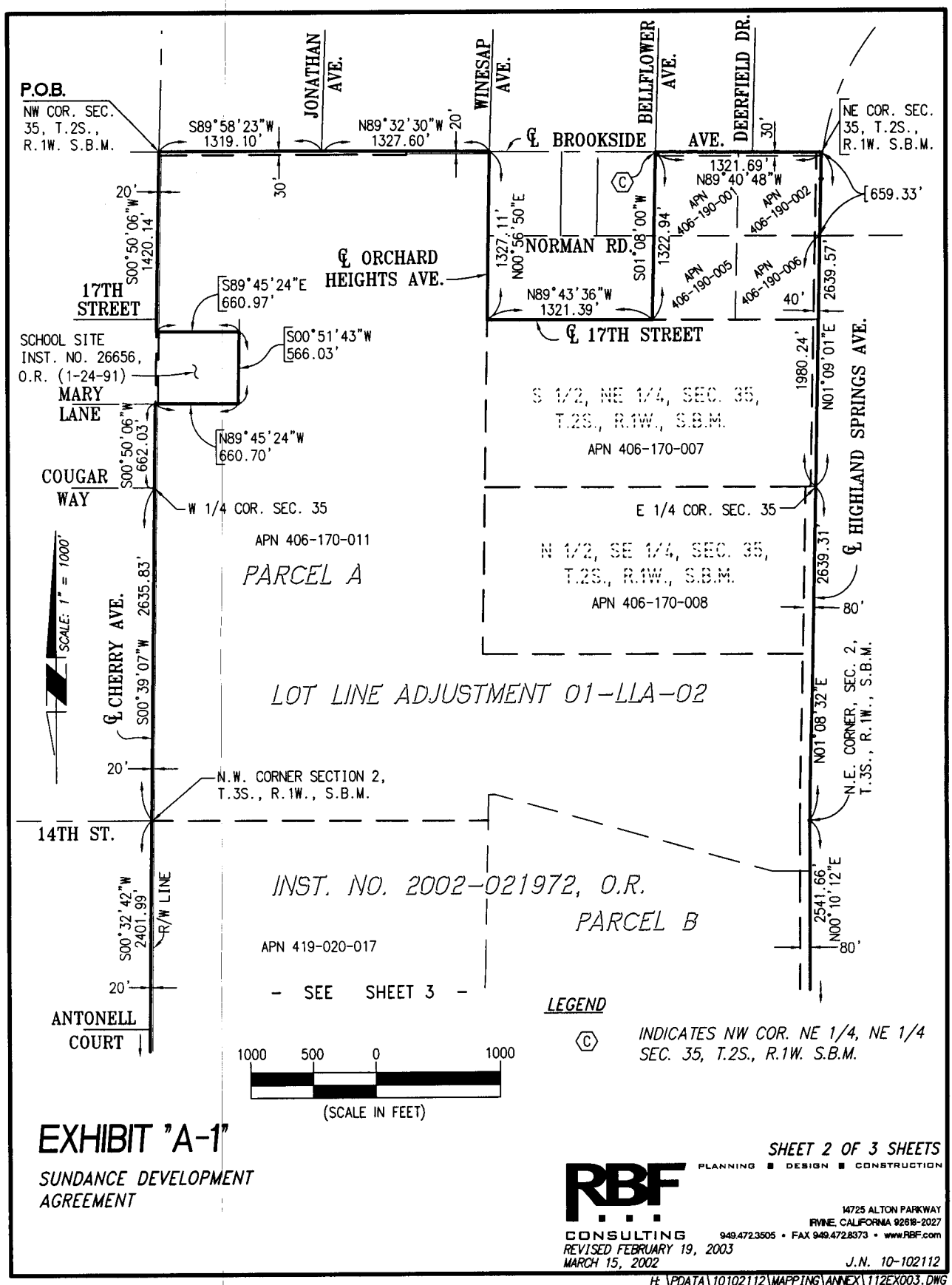


EXHIBIT "A-1"

SUNDANCE DEVELOPMENT AGREEMENT

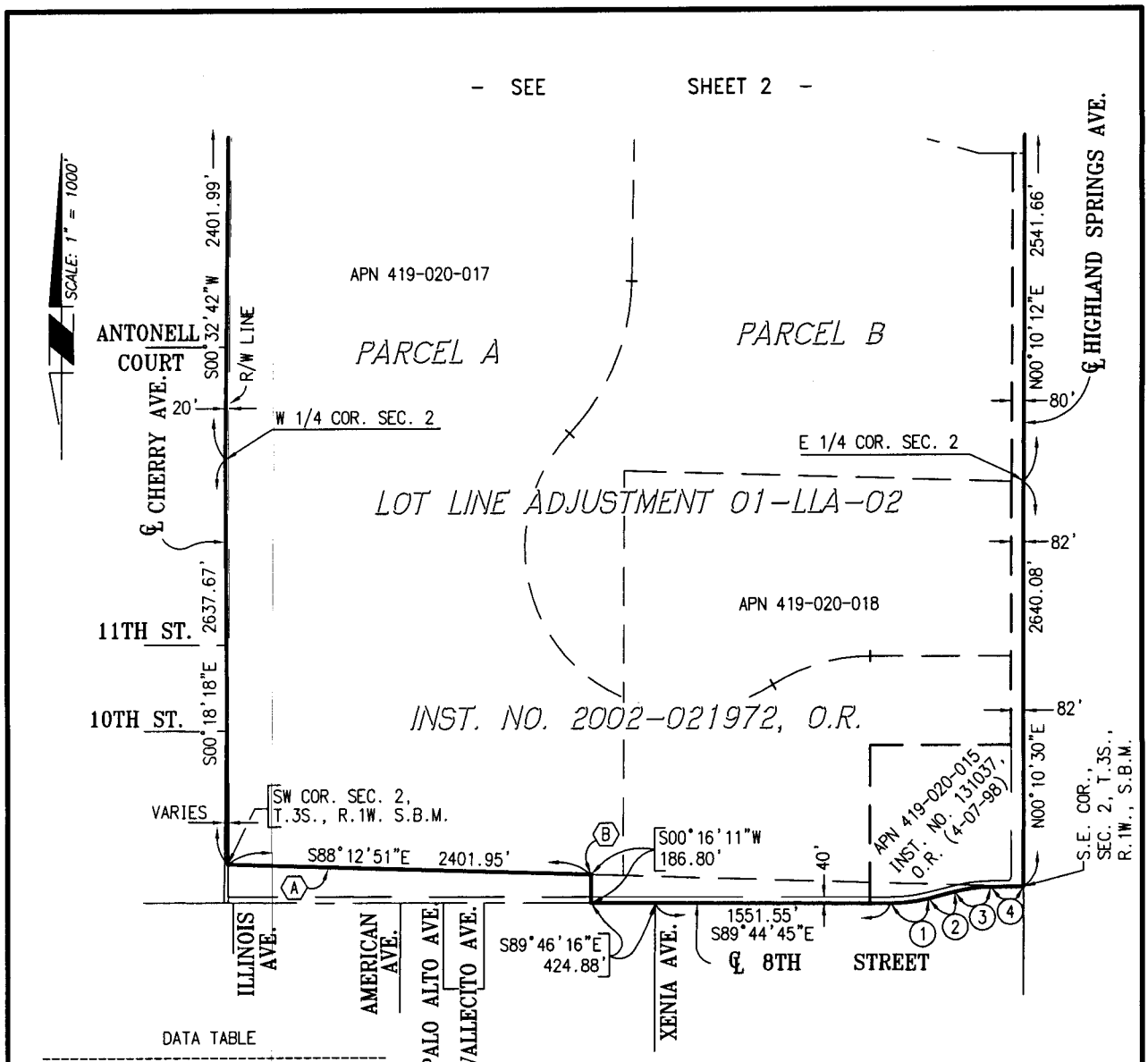
SHEET 2 OF 3 SHEETS

RBF CONSULTING
PLANNING ■ DESIGN ■ CONSTRUCTION
14725 ALTON PARKWAY
IRVINE, CALIFORNIA 92618-2027
949.472.3505 • FAX 949.472.8373 • www.RBF.com

REVISED FEBRUARY 19, 2003
MARCH 15, 2002

J.N. 10-102112

H:\PDATA\10102112\MAPPING\ANNEX\112EX003.DWG



DATA TABLE

NO	BRNG/DELTA	RADIUS	LENGTH
1	14°24'48"	1000.00'	251.56'
2	N75°50'27"E	--	177.60'
3	13°42'36"	1000.00'	239.28'
4	N89°33'03"E	--	215.76'

LEGEND

(A) *INDICATES N'LY LINE, BLOCKS 1 & 2, MAP OF THE SUBDIVISION OF SEC. 11, T.3S., R.1W. S.B.M. PER BOOK 9, PAGE 10 OF MAPS.*

(B) *INDICATES NE'LY COR. LOT 7, BLOCK 1 PER BOOK 9, PAGE 10 OF MAPS.*

EXHIBIT "A-1"

SUNDANCE DEVELOPMENT AGREEMENT

SHEET 3 OF 3 SHEETS

RBF CONSULTING
PLANNING ■ DESIGN ■ CONSTRUCTION
14725 ALTON PARKWAY
IRVINE, CALIFORNIA 92618-2027
949.472.3505 • FAX 949.472.8373 • www.RBF.com

REVISED FEBRUARY 19, 2003
MARCH 15, 2002

J.N. 10-102112

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EXHIBIT C

LIST OF PERMITS AND APPROVALS

Sundance Specific Plan
Tentative Tract Map Nos. 31468, 31469, 31470 and 31893
Addendum to the Sundance Specific Plan EIR

174170

RECORDING REQUESTED BY, AND
WHEN RECORDED, MAIL TO:

City Clerk
City of Beaumont
P. O. Box 158
Beaumont, Ca 92223

RECEIVED FOR RECORD
AT 8:30 O'CLOCK A.M.

MAY 24 1991

Recorded in Official Records of Riverside County, California
Recorder
Fees $

(Space above for Recorder's Use)

DEVELOPMENT AGREEMENT

BETWEEN

THE CITY OF BEAUMONT

AND

HIGHLAND FARMS, ALEISIAN FARMS AND BANNING FARMS (DEUTSCH)

(Pursuant to Government Code Sections 65864 - 65869.5)

TABLE OF CONTENTS

DESCRIPTION	PAGE NO.
1. Definitions	4
1.1 Agreement	4
1.2 Agreement Date	4
1.3 Build-Out Phasing Plan	4
1.4 City	5
1.5 Development Plan	5
1.6 Effective Date	5
1.7 Developer	5
1.8 Project	5
1.9 Property	6
2. Exhibits	6
3. Mutual Benefits	6
3.1 Benefits to City	6
3.2 Benefits to Developer	7
4. Interest of Developer	7
5. Binding Effect of Agreement	7
6. Project as a Private Undertaking	7
7. Term	7
8. Changes in Project	8
9. Hold Harmless	8
9.1 By Developer	8
9.2 By City	8
10. Vested Right	8
10.1 No Conflicting Enactments	9
10.2 Intent of Parties	9
11. General Development of the Project	9
11.1 Project	9
11.2 Phasing and Timing of Development	10
11.3 Effect of Agreement on Land Use Regulations	11
11.4 Administrative Changes and Amendments	11

11.5 Mello-Roos Community Facilities Districts; Other Assessment District or Financing Mechanisms....12
11.6 Water and Sewer Facilities....12
11.7 Public Services and Facilities....13
11.8 Cancellation of Williamson Act Agricultural Preserve and Land Conservation Agreement....13
11.9 Other Governmental or Quasi-Governmental Permits....13
11.10 Consistency Between This Agreement and Current Laws....14
11.11 Assessments and Fees....14
11.12 Subsequent Actions....14

12. Rules, Regulations and Official Policies....14

12.1 New Rules....14
12.2 Subsequent Actions and Approvals....15
12.3 State and Federal Laws....15

13. Amendment or Cancellation of Agreement....15

14. Enforcement....15

15. Periodic Review of Compliance with Agreement....16

16. Events of Default....16

16.1 Default by Developer....16
16.2 Default by City....16
16.3 Specific Performance Remedy....17

17. Institution of Legal Action....18

18. Waivers and Delays....18

18.1 Waiver....18
18.2 Third Parties....18
18.3 Force Majeure....18

19. Notices....18

20. Attorneys' Fees....19

21. Transfers and Assignments....19

21.1 Right to Assign....19
21.2 Release Upon Transfer....19

22. Cooperation in the Event of Legal Challenge....19

23. Eminent Domain.....20

24. Authority to Execute.....20

25. Recordation.....20

26. Protection of Mortgage Holders.....20

27. Severability of Terms.....20

28. Subsequent Amendment to Authorizing Statute.....20

29. Interpretation and Governing Law.....20

30. Section Headings.....20

31. Incorporation of Recitals and Exhibits.....21

32. Rules and Construction and Miscellaneous Terms..21

32.1 Gender.....21
32.2 Time of Essence.....21
32.3 Cooperation.....21

DEVELOPMENT AGREEMENT

(Pursuant To Government Code
Sections 65864 -65869.5)

This DEVELOPMENT AGREEMENT ("Agreement") is entered into to be effective on April 25, 1991, between ALEISIAN FARMS, a California general partnership, HIGHLAND FARMS, a California general partnership and BANNING FARMS, a California general partnership (collectively the "Developer") and the CITY OF BEAUMONT, a Municipal corporation organized and existing under the laws of the State of California ("City"). Developer and City are sometimes collectively referred to herein as the "parties."

R E C I T A L S:

This Agreement is predicated upon the following facts:

A. These Recitals refer to and utilize certain capitalized terms which are defined in this Agreement. The parties intend to refer to those definitions in conjunction with the use thereof in these Recitals.

B. Government Code Sections 65864 - 65869.5 ("Development Agreement Law") authorize the City to enter into binding development agreements with persons having a legal or equitable interest in real property for the development of such property, all for the purpose of strengthening the public planning process, encouraging private participation and comprehensive planning and reducing the economic costs of such development.

C. This Agreement is adopted pursuant to Government Code Section 65865 et seq.

D. Developer is the owner of approximately 1,162 acres of land currently located within unincorporated Riverside County, California as more particularly described on Exhibit "A" and shown on Exhibit "B" ("Property"). The respective interests of Aleisian Farms, Highland Farms and Banning Farms in the Property are those as set forth on the title report attached as Exhibit "C". For purposes of information only, Developer owns an additional 1,552 acres of land located East of the Property of which 1,268 acres are located within the City of Banning, and all of which land Developer intends to develop in concert with the Property (the "Banning Property").

E. Developer intends to develop the Property as an integrated, internally oriented planned residential project in accordance with the Development Plan as hereinafter defined in

Section 1.5 (the "Project"). The Project is capital intensive, especially in its initial phases requiring major investment in public facility and on-site and off-site improvement prior to the construction and sale of housing in order to make the Project economically and fiscally feasible. The Project is fully compatible with the proposed development of the Banning Property.

F. The Property is currently located within the sphere of influence of but has not yet been annexed to the City. It is the present intent of the parties that annexation of the Property to the City will occur following approval by the City of the Development Plan defined in Section 1.5. Pursuant to Government Code Section 65865(b), this Agreement shall become operative on the effective date of the annexation, so long as the annexation is completed prior to December 31, 1992, failing which it shall expire on that date and be of no further force or effect.

G. City's General Plan designation for the Property is Residential Planned Unit Development (PUD), and the Specific Plan being adopted concurrently herewith as a part of the Development Plan as defined in Section 1.5 implements the City General Plan and its various component elements by providing specific land use and development standards. Developer and City desire to provide through this Agreement specific development criteria to be applicable to the Property upon its annexation to the City which will provide for maximum utilization of the Property in accordance with sound planning principals.

H. City has determined that the use and intensity of use provided in this Agreement is consistent with the City's General Plan applicable to the Property.

I. Development of the Property pursuant to the Development Plan as defined in Section 1.5, which is largely vacant area almost totally lacking in required infrastructure improvements, requires the construction of substantial reasonable public improvements early in the development and construction process. Certain development risks and uncertainties associated with the long term nature of the development, including the cost of the portion of those regional public improvements required to be installed at the inception of the development, could discourage and deter Developer and other owners in the vicinity from making the long term commitments necessary to fully develop the Property pursuant to the Development Plan. It is only the assurance of the ability to complete the private income producing components of the Development Plan in general that provides the inducement to Developer to agree to commit the land and financial resources required to commence and proceed with development. The parties

desire to enter into this Agreement in order to assure that the Property is developed as an integrated planned community in general, and that the uncertainties to such development over which the City has control are removed.

J. Developer has applied for, and City, concurrently with approval of this Agreement, has approved the Development Plan (as in Section 1.5) in order to protect the interests of its citizens and the quality of the community and environment through the specific plan process (Government Code Section 65450 et seq.) As part of that process of approving the Development Plan, City has undertaken, pursuant to the California Environmental Quality Act ("CEQA"), the required analysis of the environmental effects which would be caused by the Project. City has imposed a series of mitigation measures in connection with the development of the Project to eliminate or reduce to a level of insignificance many significant adverse impacts caused by the Project. As to those significant adverse impacts which cannot be eliminated or reduced to a level of insignificance, the City Council has adopted a statement of overriding considerations pursuant to CEQA setting forth why the beneficial aspects of the Project outweigh those significant adverse impacts which cannot be eliminated or reduced by mitigation measures. On January 14, 1991, the City Council of City adopted Resolution No. 1991-03, certifying the environmental impact report ("EIR") prepared for the Project as being complete and adequate and complying with CEQA. Pursuant to Government Code Section 65457 and Public Resources Code Section 21166 the City acknowledges that no subsequent or supplemental Environmental Impact Report shall be required by the City for the subsequent approvals implementing the development of the Property, whether ministerial or discretionary, unless:

(1) Changes are proposed by Developer which by law will require revisions to the EIR; or

(2) New information which was not known and could not have been known at the time the EIR was certified as complete becomes available; provided, however, that reanalysis of data already examined and reported in the EIR shall not be considered new information. The term "new information" does not mean discovery that probabilities of adverse (or beneficial) results considered in the approval of this Agreement, the Development Plan as defined in Section 1.5 or the EIR may prove incorrect, or that such probabilities are or are not becoming, or have or have not become realities, but instead required that the actual quantitative and politative

extent of the underlying issues was not considered and could not have been considered in the environmental analysis associated with the approval of this Agreement and the EIR.

K. The Development Plan implements the goals and policies of the City's General Plan described in the Specific Plan referred to in Section 1.5, below, and provides balanced and diversified land uses in order to maintain the overall quality of life and of the environment within City and to impose appropriate requirements with respect to land development and usage.

L. Developer has requested City to consider entering into a development agreement relating to the Project and proceedings have been taken in accordance with City's rules and regulations.

M. On March 25, 1991, the City Council of City adopted Ordinance No. 698, approving this Agreement with Developer.

N. City acknowledges that by electing to enter into contractual agreements such as this Agreement, the obligations of which shall survive beyond the term or terms of the present City Council members, such action will serve to bind the City and future City Councils to the obligations hereby undertaken. By obligating the City pursuant to this Agreement, the City Council has elected to exercise certain governmental and proprietary powers at the present time rather than deferring its action to some undetermined future date. The terms and conditions of this Agreement have undergone extensive review by the City and its City Council and have been found to be fair, just and reasonable, and the City has found and determined that the execution of this Agreement is in the best interest of the public health, safety and general welfare of City and its residents and that adopting this Agreement constitutes a present exercise of its police power.

The parties agree as follows:

1. Definitions.

1.1 "Agreement" is this Development Agreement.

1.2 "Agreement Date" is the date this Agreement is approved by the City Council.

1.3 "Build-Out Phasing Plan" means a plan to be prepared by Developer showing the intended build-out schedule of the Project. The Build-Out Phasing Plan as more particularly

described in Section 11.2 shall be advisory only and shall not be binding on Developer.

1.4 "City" is the City of Beaumont, California.

1.5 "Development Plan" is all of those ordinances, resolutions, codes (except as provided in Section 12.1(c)), rules, regulations and official policies of City governing the development and use of the Property as of the Agreement Date, including, without limitation, the permitted uses of the Property, the density and intensity of use, the maximum height and size of proposed buildings, the provisions for reservation or dedication of land for public purposes, and the design, improvement and construction standards and specifications applicable to the development of the Property, and all of those permits and approvals which are referenced on Exhibit "D" which have been issued or granted by City in connection with any of the foregoing. Specifically, but without limitation, such Development Plan includes the Deutsch Planned Community Specific Plan adopted by the City Council on January 14, 1991 by Resolution No. 1991-03 pursuant to Government Code Section 65450 et.seq. (hereinafter the "Specific Plan") allowing the construction of a maximum of 4,716 residential dwelling units ranging in average density from approximately four (4) d.u.'s/ acre to approximately fifteen (15) d.u.'s/acre, a fifteen (15) acre community commercial site, five (5) elementary and one (1) junior high school site, a twenty-three (23) acre community park, a twenty-one (21) acre trail park adjacent to the San Diego Gas and Electric Easement, and, three (3) additional neighborhood parks totaling 21 acres adjacent to schools. The average density for the Specific Plan areas is approximately 4.1 d.u.'s/acre.

1.6 "Effective Date" is that date which is the later to occur of (a) the expiration of the time for filing a referendum petition relating to this Agreement if no such petition is filed within such period, (b) the certification of the results of a referendum election are declared approving this Agreement if a referendum petition is filed within the applicable period, or (c) the date that the annexation of the Property to this City is completed, provided that such annexation is completed prior to December 31, 1992.

1.7 "Developer" is Aleisian Farms, a California general partnership, Highland Farms, a California general partnership and Banning Farms, a California general partnership as their interests appear on the title report attached as Exhibit "C" and their respective successors in interest to all or any part of the Property.

1.8 "Project" is the proposed development of the Property included within the Development Plan and associated

amenities, including, without limitation, on-site and off-site improvements contemplated by the Development Plan, as the same may be further defined, enhanced or modified pursuant to the provisions of this Agreement.

1.9 "Property" is the real property on which the Project is, or will be, located as described on Exhibit "A" and shown on Exhibit "B."

2. Exhibits. The following documents are referred to in this Agreement, attached hereto and incorporated herein by this reference:

Exhibit Designation	Description
A	Legal Description of the Property
B	Map of Property
C	Title Report Showing Ownership Interests in the Property
D	Permits and Approvals Constituting Development Plan
E	Benefits to City
F	List of Fees and Assessments

3. Mutual Benefits. This Agreement is entered into for the purpose of carrying out the Development Plan for the Project in a manner that will insure certain anticipated benefits to both City, including, without limitation, residents of City, and Developer as set forth in this Section. City and Developer agree that, due to the size and duration of the Project, certain assurances on the part of each party as to the Project will be necessary to achieve those desired benefits.

3.1 Benefits to City. The benefits to City (including, without limitation, the residents of City) under

this Agreement include, but are not limited to those set forth in Exhibit "E."

3.2 Benefits to Developer. Developer has expended and will continue to expend substantial amounts of time and money on the planning and infrastructure construction of the Project. In addition, Developer will expend substantial amounts of time and money in constructing public improvements and facilities and in providing for public services in connection with the Project. Developer would not make such additional expenditures without this Agreement and such additional expenditures will be made in reliance upon this Agreement. The benefit to Developer under this Agreement consists of the assurance that Developer will preserve the right to develop the Property as planned and as set forth in the Development Plan.

4. Interest of Developer. Developer represents that Developer has a legal or equitable interest in the parcels comprising Property.

5. Binding Effect of Agreement. The terms and conditions of this Agreement shall be binding upon and inure to the benefit of the parties and their successors and assigns.

6. Project as a Private Undertaking. It is specifically understood and agreed by and between the parties hereto that the development of the Project is a private and not a public sector development, that neither party is acting as the agent of the other in any respect hereunder, and that each party is an independent contracting entity with respect to the terms, covenants and conditions contained in this Agreement. No partnership, joint venture or other association of any kind is formed by this Agreement. The only relationship between City and Developer is that of a government entity regulating the development of private property by the owner of such Property.

7. Term. The term of this Agreement shall commence upon the Effective Date and shall continue until all permits and approvals required to complete the development of the Project as contemplated by the Development Plan have been issued, provided that in no event shall such term exceed twenty-five (25) years following the Effective Date of this Agreement as to those lots or parcels of the Property under this Agreement, if any, for which a grading or building permit has either not been issued or has otherwise expired. Notwithstanding the foregoing, as to any lot or parcel on the Property not subject to the preceding sentence, the term of this Agreement and the Development Plan regulations and specifications thereunder shall be extended for a period of fifty (50) years commencing on the date that this Development Agreement would have otherwise expired.

8. Changes in Project. Developer shall not be entitled to any change, modification, revision or alteration in the Development Plan relating to the permitted uses of the Property, the density or intensity of use, the maximum height and size of proposed buildings or the provision for reservation or dedication of land for public purposes other than those allowable changes, modifications and alterations permitted under the Development Plan and in particular the Specific Plan, without review and approval by those agencies of City approving the Development Plan in the first instance. Subject to the foregoing provisions of this Section 8, City acknowledges that Developer may seek new entitlements to use and amendments to entitlements to use in connection with the development of the Project. The approval of any changes in the Project as set forth in this Section 8 shall be in the discretion of the City and shall be effectuated as set forth in Section 11.4 below.

9. Hold Harmless.

9.1 By Developer. Developer shall hold City, its officers, agents, employees, partners and representatives harmless from liability for damage or claims for damage for personal injury, including death and claims for property damage, which may arise from the activities of Developer or those of Developer's contractors, subcontractors, agents, employees or other persons acting on Developer's behalf which relate to the Project. Developer shall defend City and its officers, agents, employees, partners and representatives from actions for damages caused or alleged to have been caused by reason of Developer's activities in connection with the Project.

9.2 By City. City shall hold Developer, its officers, agents, employees, partners and representatives harmless from liability for damage or claims for damage for personal injury, including death and claims for property damage, which may arise from the activities of City or those of City's contractors, subcontractors, agents, employees or other persons acting on City's behalf which relate to the Project. City agrees to and shall defend Developer and its officers, agents, employees, partners and representatives from actions for damages caused or alleged to have been caused by reason of City's activities in connection with the Project.

10. Vested Right. By entering into this Agreement and relying thereon, Developer is obtaining a vested right to proceed with the Project in accordance with the Development Plan, but subject to any remaining discretionary approvals required in order to complete the Project as contemplated by the Development Plan (which discretion shall be exercised in accordance with the Development Plan). By entering into this Agreement and relying thereupon, City is securing certain public benefits which help to alleviate potential problems in City and enhance the public health, safety and welfare. City therefore agrees to the following:

10.1 No Conflicting Enactments. Neither the City Council of City nor any other agency of City shall enact an ordinance, policy, rule, regulation or other measure applicable to the Project which relates to the rate, timing or sequencing of the development or construction of all or any part of the Project or which is otherwise in conflict with this Agreement.

10.2 Intent of Parties. In addition to and not in limitation of the foregoing, it is the intent of Developer and City that no moratorium or other limitation (whether relating to the rate, timing or sequencing of the development or construction of all or any part of the Project and whether or not enacted by initiative or otherwise) except a moratorium imposed by City to implement State or Federal laws, statutes, regulations, policies or orders as provided in Section 12.3, affecting parcel or subdivision maps, building permits, site development permits, special use permits, conditional use permits, occupancy certificates or other entitlements to use or permits approved, issued or granted within City, or portions of City, shall apply to the Project to the extent such moratorium or other limitation is in conflict with this Agreement. Notwithstanding the foregoing, should an ordinance, general plan or zoning amendment, measure, moratorium, policy, rule, regulation or other limitation enacted by citizens of City through the initiative process be determined by a court of competent jurisdiction to invalidate or prevail over all or any part of this Agreement, Developer shall have no recourse against City pursuant to this Agreement, but shall retain all other rights, claims and causes of action at law or in equity which Developer may have independent of this Agreement. The foregoing shall not be deemed to limit the Developer's right to appeal any such determination of such ordinance, general plan or zoning amendment, measure, policy, rule, regulation, moratorium or other limitation which purports to invalidate or prevail over all or any part of this Agreement. City agrees to cooperate with owner in all reasonable manners in order to keep this Agreement in full force and effect.

11. General Development of the Project.

11.1 Project. While this Agreement is in effect, Developer shall have a vested right to develop the Project in accordance with the terms and conditions of this Agreement, and in accordance with, and to the extent of the Development Plan, but subject to any remaining discretionary approvals required in order to complete the Project as contemplated by the Development Plan (which discretion shall be exercised in accordance with the Development Plan) and City shall have the right to control the development of the Project in accordance with the terms and

conditions of this Agreement. Except as otherwise specified in this Agreement, the Development Plan shall control the overall design, development and construction of the Project and all on-site and off-site improvements and appurtenances in connection therewith, including, without limitation, all mitigation measures required in order to minimize or eliminate material adverse environmental impacts caused by the Project. The permitted uses of the Property, the density and intensity of use, the maximum height and size of proposed buildings, the provisions for reservation and dedication of land for public purposes and other terms and conditions of development applicable to the Property shall be those set forth in the Development Plan. As part of the tentative subdivision map review, the applicant shall submit architectural drawings showing building treatment, elevations, material samples, and landscaping as part of the review and approval process for the residential portions of the Project.

11.2 Phasing and Timing of Development. The parties acknowledge that although Developer currently anticipates that the Project will be phased and constructed in increments over an approximate twenty-five (25) year time frame in accordance with the Build-Out Phasing Plan, at the present time Developer cannot predict when or the order in which Project phases will be developed. Such decisions depend upon numerous factors which are not within the control of Developer, such as market orientation and demand, interest rates, competition and other similar factors. To the extent permitted by the Development Plan and this Agreement, Developer shall have the right to develop the Project in phases in such order and at such times as Developer deems appropriate within the exercise of its subjective business judgment, so long as the Project is constructed as an integrated master planned development as contemplated by the Development Plan and the City Manager determines that such phasing will not adversely impact the ability of the City to construct, enlarge, expand, modernize or otherwise modify infrastructure improvements if necessary to accommodate growth of the Beaumont community. City agrees that Developer shall be entitled to apply for and City shall process tentative maps, vesting tentative maps, parcel maps, final maps, site development permits, conditional use permits, building permits, occupancy certificates and other entitlements to use or permits as provided by the Specific Plan or other applicable City ordinances at any time, in as expeditious a manner as possible, provided that such application is made in accordance with the Development Plan.

11.3 Effect of Agreement on Land Use Regulations. The rules, regulations and official policies governing permitted uses of the Property, the density and intensity of use of the Property, the maximum height and size of proposed buildings and the design, improvement and construction standards and specifications applicable to development of the Property are those rules, regulations and official policies in force as of the Agreement Date, and those rules, regulations, and official policies which may hereinafter be adopted by the City to implement its Water Resources Management Plan which is currently being developed, or State or Federal laws, statutes, regulations, policies or orders as provided in Section 12.3. In connection with any approval which City is permitted or has the right to make under this Agreement relating to the Project, or otherwise under its rules, regulations and official policies, City shall exercise its discretion or take action in a manner which is as expeditious as possible and which complies and is consistent with the Development Plan and the standards, terms and conditions contained in this Agreement, and in a manner which will not interfere with the development of the Project for the uses and to the height, density and intensity specified in this Agreement or with the rate of development selected by Developer. City shall accept for processing and timely review and act on all applications for further land use entitlement approvals with respect to the Project called for or required under this Agreement in as expeditious a manner as is possible. Such application shall be processed in the normal manner for processing such matters.

11.4 Administrative Changes and Amendments. The parties acknowledge that refinements and further development of the Project may demonstrate that changes are appropriate with respect to the details and performance of the parties under this Agreement. The parties desire to retain a certain degree of flexibility with respect to the details of the Project development and with respect to those items covered in general terms under this Agreement. If and when the parties find that changes or adjustments are necessary or appropriate, they shall, unless otherwise required by law, effectuate such changes or adjustments through administrative amendments approved by the City Manager or designee, after execution, shall be attached hereto as an addenda and become a part hereof, and may be further changed and amended from time to time as necessary, with approval by City and Developer. Any such administrative changes or amendments shall not be deemed to be an amendment to this Agreement under Government Code Section 65868, and unless otherwise required by law, no such administrative amendments shall require prior notice or hearing. Notwithstanding the foregoing, the following matters shall not be considered administrative changes or amendments, but shall be considered substantive

amendments which shall be reviewed by the Planning Commission and approved by the City Council:

(a) Alteration of the permitted uses of the Property;

(b) Increase in the density or intensity of use or the number of lots;

(c) Increase in the maximum height and size in permitted buildings;

(d) Deletion of a requirement for the reservation or dedication of land for public purposes except for minor boundary adjustments approved by the Planning Director or designee; and

(e) Any amendment or change requiring a subsequent or supplemental environmental impact report pursuant to Public Resources Code Section 21166.

11.5 Mello-Roos Communities Facilities Districts; Other Assessment Districts or Financing Mechanisms. Pursuant to Chapter 2.5 (commencing with section 53312) Part 1, Division 2, Title 5 of the Government Code of the State of California, commonly known as the "Mello-Roos Community Facilities Act of 1982," Owner may, at its sole election, petition the City Council of City to establish a Community Facilities District ("CFD") including the Property for the purpose of acquiring, constructing and financing through the sale of bonds of certain public facilities which are necessary to meet the increased demands placed on the City as a result of the development of the Property. Alternatively, or in addition thereto, Owner may request that the City initiate and complete proceedings under the Municipal Improvement Act of 1911, the Municipal Improvement Act of 1913, the Improvement Bond Act of 1915, the Landscaping Allotting Act of 1972, or any and all other available public financing mechanisms to provide public conduit financing for the construction of public improvements on the Property ("Alternative Financing Mechanisms"). If so requested by Owner, City shall cooperate with Owner and use its best efforts in taking all steps necessary to cause the CFD or Alternative Financing Mechanisms to issue bonds for such purposes. If the Property is included within a CFD with other surrounding properties, the special taxes or special assessments burdening the various properties so included shall be apportioned on a fair share basis related to the benefit derived by each of such properties.

11.6 Water and Sewer Facilities. Responsibilities of the Parties with respect to water and sewer facilities pertaining to the transmission of water for or sewage generated

by the Project or by surrounding properties in which Developer will be required to participate shall be determined and allocated on a fair share basis between Developer and the surrounding property owners using such facilities.

11.7 Public Services and Facilities. As provided by the Specific Plan, the Project provides for an integrated roadway system, and public facilities in addition to water and sewer facilities as discussed in Section 11.6 above, including parks, schools, storm drain, police protection and fire protection. The construction and installation of such facilities and infrastructure improvements and the phasing thereof shall be subject to City review and approval at the time that tentative tract maps are submitted for applicable areas of the Project. To the extent that Developer, at City's request, constructs, installs or otherwise provides financing for public facilities or other infrastructure improvements not required to serve the Project and benefiting lands within the City outside the Project area of the Property, City shall adopt such ordinances as are necessary to create a benefit district by which a fee, assessment or charge will be imposed upon such other properties and reimbursed to Developer for the fair share of the benefits conferred upon such lands other than the Property by such public facilities or infrastructure improvements. In order to insure that the Project will function harmoniously with the City's transportation and circulation plan, City shall undertake the upgrade and completion of street networks to planned standards to accommodate increased demands generated by the Project on other areas of the City in accordance with and under the schedule provided by the City's Master Plan of Circulation.

11.8 Cancellation of Williamson Act Agricultural Preserve and Land Conservation Agreement. Immediately following the Effective Date, City shall, as expeditiously as possible, commence hearings pursuant to the Williamson Act, Government Code Section 51200, et seq. for the cancellation of the January 1, 1973 Land Conservation Contract and January 1, 1982 Land Conservation Contract entered into between the predecessor in interest to Developer and the County of Riverside pertaining to the Property. Developer shall be responsible for paying all fees and costs, including legal fees, incurred by City in processing the cancellation of the Land Conservation Contracts.

11.9 Other Governmental or Quasi-Governmental Permits. Developer shall apply for such other permits and approvals as may be required by other governmental or quasi-governmental agencies having jurisdiction over the Project (such as public utilities or utility districts, or other federal or

state agencies) as may be required for the development of, or provision of services to the Project under the Development Plan. City shall cooperate with and assist Developer in obtaining such permits and approvals, and, where necessary in making application for such approvals or permits.

11.10 Consistency Between This Agreement and Current Laws. City represents that there are no rules, regulations, ordinances or official policies of City enforced as of the date of execution of this Agreement that would interfere with the completion or use of the Project according to the Development Plan.

11.11 Assessments and Fees. City shall not, without the prior written consent of Developer, impose any assessment or fee applicable to the development of the Project or any portion thereof, or impose any fees as a condition to the implementation of the Project or any portion thereof, except those existing and proposed assessments and fees set forth on Exhibit "F" which include but are not limited to infrastructure fees for sewer, water, reclaimed water, fire mitigation, police mitigation, transportation-circulation, park mitigation, public facilities fees and signalization fees. Notwithstanding the foregoing, fees payable to City shall be at rates applicable on the date the fee is due and payable.

11.12 Subsequent Actions. City shall timely process, in as expeditious a manner as is possible for processing such matters, any necessary entitlements to use, including vesting tentative tract maps, tentative tract maps, parcel maps, final maps, site development permits, special use permits, conditional use permits, or other discretionary approvals or entitlements to use contemplated by the Development Plan, and any grading, construction or other permits filed by Developer in accordance with the substantive development standards set forth in the Development Plan.

12. Rules, Regulations and Official Policies.

12.1 New Rules. This agreement shall not prevent City from applying the following new rules, regulations and policies:

(a) Processing fees and charges imposed by City to cover the estimated actual costs to City of processing applications for development approvals, for monitoring compliance with any development approvals, or for monitoring compliance with environmental impact mitigation measures.

(b) Procedural regulations relating to hearing bodies, petitions, applications, notices, findings, records,

hearings, reports, recommendations, appeals and any other matter of procedure.

(c) Regulations governing construction standards and specifications including, without limitation, the City's Building Code, Plumbing Code, Mechanical Code, Electrical Code and Fire Code provided that such construction standards and specifications are applied on a City-wide basis.

(d) Regulations which are not in conflict with the Development Plan or this Agreement.

(e) Regulations which are in conflict with the Development Plan or this Agreement if such regulations have been consented to in writing by Developer.

12.2 Subsequent Actions and Approvals. In accordance with Government Code Section 65866, this Agreement shall not prevent City in subsequent actions applicable to the Property from applying new rules, regulations and policies which do not conflict with those existing rules, regulations and policies set forth in the Development Plan, nor shall this Agreement prevent City from denying or conditionally approving any subsequent development project application on the basis of such existing or new rules, regulations or policies.

12.3 State and Federal Laws. In the event that State or Federal laws or regulations enacted after this Agreement is executed prevent or preclude compliance with one or more of the provisions of this Agreement, such provisions of this Agreement shall be modified or suspended as may be necessary to comply with such State or Federal laws or regulations; provided, however, that this Agreement shall remain in full force and effect to the extent it is not inconsistent with such laws or regulations and to the extent such laws or regulations do not render such remaining provisions impractical to enforce.

13. Amendment or Cancellation of Agreement. This Agreement may be amended or cancelled in whole or in part only by mutual consent of the parties in the manner provided for in Government Code Section 65868.

14. Enforcement. Unless amended or cancelled as provided in Section 13 above, or modified or suspended pursuant to Government Code Section 65869.5, this Agreement is enforceable by either party hereto notwithstanding any change in any applicable general or specific plan, zoning, subdivision or building regulation or other applicable law or regulation adopted by City (or by the voters of City unless found by a court of competent

and final jurisdiction to prevail over this Agreement) which alters or amends the Development Plan or the rate, timing or sequencing of any development.

15. Periodic Review of Compliance With Agreement. City and Developer shall review this Agreement at least once every twelve (12) months from the date this Agreement is executed. During each periodic review, each party is required to demonstrate good faith compliance with the terms of this Agreement. Each party agrees to furnish such reasonable evidence of good faith compliance as the other party in the exercise of its reasonable discretion, may require. Such periodic review shall be conducted administratively by the City Manager and any appropriate department heads designated by the City Manager to perform such periodic review. The City Manager shall report the results of such periodic review to the City Council within thirty (30) days after the conclusion thereof. No public hearing shall be held by the City Manager, Planning Commission or City Council with regard to such periodic review; provided, however, that if the City Manager during such periodic review preliminarily finds that Developer is not in good faith compliance with this Agreement, Developer shall have the right to appeal such finding to the City Council. The City Council on appeal shall not hold a public hearing to review a finding that Developer is not in good faith compliance with this Agreement unless so requested by Developer in writing at the time of the submission of such appeal. City shall notify Developer in writing of the date for review at least thirty (30) days prior thereto.

16. Events of Default.

16.1 Default by Developer. If the City Council determines on the basis of substantial evidence upon appeal of the City Manager's decision pursuant to Section 15 hereof that Developer has not complied in good faith with the terms and conditions of this Agreement, it shall, by written notice to Developer, specify the manner in which Developer has failed to so comply and state the steps Developer must take to bring itself into compliance. If, within sixty (60) days after the effective date of notice from City specifying the manner in which Developer has failed to so comply, Developer does not commence all steps reasonably necessary to bring itself into compliance as required and thereafter diligently pursue such steps to completion, then Developer shall be deemed to be in default under the terms of this Agreement and City may terminate this Agreement.

16.2 Default by City. If Developer determines on the basis of substantial evidence that City has not complied in good faith with the terms and conditions of this Agreement, Developer shall, by written notice to City, specify the manner in which City has failed to so comply and state the steps City

must take to bring itself into compliance. If, within sixty (60) days after the effective date of notice from Developer specifying the manner in which City has failed to so comply, City does not commence all steps reasonably necessary to bring itself into compliance as required and thereafter diligently pursue such steps to completion, then City shall be deemed to be in default under the terms of this Agreement and Developer may terminate this Agreement or seek specific performance as set forth in Section 16.3.

16.3 Specific Performance Remedy. Due to the size, nature and scope of the Project, it will not be practical or possible to restore the Property to its natural condition once implementation of this Agreement has begun. After such implementation, Developer may be foreclosed from other choices it may have had to utilize the Property and provide for other benefits. Developer has invested significant time and resources and performed extensive planning and processing of the Project in agreeing to the terms of this Agreement and will be investing even more substantial time and resources in implementing the Project in reliance upon the terms of this Agreement, and it is not possible to determine the sum of money which would adequately compensate Developer for such efforts. For the above reasons, City and Developer agree that damages would not be an adequate remedy if City fails to carry out its obligations under this Agreement. Therefore, specific performance of this Agreement is the only remedy which would compensate Developer if City fails to carry out its obligations under this Agreement, and City hereby agrees that Developer shall be entitled to specific performance in the event of a default by City hereunder. Notwithstanding the foregoing, nothing in this Agreement is intended to deprive Developer from recovering appropriate damages in the event that the terms of this Agreement are breached. City and Developer acknowledge that if Developer fails to carry out its obligations under this Agreement, City shall have the right to refuse to issue any permits or other approvals to which Developer would not otherwise have been entitled pursuant to this Agreement. Therefore, City's remedy of terminating this Agreement shall be sufficient in most circumstances if Developer fails to carry out its obligations hereunder. Notwithstanding the foregoing, if City issues a permit or other approval pursuant to this Agreement in reliance upon a specified condition being satisfied by Developer in the future, and if Developer then fails to satisfy such condition, City shall be entitled to specific performance for the sole purpose of causing Developer to satisfy such condition. The City's right to specific performance shall be limited to those circumstances set forth above, and City shall have no right to seek specific performance to cause Developer to otherwise proceed with the development of the Project in any manner.

17. Institution of Legal Action. In addition to any other rights or remedies, either party may institute legal action to cure, correct or remedy any default, to enforce any covenants or agreements herein, to enjoin any threatened or attempted violation hereof, to recover damages for any default, or to obtain any other remedies consistent with the purpose of this Agreement. Any such legal action shall be brought in the Superior Court for Riverside, California.

18. Waivers and Delays.

18.1 Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by the other party, and failure by a party to exercise its rights upon a default by the other party hereto, shall not constitute a waiver of such party's right to demand strict compliance by such other party in the future.

18.2 Third Parties. Nonperformance shall not be excused because of a failure of a third person except as provided in Section 18.3 below.

18.3 Force Majeure. Neither party shall be deemed to be in default for failure or delay in performance of any of its obligations under this Agreement if caused by floods, earthquakes, other Acts of God, fires, wars, riots or similar hostilities, strikes, other labor difficulties, government regulations or other causes beyond either of the parties' control. If any such event shall occur, the term of this Agreement and the time for performance by Developer of any of its obligations hereunder or pursuant to the Development Plan shall be extended by the period of time that such events prevent construction of the Project.

19. Notices. All notices required or provided for under this Agreement shall be in writing and delivered in person and deposited in the United States mail, postage prepaid and addressed as follows:

TO CITY:
City of Beaumont
550 East 6th Street
P.O. Drawer 158
Beaumont, California 92223
Attn: City Manager

TO DEVELOPER:
c/o The Deutsch Corporation
2444 Wilshire Boulevard
Santa Monica, California 90403
Attn: Mr. Bill Holler

Either party may change the address stated herein by giving notice, in writing, to the other party and thereafter notices shall be addressed and submitted to the new address.

20. Attorneys' Fees. If legal action is brought by either party against the other for breach of this Agreement, or to compel performance under this Agreement, the prevailing party shall be entitled to an award of reasonable attorneys' fees and costs.

21. Transfers and Assignments.

21.1 Right to Assign. Developer shall have the right to sell, assign or transfer this Agreement, and any and all of its rights, duties and obligations hereunder, to any person or entity at any time during the term of this Agreement, provided, however, in no event shall the rights, duties and obligations conferred upon Developer pursuant to this Agreement be at any time so transferred or assigned except through a transfer of an interest of Developer in the Property, a portion thereof (including a village or individual tract), or parcel or lot so transferred. In the event of any such assignment, either the transferee or Developer shall be liable for the performance of all obligations of Developer. Such transferee or Developer shall notify City in writing of the transfer of such obligations.

21.2 Release Upon Transfer. Upon the sale, transfer or assignment of Developer's rights and interests under this Agreement as permitted pursuant to Section 21.1, Developer shall be released from its obligations under this Agreement and all of owner's obligations pursuant to the Development Plan, or other agreements assumed by transferee with respect to the Property, or portion thereof, so transferred provided that (a) Developer is not then in default under the Agreement, (b) Developer or transferee has provided the City notice of such transfer and (c) the transferee executes and delivers to City a written agreement in which (i) the name and address of the transferee is set forth and (ii) the transferee expressly and unconditionally assumes all of the obligations of Developer under this Agreement with respect to the Property, or a portion thereof, so transferred.

22. Cooperation in the Event of Legal Challenge. In the event of any legal action instituted by a third party or other governmental entity or official challenging the validity of any provision of this Agreement, the parties hereby agree to cooperate in defending such action. Each party shall pay its own expenses in connection with such defense. In the event of any litigation challenging the effectiveness of this Agreement, or any portion hereof, this Agreement shall remain in full force

and effect while such litigation, including any appellate review, is pending.

23. Eminent Domain. No provision of this Agreement shall be construed to limit or restrict the exercise by City of its power of eminent domain.

24. Authority to Execute. The person or persons executing this Agreement on behalf of Developer warrant and represent that they have the authority to execute this Agreement on behalf of their corporation, partnership or business entity and warrant and represent that they have the authority to bind Developer to the performance of its obligations hereunder.

25. Recordation. This Agreement and any amendment or cancellation hereto shall be recorded in the Official Records of the County of San Bernardino, by the City Clerk within the period required by Section 65868.5 of the Government Code.

26. Protection of Mortgage Holders. Nothing contained herein shall limit or interfere with the lien of mortgage holders having a mortgage made in good faith and for value on any portion of the Property. "Mortgage holder" includes the beneficiary under a deed of trust, and "mortgage" includes the deed of trust.

27. Severability of Terms. If any term, provision, covenant or condition of this Agreement shall be determined invalid, void or unenforceable, the remainder of this Agreement shall not be affected thereby to the extent such remaining provisions are not rendered impractical to enforce.

28. Subsequent Amendment to Authorizing Statute. This Agreement has been entered into in reliance upon the provisions of the Development Agreement Law in effect as of the Agreement Date. Accordingly, subject to Section 12.3 above, to the extent a subsequent amendment to the Development Agreement Law would affect the provisions of this Agreement, such amendment shall not be applicable to the Agreement unless necessary for this Agreement to be enforceable or unless this Agreement is modified pursuant to the provisions set forth in the Agreement and Government Code Section 65868 in effect on the Agreement Date.

29. Interpretation and Governing Law. This Agreement and any dispute arising hereunder shall be governed and interpreted in accordance with the laws of the State of California.

30. Section Headings. All section headings and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

31. Incorporation of Recitals and Exhibits. Recitals A through N and attached Exhibits "A" through "G" are hereby incorporated herein by this reference as though set forth in full.

32. Rules of Construction and Miscellaneous Terms.

32.1 Gender. The singular includes the plural; the masculine gender includes the feminine; "shall" is mandatory, "may" is permissive.

32.2 Time of Essence. Time is of the essence regarding each provision of this Agreement in which time is an element.

32.3 Cooperation. Each party covenants to take such reasonable actions and execute all documents that may be necessary to achieve the purposes and objectives of this Agreement.

The parties have executed this Development Agreement on the date and year first written above.

Dated: 4/25, 1991

CITY OF BEAUMONT, a municipal corporation of the State of California

By: Ann Connors
Mayor

"City"

SIGNED AND CERTIFIED THAT A COPY OF THIS DOCUMENT HAS BEEN DELIVERED TO THE MAYOR OF THE CITY COUNCIL

By: Robert J. Bounds
City Clerk

APPROVED AS TO FORM:

By: George Thacker
City Attorney

[SIGNATURES CONTINUE ON FOLLOWING PAGES]

ALEISIAN FARMS, a California
General Partnership

Dated: 4/9, 1991

By: _____
Carl Deutsch

General Partner

Dated: 4/9, 1991

By: _____, attorney in fact
David Deutsch

General Partner

By: Victoria Leslie Deutsch Trust
Created Pursuant to a
Declaration of Trust Dated
December 19, 1976

General Partner

Dated: 4/9, 1991

By: _____
Alex Deutsch
Trustee

By: Alexis Lee Deutsch Trust
Created Pursuant to a
Declaration of Trust Dated
December 19, 1976

General Partner

Dated: 4/9, 1991

By: _____
Alex Deutsch
Trustee

By: Gina Elizabeth Deutsch Trust
Created Pursuant to a
Declaration of Trust Dated
December 19, 1976

General Partner

Dated: 4/9, 1991

By: Alex Deutsch
Alex Deutsch
Trustee

By: Gina Elizabeth Deutsch 76 Trust
Created Pursuant to a
Declaration of Trust Dated
December 19, 1976

General Partner

Dated: April 9, 1991

By: Lester Deutsch
Lester Deutsch
Trustee

By: Estate of Walter Scholtz

General Partner

Dated: 4/4, 1991

By: Sylvia Scholtz
Sylvia Scholtz
Executrix

HIGHLAND FARMS, a California
General Partnership

BY: THE DEUTSCH COMPANY, a
California corporation,

General Partner

Dated: 4/9, 1991

By: Alex Deutsch

Its: Chairman

Dated: 4/9, 1991

By: Alex Deutsch
Alex Deutsch
General Partner

BANNING FARMS, a California
General Partnership

BY: THE DEUTSCH COMPANY, a
California corporation,

General Partner

Dated: April 9, 1991

By: Alex Deutsch

Its: Chairman

Dated: 4/9, 1991

By: Alex Deutsch
Alex Deutsch
General Partner

STATE OF CALIFORNIA)
) ss.
COUNTY OF LA)

On 4/9, 1991, before me, W E Holler, personally appeared, CARL DEUTSCH personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

OFFICIAL SEAL
W E HOLLER
Notary Public-California
LOS ANGELES COUNTY
My Comm. Exp. Mar. 23, 1993

W E Holler
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF LA)

On 4/9, 1991, before me, W E Holler, personally appeared DAVID DEUTSCH personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

OFFICIAL SEAL
W E HOLLER
Notary Public-California
LOS ANGELES COUNTY
My Comm. Exp. Mar. 23, 1993

W E Holler
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF CA)

On 4/9, 1991, before me, WE HOLLER, personally appeared ALEX DEUTSCH, TRUSTEE FOR VICTORIA LESLIE DEUTSCH TRUST, Created Pursuant to a Declaration of Trust Dated December 19, 1976, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

OFFICIAL SEAL
W E HOLLER
Notary Public-California
LOS ANGELES COUNTY
My Comm. Exp. Mar. 23, 1993

W E Holler
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF CA)

On 4/9, 1991, before me, WE HOLLER, personally appeared ALEX DEUTSCH, TRUSTEE FOR ALEXIS LEE DEUTSCH TRUST, Created Pursuant to a Declaration of Trust Dated December 19, 1976, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

OFFICIAL SEAL
W E HOLLER
Notary Public-California
LOS ANGELES COUNTY
My Comm. Exp. Mar. 23, 1993

W E Holler
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF LA)

On 4/9, 1991, before me, W E Holler, personally appeared ALEX DEUTSCH, TRUSTEE FOR GINA ELIZABETH DEUTSCH TRUST, Created Pursuant to a Declaration of Trust Dated December 19, 1976, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

OFFICIAL SEAL
W E HOLLER
Notary Public-California
LOS ANGELES COUNTY
My Comm. Exp. Mar. 23, 1993

W E Holler
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF LA)

On 4/9, 1991, before me, W E Holler, personally appeared LESTER DEUTSCH, TRUSTEE FOR GINA ELIZABETH DEUTSCH TRUST, Created Pursuant to a Declaration of Trust Dated December 19, 1976, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

W E Holler
Notary Public in and for said State

OFFICIAL SEAL
W E HOLLER
Notary Public-California
LOS ANGELES COUNTY
My Comm. Exp. Mar. 23, 1993

STATE OF ~~CALIFORNIA~~ Washington)
) ss.
COUNTY OF Whatcom)

On April 4th, 1991, before me, Robin Montague, personally appeared SYLVIA SCHOLTZ, EXECUTRIX FOR ESTATE OF WALTER SCHOLTZ, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Robin Montague
Notary Public in and for said State
My commission expires 6-27-94

STATE OF CALIFORNIA)
) ss.
COUNTY OF LA)

On 4/9, 1991, before me, W E Holler, personally appeared ALEX DEUTSCH, A GENERAL PARTNER OF HIGHLAND FARMS, a California General Partnership, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

W E Holler
Notary Public in and for said State

OFFICIAL SEAL
W E HOLLER
Notary Public-California
LOS ANGELES COUNTY
My Comm. Exp. Mar. 23, 1993

STATE OF CALIFORNIA)
) ss.
COUNTY OF LA)

On 4/9, 1991, before me, W Holler, personally appeared ALEX DEUTSCH, Chairman OF THE DEUTSCH COMPANY, a California Corporation, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

OFFICIAL SEAL
W E HOLLER
Notary Public-California
LOS ANGELES COUNTY
My Comm. Exp. Mar. 23, 1993

W E Holler
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF LA)

On 4/9, 1991, before me, W Holler, personally appeared ALEX DEUTSCH, A GENERAL PARTNER OF BANNING FARMS, a California General Partnership, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

OFFICIAL SEAL
W E HOLLER
Notary Public-California
LOS ANGELES COUNTY
My Comm. Exp. Mar. 23, 1993

W E Holler
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF LA)

On 4/9, 1991, before me, W E Holler, personally appeared ALEX DEUTSCH, Chairman OF THE DEUTSCH COMPANY, a California Corporation, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

W E Holler
Notary Public in and for said State

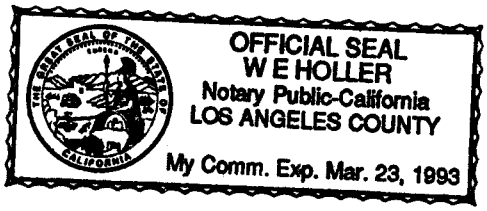


EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

EXHIBIT A

PARCEL 1:

Section 35, Township 2 South, Range 1 West, San Bernardino Base and Meridian, in the County of Riverside, State of California.

EXCEPT the North one-half of the Northeast One Quarter thereof;

Section 2, Township 3 South, Range 1 West, San Bernardino Base and Meridian.

EXCEPT the Southeast One Quarter thereof.

Said land is also known as follows:

Lots 1 to 32, inclusive, and Lots 41 to 112, inclusive, of Orchard Heights Tract, in the County of Riverside, State of California, as shown by map on file in Book 10 Page 2 of Maps, Riverside County Records;

EXCEPT from Lots 1, 2 and 3 the Northerly 30 feet thereof granted to the County of Riverside, to be used as a public highway by deed recorded June 10, 1926 in Book 675 Page 467 of Deeds, Riverside County Records;

ALSO EXCEPT from Lot 4 an easement over the Northerly 10 feet thereof for public highway.

ALSO EXCEPT from said land all of those portions lying within the public roads and highways adjoining said land known as Brookside Avenue, Cherry Avenue, Orchard Heights Avenue, Seventeenth Street, Eighth Street and Highland Springs Avenue.

PARCEL 2:

The Southeast One Quarter of Section 2, Township 3 South, Range 1 West, San Bernardino Base and Meridian.

EXCEPT therefrom the following described land, as conveyed to Trangniew, Inc., by instrument recorded May 01, 1972 as Instrument No. 55762, and more particularly described as follows:

Commencing at the Southeast corner of said Section 2, said point being marked by a brass stamped "Section Corner Sections 1, 2, 11 and 12";

Thence South 89 degrees 32 minutes 20 seconds West along the realigned centerline of Eighth Street (80 feet wide) as shown on Deed Plat No. 746-888 on file in the office of the county surveyor of Riverside County, California, a distance of 101.29 feet;

Thence at right angles North 00 degrees 27 minutes 40 seconds West 40.00 feet to the true point of beginning.

EXHIBIT A

Thence continuing North 00 degrees 27 minutes 40 seconds West 4.00 feet to a point on a curve;

Thence curving to the left from an initial tangent that bears North 89 degrees 32 minutes 20 seconds East with a radius of 20.00 feet through a central angle of 89 degrees 21 minutes 34 seconds, an arc distance of 31.19 feet to a point on a line parallel with and 82.00 feet Westerly, measured at right angles from the Easterly line of said Section 2;

Thence at right angles North 89 degrees 49 minutes 18 seconds West 928.44 feet;

Thence at right angles South 00 degrees 10 minutes 42 seconds West parallel with the East line of said Section 2, 991.14 feet to a point on the North right of way line of Eighth Street, as shown by map of subdivision of Section 11, as per plat recorded in Book 9 of Maps, Page 10, Records of San Bernardino County;

Thence South 89 degrees 44 minutes 30 seconds East along the North right of way line of said Eighth Street, 136.96 feet to a tangent curve, as established by said realignment of Eighth Street;

Thence curving to the left with a radius of 960.00 feet through a central angle of 14 degrees 24 minutes 50 seconds an arc distance of 241.51 feet;

Thence North 75 degrees 50 minutes 40 seconds East 177.79 feet to a tangent curve;

Thence curving to the right with a radius of 1040.00 feet through a central angle of 13 degrees 41 minutes 40 seconds, a arc distance of 248.57 feet;

Thence North 89 degrees 32 minutes 20 seconds East 114.62 feet to the point of beginning.

ALSO EXCEPT from said land all of those portions lying within the public roads and highways adjoining said land known as Eighth Street and Highland Springs Avenue.

PARCEL 3:

Those portions lying within Section 11, Township 3 South, Range 1 West, San Bernardino Base and Meridian, more particularly described as follows:

Lots 1, 2, 3, 4, 5, 6 and 7 in Block 1 of subdivision of Section 11, Township 3 South, Range 1 West, San Bernardino Base and Meridian, as shown by map on file in Book 9 Page 10 of Maps, Riverside County Records.

EXHIBIT A

EXCEPT therefrom the following described land as conveyed to Trangniew, Inc., by instrument recorded May 01, 1972 as Instrument No. 55762, and more particularly described as follows:

Commencing at the Southeast corner of said Section 2, said point being marked by a brass disk stamped "Section Corner Sections 1, 2, 11 and 12";

Thence South 89 degrees 32 minutes 20 seconds West along the realigned centerline of Eighth Street (80 feet wide) as shown by Deed Plat No. 746-888 on file in the Office of the County Surveyor of Riverside County, California, a distance of 101.29 feet;

Thence at right angles North 00 degrees 27 minutes 40 seconds West 40.00 feet to the true point of beginning;

Thence continuing North 00 degrees 27 minutes 40 seconds West 4.00 feet to a point on a curve;

Thence curving to the left from an initial tangent that bears North 89 degrees 32 minutes 20 seconds East with a radius of 20.00 feet through a central angle of 89 degrees 21 minutes 38 seconds, an arc distance of 31.19 feet to a point on a line parallel with and 82.00 feet Westerly, measured at right angles from the Easterly line of said Section 2;

Thence North 0 degrees 10 minutes 42 seconds East along said parallel line, 859.84 feet;

Thence at right angles North 89 degrees 49 minutes 18 seconds West 928.44 feet;

Thence at right angles South 00 degrees 10 minutes 42 seconds West parallel with the East line of said Section 2; 991.14 feet to a point on the North right of way line of Eighth Street, as shown by map of subdivision of Section 11, as per plat recorded in Book 9 of Maps, Page 10, Records of Riverside County;

Thence South 89 degrees 44 minutes 30 seconds East along the North right of way line of said Eighth Street, 136.96 feet to a tangent curve, as established by said realignment of Eighth Street;

Thence curving to the left with a radius of 960.00 feet through a central angle of 14 degrees 24 minutes 50 seconds an arc distance of 241.51 feet;

Thence North 75 degrees 50 minutes 40 seconds East 177.79 feet to a tangent curve;

Thence curving to the right with a radius of 1040.00 feet through a central angle of 13 degrees 41 minutes 40 seconds, an arc

Preliminary Report

Order No. 4104930127-492 GATEWAY TITLE COMPANY

Title officer: Dwight Helmer

Policy(ies) contemplated:
Preliminary Title Report

THE DEUTSCH COMPANY
STE. 600
2444 WILSHIRE BLVD.
SANTA MONICA, CA 90403

Our No.: 4104930127-492

Your Ref: BANNING

ATTN: BILL HOLLER

Date : March 11, 1991 at 7:30 A.M.

SCHEDULE A

The estate or interest in the land described or referred to in this schedule covered by this report is:

a fee
Title to the said estate or interest at the date hereof is vested in:

Aleisian Farms, a Partnership composed of Walter Scholtz, Mark Scholtz, Alex Deutsch, Lester Deutsch, Carl Deutsch, Ray Tissue, Ben Weingart, Robert Cumins, Philip E. Holzman, Edward Jones, and Philip E. Holzman as trustee for David Deutsch;

Highland Farms, a California General Partnership, as their interest appear of record, as to all of those portions described in Exhibit "A" herein excepting therefrom the South one half of the Northeast one Quarter of said Section 35; subject to the spousal interest of Betty U. Deutsch, as to the North one half of the Southeast one quarter of said Section 35;

Banning Farms, a California General Partnership, as to the South one half of the Northeast one Quarter of said Section 35.

The land referred to in this report is situated in the State of California, County of Riverside, and is described as follows:

DESCRIPTION CONTAINED IN "EXHIBIT A"
attached hereto and made a part hereof.

Gateway Order No.: 4104930127-492 Reference No.: BANNING

EXHIBIT A

PARCEL 1:

Section 35, Township 2 South, Range 1 West, San Bernardino Base and Meridian, in the County of Riverside, State of California.

EXCEPT the North one-half of the Northeast One Quarter thereof;

Section 2, Township 3 South, Range 1 West, San Bernardino Base and Meridian.

EXCEPT the Southeast One Quarter thereof.

Said land is also known as follows:

Lots 1 to 32, inclusive, and Lots 41 to 112, inclusive, of Orchard Heights Tract, in the County of Riverside, State of California, as shown by map on file in Book 10 Page 2 of Maps, Riverside County Records;

EXCEPT from Lots 1, 2 and 3 the Northerly 30 feet thereof granted to the County of Riverside, to be used as a public highway by deed recorded June 10, 1926 in Book 675 Page 467 of Deeds, Riverside County Records;

ALSO EXCEPT from Lot 4 an easement over the Northerly 10 feet thereof for public highway.

ALSO EXCEPT from said land all of those portions lying within the public roads and highways adjoining said land known as Brookside Avenue, Cherry Avenue, Orchard Heights Avenue, Seventeenth Street, Eighth Street and Highland Springs Avenue.

PARCEL 2:

The Southeast One Quarter of Section 2, Township 3 South, Range 1 West, San Bernardino Base and Meridian.

EXCEPT therefrom the following described land, as conveyed to Trangniew, Inc., by instrument recorded May 01, 1972 as Instrument No. 55762, and more particularly described as follows:

Commencing at the Southeast corner of said Section 2, said point being marked by a brass stamped "Section Corner Sections 1, 2, 11 and 12";

Thence South 89 degrees 32 minutes 20 seconds West along the realigned centerline of Eighth Street (80 feet wide) as shown on Deed Plat No. 746-888 on file in the office of the county surveyor of Riverside County, California, a distance of 101.29 feet;

Thence at right angles North 00 degrees 27 minutes 40 seconds West 40.00 feet to the true point of beginning.

EXHIBIT A

Thence continuing North 00 degrees 27 minutes 40 seconds West 4.00 feet to a point on a curve;

Thence curving to the left from an initial tangent that bears North 89 degrees 32 minutes 20 seconds East with a radius of 20.00 feet through a central angle of 89 degrees 21 minutes 34 seconds, an arc distance of 31.19 feet to a point on a line parallel with and 82.00 feet Westerly, measured at right angles from the Easterly line of said Section 2;

Thence at right angles North 89 degrees 49 minutes 18 seconds West 928.44 feet;

Thence at right angles South 00 degrees 10 minutes 42 seconds West parallel with the East line of said Section 2, 991.14 feet to a point on the North right of way line of Eighth Street, as shown by map of subdivision of Section 11, as per plat recorded in Book 9 of Maps, Page 10, Records of San Bernardino County;

Thence South 89 degrees 44 minutes 30 seconds East along the North right of way line of said Eighth Street, 136.96 feet to a tangent curve, as established by said realignment of Eighth Street;

Thence curving to the left with a radius of 960.00 feet through a central angle of 14 degrees 24 minutes 50 seconds an arc distance of 241.51 feet;

Thence North 75 degrees 50 minutes 40 seconds East 177.79 feet to a tangent curve;

Thence curving to the right with a radius of 1040.00 feet through a central angle of 13 degrees 41 minutes 40 seconds, a arc distance of 248.57 feet;

Thence North 89 degrees 32 minutes 20 seconds East 114.62 feet to the point of beginning.

ALSO EXCEPT from said land all of those portions lying within the public roads and highways adjoining said land known as Eighth Street and Highland Springs Avenue.

PARCEL 3:

Those portions lying within Section 11, Township 3 South, Range 1 West, San Bernardino Base and Meridian, more particularly described as follows:

Lots 1, 2, 3, 4, 5, 6 and 7 in Block 1 of subdivision of Section 11, Township 3 South, Range 1 West, San Bernardino Base and Meridian, as shown by map on file in Book 9 Page 10 of Maps, Riverside County Records.

EXHIBIT A

EXCEPT therefrom the following described land as conveyed to Trangniew, Inc., by instrument recorded May 01, 1972 as Instrument No. 55762, and more particularly described as follows:

Commencing at the Southeast corner of said Section 2, said point being marked by a brass disk stamped "Section Corner Sections 1, 2, 11 and 12";

Thence South 89 degrees 32 minutes 20 seconds West along the realigned centerline of Eighth Street (80 feet wide) as shown by Deed Plat No. 746-888 on file in the Office of the County Surveyor of Riverside County, California, a distance of 101.29 feet;

Thence at right angles North 00 degrees 27 minutes 40 seconds West 40.00 feet to the true point of beginning;

Thence continuing North 00 degrees 27 minutes 40 seconds West 4.00 feet to a point on a curve;

Thence curving to the left from an initial tangent that bears North 89 degrees 32 minutes 20 seconds East with a radius of 20.00 feet through a central angle of 89 degrees 21 minutes 38 seconds, an arc distance of 31.19 feet to a point on a line parallel with and 82.00 feet Westerly, measured at right angles from the Easterly line of said Section 2;

Thence North 0 degrees 10 minutes 42 seconds East along said parallel line, 859.84 feet;

Thence at right angles North 89 degrees 49 minutes 18 seconds West 928.44 feet;

Thence at right angles South 00 degrees 10 minutes 42 seconds West parallel with the East line of said Section 2; 991.14 feet to a point on the North right of way line of Eighth Street, as shown by map of subdivision of Section 11, as per plat recorded in Book 9 of Maps, Page 10, Records of Riverside County;

Thence South 89 degrees 44 minutes 30 seconds East along the North right of way line of said Eighth Street, 136.96 feet to a tangent curve, as established by said realignment of Eighth Street;

Thence curving to the left with a radius of 960.00 feet through a central angle of 14 degrees 24 minutes 50 seconds an arc distance of 241.51 feet;

Thence North 75 degrees 50 minutes 40 seconds East 177.79 feet to a tangent curve;

Thence curving to the right with a radius of 1040.00 feet through a central angle of 13 degrees 41 minutes 40 seconds, an arc

EXHIBIT A

distance of 248.57 feet;

Thence North 89 degrees 32 minutes 20 seconds East 114.62 feet to the point of beginning.

Also except from said land all of those portions lying within the public roads and highways adjoining said land known as Eighth Street and Highland Springs Avenue.

SCHEDULE B

Preliminary Report GATEWAY TITLE COMPANY

Order No. 4104930127-492

At the date hereof Exceptions to coverage in addition to the printed exceptions and exclusions contained in said policy form would be as follows:

1. Property taxes, including any assessments collected with taxes, to be levied for the fiscal year 1991-1992, which are a lien not yet payable.

2. Property taxes, including any personal property taxes, and any assessments collected with taxes, for the fiscal year 1990-1991:

First installment	Amount:	$1,705.85
	Penalty:	
	Current status:	Paid
Second installment	Amount:	$1,705.85
	Penalty:	
	Current status:	Paid

Homeowners exemption: --NONE--
Code area: 056-004
Assessors Parcel No.: 406-170-005-7

The above matter affects The West 1/2 of the South 1/2 of the Southeast 1/4 of Section 35

3. Property taxes, including any personal property taxes, and any assessments collected with taxes, for the fiscal year 1990-1991:

First installment	Amount:	$350.95
	Penalty:	
	Current status:	Paid
Second installment	Amount:	$350.95
	Penalty:	
	Current status:	Paid

Homeowners exemption: --NONE--
Code area: 056-004
Assessors Parcel No.: 406-170-007-9

The above matter affects The South 1/2 of the Northeast 1/2 of Section 35

SCHEDULE B

Preliminary Report GATEWAY TITLE COMPANY

Order No. 4104930127-492

4. Property taxes, including any personal property taxes, and any assessments collected with taxes, for the fiscal year 1990-1991:

First installment	Amount:	$342.92
	Penalty:	
	Current status:	Paid
Second installment	Amount:	$342.92
	Penalty:	
	Current status:	Paid

Homeowners exemption: --NONE--
Code area: 056-004
Assessors Parcel No.: 406-170-008-0

The above matter affects The North 1/2 of the Southeast 1/4 of Section 35

5. Property taxes, including any personal property taxes, and any assessments collected with taxes, for the fiscal year 1990-1991:

First installment	Amount:	$4,590.25
	Penalty:	
	Current status:	Paid
Second installment	Amount:	$4,590.25
	Penalty:	
	Current status:	Paid

Homeowners exemption: --NONE--
Code area: 056-004
Assessors Parcel No.: 419-020-017-8

The above matter affects The West 1/2 and the Northeast 1/4 of Section 2

6. Property taxes, including any personal property taxes, and any assessments collected with taxes, for the fiscal year 1990-1991:

First installment	Amount:	$1,533.81
	Penalty:	
	Current status:	Paid
Second installment	Amount:	$1,533.81
	Penalty:	
	Current status:	Paid

Homeowners exemption: --NONE--
Code area: 056-004
Assessors Parcel No.: 419-020-018-9

The above matter affects The above item affects: Parcels 2 and 3 herein described in Exhibit "A"

7. The lien of supplemental taxes, if any, assessed according to provisions of the statutes of 1983 of the State of California.

8. An easement in favor of the public for any public roads now existing on said property.

9. An easement, affecting lots 44, 48, 52, 56, 60, 64, 72, 80, 88 and 96 in Parcel 1 for road 20 feet wide off and along the East side of Section 35, Township 2 South, Range 1 West, and Section 2, Township 3 South, Range 1 West, San Bernardino Base and Meridian, granted to the County of Riverside by deed recorded March 21, 1900 in Book 147 Page 3 of Deeds, Riverside County Records.

10. A right of way, affecting a portion of Parcel 1 herein described, for pipe line over lots 1 to 64, inclusive, lots 69 to 72, inclusive, lots 77 to 82, inclusive, lots 85 to 90, inclusive, lots 93 to 96, inclusive, as reserved in the deed from the Riverside Abstract Company, recorded April 01, 1913 in Book 371 Page 177 of Deeds.

11. The right of the public to the use of streets as shown on the map of Orchard Heights Tract, as shown by map on file in Book 10 Page 2 of Maps, Riverside County Records.

Said rights affect a portion of Parcel 1 subject to the effect of a revocation of dedication recorded November 24, 1947 in Book 872 Page 561 of of Official Records purporting to revoke any and all dedications of the following streets: Lots H, G, F, E, D, C, B, A, J, K, L, M, N and more commonly known as 9th, 11th, 12th, 13th, 14th, 15th, 16th and that portion of 17th Street, which is delineated on the map of Orchard Heights Tract.

12. An easement for utilities, affecting Parcel 1, granted to Southern Sierras Power Company, as referred to in United States Patent recorded December 01, 1919 in Book 8 Page 40 of Patents, Riverside County Records, to which record reference is hereby made for further particulars.

13. An easement, affecting Parcel 2 for public highway and public utility purposes over the Easterly rectangular 40 feet of the herein described property, as granted to the County of Riverside by Deed recorded December 15, 1936 in Book 305 Page 464 of Official Records.

SCHEDULE B

Preliminary Report GATEWAY TITLE COMPANY

Order No. 4104930127-492

14. An easement affecting Parcel 1, for public highways and public utility purposes over the Easterly 20 feet of Lots 52, 56, 60, 64, 72, 80, 88 and 96 herein described, granted to the County of Riverside by Deed recorded March 24, 1937 in Book 317 Page 331 of Official Records.

15. An easement affecting a portion of Parcel 1, for public highway and flood control purposes over a portion of Lot 1 herein described, granted to the County of Riverside by deed recorded October 17, 1939 in Book 435 Page 376 of Official Records, described as follows:

Beginning at the Northwesterly corner of said Lot 1;

Thence South along the Westerly line of said Lot, 10 feet for the point of beginning;

Thence South along the Westerly line of said Lot, 10 feet for the point of beginning;

Thence South along the Westerly line of said Lot, 33 feet;

Thence in a Northeasterly direction to a point which is 40 feet Easterly of the point of beginning and 10 feet Southerly of the Northerly line of said Lot 1;

Thence Westerly, 40 feet to the point of beginning.

16. An easement, affecting a portion of Parcel 1, for storm drain, 30 feet wide, over Lots 110 and 111 herein described, granted to the County of Riverside by Deed recorded October 27, 1943 in Book 604 Page 154 of Official Records. The center line of said easement is described as follows:

Beginning at a point on the South line of Orchard Heights Tract, as shown by map on file in Book 10 Page 2 of Maps, Riverside County Records, from which point the Southwest corner of Section 2, Township 3 South, Range 1 West bears North 88 degrees 38 minutes West, 1731.42 feet;

Thence Westerly along a curve, concave to the South having a central angle of 22 degrees 20 minutes and a radius of 200 feet;

Thence along said curve 77.96 feet, the radial line at the beginning of said curve bears South 23 degrees 52 minutes West;

Thence North 88 degrees 38 minutes West, 682.0 feet along a line parallel to and 15 feet Northerly measured at right angles from the Southerly line of said Lots 110 and 111. The right of way lines of the Easterly end of this description are to be prolonged or shortened so that they will end on the Southerly line of said Lot 111. The title to said right of way is now vested of record in Riverside County Flood Control and Water Conservation District.

17. Permanent and exclusive easements and rights of way, affecting a portion of Parcel 1, in, under, over and across Lots 25 to 28, inclusive, Lots 29 to 32, inclusive, Lots 61 to 64, inclusive, and Lots 70 to 72, inclusive herein described, granted to the Southern California Edison Company, Ltd., by Deed recorded November 10, 1945 in Book 704 Page 453 of Official Records. Said easement is described as follows:

A strip of land 300 feet wide, the Southerly and Northerly boundary lines of which are parallel with and respectively 100 feet Southerly and 200 feet Northerly from a line described as follows:

Beginning at a point in the center line of Glen Eyrie Street, as now established, 80 feet wide, along the East line of said Lot 72, which point is South 0 degrees 07 minutes 12 seconds East, 249.35 feet, measured along said center line from the intersection of said center line with the Easterly prolongation of the center line of Lot "L" (14th Street) as shown on the map of Orchard Heights Tract;

Thence from said point of beginning North 89 degrees 58 minutes 32 seconds West, 283.92 feet;

Thence North 74 degrees 39 minutes 55 seconds West, 2578.60 feet;

Thence North 82 degrees 48 minutes 25 seconds West 2501.58 feet, more or less, to a point in the West line of Lot "P" as shown on said map, said West line being also the East line of the Southeast Quarter of Section 34, Township 2 South, Range 1 West, San Bernardino Base and Meridian, said last mentioned point being North 00 degrees 20 minutes 55 seconds East, 751.37 feet, measured along said East line from a inch iron pipe in concrete set for the Southeast corner of said Section 34, said last measured point being South 00 degrees 20 minutes 55 seconds West 1883.43 feet, more or less, for a concrete pipe set for the East Quarter corner of said Section 34.

18. A right of way, affecting a portion of Parcel 1, for pipe line, 16.50 feet wide, for transportation of gas, over, under and along a portion of Lots 29, 65 to 68, inclusive, 75 to 80, inclusive, 87, 88, Lot "P" (Cherry Avenue), Lot "R" (Orchard Heights Avenue), Lot "D" (14th Street), Lot "H" (13th Street), and Glen Eyrie Street, map of Orchard Heights Tract herein described, granted to Southern California Gas Company, a corporation and Southern Counties Gas Company of California by Deed filed for record under Torrens Title as Instrument No. 846 on September 5, 1950, last certificate no. 403. The center line of said right of way is described as follows:

Beginning at the Northwest corner of Section 2, Township 3 South, Range 1 West, San Bernardino Base and Meridian;

Thence North 0 degrees 20 minutes 55 seconds East, along the Westerly line of Section 35, Township 2 South, Range 1 West, San Bernardino Base and Meridian, 40 feet to the point of beginning;

Thence North 89 degrees 54 minutes 26 seconds East, 77.28 feet;

Thence South 47 degrees 13 minutes 49 seconds East, 152.06 feet;

Thence South 75 degrees 42 minutes 34 seconds East, 5232.05 feet to a point in the Easterly line of said Section 2. The side lines of said right of way shall be prolonged or shortened so as to terminate in said Westerly line of Section 35 and said Easterly line of Section 2.

19. An easement, affecting a portion of Parcel 1, for Flood Control and Water Conservation purposes, 30 feet wide, over Lots 109, 110 and 111 herein described, granted to the Riverside County Flood Control and Water Conservation District, by deed recorded August 18, 1954 in Book 1620 Page 573 of Official Records. The center line of said right of way is described as follows:

Beginning at a point on the South line of the said Orchard Tract, from which point the Southwest corner of Section 2, Township 3 South, Range 1 West, San Bernardino Base and Meridian, as shown by said map bears North 88 degrees 38 minutes West, 1731.42 feet;

Thence Westerly along a curve concave to the South, having a central angle of 22 degrees 20 minutes and a radius of 200 feet;

Thence along said curve, 77.96 feet; the radial line at the beginning of said curve bears South 23 degrees 42 minutes West;

Thence North 86 degrees 38 minutes West, 1523.13 feet;

Thence along the arc of a 150 foot radius curve, concave to the North, through an angle of 49 degrees 48 minutes feet, a distance of 130.38 feet to the Westerly line of Lot 109. The side lines of said strip of land are to be shortened or extended so as to end on the West line of Lot 109 and the South line of Lot 111.

20. A petition filed April 14, 1960 in the office of the county clerk of Riverside County, Case No. 71851, Superior Court, wherein it is sought to exclude Parcels 1, 2 and 5 herein described, from subdivision, under the provisions of the Subdivision Land Exclusion Law (Business and Professions Code, Sections 11700-11709), application thereof for said petition being made by Aleisian Farms, a Partnership.

An order of exclusion recorded June 09, 1960 as Instrument No. 51499 in Book 2710 at page 462 of Official Records; the exclusion map recorded June 09, 1960 as Instrument No. 51500 in Book 2711 at page 84 of Official Records.

21. A pending court action as disclosed by a recorded notice.

Plaintiff:	California Electric Power Company, a corporation
Defendant:	Aleisian Farms, A Partnership, et. al.
County:	Riverside
Court:	Superior Court
Case No.:	22698
Nature of Action:	To acquire various rights of way and easements
Recorded:	August 30, 1960 as Instrument No. 76497

22. Easement, and incidents thereto,

In Favor of:	Riverside County Flood Control and Water Conservation District
ecorded, Official Records:	December 6, 1972
Series/Instrument No.:	161550
Purpose:	For the construction, operation and maintenance of drainage facilities
Affects:	Portions of said land

Reference is hereby made to said instrument for further particulars

23. The terms, conditions and restrictions set forth in that certain Land Conservation Contract

Dated:	January 1, 1973
Executed by:	Aleisian Farms a General Partnership and the County of Riverside
Recorded:	January 30, 1973 as Instrument No. 12634

24. The terms conditions and restrictions set forth in that certain Land Conservation Contract

Dated:	January 1, 1973
Executed by:	Aleisian Farms a General Partnership and The County of Riverside
Recorded:	January 30, 1973 as Instrument No. 12635

Notice of non-renewal of said contract was recorded October 28, 1981 as Instrument No. 203479.

25. The terms, conditions and restrictions set forth in that certain Land Conservation Contract

Dated: January 1, 1973
Executed by: Tragniew Inc. a California corporation and The County of Riveside
Recorded: April 23, 1973 as Instrument No. 51451

Notice of Non-Renewal of said contract was recorded

October 28, 1981 as Instrument No. 203480

26. The terms conditions and restrictions set forth in that certain Land Conservation Contract

Dated: January 1, 1982
Executed by: Aleisian Farms and The County of Riverside
Recorded: March 01, 1982 as Instrument No. 34806

27. The fact that said land is included within a project area of the Redevelopment Agency shown below, and that proceedings for the redevelopment of said project have been instituted under the redevelopment law (such redevelopment to proceed only after the adoption of the redevelopment plan) as disclosed by a document.

Redevelopment Agency: Beaumont Project Area
Recorded: December 16, 1982 as Instrument No. 217749, Official Records.

The above matter affects a portion of the land described herein and other land.

28. We will require a STATEMENT OF INFORMATION from ALL PARTIES INCLUDING GENERAL PARTNERS OF ALL THE VARIOUS PARTNERSHIPS in order to complete this report, based on the effect of documents, proceedings, liens, decrees, or other matters which do not specifically describe said land, but which, if any do exist, may affect the title or impose liens or encumbrances thereon. (TO BE SUBMITTED A MINIMUM OF SEVEN DAYS PRIOR TO THE CLOSE OF SAID TRANSACTION).

SCHEDULE B

Preliminary Report GATEWAY TITLE COMPANY

Order No. 4104930127-492

29. If title is to be insured from the Partnerships then the General Partners, comprised of Trusts, Gateway will require a copy of the trust instrument creating such trust, and all amendments thereto, together with a written verification by all present trustees that the copy is a true and correct copy of the trust, as it may have been amended, that it is in full force and effect and that it has not been revoked or terminated.

30. The requirement that a statement of partnership be recorded for the vestee named below, as provided in Section 15010.5 California Corporations Code.

Vestee: Banning Farms

NOTE: The charge for a policy of title insurance, if issued through this title order, will be based on the basic (not short-term) title insurance rate.

SCHEDULE B

Preliminary Report GATEWAY TITLE COMPANY

Order No. 4104930127-492

NOTE: "Any funds to be disbursed by Gateway Title Company will be disbursed in compliance with Section 12413.1 of the California Insurance Code. A cashier's, teller's or certified check will have next day availability after deposit. All other local checks will have two (2) day availability after deposit. Non-local checks will have five (5) day availability after deposit. Funds received too late in the day for same day deposit will require one (1) additional day before they are available for disbursement.

THE DEPOSIT OF A CASHIER'S, TELLER'S OR CERTIFIED CHECK, OR ELECTRONIC TRANSFER OF FUNDS WILL EXPEDITE THE DISBURSEMENT OF FUNDS AND THE CLOSE OF THIS TRANSACTION."

WIRING INSTRUCTIONS FOR GATEWAY TITLE COMPANY:

Bank: WELLS FARGO BANK
2323 North Broadway
Santa Ana, California 92706

Credit: Gateway Title Company
Sub-Escrow Account
No. 4602-092827

ABA No.: 121000248

Very important: Please reference our TITLE ORDER NUMBER and or TITLE OFFICER'S NAME.

Please notify your title officer in advance of your intention to wire funds so we may alert our respective departments. Any additional information concerning wire transfers can be obtained from your title officer.

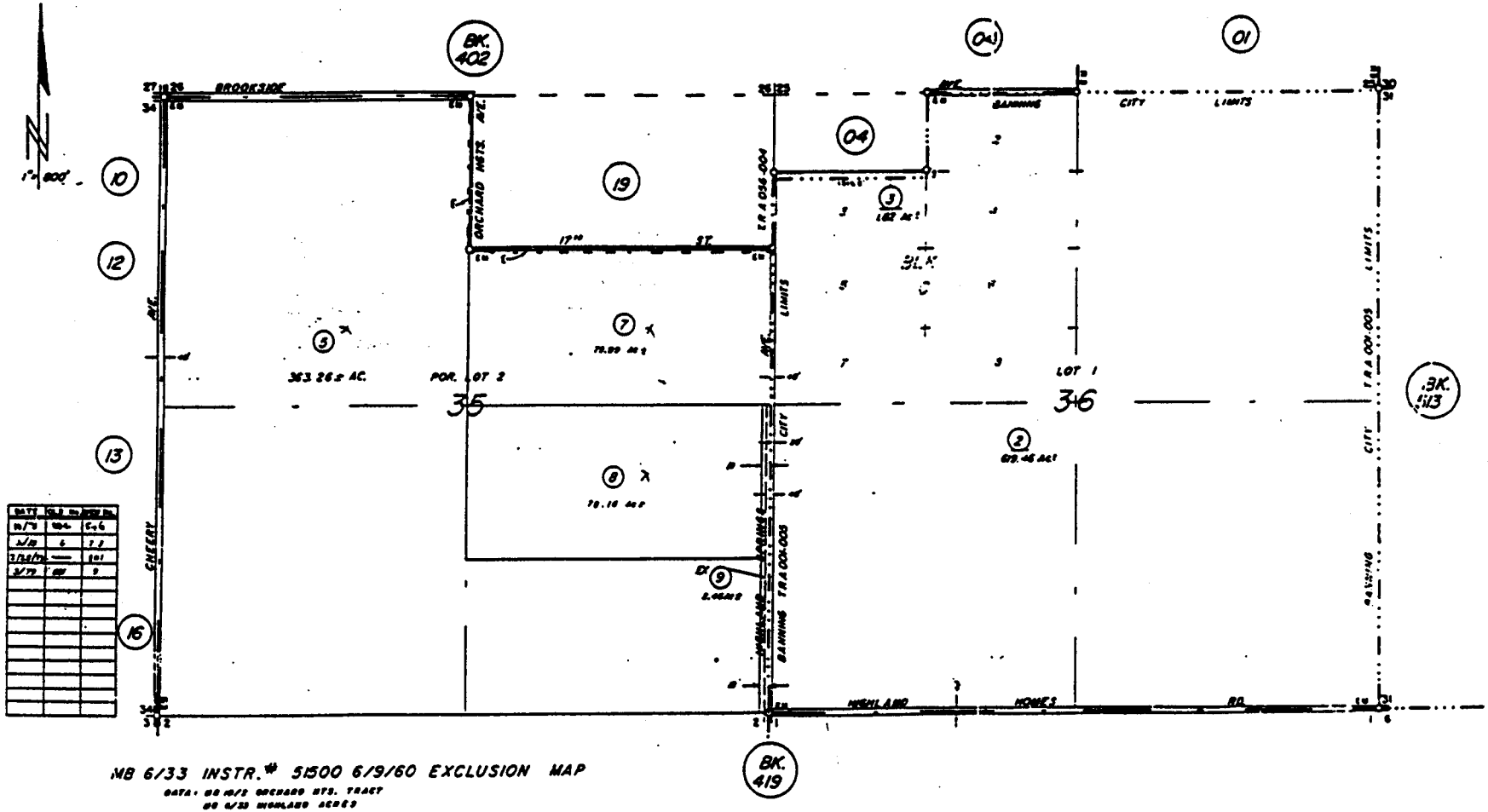
DH:dm:lmw
Plats enclosed

15-30

406-17

T.C.A. 056-004
001-005

POR. SEC. 35 & 36, T. 2 S., R. 1 W.



MB 6/33 INSTR.# 51500 6/9/60 EXCLUSION MAP

DATA: OR M/S ORCHARD HTS. TRACT
OR M/S HIGHLAND ACRES

MAR. 1970

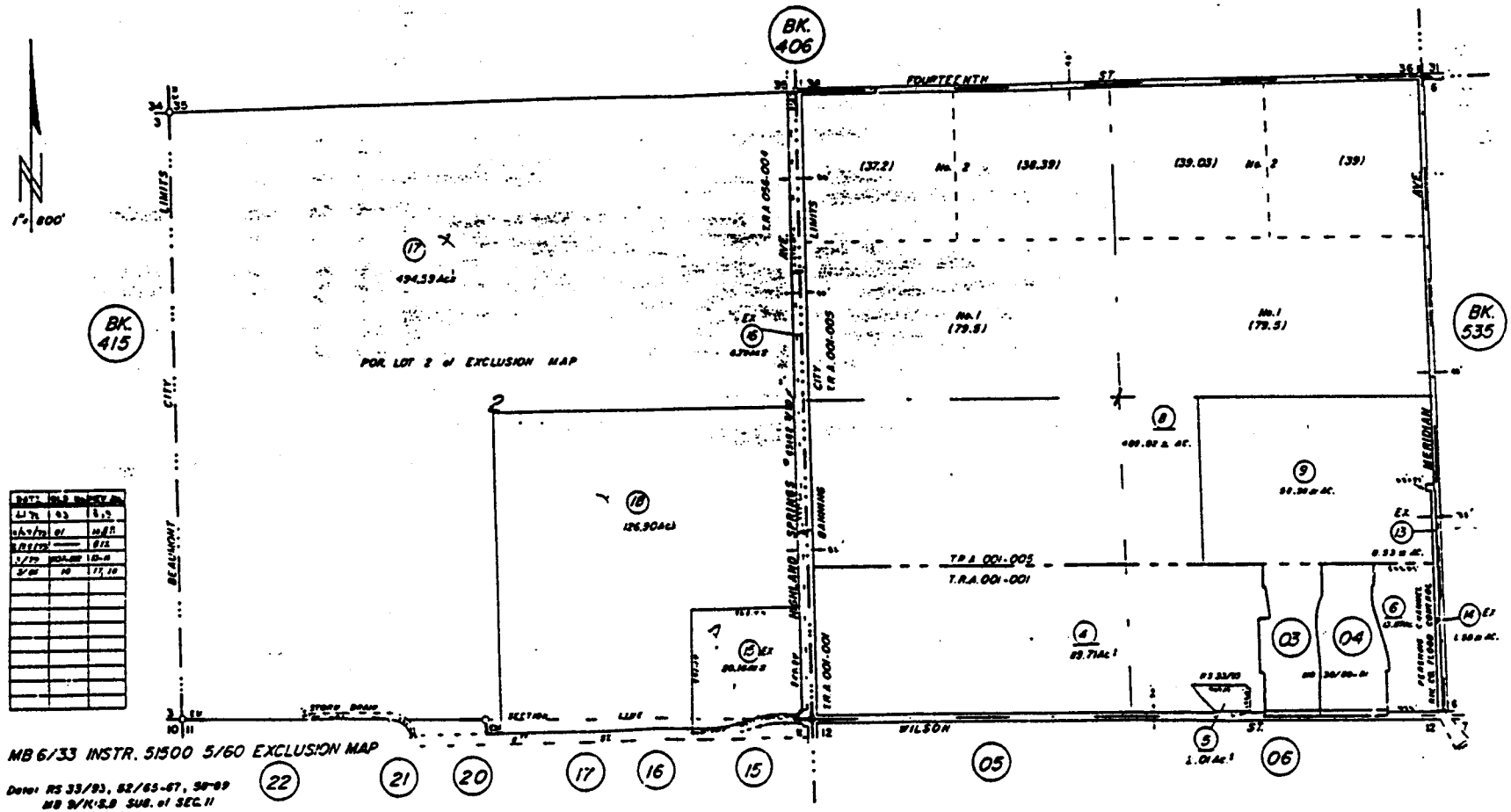
ASSESSOR'S MAP BK. 406 PG. 17
RIVERSIDE COUNTY, CALIF.

15-27
15-27-2
419-02

T.C.A. 056-004
001-001
001-005

SEC. 18 2, T. 3 S., R. 1 W.

THIS MAP IS FOR ASSESSMENT PURPOSES ONLY



MB 6/33 INSTR. 51500 5/60 EXCLUSION MAP

Date: RS 33/93, 52/65-67, 58-69
MB 9/K:5.8 SUB. of SEC. 11
MB 38/80-81
COUNTY SURVEY 32-C, 746 888
RS 74/29-32
G.L.O. PLAT 1880
COUNTY SURVEY BM-A

ASSESSOR'S MAP BK. 419 PG. 02
RIVERSIDE COUNTY, CALIF.

EXHIBIT "D"

PERMITS AND APPROVALS CONSTITUTING

DEVELOPMENT PLAN

1. Deutsch Planned Community Specific Plan approved by the City Council on January 14, 1991 by Resolution No. 1991-03.

EXHIBIT "E"

BENEFITS TO CITY

1. The proposed project is consistent and compatible with other existing and proposed uses in the vicinity of the project and community in general.

2. The proposed project will contribute to roadway improvements consistent with the City's updated Master Circulation Plan.

3. The proposed project will be developed on agricultural land which has been denied a permit to farm from the Office of the Agricultural Commissioner due to insufficient moisture content in the soil.

4. The project will be designed and landscaped so as to provide an aesthetically pleasing environment compatible with surrounding land uses.

5. The overall planning of the project is comprehensive and interrelated, not planned in a piecemeal fashion.

6. The proposed project will result in revenues to public agencies through increased property tax from development of the site.

7. The proposed project will result in revenues to public agencies through increased property tax from development of the site.

8. The proposed project will increase sales tax revenue for the City of Beaumont through retail sales.

9. The proposed project will provide public facilities to include parks and a library facility to the City of Beaumont.

10. The intensity of the project is appropriate for the location and is consistent with the City of Beaumont General Plan.

11. The proposed project provides for alternative transportation opportunities through the implementation of bicycle and pedestrian facilities.

12. The proposed project represents a reasonable mix of uses for the site all factors considered.

EXHIBIT "F"

LIST OF FEES AND ASSESSMENTS

APPLICATIONS	-	Agricultural Preserve
	-	Architectural Plan
	-	Development Agreement
	-	Landscape Concept Plans
	-	Sign Permits
	-	Tentative Parcel or Tract Map
	-	Plan Check Parcel or Tract Map
	-	Improvement Construction Plan Checking
	-	Inspection of Improvement Construction
	-	Final Survey Staking Guarantee
	-	Plan Checks per Building Code
	-	Building Permits per Building Code
	-	Amendments to any of the above or prior approved applications
INFRASTRUCTURE FEES	-	Sewer
	-	Water
	-	Reclaimed Water
	-	Drainage
MITIGATIONS	-	Transportation - Circulation
	-	Police
	-	Fire
	-	Park
	-	Signalization
	-	Public Facilities
FEES	-	Development Agreement Annual Review Fee
	-	CHARGED BY OTHER AGENCIES WHICH ARE REQUIRED TO BE COLLECTED BY THE CITY

EXHIBIT A

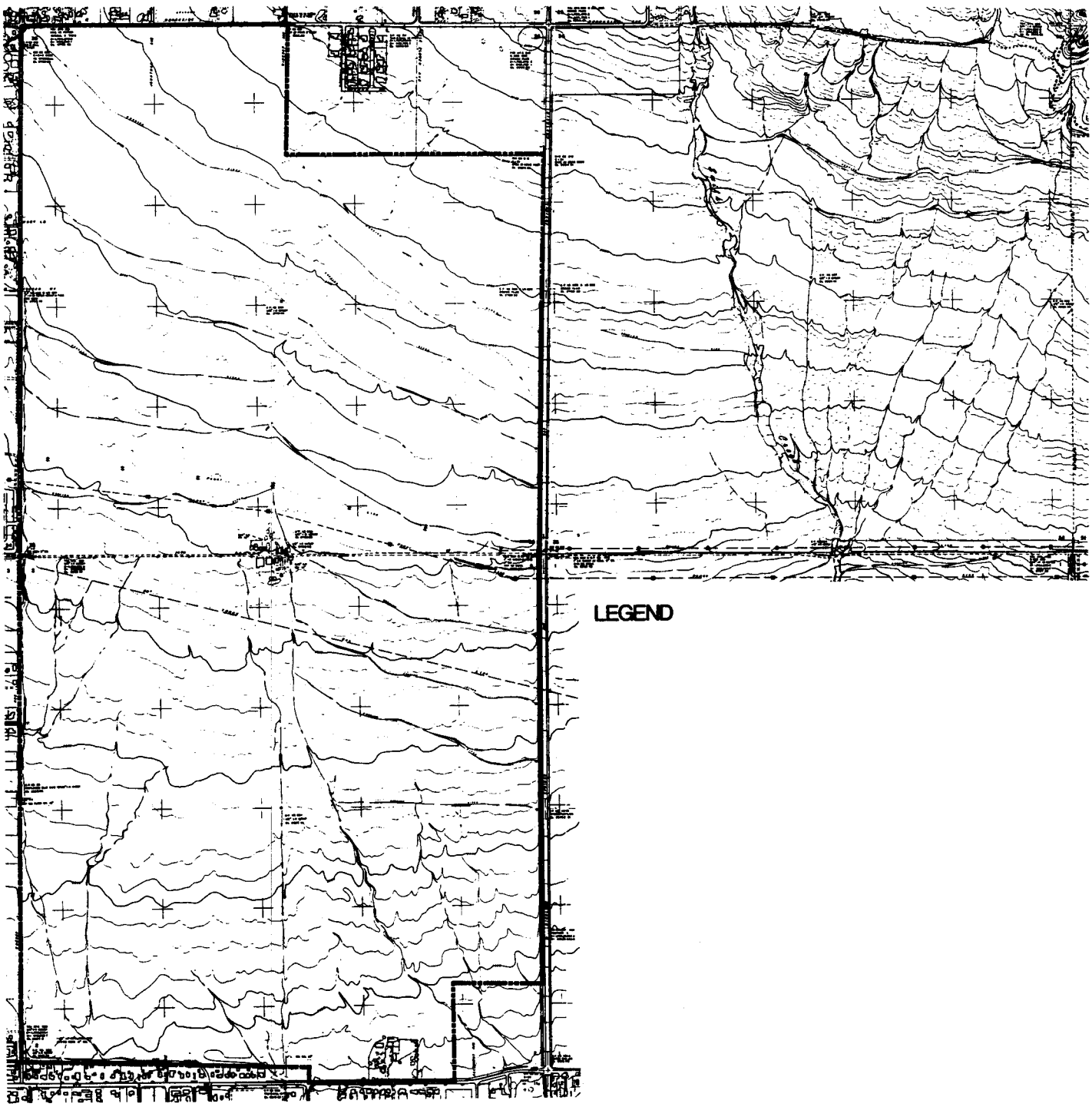
distance of 248.57 feet;

Thence North 89 degrees 32 minutes 20 seconds East 114.62 feet to the point of beginning.

Also except from said land all of those portions lying within the public roads and highways adjoining said land known as Eighth Street and Highland Springs Avenue.

EXHIBIT "B"

MAP OF PROPERTY



DEUTSCH PROPERTY
SPECIFIC PLAN
BEAUMONT, CALIFORNIA

TIERRA
Planning & Design

EXHIBIT "C"

TITLE REPORT SHOWING OWNERSHIP INTERESTS IN THE PROPERTY

174170

RECORDING REQUESTED BY, AND
WHEN RECORDED, MAIL TO:

City Clerk
City of Beaumont
P. O. Box 158
Beaumont, Ca 92223

RECEIVED FOR RECORD
AT 8:30 O'CLOCK A.M.

MAY 24 1991

Recorded in Official Records of Riverside County, California
Recorder
Fees $

(Space above for Recorder's Use)

DEVELOPMENT AGREEMENT

BETWEEN

THE CITY OF BEAUMONT

AND

HIGHLAND FARMS, ALEISIAN FARMS

AND BANNING FARMS (DEUTSCH)

(Pursuant to Government Code

Sections 65864 - 65869.5)

TABLE OF CONTENTS

DESCRIPTION	PAGE NO.
1. Definitions	4
1.1 Agreement	4
1.2 Agreement Date	4
1.3 Build-Out Phasing Plan	4
1.4 City	5
1.5 Development Plan	5
1.6 Effective Date	5
1.7 Developer	5
1.8 Project	5
1.9 Property	6
2. Exhibits	6
3. Mutual Benefits	6
3.1 Benefits to City	6
3.2 Benefits to Developer	7
4. Interest of Developer	7
5. Binding Effect of Agreement	7
6. Project as a Private Undertaking	7
7. Term	7
8. Changes in Project	8
9. Hold Harmless	8
9.1 By Developer	8
9.2 By City	8
10. Vested Right	8
10.1 No Conflicting Enactments	9
10.2 Intent of Parties	9
11. General Development of the Project	9
11.1 Project	9
11.2 Phasing and Timing of Development	10
11.3 Effect of Agreement on Land Use Regulations	11
11.4 Administrative Changes and Amendments	11

11.5 Mello-Roos Community Facilities Districts; Other Assessment District or Financing Mechanisms....12
11.6 Water and Sewer Facilities....12
11.7 Public Services and Facilities....13
11.8 Cancellation of Williamson Act Agricultural Preserve and Land Conservation Agreement....13
11.9 Other Governmental or Quasi-Governmental Permits....13
11.10 Consistency Between This Agreement and Current Laws....14
11.11 Assessments and Fees....14
11.12 Subsequent Actions....14

12. Rules, Regulations and Official Policies....14

12.1 New Rules....14
12.2 Subsequent Actions and Approvals....15
12.3 State and Federal Laws....15

13. Amendment or Cancellation of Agreement....15

14. Enforcement....15

15. Periodic Review of Compliance with Agreement....16

16. Events of Default....16

16.1 Default by Developer....16
16.2 Default by City....16
16.3 Specific Performance Remedy....17

17. Institution of Legal Action....18

18. Waivers and Delays....18

18.1 Waiver....18
18.2 Third Parties....18
18.3 Force Majeure....18

19. Notices....18

20. Attorneys' Fees....19

21. Transfers and Assignments....19

21.1 Right to Assign....19
21.2 Release Upon Transfer....19

22. Cooperation in the Event of Legal Challenge....19

23. Eminent Domain.....20

24. Authority to Execute.....20

25. Recordation.....20

26. Protection of Mortgage Holders.....20

27. Severability of Terms.....20

28. Subsequent Amendment to Authorizing Statute.....20

29. Interpretation and Governing Law.....20

30. Section Headings.....20

31. Incorporation of Recitals and Exhibits.....21

32. Rules and Construction and Miscellaneous Terms..21

32.1 Gender.....21
32.2 Time of Essence.....21
32.3 Cooperation.....21

DEVELOPMENT AGREEMENT

(Pursuant To Government Code
Sections 65864 -65869.5)

This DEVELOPMENT AGREEMENT ("Agreement") is entered into to be effective on April 25, 1991, between ALEISIAN FARMS, a California general partnership, HIGHLAND FARMS, a California general partnership and BANNING FARMS, a California general partnership (collectively the "Developer") and the CITY OF BEAUMONT, a Municipal corporation organized and existing under the laws of the State of California ("City"). Developer and City are sometimes collectively referred to herein as the "parties."

R E C I T A L S:

This Agreement is predicated upon the following facts:

A. These Recitals refer to and utilize certain capitalized terms which are defined in this Agreement. The parties intend to refer to those definitions in conjunction with the use thereof in these Recitals.

B. Government Code Sections 65864 - 65869.5 ("Development Agreement Law") authorize the City to enter into binding development agreements with persons having a legal or equitable interest in real property for the development of such property, all for the purpose of strengthening the public planning process, encouraging private participation and comprehensive planning and reducing the economic costs of such development.

C. This Agreement is adopted pursuant to Government Code Section 65865 et seq.

D. Developer is the owner of approximately 1,162 acres of land currently located within unincorporated Riverside County, California as more particularly described on Exhibit "A" and shown on Exhibit "B" ("Property"). The respective interests of Aleisian Farms, Highland Farms and Banning Farms in the Property are those as set forth on the title report attached as Exhibit "C". For purposes of information only, Developer owns an additional 1,552 acres of land located East of the Property of which 1,268 acres are located within the City of Banning, and all of which land Developer intends to develop in concert with the Property (the "Banning Property").

E. Developer intends to develop the Property as an integrated, internally oriented planned residential project in accordance with the Development Plan as hereinafter defined in

Section 1.5 (the "Project"). The Project is capital intensive, especially in its initial phases requiring major investment in public facility and on-site and off-site improvement prior to the construction and sale of housing in order to make the Project economically and fiscally feasible. The Project is fully compatible with the proposed development of the Banning Property.

F. The Property is currently located within the sphere of influence of but has not yet been annexed to the City. It is the present intent of the parties that annexation of the Property to the City will occur following approval by the City of the Development Plan defined in Section 1.5. Pursuant to Government Code Section 65865(b), this Agreement shall become operative on the effective date of the annexation, so long as the annexation is completed prior to December 31, 1992, failing which it shall expire on that date and be of no further force or effect.

G. City's General Plan designation for the Property is Residential Planned Unit Development (PUD), and the Specific Plan being adopted concurrently herewith as a part of the Development Plan as defined in Section 1.5 implements the City General Plan and its various component elements by providing specific land use and development standards. Developer and City desire to provide through this Agreement specific development criteria to be applicable to the Property upon its annexation to the City which will provide for maximum utilization of the Property in accordance with sound planning principals.

H. City has determined that the use and intensity of use provided in this Agreement is consistent with the City's General Plan applicable to the Property.

I. Development of the Property pursuant to the Development Plan as defined in Section 1.5, which is largely vacant area almost totally lacking in required infrastructure improvements, requires the construction of substantial reasonable public improvements early in the development and construction process. Certain development risks and uncertainties associated with the long term nature of the development, including the cost of the portion of those regional public improvements required to be installed at the inception of the development, could discourage and deter Developer and other owners in the vicinity from making the long term commitments necessary to fully develop the Property pursuant to the Development Plan. It is only the assurance of the ability to complete the private income producing components of the Development Plan in general that provides the inducement to Developer to agree to commit the land and financial resources required to commence and proceed with development. The parties

desire to enter into this Agreement in order to assure that the Property is developed as an integrated planned community in general, and that the uncertainties to such development over which the City has control are removed.

J. Developer has applied for, and City, concurrently with approval of this Agreement, has approved the Development Plan (as in Section 1.5) in order to protect the interests of its citizens and the quality of the community and environment through the specific plan process (Government Code Section 65450 et seq.) As part of that process of approving the Development Plan, City has undertaken, pursuant to the California Environmental Quality Act ("CEQA"), the required analysis of the environmental effects which would be caused by the Project. City has imposed a series of mitigation measures in connection with the development of the Project to eliminate or reduce to a level of insignificance many significant adverse impacts caused by the Project. As to those significant adverse impacts which cannot be eliminated or reduced to a level of insignificance, the City Council has adopted a statement of overriding considerations pursuant to CEQA setting forth why the beneficial aspects of the Project outweigh those significant adverse impacts which cannot be eliminated or reduced by mitigation measures. On January 14, 1991, the City Council of City adopted Resolution No. 1991-03, certifying the environmental impact report ("EIR") prepared for the Project as being complete and adequate and complying with CEQA. Pursuant to Government Code Section 65457 and Public Resources Code Section 21166 the City acknowledges that no subsequent or supplemental Environmental Impact Report shall be required by the City for the subsequent approvals implementing the development of the Property, whether ministerial or discretionary, unless:

(1) Changes are proposed by Developer which by law will require revisions to the EIR; or

(2) New information which was not known and could not have been known at the time the EIR was certified as complete becomes available; provided, however, that reanalysis of data already examined and reported in the EIR shall not be considered new information. The term "new information" does not mean discovery that probabilities of adverse (or beneficial) results considered in the approval of this Agreement, the Development Plan as defined in Section 1.5 or the EIR may prove incorrect, or that such probabilities are or are not becoming, or have or have not become realities, but instead required that the actual quantitative and politative

extent of the underlying issues was not considered and could not have been considered in the environmental analysis associated with the approval of this Agreement and the EIR.

K. The Development Plan implements the goals and policies of the City's General Plan described in the Specific Plan referred to in Section 1.5, below, and provides balanced and diversified land uses in order to maintain the overall quality of life and of the environment within City and to impose appropriate requirements with respect to land development and usage.

L. Developer has requested City to consider entering into a development agreement relating to the Project and proceedings have been taken in accordance with City's rules and regulations.

M. On March 25, 1991, the City Council of City adopted Ordinance No. 698, approving this Agreement with Developer.

N. City acknowledges that by electing to enter into contractual agreements such as this Agreement, the obligations of which shall survive beyond the term or terms of the present City Council members, such action will serve to bind the City and future City Councils to the obligations hereby undertaken. By obligating the City pursuant to this Agreement, the City Council has elected to exercise certain governmental and proprietary powers at the present time rather than deferring its action to some undetermined future date. The terms and conditions of this Agreement have undergone extensive review by the City and its City Council and have been found to be fair, just and reasonable, and the City has found and determined that the execution of this Agreement is in the best interest of the public health, safety and general welfare of City and its residents and that adopting this Agreement constitutes a present exercise of its police power.

The parties agree as follows:

1. Definitions.

1.1 "Agreement" is this Development Agreement.

1.2 "Agreement Date" is the date this Agreement is approved by the City Council.

1.3 "Build-Out Phasing Plan" means a plan to be prepared by Developer showing the intended build-out schedule of the Project. The Build-Out Phasing Plan as more particularly

described in Section 11.2 shall be advisory only and shall not be binding on Developer.

1.4 "City" is the City of Beaumont, California.

1.5 "Development Plan" is all of those ordinances, resolutions, codes (except as provided in Section 12.1(c)), rules, regulations and official policies of City governing the development and use of the Property as of the Agreement Date, including, without limitation, the permitted uses of the Property, the density and intensity of use, the maximum height and size of proposed buildings, the provisions for reservation or dedication of land for public purposes, and the design, improvement and construction standards and specifications applicable to the development of the Property, and all of those permits and approvals which are referenced on Exhibit "D" which have been issued or granted by City in connection with any of the foregoing. Specifically, but without limitation, such Development Plan includes the Deutsch Planned Community Specific Plan adopted by the City Council on January 14, 1991 by Resolution No. 1991-03 pursuant to Government Code Section 65450 et.seq. (hereinafter the "Specific Plan") allowing the construction of a maximum of 4,716 residential dwelling units ranging in average density from approximately four (4) d.u.'s/ acre to approximately fifteen (15) d.u.'s/acre, a fifteen (15) acre community commercial site, five (5) elementary and one (1) junior high school site, a twenty-three (23) acre community park, a twenty-one (21) acre trail park adjacent to the San Diego Gas and Electric Easement, and, three (3) additional neighborhood parks totaling 21 acres adjacent to schools. The average density for the Specific Plan areas is approximately 4.1 d.u.'s/acre.

1.6 "Effective Date" is that date which is the later to occur of (a) the expiration of the time for filing a referendum petition relating to this Agreement if no such petition is filed within such period, (b) the certification of the results of a referendum election are declared approving this Agreement if a referendum petition is filed within the applicable period, or (c) the date that the annexation of the Property to this City is completed, provided that such annexation is completed prior to December 31, 1992.

1.7 "Developer" is Aleisian Farms, a California general partnership, Highland Farms, a California general partnership and Banning Farms, a California general partnership as their interests appear on the title report attached as Exhibit "C" and their respective successors in interest to all or any part of the Property.

1.8 "Project" is the proposed development of the Property included within the Development Plan and associated

amenities, including, without limitation, on-site and off-site improvements contemplated by the Development Plan, as the same may be further defined, enhanced or modified pursuant to the provisions of this Agreement.

1.9 "Property" is the real property on which the Project is, or will be, located as described on Exhibit "A" and shown on Exhibit "B."

2. Exhibits. The following documents are referred to in this Agreement, attached hereto and incorporated herein by this reference:

Exhibit Designation	Description
A	Legal Description of the Property
B	Map of Property
C	Title Report Showing Ownership Interests in the Property
D	Permits and Approvals Constituting Development Plan
E	Benefits to City
F	List of Fees and Assessments

3. Mutual Benefits. This Agreement is entered into for the purpose of carrying out the Development Plan for the Project in a manner that will insure certain anticipated benefits to both City, including, without limitation, residents of City, and Developer as set forth in this Section. City and Developer agree that, due to the size and duration of the Project, certain assurances on the part of each party as to the Project will be necessary to achieve those desired benefits.

3.1 Benefits to City. The benefits to City (including, without limitation, the residents of City) under

this Agreement include, but are not limited to those set forth in Exhibit "E."

3.2 Benefits to Developer. Developer has expended and will continue to expend substantial amounts of time and money on the planning and infrastructure construction of the Project. In addition, Developer will expend substantial amounts of time and money in constructing public improvements and facilities and in providing for public services in connection with the Project. Developer would not make such additional expenditures without this Agreement and such additional expenditures will be made in reliance upon this Agreement. The benefit to Developer under this Agreement consists of the assurance that Developer will preserve the right to develop the Property as planned and as set forth in the Development Plan.

4. Interest of Developer. Developer represents that Developer has a legal or equitable interest in the parcels comprising Property.

5. Binding Effect of Agreement. The terms and conditions of this Agreement shall be binding upon and inure to the benefit of the parties and their successors and assigns.

6. Project as a Private Undertaking. It is specifically understood and agreed by and between the parties hereto that the development of the Project is a private and not a public sector development, that neither party is acting as the agent of the other in any respect hereunder, and that each party is an independent contracting entity with respect to the terms, covenants and conditions contained in this Agreement. No partnership, joint venture or other association of any kind is formed by this Agreement. The only relationship between City and Developer is that of a government entity regulating the development of private property by the owner of such Property.

7. Term. The term of this Agreement shall commence upon the Effective Date and shall continue until all permits and approvals required to complete the development of the Project as contemplated by the Development Plan have been issued, provided that in no event shall such term exceed twenty-five (25) years following the Effective Date of this Agreement as to those lots or parcels of the Property under this Agreement, if any, for which a grading or building permit has either not been issued or has otherwise expired. Notwithstanding the foregoing, as to any lot or parcel on the Property not subject to the preceding sentence, the term of this Agreement and the Development Plan regulations and specifications thereunder shall be extended for a period of fifty (50) years commencing on the date that this Development Agreement would have otherwise expired.

8. Changes in Project. Developer shall not be entitled to any change, modification, revision or alteration in the Development Plan relating to the permitted uses of the Property, the density or intensity of use, the maximum height and size of proposed buildings or the provision for reservation or dedication of land for public purposes other than those allowable changes, modifications and alterations permitted under the Development Plan and in particular the Specific Plan, without review and approval by those agencies of City approving the Development Plan in the first instance. Subject to the foregoing provisions of this Section 8, City acknowledges that Developer may seek new entitlements to use and amendments to entitlements to use in connection with the development of the Project. The approval of any changes in the Project as set forth in this Section 8 shall be in the discretion of the City and shall be effectuated as set forth in Section 11.4 below.

9. Hold Harmless.

9.1 By Developer. Developer shall hold City, its officers, agents, employees, partners and representatives harmless from liability for damage or claims for damage for personal injury, including death and claims for property damage, which may arise from the activities of Developer or those of Developer's contractors, subcontractors, agents, employees or other persons acting on Developer's behalf which relate to the Project. Developer shall defend City and its officers, agents, employees, partners and representatives from actions for damages caused or alleged to have been caused by reason of Developer's activities in connection with the Project.

9.2 By City. City shall hold Developer, its officers, agents, employees, partners and representatives harmless from liability for damage or claims for damage for personal injury, including death and claims for property damage, which may arise from the activities of City or those of City's contractors, subcontractors, agents, employees or other persons acting on City's behalf which relate to the Project. City agrees to and shall defend Developer and its officers, agents, employees, partners and representatives from actions for damages caused or alleged to have been caused by reason of City's activities in connection with the Project.

10. Vested Right. By entering into this Agreement and relying thereon, Developer is obtaining a vested right to proceed with the Project in accordance with the Development Plan, but subject to any remaining discretionary approvals required in order to complete the Project as contemplated by the Development Plan (which discretion shall be exercised in accordance with the Development Plan). By entering into this Agreement and relying thereupon, City is securing certain public benefits which help to alleviate potential problems in City and enhance the public health, safety and welfare. City therefore agrees to the following:

10.1 No Conflicting Enactments. Neither the City Council of City nor any other agency of City shall enact an ordinance, policy, rule, regulation or other measure applicable to the Project which relates to the rate, timing or sequencing of the development or construction of all or any part of the Project or which is otherwise in conflict with this Agreement.

10.2 Intent of Parties. In addition to and not in limitation of the foregoing, it is the intent of Developer and City that no moratorium or other limitation (whether relating to the rate, timing or sequencing of the development or construction of all or any part of the Project and whether or not enacted by initiative or otherwise) except a moratorium imposed by City to implement State or Federal laws, statutes, regulations, policies or orders as provided in Section 12.3, affecting parcel or subdivision maps, building permits, site development permits, special use permits, conditional use permits, occupancy certificates or other entitlements to use or permits approved, issued or granted within City, or portions of City, shall apply to the Project to the extent such moratorium or other limitation is in conflict with this Agreement. Notwithstanding the foregoing, should an ordinance, general plan or zoning amendment, measure, moratorium, policy, rule, regulation or other limitation enacted by citizens of City through the initiative process be determined by a court of competent jurisdiction to invalidate or prevail over all or any part of this Agreement, Developer shall have no recourse against City pursuant to this Agreement, but shall retain all other rights, claims and causes of action at law or in equity which Developer may have independent of this Agreement. The foregoing shall not be deemed to limit the Developer's right to appeal any such determination of such ordinance, general plan or zoning amendment, measure, policy, rule, regulation, moratorium or other limitation which purports to invalidate or prevail over all or any part of this Agreement. City agrees to cooperate with owner in all reasonable manners in order to keep this Agreement in full force and effect.

11. General Development of the Project.

11.1 Project. While this Agreement is in effect, Developer shall have a vested right to develop the Project in accordance with the terms and conditions of this Agreement, and in accordance with, and to the extent of the Development Plan, but subject to any remaining discretionary approvals required in order to complete the Project as contemplated by the Development Plan (which discretion shall be exercised in accordance with the Development Plan) and City shall have the right to control the development of the Project in accordance with the terms and

conditions of this Agreement. Except as otherwise specified in this Agreement, the Development Plan shall control the overall design, development and construction of the Project and all on-site and off-site improvements and appurtenances in connection therewith, including, without limitation, all mitigation measures required in order to minimize or eliminate material adverse environmental impacts caused by the Project. The permitted uses of the Property, the density and intensity of use, the maximum height and size of proposed buildings, the provisions for reservation and dedication of land for public purposes and other terms and conditions of development applicable to the Property shall be those set forth in the Development Plan. As part of the tentative subdivision map review, the applicant shall submit architectural drawings showing building treatment, elevations, material samples, and landscaping as part of the review and approval process for the residential portions of the Project.

11.2 Phasing and Timing of Development. The parties acknowledge that although Developer currently anticipates that the Project will be phased and constructed in increments over an approximate twenty-five (25) year time frame in accordance with the Build-Out Phasing Plan, at the present time Developer cannot predict when or the order in which Project phases will be developed. Such decisions depend upon numerous factors which are not within the control of Developer, such as market orientation and demand, interest rates, competition and other similar factors. To the extent permitted by the Development Plan and this Agreement, Developer shall have the right to develop the Project in phases in such order and at such times as Developer deems appropriate within the exercise of its subjective business judgment, so long as the Project is constructed as an integrated master planned development as contemplated by the Development Plan and the City Manager determines that such phasing will not adversely impact the ability of the City to construct, enlarge, expand, modernize or otherwise modify infrastructure improvements if necessary to accommodate growth of the Beaumont community. City agrees that Developer shall be entitled to apply for and City shall process tentative maps, vesting tentative maps, parcel maps, final maps, site development permits, conditional use permits, building permits, occupancy certificates and other entitlements to use or permits as provided by the Specific Plan or other applicable City ordinances at any time, in as expeditious a manner as possible, provided that such application is made in accordance with the Development Plan.

11.3 Effect of Agreement on Land Use Regulations. The rules, regulations and official policies governing permitted uses of the Property, the density and intensity of use of the Property, the maximum height and size of proposed buildings and the design, improvement and construction standards and specifications applicable to development of the Property are those rules, regulations and official policies in force as of the Agreement Date, and those rules, regulations, and official policies which may hereinafter be adopted by the City to implement its Water Resources Management Plan which is currently being developed, or State or Federal laws, statutes, regulations, policies or orders as provided in Section 12.3. In connection with any approval which City is permitted or has the right to make under this Agreement relating to the Project, or otherwise under its rules, regulations and official policies, City shall exercise its discretion or take action in a manner which is as expeditious as possible and which complies and is consistent with the Development Plan and the standards, terms and conditions contained in this Agreement, and in a manner which will not interfere with the development of the Project for the uses and to the height, density and intensity specified in this Agreement or with the rate of development selected by Developer. City shall accept for processing and timely review and act on all applications for further land use entitlement approvals with respect to the Project called for or required under this Agreement in as expeditious a manner as is possible. Such application shall be processed in the normal manner for processing such matters.

11.4 Administrative Changes and Amendments. The parties acknowledge that refinements and further development of the Project may demonstrate that changes are appropriate with respect to the details and performance of the parties under this Agreement. The parties desire to retain a certain degree of flexibility with respect to the details of the Project development and with respect to those items covered in general terms under this Agreement. If and when the parties find that changes or adjustments are necessary or appropriate, they shall, unless otherwise required by law, effectuate such changes or adjustments through administrative amendments approved by the City Manager or designee, after execution, shall be attached hereto as an addenda and become a part hereof, and may be further changed and amended from time to time as necessary, with approval by City and Developer. Any such administrative changes or amendments shall not be deemed to be an amendment to this Agreement under Government Code Section 65868, and unless otherwise required by law, no such administrative amendments shall require prior notice or hearing. Notwithstanding the foregoing, the following matters shall not be considered administrative changes or amendments, but shall be considered substantive

amendments which shall be reviewed by the Planning Commission and approved by the City Council:

(a) Alteration of the permitted uses of the Property;

(b) Increase in the density or intensity of use or the number of lots;

(c) Increase in the maximum height and size in permitted buildings;

(d) Deletion of a requirement for the reservation or dedication of land for public purposes except for minor boundary adjustments approved by the Planning Director or designee; and

(e) Any amendment or change requiring a subsequent or supplemental environmental impact report pursuant to Public Resources Code Section 21166.

11.5 Mello-Roos Communities Facilities Districts; Other Assessment Districts or Financing Mechanisms. Pursuant to Chapter 2.5 (commencing with section 53312) Part 1, Division 2, Title 5 of the Government Code of the State of California, commonly known as the "Mello-Roos Community Facilities Act of 1982," Owner may, at its sole election, petition the City Council of City to establish a Community Facilities District ("CFD") including the Property for the purpose of acquiring, constructing and financing through the sale of bonds of certain public facilities which are necessary to meet the increased demands placed on the City as a result of the development of the Property. Alternatively, or in addition thereto, Owner may request that the City initiate and complete proceedings under the Municipal Improvement Act of 1911, the Municipal Improvement Act of 1913, the Improvement Bond Act of 1915, the Landscaping Allotting Act of 1972, or any and all other available public financing mechanisms to provide public conduit financing for the construction of public improvements on the Property ("Alternative Financing Mechanisms"). If so requested by Owner, City shall cooperate with Owner and use its best efforts in taking all steps necessary to cause the CFD or Alternative Financing Mechanisms to issue bonds for such purposes. If the Property is included within a CFD with other surrounding properties, the special taxes or special assessments burdening the various properties so included shall be apportioned on a fair share basis related to the benefit derived by each of such properties.

11.6 Water and Sewer Facilities. Responsibilities of the Parties with respect to water and sewer facilities pertaining to the transmission of water for or sewage generated

by the Project or by surrounding properties in which Developer will be required to participate shall be determined and allocated on a fair share basis between Developer and the surrounding property owners using such facilities.

11.7 Public Services and Facilities. As provided by the Specific Plan, the Project provides for an integrated roadway system, and public facilities in addition to water and sewer facilities as discussed in Section 11.6 above, including parks, schools, storm drain, police protection and fire protection. The construction and installation of such facilities and infrastructure improvements and the phasing thereof shall be subject to City review and approval at the time that tentative tract maps are submitted for applicable areas of the Project. To the extent that Developer, at City's request, constructs, installs or otherwise provides financing for public facilities or other infrastructure improvements not required to serve the Project and benefiting lands within the City outside the Project area of the Property, City shall adopt such ordinances as are necessary to create a benefit district by which a fee, assessment or charge will be imposed upon such other properties and reimbursed to Developer for the fair share of the benefits conferred upon such lands other than the Property by such public facilities or infrastructure improvements. In order to insure that the Project will function harmoniously with the City's transportation and circulation plan, City shall undertake the upgrade and completion of street networks to planned standards to accommodate increased demands generated by the Project on other areas of the City in accordance with and under the schedule provided by the City's Master Plan of Circulation.

11.8 Cancellation of Williamson Act Agricultural Preserve and Land Conservation Agreement. Immediately following the Effective Date, City shall, as expeditiously as possible, commence hearings pursuant to the Williamson Act, Government Code Section 51200, et seq. for the cancellation of the January 1, 1973 Land Conservation Contract and January 1, 1982 Land Conservation Contract entered into between the predecessor in interest to Developer and the County of Riverside pertaining to the Property. Developer shall be responsible for paying all fees and costs, including legal fees, incurred by City in processing the cancellation of the Land Conservation Contracts.

11.9 Other Governmental or Quasi-Governmental Permits. Developer shall apply for such other permits and approvals as may be required by other governmental or quasi-governmental agencies having jurisdiction over the Project (such as public utilities or utility districts, or other federal or

state agencies) as may be required for the development of, or provision of services to the Project under the Development Plan. City shall cooperate with and assist Developer in obtaining such permits and approvals, and, where necessary in making application for such approvals or permits.

11.10 Consistency Between This Agreement and Current Laws. City represents that there are no rules, regulations, ordinances or official policies of City enforced as of the date of execution of this Agreement that would interfere with the completion or use of the Project according to the Development Plan.

11.11 Assessments and Fees. City shall not, without the prior written consent of Developer, impose any assessment or fee applicable to the development of the Project or any portion thereof, or impose any fees as a condition to the implementation of the Project or any portion thereof, except those existing and proposed assessments and fees set forth on Exhibit "F" which include but are not limited to infrastructure fees for sewer, water, reclaimed water, fire mitigation, police mitigation, transportation-circulation, park mitigation, public facilities fees and signalization fees. Notwithstanding the foregoing, fees payable to City shall be at rates applicable on the date the fee is due and payable.

11.12 Subsequent Actions. City shall timely process, in as expeditious a manner as is possible for processing such matters, any necessary entitlements to use, including vesting tentative tract maps, tentative tract maps, parcel maps, final maps, site development permits, special use permits, conditional use permits, or other discretionary approvals or entitlements to use contemplated by the Development Plan, and any grading, construction or other permits filed by Developer in accordance with the substantive development standards set forth in the Development Plan.

12. Rules, Regulations and Official Policies.

12.1 New Rules. This agreement shall not prevent City from applying the following new rules, regulations and policies:

(a) Processing fees and charges imposed by City to cover the estimated actual costs to City of processing applications for development approvals, for monitoring compliance with any development approvals, or for monitoring compliance with environmental impact mitigation measures.

(b) Procedural regulations relating to hearing bodies, petitions, applications, notices, findings, records,

hearings, reports, recommendations, appeals and any other matter of procedure.

(c) Regulations governing construction standards and specifications including, without limitation, the City's Building Code, Plumbing Code, Mechanical Code, Electrical Code and Fire Code provided that such construction standards and specifications are applied on a City-wide basis.

(d) Regulations which are not in conflict with the Development Plan or this Agreement.

(e) Regulations which are in conflict with the Development Plan or this Agreement if such regulations have been consented to in writing by Developer.

12.2 Subsequent Actions and Approvals. In accordance with Government Code Section 65866, this Agreement shall not prevent City in subsequent actions applicable to the Property from applying new rules, regulations and policies which do not conflict with those existing rules, regulations and policies set forth in the Development Plan, nor shall this Agreement prevent City from denying or conditionally approving any subsequent development project application on the basis of such existing or new rules, regulations or policies.

12.3 State and Federal Laws. In the event that State or Federal laws or regulations enacted after this Agreement is executed prevent or preclude compliance with one or more of the provisions of this Agreement, such provisions of this Agreement shall be modified or suspended as may be necessary to comply with such State or Federal laws or regulations; provided, however, that this Agreement shall remain in full force and effect to the extent it is not inconsistent with such laws or regulations and to the extent such laws or regulations do not render such remaining provisions impractical to enforce.

13. Amendment or Cancellation of Agreement. This Agreement may be amended or cancelled in whole or in part only by mutual consent of the parties in the manner provided for in Government Code Section 65868.

14. Enforcement. Unless amended or cancelled as provided in Section 13 above, or modified or suspended pursuant to Government Code Section 65869.5, this Agreement is enforceable by either party hereto notwithstanding any change in any applicable general or specific plan, zoning, subdivision or building regulation or other applicable law or regulation adopted by City (or by the voters of City unless found by a court of competent

and final jurisdiction to prevail over this Agreement) which alters or amends the Development Plan or the rate, timing or sequencing of any development.

15. Periodic Review of Compliance With Agreement. City and Developer shall review this Agreement at least once every twelve (12) months from the date this Agreement is executed. During each periodic review, each party is required to demonstrate good faith compliance with the terms of this Agreement. Each party agrees to furnish such reasonable evidence of good faith compliance as the other party in the exercise of its reasonable discretion, may require. Such periodic review shall be conducted administratively by the City Manager and any appropriate department heads designated by the City Manager to perform such periodic review. The City Manager shall report the results of such periodic review to the City Council within thirty (30) days after the conclusion thereof. No public hearing shall be held by the City Manager, Planning Commission or City Council with regard to such periodic review; provided, however, that if the City Manager during such periodic review preliminarily finds that Developer is not in good faith compliance with this Agreement, Developer shall have the right to appeal such finding to the City Council. The City Council on appeal shall not hold a public hearing to review a finding that Developer is not in good faith compliance with this Agreement unless so requested by Developer in writing at the time of the submission of such appeal. City shall notify Developer in writing of the date for review at least thirty (30) days prior thereto.

16. Events of Default.

16.1 Default by Developer. If the City Council determines on the basis of substantial evidence upon appeal of the City Manager's decision pursuant to Section 15 hereof that Developer has not complied in good faith with the terms and conditions of this Agreement, it shall, by written notice to Developer, specify the manner in which Developer has failed to so comply and state the steps Developer must take to bring itself into compliance. If, within sixty (60) days after the effective date of notice from City specifying the manner in which Developer has failed to so comply, Developer does not commence all steps reasonably necessary to bring itself into compliance as required and thereafter diligently pursue such steps to completion, then Developer shall be deemed to be in default under the terms of this Agreement and City may terminate this Agreement.

16.2 Default by City. If Developer determines on the basis of substantial evidence that City has not complied in good faith with the terms and conditions of this Agreement, Developer shall, by written notice to City, specify the manner in which City has failed to so comply and state the steps City

must take to bring itself into compliance. If, within sixty (60) days after the effective date of notice from Developer specifying the manner in which City has failed to so comply, City does not commence all steps reasonably necessary to bring itself into compliance as required and thereafter diligently pursue such steps to completion, then City shall be deemed to be in default under the terms of this Agreement and Developer may terminate this Agreement or seek specific performance as set forth in Section 16.3.

16.3 Specific Performance Remedy. Due to the size, nature and scope of the Project, it will not be practical or possible to restore the Property to its natural condition once implementation of this Agreement has begun. After such implementation, Developer may be foreclosed from other choices it may have had to utilize the Property and provide for other benefits. Developer has invested significant time and resources and performed extensive planning and processing of the Project in agreeing to the terms of this Agreement and will be investing even more substantial time and resources in implementing the Project in reliance upon the terms of this Agreement, and it is not possible to determine the sum of money which would adequately compensate Developer for such efforts. For the above reasons, City and Developer agree that damages would not be an adequate remedy if City fails to carry out its obligations under this Agreement. Therefore, specific performance of this Agreement is the only remedy which would compensate Developer if City fails to carry out its obligations under this Agreement, and City hereby agrees that Developer shall be entitled to specific performance in the event of a default by City hereunder. Notwithstanding the foregoing, nothing in this Agreement is intended to deprive Developer from recovering appropriate damages in the event that the terms of this Agreement are breached. City and Developer acknowledge that if Developer fails to carry out its obligations under this Agreement, City shall have the right to refuse to issue any permits or other approvals to which Developer would not otherwise have been entitled pursuant to this Agreement. Therefore, City's remedy of terminating this Agreement shall be sufficient in most circumstances if Developer fails to carry out its obligations hereunder. Notwithstanding the foregoing, if City issues a permit or other approval pursuant to this Agreement in reliance upon a specified condition being satisfied by Developer in the future, and if Developer then fails to satisfy such condition, City shall be entitled to specific performance for the sole purpose of causing Developer to satisfy such condition. The City's right to specific performance shall be limited to those circumstances set forth above, and City shall have no right to seek specific performance to cause Developer to otherwise proceed with the development of the Project in any manner.

17. Institution of Legal Action. In addition to any other rights or remedies, either party may institute legal action to cure, correct or remedy any default, to enforce any covenants or agreements herein, to enjoin any threatened or attempted violation hereof, to recover damages for any default, or to obtain any other remedies consistent with the purpose of this Agreement. Any such legal action shall be brought in the Superior Court for Riverside, California.

18. Waivers and Delays.

18.1 Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by the other party, and failure by a party to exercise its rights upon a default by the other party hereto, shall not constitute a waiver of such party's right to demand strict compliance by such other party in the future.

18.2 Third Parties. Nonperformance shall not be excused because of a failure of a third person except as provided in Section 18.3 below.

18.3 Force Majeure. Neither party shall be deemed to be in default for failure or delay in performance of any of its obligations under this Agreement if caused by floods, earthquakes, other Acts of God, fires, wars, riots or similar hostilities, strikes, other labor difficulties, government regulations or other causes beyond either of the parties' control. If any such event shall occur, the term of this Agreement and the time for performance by Developer of any of its obligations hereunder or pursuant to the Development Plan shall be extended by the period of time that such events prevent construction of the Project.

19. Notices. All notices required or provided for under this Agreement shall be in writing and delivered in person and deposited in the United States mail, postage prepaid and addressed as follows:

TO CITY:
City of Beaumont
550 East 6th Street
P.O. Drawer 158
Beaumont, California 92223
Attn: City Manager

TO DEVELOPER:
c/o The Deutsch Corporation
2444 Wilshire Boulevard
Santa Monica, California 90403
Attn: Mr. Bill Holler

Either party may change the address stated herein by giving notice, in writing, to the other party and thereafter notices shall be addressed and submitted to the new address.

20. Attorneys' Fees. If legal action is brought by either party against the other for breach of this Agreement, or to compel performance under this Agreement, the prevailing party shall be entitled to an award of reasonable attorneys' fees and costs.

21. Transfers and Assignments.

21.1 Right to Assign. Developer shall have the right to sell, assign or transfer this Agreement, and any and all of its rights, duties and obligations hereunder, to any person or entity at any time during the term of this Agreement, provided, however, in no event shall the rights, duties and obligations conferred upon Developer pursuant to this Agreement be at any time so transferred or assigned except through a transfer of an interest of Developer in the Property, a portion thereof (including a village or individual tract), or parcel or lot so transferred. In the event of any such assignment, either the transferee or Developer shall be liable for the performance of all obligations of Developer. Such transferee or Developer shall notify City in writing of the transfer of such obligations.

21.2 Release Upon Transfer. Upon the sale, transfer or assignment of Developer's rights and interests under this Agreement as permitted pursuant to Section 21.1, Developer shall be released from its obligations under this Agreement and all of owner's obligations pursuant to the Development Plan, or other agreements assumed by transferee with respect to the Property, or portion thereof, so transferred provided that (a) Developer is not then in default under the Agreement, (b) Developer or transferee has provided the City notice of such transfer and (c) the transferee executes and delivers to City a written agreement in which (i) the name and address of the transferee is set forth and (ii) the transferee expressly and unconditionally assumes all of the obligations of Developer under this Agreement with respect to the Property, or a portion thereof, so transferred.

22. Cooperation in the Event of Legal Challenge. In the event of any legal action instituted by a third party or other governmental entity or official challenging the validity of any provision of this Agreement, the parties hereby agree to cooperate in defending such action. Each party shall pay its own expenses in connection with such defense. In the event of any litigation challenging the effectiveness of this Agreement, or any portion hereof, this Agreement shall remain in full force

and effect while such litigation, including any appellate review, is pending.

23. Eminent Domain. No provision of this Agreement shall be construed to limit or restrict the exercise by City of its power of eminent domain.

24. Authority to Execute. The person or persons executing this Agreement on behalf of Developer warrant and represent that they have the authority to execute this Agreement on behalf of their corporation, partnership or business entity and warrant and represent that they have the authority to bind Developer to the performance of its obligations hereunder.

25. Recordation. This Agreement and any amendment or cancellation hereto shall be recorded in the Official Records of the County of San Bernardino, by the City Clerk within the period required by Section 65868.5 of the Government Code.

26. Protection of Mortgage Holders. Nothing contained herein shall limit or interfere with the lien of mortgage holders having a mortgage made in good faith and for value on any portion of the Property. "Mortgage holder" includes the beneficiary under a deed of trust, and "mortgage" includes the deed of trust.

27. Severability of Terms. If any term, provision, covenant or condition of this Agreement shall be determined invalid, void or unenforceable, the remainder of this Agreement shall not be affected thereby to the extent such remaining provisions are not rendered impractical to enforce.

28. Subsequent Amendment to Authorizing Statute. This Agreement has been entered into in reliance upon the provisions of the Development Agreement Law in effect as of the Agreement Date. Accordingly, subject to Section 12.3 above, to the extent a subsequent amendment to the Development Agreement Law would affect the provisions of this Agreement, such amendment shall not be applicable to the Agreement unless necessary for this Agreement to be enforceable or unless this Agreement is modified pursuant to the provisions set forth in the Agreement and Government Code Section 65868 in effect on the Agreement Date.

29. Interpretation and Governing Law. This Agreement and any dispute arising hereunder shall be governed and interpreted in accordance with the laws of the State of California.

30. Section Headings. All section headings and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

31. Incorporation of Recitals and Exhibits. Recitals A through N and attached Exhibits "A" through "G" are hereby incorporated herein by this reference as though set forth in full.

32. Rules of Construction and Miscellaneous Terms.

32.1 Gender. The singular includes the plural; the masculine gender includes the feminine; "shall" is mandatory, "may" is permissive.

32.2 Time of Essence. Time is of the essence regarding each provision of this Agreement in which time is an element.

32.3 Cooperation. Each party covenants to take such reasonable actions and execute all documents that may be necessary to achieve the purposes and objectives of this Agreement.

The parties have executed this Development Agreement on the date and year first written above.

Dated: 4/25, 1991

CITY OF BEAUMONT, a municipal corporation of the State of California

By: Ann Connors
Mayor

"City"

SIGNED AND CERTIFIED THAT A COPY OF THIS DOCUMENT HAS BEEN DELIVERED TO THE MAYOR OF THE CITY COUNCIL

By: Robert J. Bounds
City Clerk

CITY OF BEAUMONT SEAL INCORPORATED NOV. 18, 1912

APPROVED AS TO FORM:

By: [signature]
City Attorney

[SIGNATURES CONTINUE ON FOLLOWING PAGES]

ALEISIAN FARMS, a California
General Partnership

Dated: 4/9, 1991

By: _____
Carl Deutsch

General Partner

Dated: 4/9, 1991

By: _____, attorney in fact
David Deutsch

General Partner

By: Victoria Leslie Deutsch Trust
Created Pursuant to a
Declaration of Trust Dated
December 19, 1976

General Partner

Dated: 4/9, 1991

By: _____
Alex Deutsch
Trustee

By: Alexis Lee Deutsch Trust
Created Pursuant to a
Declaration of Trust Dated
December 19, 1976

General Partner

Dated: 4/9, 1991

By: _____
Alex Deutsch
Trustee

By: Gina Elizabeth Deutsch Trust
Created Pursuant to a
Declaration of Trust Dated
December 19, 1976

General Partner

Dated: 4/9, 1991

By: Alex Deutsch
Alex Deutsch
Trustee

By: Gina Elizabeth Deutsch 76 Trust
Created Pursuant to a
Declaration of Trust Dated
December 19, 1976

General Partner

Dated: April 9, 1991

By: Lester Deutsch
Lester Deutsch
Trustee

By: Estate of Walter Scholtz

General Partner

Dated: 4/4, 1991

By: Sylvia Scholtz
Sylvia Scholtz
Executrix

HIGHLAND FARMS, a California
General Partnership

BY: THE DEUTSCH COMPANY, a
California corporation,

General Partner

Dated: April 9, 1991

By: Alex Deutsch

Its: Chairman

Dated: 4/9, 1991

By: Alex Deutsch
Alex Deutsch
General Partner

BANNING FARMS, a California
General Partnership

BY: THE DEUTSCH COMPANY, a
California corporation,

General Partner

Dated: 4/9, 1991

By: Alex Deutsch

Its: Chairman

Dated: 4/9, 1991

By: Alex Deutsch
Alex Deutsch
General Partner

STATE OF CALIFORNIA)
) ss.
COUNTY OF LA)

On 4/9, 1991, before me, W E Holler, personally appeared, CARL DEUTSCH personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

OFFICIAL SEAL
W E HOLLER
Notary Public-California
LOS ANGELES COUNTY
My Comm. Exp. Mar. 23, 1993

W E Holler
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF LA)

On 4/9, 1991, before me, W E Holler, personally appeared DAVID DEUTSCH personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

OFFICIAL SEAL
W E HOLLER
Notary Public-California
LOS ANGELES COUNTY
My Comm. Exp. Mar. 23, 1993

W E Holler
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF LA)

On 4/9, 1991, before me, W E Holler, personally appeared ALEX DEUTSCH, TRUSTEE FOR VICTORIA LESLIE DEUTSCH TRUST, Created Pursuant to a Declaration of Trust Dated December 19, 1976, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

OFFICIAL SEAL
W E HOLLER
Notary Public-California
LOS ANGELES COUNTY
My Comm. Exp. Mar. 23, 1993

W E Holler
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF LA)

On 4/9, 1991, before me, W E Holler, personally appeared ALEX DEUTSCH, TRUSTEE FOR ALEXIS LEE DEUTSCH TRUST, Created Pursuant to a Declaration of Trust Dated December 19, 1976, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

OFFICIAL SEAL
W E HOLLER
Notary Public-California
LOS ANGELES COUNTY
My Comm. Exp. Mar. 23, 1993

W E Holler
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF LA)

On 4/9, 1991, before me, W E Holler, personally appeared ALEX DEUTSCH, TRUSTEE FOR GINA ELIZABETH DEUTSCH TRUST, Created Pursuant to a Declaration of Trust Dated December 19, 1976, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

OFFICIAL SEAL
W E HOLLER
Notary Public-California
LOS ANGELES COUNTY
My Comm. Exp. Mar. 23, 1993

W E Holler
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF LA)

On 4/9, 1991, before me, W E Holler, personally appeared LESTER DEUTSCH, TRUSTEE FOR GINA ELIZABETH DEUTSCH TRUST, Created Pursuant to a Declaration of Trust Dated December 19, 1976, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

OFFICIAL SEAL
W E HOLLER
Notary Public-California
LOS ANGELES COUNTY
My Comm. Exp. Mar. 23, 1993

W E Holler
Notary Public in and for said State

Washington

STATE OF ~~CALIFORNIA~~)
) ss.
COUNTY OF Whatcom)

On April 4th, 1991, before me, Robin Montague, personally appeared SYLVIA SCHOLTZ, EXECUTRIX FOR ESTATE OF WALTER SCHOLTZ, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Robin Montague
Notary Public in and for said State
My commission expires 6-27-94

STATE OF CALIFORNIA)
) ss.
COUNTY OF LA)

On 4/9, 1991, before me, WE Holler, personally appeared ALEX DEUTSCH, A GENERAL PARTNER OF HIGHLAND FARMS, a California General Partnership, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

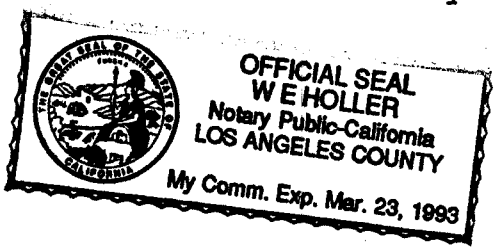
W E Holler
Notary Public in and for said State

OFFICIAL SEAL
W E HOLLER
Notary Public-California
LOS ANGELES COUNTY
My Comm. Exp. Mar. 23, 1993

STATE OF CALIFORNIA)
) ss.
COUNTY OF LA)

On 4/9, 1991, before me, W. Holler, personally appeared ALEX DEUTSCH, Chairman OF THE DEUTSCH COMPANY, a California Corporation, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

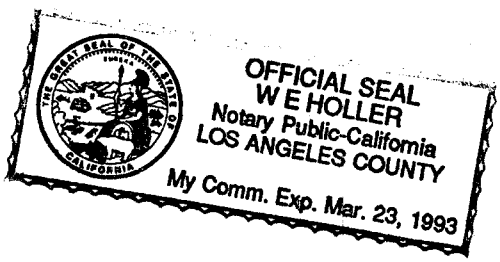


W E Holler
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF LA)

On 4/9, 1991, before me, W. Holler, personally appeared ALEX DEUTSCH, A GENERAL PARTNER OF BANNING FARMS, a California General Partnership, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



W E Holler
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF LA)

On 4/9, 1991, before me, W E Holler, personally appeared ALEX DEUTSCH, Chairman OF THE DEUTSCH COMPANY, a California Corporation, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

W E Holler
Notary Public in and for said State

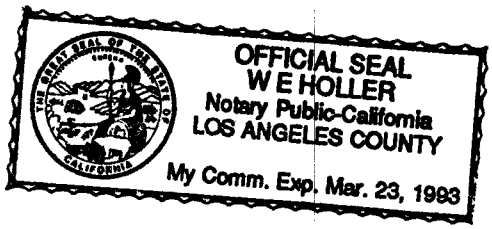


EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

Gateway Order No.: 410-4930127-492 Reference No.: BANNING

EXHIBIT A

PARCEL 1:

Section 35, Township 2 South, Range 1 West, San Bernardino Base and Meridian, in the County of Riverside, State of California.

EXCEPT the North one-half of the Northeast One Quarter thereof;

Section 2, Township 3 South, Range 1 West, San Bernardino Base and Meridian.

EXCEPT the Southeast One Quarter thereof.

Said land is also known as follows:

Lots 1 to 32, inclusive, and Lots 41 to 112, inclusive, of Orchard Heights Tract, in the County of Riverside, State of California, as shown by map on file in Book 10 Page 2 of Maps, Riverside County Records;

EXCEPT from Lots 1, 2 and 3 the Northerly 30 feet thereof granted to the County of Riverside, to be used as a public highway by deed recorded June 10, 1926 in Book 675 Page 467 of Deeds, Riverside County Records;

ALSO EXCEPT from Lot 4 an easement over the Northerly 10 feet thereof for public highway.

ALSO EXCEPT from said land all of those portions lying within the public roads and highways adjoining said land known as Brookside Avenue, Cherry Avenue, Orchard Heights Avenue, Seventeenth Street, Eighth Street and Highland Springs Avenue.

PARCEL 2:

The Southeast One Quarter of Section 2, Township 3 South, Range 1 West, San Bernardino Base and Meridian.

EXCEPT therefrom the following described land, as conveyed to Trangniew, Inc., by instrument recorded May 01, 1972 as Instrument No. 55762, and more particularly described as follows:

Commencing at the Southeast corner of said Section 2, said point being marked by a brass stamped "Section Corner Sections 1, 2, 11 and 12";

Thence South 89 degrees 32 minutes 20 seconds West along the realigned centerline of Eighth Street (80 feet wide) as shown on Deed Plat No. 746-888 on file in the office of the county surveyor of Riverside County, California, a distance of 101.29 feet;

Thence at right angles North 00 degrees 27 minutes 40 seconds West 40.00 feet to the true point of beginning.

EXHIBIT A

Thence continuing North 00 degrees 27 minutes 40 seconds West 4.00 feet to a point on a curve;

Thence curving to the left from an initial tangent that bears North 89 degrees 32 minutes 20 seconds East with a radius of 20.00 feet through a central angle of 89 degrees 21 minutes 34 seconds, an arc distance of 31.19 feet to a point on a line parallel with and 82.00 feet Westerly, measured at right angles from the Easterly line of said Section 2;

Thence at right angles North 89 degrees 49 minutes 18 seconds West 928.44 feet;

Thence at right angles South 00 degrees 10 minutes 42 seconds West parallel with the East line of said Section 2, 991.14 feet to a point on the North right of way line of Eighth Street, as shown by map of subdivision of Section 11, as per plat recorded in Book 9 of Maps, Page 10, Records of San Bernardino County;

Thence South 89 degrees 44 minutes 30 seconds East along the North right of way line of said Eighth Street, 136.96 feet to a tangent curve, as established by said realignment of Eighth Street;

Thence curving to the left with a radius of 960.00 feet through a central angle of 14 degrees 24 minutes 50 seconds an arc distance of 241.51 feet;

Thence North 75 degrees 50 minutes 40 seconds East 177.79 feet to a tangent curve;

Thence curving to the right with a radius of 1040.00 feet through a central angle of 13 degrees 41 minutes 40 seconds, a arc distance of 248.57 feet;

Thence North 89 degrees 32 minutes 20 seconds East 114.62 feet to the point of beginning.

ALSO EXCEPT from said land all of those portions lying within the public roads and highways adjoining said land known as Eighth Street and Highland Springs Avenue.

PARCEL 3:

Those portions lying within Section 11, Township 3 South, Range 1 West, San Bernardino Base and Meridian, more particularly described as follows:

Lots 1, 2, 3, 4, 5, 6 and 7 in Block 1 of subdivision of Section 11, Township 3 South, Range 1 West, San Bernardino Base and Meridian, as shown by map on file in Book 9 Page 10 of Maps, Riverside County Records.

EXHIBIT A

EXCEPT therefrom the following described land as conveyed to Trangniew, Inc., by instrument recorded May 01, 1972 as Instrument No. 55762, and more particularly described as follows:

Commencing at the Southeast corner of said Section 2, said point being marked by a brass disk stamped "Section Corner Sections 1, 2, 11 and 12";

Thence South 89 degrees 32 minutes 20 seconds West along the realigned centerline of Eighth Street (80 feet wide) as shown by Deed Plat No. 746-888 on file in the Office of the County Surveyor of Riverside County, California, a distance of 101.29 feet;

Thence at right angles North 00 degrees 27 minutes 40 seconds West 40.00 feet to the true point of beginning;

Thence continuing North 00 degrees 27 minutes 40 seconds West 4.00 feet to a point on a curve;

Thence curving to the left from an initial tangent that bears North 89 degrees 32 minutes 20 seconds East with a radius of 20.00 feet through a central angle of 89 degrees 21 minutes 38 seconds, an arc distance of 31.19 feet to a point on a line parallel with and 82.00 feet Westerly, measured at right angles from the Easterly line of said Section 2;

Thence North 0 degrees 10 minutes 42 seconds East along said parallel line, 859.84 feet;

Thence at right angles North 89 degrees 49 minutes 18 seconds West 928.44 feet;

Thence at right angles South 00 degrees 10 minutes 42 seconds West parallel with the East line of said Section 2; 991.14 feet to a point on the North right of way line of Eighth Street, as shown by map of subdivision of Section 11, as per plat recorded in Book 9 of Maps, Page 10, Records of Riverside County;

Thence South 89 degrees 44 minutes 30 seconds East along the North right of way line of said Eighth Street, 136.96 feet to a tangent curve, as established by said realignment of Eighth Street;

Thence curving to the left with a radius of 960.00 feet through a central angle of 14 degrees 24 minutes 50 seconds an arc distance of 241.51 feet;

Thence North 75 degrees 50 minutes 40 seconds East 177.79 feet to a tangent curve;

Thence curving to the right with a radius of 1040.00 feet through a central angle of 13 degrees 41 minutes 40 seconds, an arc

EXHIBIT A

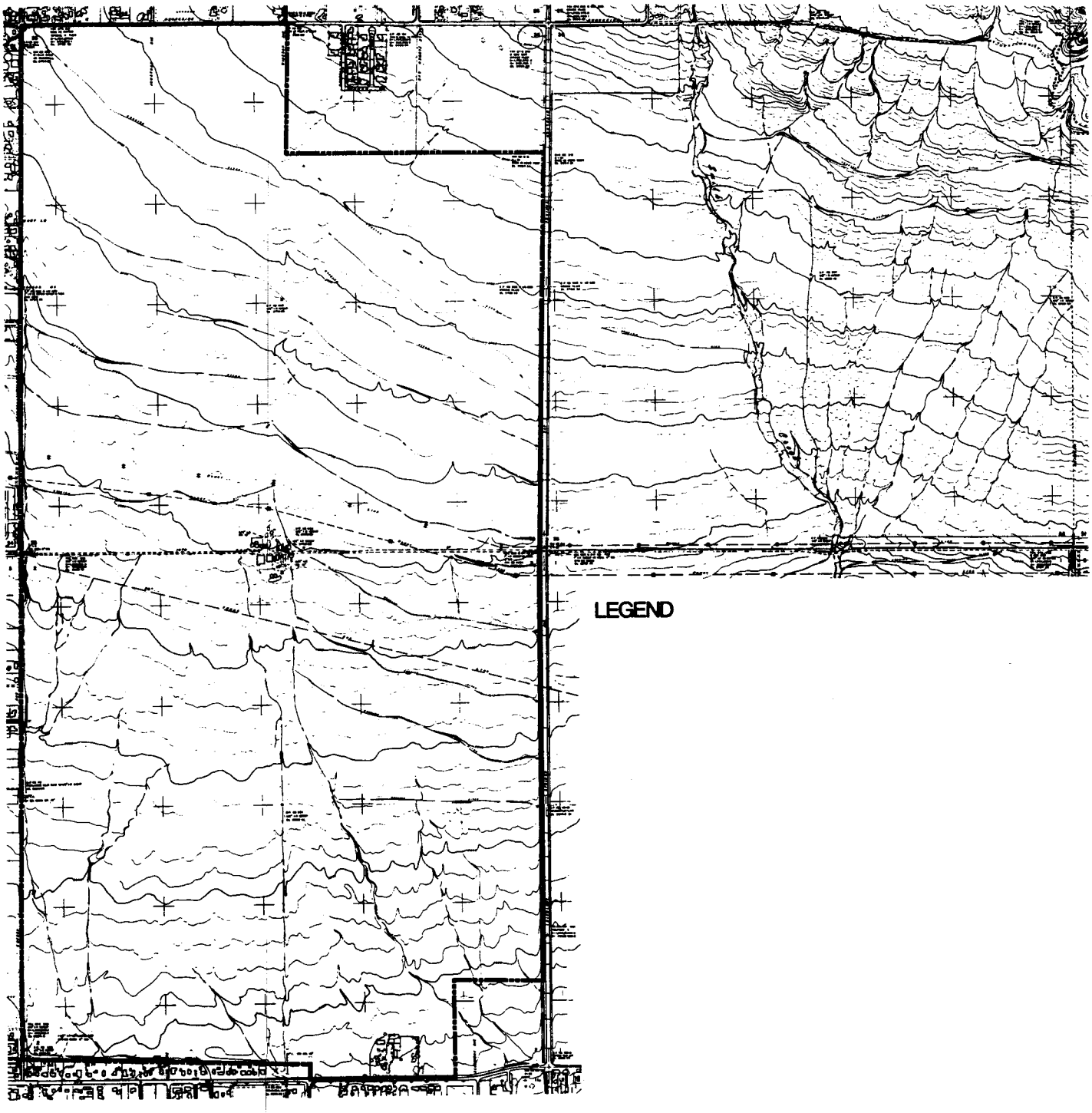
distance of 248.57 feet;

Thence North 89 degrees 32 minutes 20 seconds East 114.62 feet to the point of beginning.

Also except from said land all of those portions lying within the public roads and highways adjoining said land known as Eighth Street and Highland Springs Avenue.

EXHIBIT "B"

MAP OF PROPERTY



DEUTSCH PROPERTY
SPECIFIC PLAN
BEAUMONT, CALIFORNIA

TIERRA
Planning & Design

EXHIBIT "C"

TITLE REPORT SHOWING OWNERSHIP INTERESTS IN THE PROPERTY

Preliminary Report

Order No. 4104930127-492 GATEWAY TITLE COMPANY

Title officer: Dwight Helmer

Policy(ies) contemplated:
Preliminary Title Report

THE DEUTSCH COMPANY
STE. 600
2444 WILSHIRE BLVD.
SANTA MONICA, CA 90403

Our No.: 4104930127-492

Your Ref: BANNING

ATTN: BILL HOLLER

Date : March 11, 1991 at 7:30 A.M.

SCHEDULE A

The estate or interest in the land described or referred to in this schedule covered by this report is:

a fee

Title to the said estate or interest at the date hereof is vested in:

Aleisian Farms, a Partnership composed of Walter Scholtz, Mark Scholtz, Alex Deutsch, Lester Deutsch, Carl Deutsch, Ray Tissue, Ben Weingart, Robert Cumins, Philip E. Holzman, Edward Jones, and Philip E. Holzman as trustee for David Deutsch;

Highland Farms, a California General Partnership, as their interest appear of record, as to all of those portions described in Exhibit "A" herein excepting therefrom the South one half of the Northeast one Quarter of said Section 35; subject to the spousal interest of Betty U. Deutsch, as to the North one half of the Southeast one quarter of said Section 35;

Banning Farms, a California General Partnership, as to the South one half of the Northeast one Quarter of said Section 35.

The land referred to in this report is situated in the State of California, County of Riverside, and is described as follows:

DESCRIPTION CONTAINED IN "EXHIBIT A"
attached hereto and made a part hereof.

Gateway Order No.: 4104930127-492 Reference No.: BANNING

EXHIBIT A

PARCEL 1:

Section 35, Township 2 South, Range 1 West, San Bernardino Base and Meridian, in the County of Riverside, State of California.

EXCEPT the North one-half of the Northeast One Quarter thereof;

Section 2, Township 3 South, Range 1 West, San Bernardino Base and Meridian.

EXCEPT the Southeast One Quarter thereof.

Said land is also known as follows:

Lots 1 to 32, inclusive, and Lots 41 to 112, inclusive, of Orchard Heights Tract, in the County of Riverside, State of California, as shown by map on file in Book 10 Page 2 of Maps, Riverside County Records;

EXCEPT from Lots 1, 2 and 3 the Northerly 30 feet thereof granted to the County of Riverside, to be used as a public highway by deed recorded June 10, 1926 in Book 675 Page 467 of Deeds, Riverside County Records;

ALSO EXCEPT from Lot 4 an easement over the Northerly 10 feet thereof for public highway.

ALSO EXCEPT from said land all of those portions lying within the public roads and highways adjoining said land known as Brookside Avenue, Cherry Avenue, Orchard Heights Avenue, Seventeenth Street, Eighth Street and Highland Springs Avenue.

PARCEL 2:

The Southeast One Quarter of Section 2, Township 3 South, Range 1 West, San Bernardino Base and Meridian.

EXCEPT therefrom the following described land, as conveyed to Trangniew, Inc., by instrument recorded May 01, 1972 as Instrument No. 55762, and more particularly described as follows:

Commencing at the Southeast corner of said Section 2, said point being marked by a brass stamped "Section Corner Sections 1, 2, 11 and 12";

Thence South 89 degrees 32 minutes 20 seconds West along the realigned centerline of Eighth Street (80 feet wide) as shown on Deed Plat No. 746-888 on file in the office of the county surveyor of Riverside County, California, a distance of 101.29 feet;

Thence at right angles North 00 degrees 27 minutes 40 seconds West 40.00 feet to the true point of beginning.

EXHIBIT A

Thence continuing North 00 degrees 27 minutes 40 seconds West 4.00 feet to a point on a curve;

Thence curving to the left from an initial tangent that bears North 89 degrees 32 minutes 20 seconds East with a radius of 20.00 feet through a central angle of 89 degrees 21 minutes 34 seconds, an arc distance of 31.19 feet to a point on a line parallel with and 82.00 feet Westerly, measured at right angles from the Easterly line of said Section 2;

Thence at right angles North 89 degrees 49 minutes 18 seconds West 928.44 feet;

Thence at right angles South 00 degrees 10 minutes 42 seconds West parallel with the East line of said Section 2, 991.14 feet to a point on the North right of way line of Eighth Street, as shown by map of subdivision of Section 11, as per plat recorded in Book 9 of Maps, Page 10, Records of San Bernardino County;

Thence South 89 degrees 44 minutes 30 seconds East along the North right of way line of said Eighth Street, 136.96 feet to a tangent curve, as established by said realignment of Eighth Street;

Thence curving to the left with a radius of 960.00 feet through a central angle of 14 degrees 24 minutes 50 seconds an arc distance of 241.51 feet;

Thence North 75 degrees 50 minutes 40 seconds East 177.79 feet to a tangent curve;

Thence curving to the right with a radius of 1040.00 feet through a central angle of 13 degrees 41 minutes 40 seconds, a arc distance of 248.57 feet;

Thence North 89 degrees 32 minutes 20 seconds East 114.62 feet to the point of beginning.

ALSO EXCEPT from said land all of those portions lying within the public roads and highways adjoining said land known as Eighth Street and Highland Springs Avenue.

PARCEL 3:

Those portions lying within Section 11, Township 3 South, Range 1 West, San Bernardino Base and Meridian, more particularly described as follows:

Lots 1, 2, 3, 4, 5, 6 and 7 in Block 1 of subdivision of Section 11, Township 3 South, Range 1 West, San Bernardino Base and Meridian, as shown by map on file in Book 9 Page 10 of Maps, Riverside County Records.

EXHIBIT A

EXCEPT therefrom the following described land as conveyed to Trangniew, Inc., by instrument recorded May 01, 1972 as Instrument No. 55762, and more particularly described as follows:

Commencing at the Southeast corner of said Section 2, said point being marked by a brass disk stamped "Section Corner Sections 1, 2, 11 and 12";

Thence South 89 degrees 32 minutes 20 seconds West along the realigned centerline of Eighth Street (80 feet wide) as shown by Deed Plat No. 746-888 on file in the Office of the County Surveyor of Riverside County, California, a distance of 101.29 feet;

Thence at right angles North 00 degrees 27 minutes 40 seconds West 40.00 feet to the true point of beginning;

Thence continuing North 00 degrees 27 minutes 40 seconds West 4.00 feet to a point on a curve;

Thence curving to the left from an initial tangent that bears North 89 degrees 32 minutes 20 seconds East with a radius of 20.00 feet through a central angle of 89 degrees 21 minutes 38 seconds, an arc distance of 31.19 feet to a point on a line parallel with and 82.00 feet Westerly, measured at right angles from the Easterly line of said Section 2;

Thence North 0 degrees 10 minutes 42 seconds East along said parallel line, 859.84 feet;

Thence at right angles North 89 degrees 49 minutes 18 seconds West 928.44 feet;

Thence at right angles South 00 degrees 10 minutes 42 seconds West parallel with the East line of said Section 2; 991.14 feet to a point on the North right of way line of Eighth Street, as shown by map of subdivision of Section 11, as per plat recorded in Book 9 of Maps, Page 10, Records of Riverside County;

Thence South 89 degrees 44 minutes 30 seconds East along the North right of way line of said Eighth Street, 136.96 feet to a tangent curve, as established by said realignment of Eighth Street;

Thence curving to the left with a radius of 960.00 feet through a central angle of 14 degrees 24 minutes 50 seconds an arc distance of 241.51 feet;

Thence North 75 degrees 50 minutes 40 seconds East 177.79 feet to a tangent curve;

Thence curving to the right with a radius of 1040.00 feet through a central angle of 13 degrees 41 minutes 40 seconds, an arc

EXHIBIT A

distance of 248.57 feet;

Thence North 89 degrees 32 minutes 20 seconds East 114.62 feet to the point of beginning.

Also except from said land all of those portions lying within the public roads and highways adjoining said land known as Eighth Street and Highland Springs Avenue.

SCHEDULE B

Preliminary Report GATEWAY TITLE COMPANY

Order No. 4104930127-492

At the date hereof Exceptions to coverage in addition to the printed exceptions and exclusions contained in said policy form would be as follows:

1. Property taxes, including any assessments collected with taxes, to be levied for the fiscal year 1991-1992, which are a lien not yet payable.

2. Property taxes, including any personal property taxes, and any assessments collected with taxes, for the fiscal year 1990-1991:

First installment	Amount:	$1,705.85
	Penalty:	
	Current status:	Paid
Second installment	Amount:	$1,705.85
	Penalty:	
	Current status:	Paid

Homeowners exemption: --NONE--
Code area: 056-004
Assessors Parcel No.: 406-170-005-7

The above matter affects The West 1/2 of the South 1/2 of the Southeast 1/4 of Section 35

3. Property taxes, including any personal property taxes, and any assessments collected with taxes, for the fiscal year 1990-1991:

First installment	Amount:	$350.95
	Penalty:	
	Current status:	Paid
Second installment	Amount:	$350.95
	Penalty:	
	Current status:	Paid

Homeowners exemption: --NONE--
Code area: 056-004
Assessors Parcel No.: 406-170-007-9

The above matter affects The South 1/2 of the Northeast 1/2 of Section 35

SCHEDULE B

Preliminary Report GATEWAY TITLE COMPANY

Order No. 4104930127-492

4. Property taxes, including any personal property taxes, and any assessments collected with taxes, for the fiscal year 1990-1991:

First installment	Amount:	$342.92
	Penalty:	
	Current status:	Paid
Second installment	Amount:	$342.92
	Penalty:	
	Current status:	Paid

Homeowners exemption: --NONE--
Code area: 056-004
Assessors Parcel No.: 406-170-008-0

The above matter affects The North 1/2 of the Southeast 1/4 of Section 35

5. Property taxes, including any personal property taxes, and any assessments collected with taxes, for the fiscal year 1990-1991:

First installment	Amount:	$4,590.25
	Penalty:	
	Current status:	Paid
Second installment	Amount:	$4,590.25
	Penalty:	
	Current status:	Paid

Homeowners exemption: --NONE--
Code area: 056-004
Assessors Parcel No.: 419-020-017-8

The above matter affects The West 1/2 and the Northeast 1/4 of Section 2

6. Property taxes, including any personal property taxes, and any assessments collected with taxes, for the fiscal year 1990-1991:

First installment	Amount:	$1,533.81
	Penalty:	
	Current status:	Paid
Second installment	Amount:	$1,533.81
	Penalty:	
	Current status:	Paid

Homeowners exemption: --NONE--
Code area: 056-004
Assessors Parcel No.: 419-020-018-9

The above matter affects The above item affects: Parcels 2 and 3 herein described in Exhibit "A"

7. The lien of supplemental taxes, if any, assessed according to provisions of the statutes of 1983 of the State of California.

8. An easement in favor of the public for any public roads now existing on said property.

9. An easement, affecting lots 44, 48, 52, 56, 60, 64, 72, 80, 88 and 96 in Parcel 1 for road 20 feet wide off and along the East side of Section 35, Township 2 South, Range 1 West, and Section 2, Township 3 South, Range 1 West, San Bernardino Base and Meridian, granted to the County of Riverside by deed recorded March 21, 1900 in Book 147 Page 3 of Deeds, Riverside County Records.

10. A right of way, affecting a portion of Parcel 1 herein described, for pipe line over lots 1 to 64, inclusive, lots 69 to 72, inclusive, lots 77 to 82, inclusive, lots 85 to 90, inclusive, lots 93 to 96, inclusive, as reserved in the deed from the Riverside Abstract Company, recorded April 01, 1913 in Book 371 Page 177 of Deeds.

11. The right of the public to the use of streets as shown on the map of Orchard Heights Tract, as shown by map on file in Book 10 Page 2 of Maps, Riverside County Records.

Said rights affect a portion of Parcel 1 subject to the effect of a revocation of dedication recorded November 24, 1947 in Book 872 Page 561 of of Official Records purporting to revoke any and all dedications of the following streets: Lots H, G, F, E, D, C, B, A, J, K, L, M, N and more commonly known as 9th, 11th, 12th, 13th, 14th, 15th, 16th and that portion of 17th Street, which is delineated on the map of Orchard Heights Tract.

12. An easement for utilities, affecting Parcel 1, granted to Southern Sierras Power Company, as referred to in United States Patent recorded December 01, 1919 in Book 8 Page 40 of Patents, Riverside County Records, to which record reference is hereby made for further particulars.

13. An easement, affecting Parcel 2 for public highway and public utility purposes over the Easterly rectangular 40 feet of the herein described property, as granted to the County of Riverside by Deed recorded December 15, 1936 in Book 305 Page 464 of Official Records.

SCHEDULE B

Preliminary Report GATEWAY TITLE COMPANY

Order No. 4104930127-492

14. An easement affecting Parcel 1, for public highways and public utility purposes over the Easterly 20 feet of Lots 52, 56, 60, 64, 72, 80, 88 and 96 herein described, granted to the County of Riverside by Deed recorded March 24, 1937 in Book 317 Page 331 of Official Records.

15. An easement affecting a portion of Parcel 1, for public highway and flood control purposes over a portion of Lot 1 herein described, granted to the County of Riverside by deed recorded October 17, 1939 in Book 435 Page 376 of Official Records, described as follows:

Beginning at the Northwesterly corner of said Lot 1;

Thence South along the Westerly line of said Lot, 10 feet for the point of beginning;

Thence South along the Westerly line of said Lot, 10 feet for the point of beginning;

Thence South along the Westerly line of said Lot, 33 feet;

Thence in a Northeasterly direction to a point which is 40 feet Easterly of the point of beginning and 10 feet Southerly of the Northerly line of said Lot 1;

Thence Westerly, 40 feet to the point of beginning.

16. An easement, affecting a portion of Parcel 1, for storm drain, 30 feet wide, over Lots 110 and 111 herein described, granted to the County of Riverside by Deed recorded October 27, 1943 in Book 604 Page 154 of Official Records. The center line of said easement is described as follows:

Beginning at a point on the South line of Orchard Heights Tract, as shown by map on file in Book 10 Page 2 of Maps, Riverside County Records, from which point the Southwest corner of Section 2, Township 3 South, Range 1 West bears North 88 degrees 38 minutes West, 1731.42 feet;

Thence Westerly along a curve, concave to the South having a central angle of 22 degrees 20 minutes and a radius of 200 feet;

Thence along said curve 77.96 feet, the radial line at the beginning of said curve bears South 23 degrees 52 minutes West;

Thence North 88 degrees 38 minutes West, 682.0 feet along a line parallel to and 15 feet Northerly measured at right angles from the Southerly line of said Lots 110 and 111. The right of way lines of the Easterly end of this description are to be prolonged or shortened so that they will end on the Southerly line of said Lot 111. The title to said right of way is now vested of record in Riverside County Flood Control and Water Conservation District.

17. Permanent and exclusive easements and rights of way, affecting a portion of Parcel 1, in, under, over and across Lots 25 to 28, inclusive, Lots 29 to 32, inclusive, Lots 61 to 64, inclusive, and Lots 70 to 72, inclusive herein described, granted to the Southern California Edison Company, Ltd., by Deed recorded November 10, 1945 in Book 704 Page 453 of Official Records. Said easement is described as follows:

A strip of land 300 feet wide, the Southerly and Northerly boundary lines of which are parallel with and respectively 100 feet Southerly and 200 feet Northerly from a line described as follows:

Beginning at a point in the center line of Glen Eyrie Street, as now established, 80 feet wide, along the East line of said Lot 72, which point is South 0 degrees 07 minutes 12 seconds East, 249.35 feet, measured along said center line from the intersection of said center line with the Easterly prolongation of the center line of Lot "L" (14th Street) as shown on the map of Orchard Heights Tract;

Thence from said point of beginning North 89 degrees 58 minutes 32 seconds West, 283.92 feet;

Thence North 74 degrees 39 minutes 55 seconds West, 2578.60 feet;

Thence North 82 degrees 48 minutes 25 seconds West 2501.58 feet, more or less, to a point in the West line of Lot "P" as shown on said map, said West line being also the East line of the Southeast Quarter of Section 34, Township 2 South, Range 1 West, San Bernardino Base and Meridian, said last mentioned point being North 00 degrees 20 minutes 55 seconds East, 751.37 feet, measured along said East line from a inch iron pipe in concrete set for the Southeast corner of said Section 34, said last measured point being South 00 degrees 20 minutes 55 seconds West 1883.43 feet, more or less, for a concrete pipe set for the East Quarter corner of said Section 34.

18. A right of way, affecting a portion of Parcel 1, for pipe line, 16.50 feet wide, for transportation of gas, over, under and along a portion of Lots 29, 65 to 68, inclusive, 75 to 80, inclusive, 87, 88, Lot "P" (Cherry Avenue), Lot "R" (Orchard Heights Avenue), Lot "D" (14th Street), Lot "H" (13th Street), and Glen Eyrie Street, map of Orchard Heights Tract herein described, granted to Southern California Gas Company, a corporation and Southern Counties Gas Company of California by Deed filed for record under Torrens Title as Instrument No. 846 on September 5, 1950, last certificate no. 403. The center line of said right of way is described as follows:

Beginning at the Northwest corner of Section 2, Township 3 South, Range 1 West, San Bernardino Base and Meridian;

Thence North 0 degrees 20 minutes 55 seconds East, along the Westerly line of Section 35, Township 2 South, Range 1 West, San Bernardino Base and Meridian, 40 feet to the point of beginning;

Thence North 89 degrees 54 minutes 26 seconds East, 77.28 feet;

Thence South 47 degrees 13 minutes 49 seconds East, 152.06 feet;

Thence South 75 degrees 42 minutes 34 seconds East, 5232.05 feet to a point in the Easterly line of said Section 2. The side lines of said right of way shall be prolonged or shortened so as to terminate in said Westerly line of Section 35 and said Easterly line of Section 2.

19. An easement, affecting a portion of Parcel 1, for Flood Control and Water Conservation purposes, 30 feet wide, over Lots 109, 110 and 111 herein described, granted to the Riverside County Flood Control and Water Conservation District, by deed recorded August 18, 1954 in Book 1620 Page 573 of Official Records. The center line of said right of way is described as follows:

Beginning at a point on the South line of the said Orchard Tract, from which point the Southwest corner of Section 2, Township 3 South, Range 1 West, San Bernardino Base and Meridian, as shown by said map bears North 88 degrees 38 minutes West, 1731.42 feet;

Thence Westerly along a curve concave to the South, having a central angle of 22 degrees 20 minutes and a radius of 200 feet;

Thence along said curve, 77.96 feet; the radial line at the beginning of said curve bears South 23 degrees 42 minutes West;

Thence North 86 degrees 38 minutes West, 1523.13 feet;

Thence along the arc of a 150 foot radius curve, concave to the North, through an angle of 49 degrees 48 minutes feet, a distance of 130.38 feet to the Westerly line of Lot 109. The side lines of said strip of land are to be shortened or extended so as to end on the West line of Lot 109 and the South line of Lot 111.

20. A petition filed April 14, 1960 in the office of the county clerk of Riverside County, Case No. 71851, Superior Court, wherein it is sought to exclude Parcels 1, 2 and 5 herein described, from subdivision, under the provisions of the Subdivision Land Exclusion Law (Business and Professions Code, Sections 11700-11709), application thereof for said petition being made by Aleisian Farms, a Partnership.

An order of exclusion recorded June 09, 1960 as Instrument No. 51499 in Book 2710 at page 462 of Official Records; the exclusion map recorded June 09, 1960 as Instrument No. 51500 in Book 2711 at page 84 of Official Records.

21. A pending court action as disclosed by a recorded notice.

Plaintiff:	California Electric Power Company, a corporation
Defendant:	Aleisian Farms, A Partnership, et. al.
County:	Riverside
Court:	Superior Court
Case No.:	22698
Nature of Action:	To acquire various rights of way and easements
Recorded:	August 30, 1960 as Instrument No. 76497

22. Easement, and incidents thereto,

In Favor of:	Riverside County Flood Control and Water Conservation District
ecorded, Official Records:	December 6, 1972
Series/Instrument No.:	161550
Purpose:	For the construction, operation and maintenance of drainage facilities
Affects:	Portions of said land

Reference is hereby made to said instrument for further particulars

23. The terms, conditions and restrictions set forth in that certain Land Conservation Contract

Dated:	January 1, 1973
Executed by:	Aleisian Farms a General Partnership and the County of Riverside
Recorded:	January 30, 1973 as Instrument No. 12634

24. The terms conditions and restrictions set forth in that certain Land Conservation Contract

Dated:	January 1, 1973
Executed by:	Aleisian Farms a General Partnership and The County of Riverside
Recorded:	January 30, 1973 as Instrument No. 12635

Notice of non-renewal of said contract was recorded October 28, 1981 as Instrument No. 203479.

25. The terms, conditions and restrictions set forth in that certain Land Conservation Contract

Dated: January 1, 1973
Executed by: Tragniew Inc. a California corporation and The County of Riveside
Recorded: April 23, 1973 as Instrument No. 51451

Notice of Non-Renewal of said contract was recorded

October 28, 1981 as Instrument No. 203480

26. The terms conditions and restrictions set forth in that certain Land Conservation Contract

Dated: January 1, 1982
Executed by: Aleisian Farms and The County of Riverside
Recorded: March 01, 1982 as Instrument No. 34806

27. The fact that said land is included within a project area of the Redevelopment Agency shown below, and that proceedings for the redevelopment of said project have been instituted under the redevelopment law (such redevelopment to proceed only after the adoption of the redevelopment plan) as disclosed by a document.

Redevelopment Agency: Beaumont Project Area
Recorded: December 16, 1982 as Instrument No. 217749, Official Records.

The above matter affects a portion of the land described herein and other land.

28. We will require a STATEMENT OF INFORMATION from ALL PARTIES INCLUDING GENERAL PARTNERS OF ALL THE VARIOUS PARTNERSHIPS in order to complete this report, based on the effect of documents, proceedings, liens, decrees, or other matters which do not specifically describe said land, but which, if any do exist, may affect the title or impose liens or encumbrances thereon. (TO BE SUBMITTED A MINIMUM OF SEVEN DAYS PRIOR TO THE CLOSE OF SAID TRANSACTION).

SCHEDULE B

Preliminary Report GATEWAY TITLE COMPANY

Order No. 4104930127-492

29. If title is to be insured from the Partnerships then the General Partners, comprised of Trusts, Gateway will require a copy of the trust instrument creating such trust, and all amendments thereto, together with a written verification by all present trustees that the copy is a true and correct copy of the trust, as it may have been amended, that it is in full force and effect and that it has not been revoked or terminated.

30. The requirement that a statement of partnership be recorded for the vestee named below, as provided in Section 15010.5 California Corporations Code.

Vestee: Banning Farms

NOTE: The charge for a policy of title insurance, if issued through this title order, will be based on the basic (not short-term) title insurance rate.

SCHEDULE B

Preliminary Report GATEWAY TITLE COMPANY

Order No. 4104930127-492

NOTE: "Any funds to be disbursed by Gateway Title Company will be disbursed in compliance with Section 12413.1 of the California Insurance Code. A cashier's, teller's or certified check will have next day availability after deposit. All other local checks will have two (2) day availability after deposit. Non-local checks will have five (5) day availability after deposit. Funds received too late in the day for same day deposit will require one (1) additional day before they are available for disbursement.

THE DEPOSIT OF A CASHIER'S, TELLER'S OR CERTIFIED CHECK, OR ELECTRONIC TRANSFER OF FUNDS WILL EXPEDITE THE DISBURSEMENT OF FUNDS AND THE CLOSE OF THIS TRANSACTION."

WIRING INSTRUCTIONS FOR GATEWAY TITLE COMPANY:

Bank: WELLS FARGO BANK
2323 North Broadway
Santa Ana, California 92706

Credit: Gateway Title Company
Sub-Escrow Account
No. 4602-092827

ABA No.: 121000248

Very important: Please reference our TITLE ORDER NUMBER and or TITLE OFFICER'S NAME.

Please notify your title officer in advance of your intention to wire funds so we may alert our respective departments. Any additional information concerning wire transfers can be obtained from your title officer.

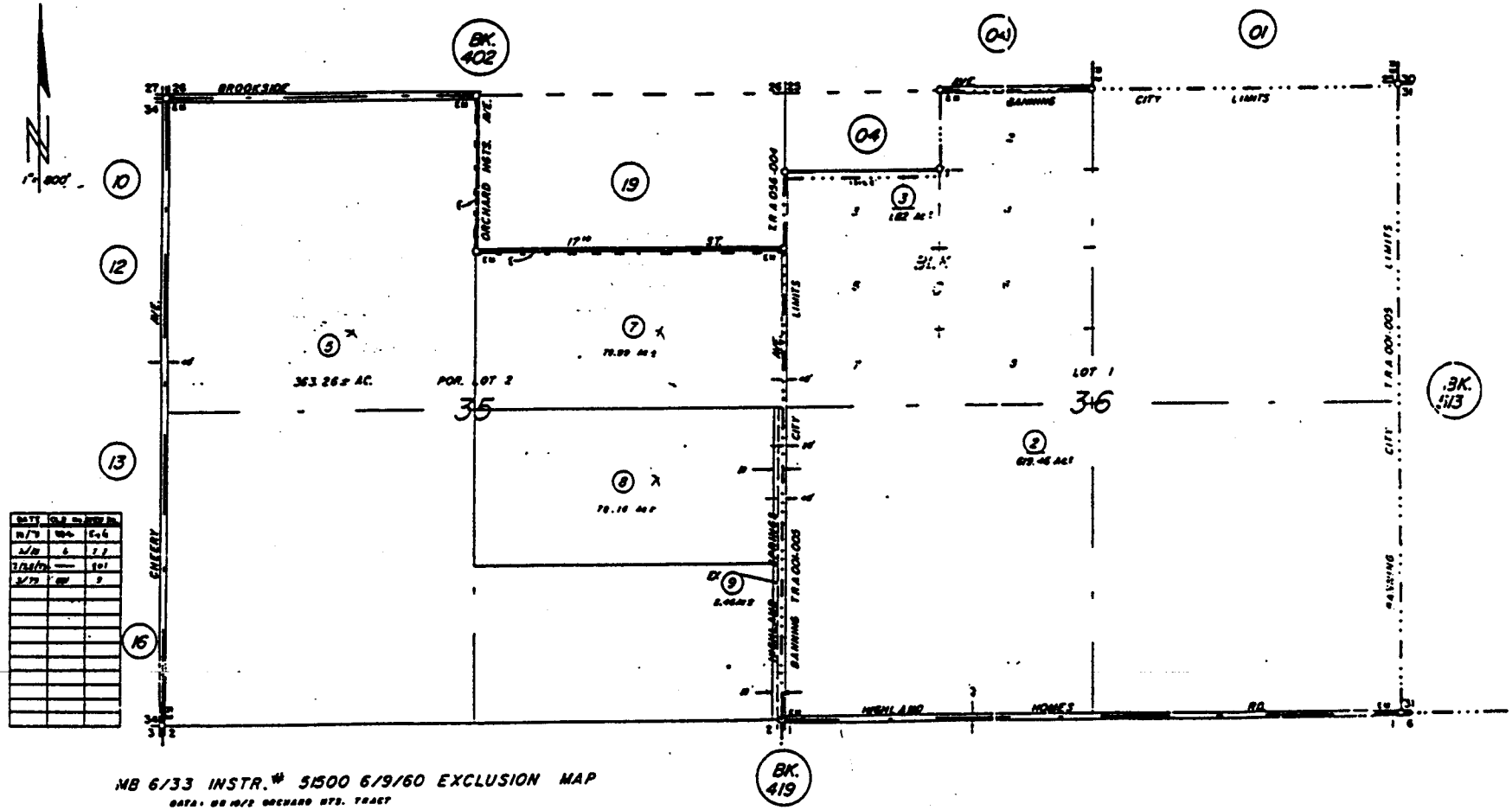
DH:dm:lmw
Plats enclosed

15-30

406-17

T.C.A. 056-004
001-005

POR. SEC. 35 & 36, T.2 S., R.1W.



MB 6/33 INSTR.# 31500 6/9/60 EXCLUSION MAP

DATA: BB 10/2 ORCHARD HTS. TRACT
BB 6/33 HIGHLAND ACRES

ASSESSOR'S MAP BK. 406 PG. 17
RIVERSIDE COUNTY, CALIF.

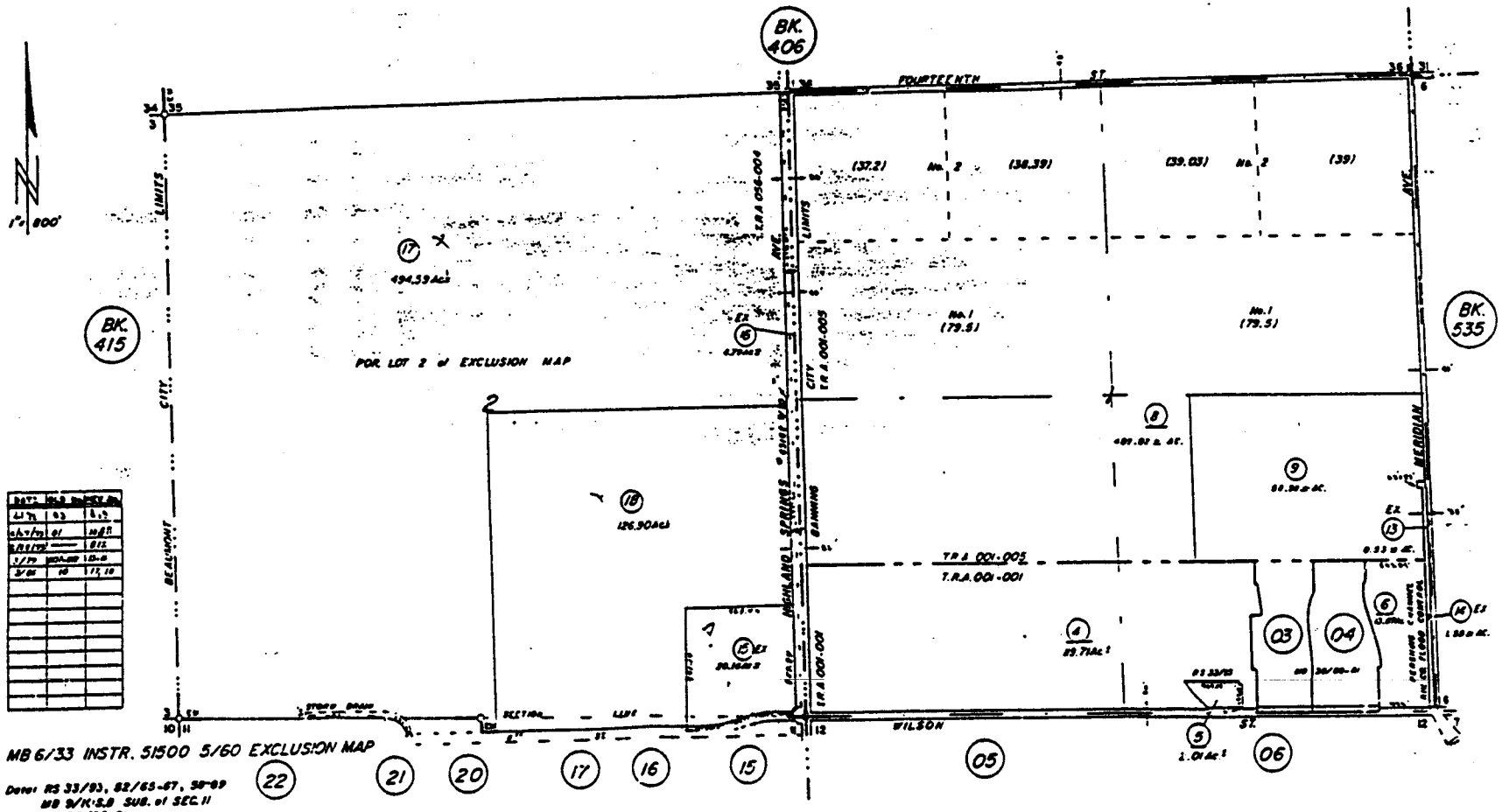
MAR. 1970

15-27
15-27-2
419-02

T.C.A. 056-004
001-001
001-005

SEC. 18 2, T. 3 S., R. 1 W.

THIS MAP IS FOR ASSESSMENT PURPOSES ONLY



MB 6/33 INSTR. 51500 5/60 EXCLUSION MAP

Data: RS 33/93, 82/65-67, 58-69
MB 9/K.S.B. SUB. of SEC. 11
MB 38/80-81
COUNTY SURVEY 32-C, 746 888
RS 74/29-32
G.L.O. PLAT 1880
COUNTY SURVEY 8N-A

ASSESSOR'S MAP BK. 419 PG. 02
RIVERSIDE COUNTY, CALIF.

EXHIBIT "D"

PERMITS AND APPROVALS CONSTITUTING

DEVELOPMENT PLAN

1. Deutsch Planned Community Specific Plan approved by the City Council on January 14, 1991 by Resolution No. 1991-03.

EXHIBIT "E"

BENEFITS TO CITY

1. The proposed project is consistent and compatible with other existing and proposed uses in the vicinity of the project and community in general.

2. The proposed project will contribute to roadway improvements consistent with the City's updated Master Circulation Plan.

3. The proposed project will be developed on agricultural land which has been denied a permit to farm from the Office of the Agricultural Commissioner due to insufficient moisture content in the soil.

4. The project will be designed and landscaped so as to provide an aesthetically pleasing environment compatible with surrounding land uses.

5. The overall planning of the project is comprehensive and interrelated, not planned in a piecemeal fashion.

6. The proposed project will result in revenues to public agencies through increased property tax from development of the site.

7. The proposed project will result in revenues to public agencies through increased property tax from development of the site.

8. The proposed project will increase sales tax revenue for the City of Beaumont through retail sales.

9. The proposed project will provide public facilities to include parks and a library facility to the City of Beaumont.

10. The intensity of the project is appropriate for the location and is consistent with the City of Beaumont General Plan.

11. The proposed project provides for alternative transportation opportunities through the implementation of bicycle and pedestrian facilities.

12. The proposed project represents a reasonable mix of uses for the site all factors considered.

EXHIBIT "F"

LIST OF FEES AND ASSESSMENTS

APPLICATIONS	-	Agricultural Preserve
	-	Architectural Plan
	-	Development Agreement
	-	Landscape Concept Plans
	-	Sign Permits
	-	Tentative Parcel or Tract Map
	-	Plan Check Parcel or Tract Map
	-	Improvement Construction Plan Checking
	-	Inspection of Improvement Construction
	-	Final Survey Staking Guarantee
	-	Plan Checks per Building Code
	-	Building Permits per Building Code
	-	Amendments to any of the above or prior approved applications
INFRASTRUCTURE FEES	-	Sewer
	-	Water
	-	Reclaimed Water
	-	Drainage
MITIGATIONS	-	Transportation - Circulation
	-	Police
	-	Fire
	-	Park
	-	Signalization
	-	Public Facilities
FEES	-	Development Agreement Annual Review Fee
	-	CHARGED BY OTHER AGENCIES WHICH ARE REQUIRED TO BE COLLECTED BY THE CITY

174170

RECORDING REQUESTED BY, AND
WHEN RECORDED, MAIL TO:

City Clerk
City of Beaumont
P. O. Box 158
Beaumont, Ca 92223

RECEIVED FOR RECORD
AT 8:30 O'CLOCK A.M.

MAY 24 1991

Recorded in Official Records of Riverside County, California
Recorder
Fees $

(Space above for Recorder's Use)

DEVELOPMENT AGREEMENT

BETWEEN

THE CITY OF BEAUMONT

AND

HIGHLAND FARMS, ALEISIAN FARMS

AND BANNING FARMS (DEUTSCH)

(Pursuant to Government Code

Sections 65864 - 65869.5)

TABLE OF CONTENTS

DESCRIPTION	PAGE NO.
1. Definitions	4
1.1 Agreement	4
1.2 Agreement Date	4
1.3 Build-Out Phasing Plan	4
1.4 City	5
1.5 Development Plan	5
1.6 Effective Date	5
1.7 Developer	5
1.8 Project	5
1.9 Property	6
2. Exhibits	6
3. Mutual Benefits	6
3.1 Benefits to City	6
3.2 Benefits to Developer	7
4. Interest of Developer	7
5. Binding Effect of Agreement	7
6. Project as a Private Undertaking	7
7. Term	7
8. Changes in Project	8
9. Hold Harmless	8
9.1 By Developer	8
9.2 By City	8
10. Vested Right	8
10.1 No Conflicting Enactments	9
10.2 Intent of Parties	9
11. General Development of the Project	9
11.1 Project	9
11.2 Phasing and Timing of Development	10
11.3 Effect of Agreement on Land Use Regulations	11
11.4 Administrative Changes and Amendments	11

11.5 Mello-Roos Community Facilities Districts; Other Assessment District or Financing Mechanisms.....12
11.6 Water and Sewer Facilities.....12
11.7 Public Services and Facilities.....13
11.8 Cancellation of Williamson Act Agricultural Preserve and Land Conservation Agreement.....13
11.9 Other Governmental or Quasi-Governmental Permits.....13
11.10 Consistency Between This Agreement and Current Laws.....14
11.11 Assessments and Fees.....14
11.12 Subsequent Actions.....14

12. Rules, Regulations and Official Policies.....14

12.1 New Rules.....14
12.2 Subsequent Actions and Approvals.....15
12.3 State and Federal Laws.....15

13. Amendment or Cancellation of Agreement.....15

14. Enforcement.....15

15. Periodic Review of Compliance with Agreement....16

16. Events of Default.....16

16.1 Default by Developer.....16
16.2 Default by City.....16
16.3 Specific Performance Remedy.....17

17. Institution of Legal Action.....18

18. Waivers and Delays.....18

18.1 Waiver.....18
18.2 Third Parties.....18
18.3 Force Majeure.....18

19. Notices.....18

20. Attorneys' Fees.....19

21. Transfers and Assignments.....19

21.1 Right to Assign.....19
21.2 Release Upon Transfer.....19

22. Cooperation in the Event of Legal Challenge.....19

23. Eminent Domain.....20

24. Authority to Execute.....20

25. Recordation.....20

26. Protection of Mortgage Holders.....20

27. Severability of Terms.....20

28. Subsequent Amendment to Authorizing Statute.....20

29. Interpretation and Governing Law.....20

30. Section Headings.....20

31. Incorporation of Recitals and Exhibits.....21

32. Rules and Construction and Miscellaneous Terms..21

32.1 Gender.....21
32.2 Time of Essence.....21
32.3 Cooperation.....21

DEVELOPMENT AGREEMENT

(Pursuant To Government Code
Sections 65864 -65869.5)

This DEVELOPMENT AGREEMENT ("Agreement") is entered into to be effective on April 25, 1991, between ALEISIAN FARMS, a California general partnership, HIGHLAND FARMS, a California general partnership and BANNING FARMS, a California general partnership (collectively the "Developer") and the CITY OF BEAUMONT, a Municipal corporation organized and existing under the laws of the State of California ("City"). Developer and City are sometimes collectively referred to herein as the "parties."

R E C I T A L S:

This Agreement is predicated upon the following facts:

A. These Recitals refer to and utilize certain capitalized terms which are defined in this Agreement. The parties intend to refer to those definitions in conjunction with the use thereof in these Recitals.

B. Government Code Sections 65864 - 65869.5 ("Development Agreement Law") authorize the City to enter into binding development agreements with persons having a legal or equitable interest in real property for the development of such property, all for the purpose of strengthening the public planning process, encouraging private participation and comprehensive planning and reducing the economic costs of such development.

C. This Agreement is adopted pursuant to Government Code Section 65865 et seq.

D. Developer is the owner of approximately 1,162 acres of land currently located within unincorporated Riverside County, California as more particularly described on Exhibit "A" and shown on Exhibit "B" ("Property"). The respective interests of Aleisian Farms, Highland Farms and Banning Farms in the Property are those as set forth on the title report attached as Exhibit "C". For purposes of information only, Developer owns an additional 1,552 acres of land located East of the Property of which 1,268 acres are located within the City of Banning, and all of which land Developer intends to develop in concert with the Property (the "Banning Property").

E. Developer intends to develop the Property as an integrated, internally oriented planned residential project in accordance with the Development Plan as hereinafter defined in

Section 1.5 (the "Project"). The Project is capital intensive, especially in its initial phases requiring major investment in public facility and on-site and off-site improvement prior to the construction and sale of housing in order to make the Project economically and fiscally feasible. The Project is fully compatible with the proposed development of the Banning Property.

F. The Property is currently located within the sphere of influence of but has not yet been annexed to the City. It is the present intent of the parties that annexation of the Property to the City will occur following approval by the City of the Development Plan defined in Section 1.5. Pursuant to Government Code Section 65865(b), this Agreement shall become operative on the effective date of the annexation, so long as the annexation is completed prior to December 31, 1992, failing which it shall expire on that date and be of no further force or effect.

G. City's General Plan designation for the Property is Residential Planned Unit Development (PUD), and the Specific Plan being adopted concurrently herewith as a part of the Development Plan as defined in Section 1.5 implements the City General Plan and its various component elements by providing specific land use and development standards. Developer and City desire to provide through this Agreement specific development criteria to be applicable to the Property upon its annexation to the City which will provide for maximum utilization of the Property in accordance with sound planning principals.

H. City has determined that the use and intensity of use provided in this Agreement is consistent with the City's General Plan applicable to the Property.

I. Development of the Property pursuant to the Development Plan as defined in Section 1.5, which is largely vacant area almost totally lacking in required infrastructure improvements, requires the construction of substantial reasonable public improvements early in the development and construction process. Certain development risks and uncertainties associated with the long term nature of the development, including the cost of the portion of those regional public improvements required to be installed at the inception of the development, could discourage and deter Developer and other owners in the vicinity from making the long term commitments necessary to fully develop the Property pursuant to the Development Plan. It is only the assurance of the ability to complete the private income producing components of the Development Plan in general that provides the inducement to Developer to agree to commit the land and financial resources required to commence and proceed with development. The parties

desire to enter into this Agreement in order to assure that the Property is developed as an integrated planned community in general, and that the uncertainties to such development over which the City has control are removed.

J. Developer has applied for, and City, concurrently with approval of this Agreement, has approved the Development Plan (as in Section 1.5) in order to protect the interests of its citizens and the quality of the community and environment through the specific plan process (Government Code Section 65450 et seq.) As part of that process of approving the Development Plan, City has undertaken, pursuant to the California Environmental Quality Act ("CEQA"), the required analysis of the environmental effects which would be caused by the Project. City has imposed a series of mitigation measures in connection with the development of the Project to eliminate or reduce to a level of insignificance many significant adverse impacts caused by the Project. As to those significant adverse impacts which cannot be eliminated or reduced to a level of insignificance, the City Council has adopted a statement of overriding considerations pursuant to CEQA setting forth why the beneficial aspects of the Project outweigh those significant adverse impacts which cannot be eliminated or reduced by mitigation measures. On January 14, 1991, the City Council of City adopted Resolution No. 1991-03, certifying the environmental impact report ("EIR") prepared for the Project as being complete and adequate and complying with CEQA. Pursuant to Government Code Section 65457 and Public Resources Code Section 21166 the City acknowledges that no subsequent or supplemental Environmental Impact Report shall be required by the City for the subsequent approvals implementing the development of the Property, whether ministerial or discretionary, unless:

(1) Changes are proposed by Developer which by law will require revisions to the EIR; or

(2) New information which was not known and could not have been known at the time the EIR was certified as complete becomes available; provided, however, that reanalysis of data already examined and reported in the EIR shall not be considered new information. The term "new information" does not mean discovery that probabilities of adverse (or beneficial) results considered in the approval of this Agreement, the Development Plan as defined in Section 1.5 or the EIR may prove incorrect, or that such probabilities are or are not becoming, or have or have not become realities, but instead required that the actual quantitative and politative

extent of the underlying issues was not considered and could not have been considered in the environmental analysis associated with the approval of this Agreement and the EIR.

K. The Development Plan implements the goals and policies of the City's General Plan described in the Specific Plan referred to in Section 1.5, below, and provides balanced and diversified land uses in order to maintain the overall quality of life and of the environment within City and to impose appropriate requirements with respect to land development and usage.

L. Developer has requested City to consider entering into a development agreement relating to the Project and proceedings have been taken in accordance with City's rules and regulations.

M. On March 25, 1991, the City Council of City adopted Ordinance No. 698, approving this Agreement with Developer.

N. City acknowledges that by electing to enter into contractual agreements such as this Agreement, the obligations of which shall survive beyond the term or terms of the present City Council members, such action will serve to bind the City and future City Councils to the obligations hereby undertaken. By obligating the City pursuant to this Agreement, the City Council has elected to exercise certain governmental and proprietary powers at the present time rather than deferring its action to some undetermined future date. The terms and conditions of this Agreement have undergone extensive review by the City and its City Council and have been found to be fair, just and reasonable, and the City has found and determined that the execution of this Agreement is in the best interest of the public health, safety and general welfare of City and its residents and that adopting this Agreement constitutes a present exercise of its police power.

The parties agree as follows:

1. Definitions.

1.1 "Agreement" is this Development Agreement.

1.2 "Agreement Date" is the date this Agreement is approved by the City Council.

1.3 "Build-Out Phasing Plan" means a plan to be prepared by Developer showing the intended build-out schedule of the Project. The Build-Out Phasing Plan as more particularly

described in Section 11.2 shall be advisory only and shall not be binding on Developer.

1.4 "City" is the City of Beaumont, California.

1.5 "Development Plan" is all of those ordinances, resolutions, codes (except as provided in Section 12.1(c)), rules, regulations and official policies of City governing the development and use of the Property as of the Agreement Date, including, without limitation, the permitted uses of the Property, the density and intensity of use, the maximum height and size of proposed buildings, the provisions for reservation or dedication of land for public purposes, and the design, improvement and construction standards and specifications applicable to the development of the Property, and all of those permits and approvals which are referenced on Exhibit "D" which have been issued or granted by City in connection with any of the foregoing. Specifically, but without limitation, such Development Plan includes the Deutsch Planned Community Specific Plan adopted by the City Council on January 14, 1991 by Resolution No. 1991-03 pursuant to Government Code Section 65450 et.seq. (hereinafter the "Specific Plan") allowing the construction of a maximum of 4,716 residential dwelling units ranging in average density from approximately four (4) d.u.'s/ acre to approximately fifteen (15) d.u.'s/acre, a fifteen (15) acre community commercial site, five (5) elementary and one (1) junior high school site, a twenty-three (23) acre community park, a twenty-one (21) acre trail park adjacent to the San Diego Gas and Electric Easement, and, three (3) additional neighborhood parks totaling 21 acres adjacent to schools. The average density for the Specific Plan areas is approximately 4.1 d.u.'s/acre.

1.6 "Effective Date" is that date which is the later to occur of (a) the expiration of the time for filing a referendum petition relating to this Agreement if no such petition is filed within such period, (b) the certification of the results of a referendum election are declared approving this Agreement if a referendum petition is filed within the applicable period, or (c) the date that the annexation of the Property to this City is completed, provided that such annexation is completed prior to December 31, 1992.

1.7 "Developer" is Aleisian Farms, a California general partnership, Highland Farms, a California general partnership and Banning Farms, a California general partnership as their interests appear on the title report attached as Exhibit "C" and their respective successors in interest to all or any part of the Property.

1.8 "Project" is the proposed development of the Property included within the Development Plan and associated

amenities, including, without limitation, on-site and off-site improvements contemplated by the Development Plan, as the same may be further defined, enhanced or modified pursuant to the provisions of this Agreement.

1.9 "Property" is the real property on which the Project is, or will be, located as described on Exhibit "A" and shown on Exhibit "B."

2. Exhibits. The following documents are referred to in this Agreement, attached hereto and incorporated herein by this reference:

Exhibit Designation	Description
A	Legal Description of the Property
B	Map of Property
C	Title Report Showing Ownership Interests in the Property
D	Permits and Approvals Constituting Development Plan
E	Benefits to City
F	List of Fees and Assessments

3. Mutual Benefits. This Agreement is entered into for the purpose of carrying out the Development Plan for the Project in a manner that will insure certain anticipated benefits to both City, including, without limitation, residents of City, and Developer as set forth in this Section. City and Developer agree that, due to the size and duration of the Project, certain assurances on the part of each party as to the Project will be necessary to achieve those desired benefits.

3.1 Benefits to City. The benefits to City (including, without limitation, the residents of City) under

this Agreement include, but are not limited to those set forth in Exhibit "E."

3.2 Benefits to Developer. Developer has expended and will continue to expend substantial amounts of time and money on the planning and infrastructure construction of the Project. In addition, Developer will expend substantial amounts of time and money in constructing public improvements and facilities and in providing for public services in connection with the Project. Developer would not make such additional expenditures without this Agreement and such additional expenditures will be made in reliance upon this Agreement. The benefit to Developer under this Agreement consists of the assurance that Developer will preserve the right to develop the Property as planned and as set forth in the Development Plan.

4. Interest of Developer. Developer represents that Developer has a legal or equitable interest in the parcels comprising Property.

5. Binding Effect of Agreement. The terms and conditions of this Agreement shall be binding upon and inure to the benefit of the parties and their successors and assigns.

6. Project as a Private Undertaking. It is specifically understood and agreed by and between the parties hereto that the development of the Project is a private and not a public sector development, that neither party is acting as the agent of the other in any respect hereunder, and that each party is an independent contracting entity with respect to the terms, covenants and conditions contained in this Agreement. No partnership, joint venture or other association of any kind is formed by this Agreement. The only relationship between City and Developer is that of a government entity regulating the development of private property by the owner of such Property.

7. Term. The term of this Agreement shall commence upon the Effective Date and shall continue until all permits and approvals required to complete the development of the Project as contemplated by the Development Plan have been issued, provided that in no event shall such term exceed twenty-five (25) years following the Effective Date of this Agreement as to those lots or parcels of the Property under this Agreement, if any, for which a grading or building permit has either not been issued or has otherwise expired. Notwithstanding the foregoing, as to any lot or parcel on the Property not subject to the preceding sentence, the term of this Agreement and the Development Plan regulations and specifications thereunder shall be extended for a period of fifty (50) years commencing on the date that this Development Agreement would have otherwise expired.

8. Changes in Project. Developer shall not be entitled to any change, modification, revision or alteration in the Development Plan relating to the permitted uses of the Property, the density or intensity of use, the maximum height and size of proposed buildings or the provision for reservation or dedication of land for public purposes other than those allowable changes, modifications and alterations permitted under the Development Plan and in particular the Specific Plan, without review and approval by those agencies of City approving the Development Plan in the first instance. Subject to the foregoing provisions of this Section 8, City acknowledges that Developer may seek new entitlements to use and amendments to entitlements to use in connection with the development of the Project. The approval of any changes in the Project as set forth in this Section 8 shall be in the discretion of the City and shall be effectuated as set forth in Section 11.4 below.

9. Hold Harmless.

9.1 By Developer. Developer shall hold City, its officers, agents, employees, partners and representatives harmless from liability for damage or claims for damage for personal injury, including death and claims for property damage, which may arise from the activities of Developer or those of Developer's contractors, subcontractors, agents, employees or other persons acting on Developer's behalf which relate to the Project. Developer shall defend City and its officers, agents, employees, partners and representatives from actions for damages caused or alleged to have been caused by reason of Developer's activities in connection with the Project.

9.2 By City. City shall hold Developer, its officers, agents, employees, partners and representatives harmless from liability for damage or claims for damage for personal injury, including death and claims for property damage, which may arise from the activities of City or those of City's contractors, subcontractors, agents, employees or other persons acting on City's behalf which relate to the Project. City agrees to and shall defend Developer and its officers, agents, employees, partners and representatives from actions for damages caused or alleged to have been caused by reason of City's activities in connection with the Project.

10. Vested Right. By entering into this Agreement and relying thereon, Developer is obtaining a vested right to proceed with the Project in accordance with the Development Plan, but subject to any remaining discretionary approvals required in order to complete the Project as contemplated by the Development Plan (which discretion shall be exercised in accordance with the Development Plan). By entering into this Agreement and relying thereupon, City is securing certain public benefits which help to alleviate potential problems in City and enhance the public health, safety and welfare. City therefore agrees to the following:

10.1 No Conflicting Enactments. Neither the City Council of City nor any other agency of City shall enact an ordinance, policy, rule, regulation or other measure applicable to the Project which relates to the rate, timing or sequencing of the development or construction of all or any part of the Project or which is otherwise in conflict with this Agreement.

10.2 Intent of Parties. In addition to and not in limitation of the foregoing, it is the intent of Developer and City that no moratorium or other limitation (whether relating to the rate, timing or sequencing of the development or construction of all or any part of the Project and whether or not enacted by initiative or otherwise) except a moratorium imposed by City to implement State or Federal laws, statutes, regulations, policies or orders as provided in Section 12.3, affecting parcel or subdivision maps, building permits, site development permits, special use permits, conditional use permits, occupancy certificates or other entitlements to use or permits approved, issued or granted within City, or portions of City, shall apply to the Project to the extent such moratorium or other limitation is in conflict with this Agreement. Notwithstanding the foregoing, should an ordinance, general plan or zoning amendment, measure, moratorium, policy, rule, regulation or other limitation enacted by citizens of City through the initiative process be determined by a court of competent jurisdiction to invalidate or prevail over all or any part of this Agreement, Developer shall have no recourse against City pursuant to this Agreement, but shall retain all other rights, claims and causes of action at law or in equity which Developer may have independent of this Agreement. The foregoing shall not be deemed to limit the Developer's right to appeal any such determination of such ordinance, general plan or zoning amendment, measure, policy, rule, regulation, moratorium or other limitation which purports to invalidate or prevail over all or any part of this Agreement. City agrees to cooperate with owner in all reasonable manners in order to keep this Agreement in full force and effect.

11. General Development of the Project.

11.1 Project. While this Agreement is in effect, Developer shall have a vested right to develop the Project in accordance with the terms and conditions of this Agreement, and in accordance with, and to the extent of the Development Plan, but subject to any remaining discretionary approvals required in order to complete the Project as contemplated by the Development Plan (which discretion shall be exercised in accordance with the Development Plan) and City shall have the right to control the development of the Project in accordance with the terms and

conditions of this Agreement. Except as otherwise specified in this Agreement, the Development Plan shall control the overall design, development and construction of the Project and all on-site and off-site improvements and appurtenances in connection therewith, including, without limitation, all mitigation measures required in order to minimize or eliminate material adverse environmental impacts caused by the Project. The permitted uses of the Property, the density and intensity of use, the maximum height and size of proposed buildings, the provisions for reservation and dedication of land for public purposes and other terms and conditions of development applicable to the Property shall be those set forth in the Development Plan. As part of the tentative subdivision map review, the applicant shall submit architectural drawings showing building treatment, elevations, material samples, and landscaping as part of the review and approval process for the residential portions of the Project.

11.2 Phasing and Timing of Development. The parties acknowledge that although Developer currently anticipates that the Project will be phased and constructed in increments over an approximate twenty-five (25) year time frame in accordance with the Build-Out Phasing Plan, at the present time Developer cannot predict when or the order in which Project phases will be developed. Such decisions depend upon numerous factors which are not within the control of Developer, such as market orientation and demand, interest rates, competition and other similar factors. To the extent permitted by the Development Plan and this Agreement, Developer shall have the right to develop the Project in phases in such order and at such times as Developer deems appropriate within the exercise of its subjective business judgment, so long as the Project is constructed as an integrated master planned development as contemplated by the Development Plan and the City Manager determines that such phasing will not adversely impact the ability of the City to construct, enlarge, expand, modernize or otherwise modify infrastructure improvements if necessary to accommodate growth of the Beaumont community. City agrees that Developer shall be entitled to apply for and City shall process tentative maps, vesting tentative maps, parcel maps, final maps, site development permits, conditional use permits, building permits, occupancy certificates and other entitlements to use or permits as provided by the Specific Plan or other applicable City ordinances at any time, in as expeditious a manner as possible, provided that such application is made in accordance with the Development Plan.

11.3 Effect of Agreement on Land Use Regulations. The rules, regulations and official policies governing permitted uses of the Property, the density and intensity of use of the Property, the maximum height and size of proposed buildings and the design, improvement and construction standards and specifications applicable to development of the Property are those rules, regulations and official policies in force as of the Agreement Date, and those rules, regulations, and official policies which may hereinafter be adopted by the City to implement its Water Resources Management Plan which is currently being developed, or State or Federal laws, statutes, regulations, policies or orders as provided in Section 12.3. In connection with any approval which City is permitted or has the right to make under this Agreement relating to the Project, or otherwise under its rules, regulations and official policies, City shall exercise its discretion or take action in a manner which is as expeditious as possible and which complies and is consistent with the Development Plan and the standards, terms and conditions contained in this Agreement, and in a manner which will not interfere with the development of the Project for the uses and to the height, density and intensity specified in this Agreement or with the rate of development selected by Developer. City shall accept for processing and timely review and act on all applications for further land use entitlement approvals with respect to the Project called for or required under this Agreement in as expeditious a manner as is possible. Such application shall be processed in the normal manner for processing such matters.

11.4 Administrative Changes and Amendments. The parties acknowledge that refinements and further development of the Project may demonstrate that changes are appropriate with respect to the details and performance of the parties under this Agreement. The parties desire to retain a certain degree of flexibility with respect to the details of the Project development and with respect to those items covered in general terms under this Agreement. If and when the parties find that changes or adjustments are necessary or appropriate, they shall, unless otherwise required by law, effectuate such changes or adjustments through administrative amendments approved by the City Manager or designee, after execution, shall be attached hereto as an addenda and become a part hereof, and may be further changed and amended from time to time as necessary, with approval by City and Developer. Any such administrative changes or amendments shall not be deemed to be an amendment to this Agreement under Government Code Section 65868, and unless otherwise required by law, no such administrative amendments shall require prior notice or hearing. Notwithstanding the foregoing, the following matters shall not be considered administrative changes or amendments, but shall be considered substantive

amendments which shall be reviewed by the Planning Commission and approved by the City Council:

(a) Alteration of the permitted uses of the Property;

(b) Increase in the density or intensity of use or the number of lots;

(c) Increase in the maximum height and size in permitted buildings;

(d) Deletion of a requirement for the reservation or dedication of land for public purposes except for minor boundary adjustments approved by the Planning Director or designee; and

(e) Any amendment or change requiring a subsequent or supplemental environmental impact report pursuant to Public Resources Code Section 21166.

11.5 Mello-Roos Communities Facilities Districts; Other Assessment Districts or Financing Mechanisms. Pursuant to Chapter 2.5 (commencing with section 53312) Part 1, Division 2, Title 5 of the Government Code of the State of California, commonly known as the "Mello-Roos Community Facilities Act of 1982," Owner may, at its sole election, petition the City Council of City to establish a Community Facilities District ("CFD") including the Property for the purpose of acquiring, constructing and financing through the sale of bonds of certain public facilities which are necessary to meet the increased demands placed on the City as a result of the development of the Property. Alternatively, or in addition thereto, Owner may request that the City initiate and complete proceedings under the Municipal Improvement Act of 1911, the Municipal Improvement Act of 1913, the Improvement Bond Act of 1915, the Landscaping Allotting Act of 1972, or any and all other available public financing mechanisms to provide public conduit financing for the construction of public improvements on the Property ("Alternative Financing Mechanisms"). If so requested by Owner, City shall cooperate with Owner and use its best efforts in taking all steps necessary to cause the CFD or Alternative Financing Mechanisms to issue bonds for such purposes. If the Property is included within a CFD with other surrounding properties, the special taxes or special assessments burdening the various properties so included shall be apportioned on a fair share basis related to the benefit derived by each of such properties.

11.6 Water and Sewer Facilities. Responsibilities of the Parties with respect to water and sewer facilities pertaining to the transmission of water for or sewage generated

by the Project or by surrounding properties in which Developer will be required to participate shall be determined and allocated on a fair share basis between Developer and the surrounding property owners using such facilities.

11.7 Public Services and Facilities. As provided by the Specific Plan, the Project provides for an integrated roadway system, and public facilities in addition to water and sewer facilities as discussed in Section 11.6 above, including parks, schools, storm drain, police protection and fire protection. The construction and installation of such facilities and infrastructure improvements and the phasing thereof shall be subject to City review and approval at the time that tentative tract maps are submitted for applicable areas of the Project. To the extent that Developer, at City's request, constructs, installs or otherwise provides financing for public facilities or other infrastructure improvements not required to serve the Project and benefiting lands within the City outside the Project area of the Property, City shall adopt such ordinances as are necessary to create a benefit district by which a fee, assessment or charge will be imposed upon such other properties and reimbursed to Developer for the fair share of the benefits conferred upon such lands other than the Property by such public facilities or infrastructure improvements. In order to insure that the Project will function harmoniously with the City's transportation and circulation plan, City shall undertake the upgrade and completion of street networks to planned standards to accommodate increased demands generated by the Project on other areas of the City in accordance with and under the schedule provided by the City's Master Plan of Circulation.

11.8 Cancellation of Williamson Act Agricultural Preserve and Land Conservation Agreement. Immediately following the Effective Date, City shall, as expeditiously as possible, commence hearings pursuant to the Williamson Act, Government Code Section 51200, et seq. for the cancellation of the January 1, 1973 Land Conservation Contract and January 1, 1982 Land Conservation Contract entered into between the predecessor in interest to Developer and the County of Riverside pertaining to the Property. Developer shall be responsible for paying all fees and costs, including legal fees, incurred by City in processing the cancellation of the Land Conservation Contracts.

11.9 Other Governmental or Quasi-Governmental Permits. Developer shall apply for such other permits and approvals as may be required by other governmental or quasi-governmental agencies having jurisdiction over the Project (such as public utilities or utility districts, or other federal or

state agencies) as may be required for the development of, or provision of services to the Project under the Development Plan. City shall cooperate with and assist Developer in obtaining such permits and approvals, and, where necessary in making application for such approvals or permits.

11.10 Consistency Between This Agreement and Current Laws. City represents that there are no rules, regulations, ordinances or official policies of City enforced as of the date of execution of this Agreement that would interfere with the completion or use of the Project according to the Development Plan.

11.11 Assessments and Fees. City shall not, without the prior written consent of Developer, impose any assessment or fee applicable to the development of the Project or any portion thereof, or impose any fees as a condition to the implementation of the Project or any portion thereof, except those existing and proposed assessments and fees set forth on Exhibit "F" which include but are not limited to infrastructure fees for sewer, water, reclaimed water, fire mitigation, police mitigation, transportation-circulation, park mitigation, public facilities fees and signalization fees. Notwithstanding the foregoing, fees payable to City shall be at rates applicable on the date the fee is due and payable.

11.12 Subsequent Actions. City shall timely process, in as expeditious a manner as is possible for processing such matters, any necessary entitlements to use, including vesting tentative tract maps, tentative tract maps, parcel maps, final maps, site development permits, special use permits, conditional use permits, or other discretionary approvals or entitlements to use contemplated by the Development Plan, and any grading, construction or other permits filed by Developer in accordance with the substantive development standards set forth in the Development Plan.

12. Rules, Regulations and Official Policies.

12.1 New Rules. This agreement shall not prevent City from applying the following new rules, regulations and policies:

(a) Processing fees and charges imposed by City to cover the estimated actual costs to City of processing applications for development approvals, for monitoring compliance with any development approvals, or for monitoring compliance with environmental impact mitigation measures.

(b) Procedural regulations relating to hearing bodies, petitions, applications, notices, findings, records,

hearings, reports, recommendations, appeals and any other matter of procedure.

(c) Regulations governing construction standards and specifications including, without limitation, the City's Building Code, Plumbing Code, Mechanical Code, Electrical Code and Fire Code provided that such construction standards and specifications are applied on a City-wide basis.

(d) Regulations which are not in conflict with the Development Plan or this Agreement.

(e) Regulations which are in conflict with the Development Plan or this Agreement if such regulations have been consented to in writing by Developer.

12.2 Subsequent Actions and Approvals. In accordance with Government Code Section 65866, this Agreement shall not prevent City in subsequent actions applicable to the Property from applying new rules, regulations and policies which do not conflict with those existing rules, regulations and policies set forth in the Development Plan, nor shall this Agreement prevent City from denying or conditionally approving any subsequent development project application on the basis of such existing or new rules, regulations or policies.

12.3 State and Federal Laws. In the event that State or Federal laws or regulations enacted after this Agreement is executed prevent or preclude compliance with one or more of the provisions of this Agreement, such provisions of this Agreement shall be modified or suspended as may be necessary to comply with such State or Federal laws or regulations; provided, however, that this Agreement shall remain in full force and effect to the extent it is not inconsistent with such laws or regulations and to the extent such laws or regulations do not render such remaining provisions impractical to enforce.

13. Amendment or Cancellation of Agreement. This Agreement may be amended or cancelled in whole or in part only by mutual consent of the parties in the manner provided for in Government Code Section 65868.

14. Enforcement. Unless amended or cancelled as provided in Section 13 above, or modified or suspended pursuant to Government Code Section 65869.5, this Agreement is enforceable by either party hereto notwithstanding any change in any applicable general or specific plan, zoning, subdivision or building regulation or other applicable law or regulation adopted by City (or by the voters of City unless found by a court of competent

and final jurisdiction to prevail over this Agreement) which alters or amends the Development Plan or the rate, timing or sequencing of any development.

15. Periodic Review of Compliance With Agreement. City and Developer shall review this Agreement at least once every twelve (12) months from the date this Agreement is executed. During each periodic review, each party is required to demonstrate good faith compliance with the terms of this Agreement. Each party agrees to furnish such reasonable evidence of good faith compliance as the other party in the exercise of its reasonable discretion, may require. Such periodic review shall be conducted administratively by the City Manager and any appropriate department heads designated by the City Manager to perform such periodic review. The City Manager shall report the results of such periodic review to the City Council within thirty (30) days after the conclusion thereof. No public hearing shall be held by the City Manager, Planning Commission or City Council with regard to such periodic review; provided, however, that if the City Manager during such periodic review preliminarily finds that Developer is not in good faith compliance with this Agreement, Developer shall have the right to appeal such finding to the City Council. The City Council on appeal shall not hold a public hearing to review a finding that Developer is not in good faith compliance with this Agreement unless so requested by Developer in writing at the time of the submission of such appeal. City shall notify Developer in writing of the date for review at least thirty (30) days prior thereto.

16. Events of Default.

16.1 Default by Developer. If the City Council determines on the basis of substantial evidence upon appeal of the City Manager's decision pursuant to Section 15 hereof that Developer has not complied in good faith with the terms and conditions of this Agreement, it shall, by written notice to Developer, specify the manner in which Developer has failed to so comply and state the steps Developer must take to bring itself into compliance. If, within sixty (60) days after the effective date of notice from City specifying the manner in which Developer has failed to so comply, Developer does not commence all steps reasonably necessary to bring itself into compliance as required and thereafter diligently pursue such steps to completion, then Developer shall be deemed to be in default under the terms of this Agreement and City may terminate this Agreement.

16.2 Default by City. If Developer determines on the basis of substantial evidence that City has not complied in good faith with the terms and conditions of this Agreement, Developer shall, by written notice to City, specify the manner in which City has failed to so comply and state the steps City

must take to bring itself into compliance. If, within sixty (60) days after the effective date of notice from Developer specifying the manner in which City has failed to so comply, City does not commence all steps reasonably necessary to bring itself into compliance as required and thereafter diligently pursue such steps to completion, then City shall be deemed to be in default under the terms of this Agreement and Developer may terminate this Agreement or seek specific performance as set forth in Section 16.3.

16.3 Specific Performance Remedy. Due to the size, nature and scope of the Project, it will not be practical or possible to restore the Property to its natural condition once implementation of this Agreement has begun. After such implementation, Developer may be foreclosed from other choices it may have had to utilize the Property and provide for other benefits. Developer has invested significant time and resources and performed extensive planning and processing of the Project in agreeing to the terms of this Agreement and will be investing even more substantial time and resources in implementing the Project in reliance upon the terms of this Agreement, and it is not possible to determine the sum of money which would adequately compensate Developer for such efforts. For the above reasons, City and Developer agree that damages would not be an adequate remedy if City fails to carry out its obligations under this Agreement. Therefore, specific performance of this Agreement is the only remedy which would compensate Developer if City fails to carry out its obligations under this Agreement, and City hereby agrees that Developer shall be entitled to specific performance in the event of a default by City hereunder. Notwithstanding the foregoing, nothing in this Agreement is intended to deprive Developer from recovering appropriate damages in the event that the terms of this Agreement are breached. City and Developer acknowledge that if Developer fails to carry out its obligations under this Agreement, City shall have the right to refuse to issue any permits or other approvals to which Developer would not otherwise have been entitled pursuant to this Agreement. Therefore, City's remedy of terminating this Agreement shall be sufficient in most circumstances if Developer fails to carry out its obligations hereunder. Notwithstanding the foregoing, if City issues a permit or other approval pursuant to this Agreement in reliance upon a specified condition being satisfied by Developer in the future, and if Developer then fails to satisfy such condition, City shall be entitled to specific performance for the sole purpose of causing Developer to satisfy such condition. The City's right to specific performance shall be limited to those circumstances set forth above, and City shall have no right to seek specific performance to cause Developer to otherwise proceed with the development of the Project in any manner.

17. Institution of Legal Action. In addition to any other rights or remedies, either party may institute legal action to cure, correct or remedy any default, to enforce any covenants or agreements herein, to enjoin any threatened or attempted violation hereof, to recover damages for any default, or to obtain any other remedies consistent with the purpose of this Agreement. Any such legal action shall be brought in the Superior Court for Riverside, California.

18. Waivers and Delays.

18.1 Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by the other party, and failure by a party to exercise its rights upon a default by the other party hereto, shall not constitute a waiver of such party's right to demand strict compliance by such other party in the future.

18.2 Third Parties. Nonperformance shall not be excused because of a failure of a third person except as provided in Section 18.3 below.

18.3 Force Majeure. Neither party shall be deemed to be in default for failure or delay in performance of any of its obligations under this Agreement if caused by floods, earthquakes, other Acts of God, fires, wars, riots or similar hostilities, strikes, other labor difficulties, government regulations or other causes beyond either of the parties' control. If any such event shall occur, the term of this Agreement and the time for performance by Developer of any of its obligations hereunder or pursuant to the Development Plan shall be extended by the period of time that such events prevent construction of the Project.

19. Notices. All notices required or provided for under this Agreement shall be in writing and delivered in person and deposited in the United States mail, postage prepaid and addressed as follows:

TO CITY:
City of Beaumont
550 East 6th Street
P.O. Drawer 158
Beaumont, California 92223
Attn: City Manager

TO DEVELOPER:
c/o The Deutsch Corporation
2444 Wilshire Boulevard
Santa Monica, California 90403
Attn: Mr. Bill Holler

Either party may change the address stated herein by giving notice, in writing, to the other party and thereafter notices shall be addressed and submitted to the new address.

20. Attorneys' Fees. If legal action is brought by either party against the other for breach of this Agreement, or to compel performance under this Agreement, the prevailing party shall be entitled to an award of reasonable attorneys' fees and costs.

21. Transfers and Assignments.

21.1 Right to Assign. Developer shall have the right to sell, assign or transfer this Agreement, and any and all of its rights, duties and obligations hereunder, to any person or entity at any time during the term of this Agreement, provided, however, in no event shall the rights, duties and obligations conferred upon Developer pursuant to this Agreement be at any time so transferred or assigned except through a transfer of an interest of Developer in the Property, a portion thereof (including a village or individual tract), or parcel or lot so transferred. In the event of any such assignment, either the transferee or Developer shall be liable for the performance of all obligations of Developer. Such transferee or Developer shall notify City in writing of the transfer of such obligations.

21.2 Release Upon Transfer. Upon the sale, transfer or assignment of Developer's rights and interests under this Agreement as permitted pursuant to Section 21.1, Developer shall be released from its obligations under this Agreement and all of owner's obligations pursuant to the Development Plan, or other agreements assumed by transferee with respect to the Property, or portion thereof, so transferred provided that (a) Developer is not then in default under the Agreement, (b) Developer or transferee has provided the City notice of such transfer and (c) the transferee executes and delivers to City a written agreement in which (i) the name and address of the transferee is set forth and (ii) the transferee expressly and unconditionally assumes all of the obligations of Developer under this Agreement with respect to the Property, or a portion thereof, so transferred.

22. Cooperation in the Event of Legal Challenge. In the event of any legal action instituted by a third party or other governmental entity or official challenging the validity of any provision of this Agreement, the parties hereby agree to cooperate in defending such action. Each party shall pay its own expenses in connection with such defense. In the event of any litigation challenging the effectiveness of this Agreement, or any portion hereof, this Agreement shall remain in full force

and effect while such litigation, including any appellate review, is pending.

23. Eminent Domain. No provision of this Agreement shall be construed to limit or restrict the exercise by City of its power of eminent domain.

24. Authority to Execute. The person or persons executing this Agreement on behalf of Developer warrant and represent that they have the authority to execute this Agreement on behalf of their corporation, partnership or business entity and warrant and represent that they have the authority to bind Developer to the performance of its obligations hereunder.

25. Recordation. This Agreement and any amendment or cancellation hereto shall be recorded in the Official Records of the County of San Bernardino, by the City Clerk within the period required by Section 65868.5 of the Government Code.

26. Protection of Mortgage Holders. Nothing contained herein shall limit or interfere with the lien of mortgage holders having a mortgage made in good faith and for value on any portion of the Property. "Mortgage holder" includes the beneficiary under a deed of trust, and "mortgage" includes the deed of trust.

27. Severability of Terms. If any term, provision, covenant or condition of this Agreement shall be determined invalid, void or unenforceable, the remainder of this Agreement shall not be affected thereby to the extent such remaining provisions are not rendered impractical to enforce.

28. Subsequent Amendment to Authorizing Statute. This Agreement has been entered into in reliance upon the provisions of the Development Agreement Law in effect as of the Agreement Date. Accordingly, subject to Section 12.3 above, to the extent a subsequent amendment to the Development Agreement Law would affect the provisions of this Agreement, such amendment shall not be applicable to the Agreement unless necessary for this Agreement to be enforceable or unless this Agreement is modified pursuant to the provisions set forth in the Agreement and Government Code Section 65868 in effect on the Agreement Date.

29. Interpretation and Governing Law. This Agreement and any dispute arising hereunder shall be governed and interpreted in accordance with the laws of the State of California.

30. Section Headings. All section headings and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

31. Incorporation of Recitals and Exhibits. Recitals A through N and attached Exhibits "A" through "G" are hereby incorporated herein by this reference as though set forth in full.

32. Rules of Construction and Miscellaneous Terms.

32.1 Gender. The singular includes the plural; the masculine gender includes the feminine; "shall" is mandatory, "may" is permissive.

32.2 Time of Essence. Time is of the essence regarding each provision of this Agreement in which time is an element.

32.3 Cooperation. Each party covenants to take such reasonable actions and execute all documents that may be necessary to achieve the purposes and objectives of this Agreement.

The parties have executed this Development Agreement on the date and year first written above.

Dated: 4/25, 1991

CITY OF BEAUMONT, a municipal corporation of the State of California

By: Ann Connors
Mayor

"City"

SIGNED AND CERTIFIED THAT A COPY OF THIS DOCUMENT HAS BEEN DELIVERED TO THE MAYOR OF THE CITY COUNCIL

By: Robert J Bounds
City Clerk

CITY OF BEAUMONT SEAL INCORPORATED NOV 18 1912

APPROVED AS TO FORM:

By: [signature]
City Attorney

[SIGNATURES CONTINUE ON FOLLOWING PAGES]

ALEISIAN FARMS, a California
General Partnership

Dated: 4/9, 1991

By: _____
Carl Deutsch

General Partner

Dated: 4/9, 1991

By: _____, attorney in fact
David Deutsch

General Partner

By: Victoria Leslie Deutsch Trust
Created Pursuant to a
Declaration of Trust Dated
December 19, 1976

General Partner

Dated: 4/9, 1991

By: _____
Alex Deutsch
Trustee

By: Alexis Lee Deutsch Trust
Created Pursuant to a
Declaration of Trust Dated
December 19, 1976

General Partner

Dated: 4/9, 1991

By: _____
Alex Deutsch
Trustee

By: Gina Elizabeth Deutsch Trust
Created Pursuant to a
Declaration of Trust Dated
December 19, 1976

General Partner

Dated: 4/9, 1991

By: Alex Deutsch
Alex Deutsch
Trustee

By: Gina Elizabeth Deutsch 76 Trust
Created Pursuant to a
Declaration of Trust Dated
December 19, 1976

General Partner

Dated: April 9, 1991

By: Lester Deutsch
Lester Deutsch
Trustee

By: Estate of Walter Scholtz

General Partner

Dated: 4/4, 1991

By: Sylvia Scholtz
Sylvia Scholtz
Executrix

HIGHLAND FARMS, a California
General Partnership

BY: THE DEUTSCH COMPANY, a
California corporation,

General Partner

Dated: April 9, 1991

By: Alex Deutsch
Its: Chairman

Dated: 4/9, 1991

By: Alex Deutsch
Alex Deutsch
General Partner

BANNING FARMS, a California
General Partnership

BY: THE DEUTSCH COMPANY, a
California corporation,

General Partner

Dated: 4/9, 1991

By: Alex Deutsch

Its: Chairman

Dated: 4/9, 1991

By: Alex Deutsch
Alex Deutsch
General Partner

STATE OF CALIFORNIA)
) ss.
COUNTY OF LA)

On 4/9, 1991, before me, W E Holler, personally appeared, CARL DEUTSCH personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

OFFICIAL SEAL
W E HOLLER
Notary Public-California
LOS ANGELES COUNTY
My Comm. Exp. Mar. 23, 1993

W E Holler
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF LA)

On 4/9, 1991, before me, W E Holler, personally appeared DAVID DEUTSCH personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

OFFICIAL SEAL
W E HOLLER
Notary Public-California
LOS ANGELES COUNTY
My Comm. Exp. Mar. 23, 1993

W E Holler
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF LA)

On 4/9, 1991, before me, W E HOLLER, personally appeared ALEX DEUTSCH, TRUSTEE FOR VICTORIA LESLIE DEUTSCH TRUST, Created Pursuant to a Declaration of Trust Dated December 19, 1976, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

OFFICIAL SEAL
W E HOLLER
Notary Public-California
LOS ANGELES COUNTY
My Comm. Exp. Mar. 23, 1993

W E Holler
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF LA)

On 4/9, 1991, before me, W E HOLLER, personally appeared ALEX DEUTSCH, TRUSTEE FOR ALEXIS LEE DEUTSCH TRUST, Created Pursuant to a Declaration of Trust Dated December 19, 1976, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

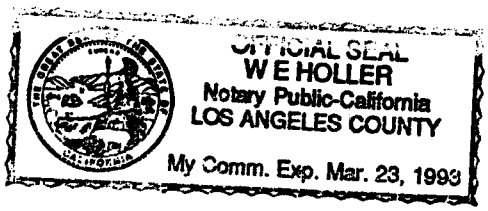
OFFICIAL SEAL
W E HOLLER
Notary Public-California
LOS ANGELES COUNTY
My Comm. Exp. Mar. 23, 1993

W E Holler
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF LA)

On 4/9, 1991, before me, W E Holler, personally appeared ALEX DEUTSCH, TRUSTEE FOR GINA ELIZABETH DEUTSCH TRUST, Created Pursuant to a Declaration of Trust Dated December 19, 1976, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

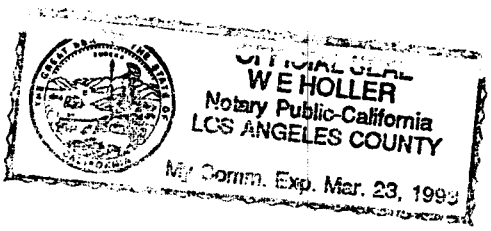


W E Holler
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF LA)

On 4/9, 1991, before me, W E Holler, personally appeared LESTER DEUTSCH, TRUSTEE FOR GINA ELIZABETH DEUTSCH TRUST, Created Pursuant to a Declaration of Trust Dated December 19, 1976, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



W E Holler
Notary Public in and for said State

Washington

STATE OF ~~CALIFORNIA~~)
) ss.
COUNTY OF Whatcom)

On April 4th, 1991, before me, Robin Montague, personally appeared SYLVIA SCHOLTZ, EXECUTRIX FOR ESTATE OF WALTER SCHOLTZ, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Robin Montague
Notary Public in and for said State
My commission expires 6-27-94

STATE OF CALIFORNIA)
) ss.
COUNTY OF LA)

On 4/9, 1991, before me, W E Holler, personally appeared ALEX DEUTSCH, A GENERAL PARTNER OF HIGHLAND FARMS, a California General Partnership, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

W E Holler
Notary Public in and for said State

OFFICIAL SEAL
W E HOLLER
Notary Public-California
LOS ANGELES COUNTY
My Comm. Exp. Mar. 23, 1993

STATE OF CALIFORNIA)
) ss.
COUNTY OF LA)

On 4/9, 1991, before me, W E Holler, personally appeared ALEX DEUTSCH, Chairman OF THE DEUTSCH COMPANY, a California Corporation, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

OFFICIAL SEAL
W E HOLLER
Notary Public-California
LOS ANGELES COUNTY
My Comm. Exp. Mar. 23, 1993

W E Holler
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF LA)

On 4/9, 1991, before me, W E Holler, personally appeared ALEX DEUTSCH, A GENERAL PARTNER OF BANNING FARMS, a California General Partnership, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

OFFICIAL SEAL
W E HOLLER
Notary Public-California
LOS ANGELES COUNTY
My Comm. Exp. Mar. 23, 1993

W E Holler
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF LA)

On 4/9, 1991, before me, WE HOLLER, personally appeared ALEX DEUTSCH, Chairman OF THE DEUTSCH COMPANY, a California Corporation, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

W E Holler
Notary Public in and for said State

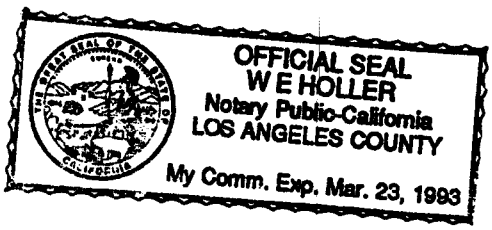


EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

Gateway Order No.: 410-4930127-492 Reference No.: BANNING

EXHIBIT A

PARCEL 1:

Section 35, Township 2 South, Range 1 West, San Bernardino Base and Meridian, in the County of Riverside, State of California.

EXCEPT the North one-half of the Northeast One Quarter thereof;

Section 2, Township 3 South, Range 1 West, San Bernardino Base and Meridian.

EXCEPT the Southeast One Quarter thereof.

Said land is also known as follows:

Lots 1 to 32, inclusive, and Lots 41 to 112, inclusive, of Orchard Heights Tract, in the County of Riverside, State of California, as shown by map on file in Book 10 Page 2 of Maps, Riverside County Records;

EXCEPT from Lots 1, 2 and 3 the Northerly 30 feet thereof granted to the County of Riverside, to be used as a public highway by deed recorded June 10, 1926 in Book 675 Page 467 of Deeds, Riverside County Records;

ALSO EXCEPT from Lot 4 an easement over the Northerly 10 feet thereof for public highway.

ALSO EXCEPT from said land all of those portions lying within the public roads and highways adjoining said land known as Brookside Avenue, Cherry Avenue, Orchard Heights Avenue, Seventeenth Street, Eighth Street and Highland Springs Avenue.

PARCEL 2:

The Southeast One Quarter of Section 2, Township 3 South, Range 1 West, San Bernardino Base and Meridian.

EXCEPT therefrom the following described land, as conveyed to Trangniew, Inc., by instrument recorded May 01, 1972 as Instrument No. 55762, and more particularly described as follows:

Commencing at the Southeast corner of said Section 2, said point being marked by a brass stamped "Section Corner Sections 1, 2, 11 and 12";

Thence South 89 degrees 32 minutes 20 seconds West along the realigned centerline of Eighth Street (80 feet wide) as shown on Deed Plat No. 746-888 on file in the office of the county surveyor of Riverside County, California, a distance of 101.29 feet;

Thence at right angles North 00 degrees 27 minutes 40 seconds West 40.00 feet to the true point of beginning.

EXHIBIT A

Thence continuing North 00 degrees 27 minutes 40 seconds West 4.00 feet to a point on a curve;

Thence curving to the left from an initial tangent that bears North 89 degrees 32 minutes 20 seconds East with a radius of 20.00 feet through a central angle of 89 degrees 21 minutes 34 seconds, an arc distance of 31.19 feet to a point on a line parallel with and 82.00 feet Westerly, measured at right angles from the Easterly line of said Section 2;

Thence at right angles North 89 degrees 49 minutes 18 seconds West 928.44 feet;

Thence at right angles South 00 degrees 10 minutes 42 seconds West parallel with the East line of said Section 2, 991.14 feet to a point on the North right of way line of Eighth Street, as shown by map of subdivision of Section 11, as per plat recorded in Book 9 of Maps, Page 10, Records of San Bernardino County;

Thence South 89 degrees 44 minutes 30 seconds East along the North right of way line of said Eighth Street, 136.96 feet to a tangent curve, as established by said realignment of Eighth Street;

Thence curving to the left with a radius of 960.00 feet through a central angle of 14 degrees 24 minutes 50 seconds an arc distance of 241.51 feet;

Thence North 75 degrees 50 minutes 40 seconds East 177.79 feet to a tangent curve;

Thence curving to the right with a radius of 1040.00 feet through a central angle of 13 degrees 41 minutes 40 seconds, a arc distance of 248.57 feet;

Thence North 89 degrees 32 minutes 20 seconds East 114.62 feet to the point of beginning.

ALSO EXCEPT from said land all of those portions lying within the public roads and highways adjoining said land known as Eighth Street and Highland Springs Avenue.

PARCEL 3:

Those portions lying within Section 11, Township 3 South, Range 1 West, San Bernardino Base and Meridian, more particularly described as follows:

Lots 1, 2, 3, 4, 5, 6 and 7 in Block 1 of subdivision of Section 11, Township 3 South, Range 1 West, San Bernardino Base and Meridian, as shown by map on file in Book 9 Page 10 of Maps, Riverside County Records.

EXHIBIT A

EXCEPT therefrom the following described land as conveyed to Trangniew, Inc., by instrument recorded May 01, 1972 as Instrument No. 55762, and more particularly described as follows:

Commencing at the Southeast corner of said Section 2, said point being marked by a brass disk stamped "Section Corner Sections 1, 2, 11 and 12";

Thence South 89 degrees 32 minutes 20 seconds West along the realigned centerline of Eighth Street (80 feet wide) as shown by Deed Plat No. 746-888 on file in the Office of the County Surveyor of Riverside County, California, a distance of 101.29 feet;

Thence at right angles North 00 degrees 27 minutes 40 seconds West 40.00 feet to the true point of beginning;

Thence continuing North 00 degrees 27 minutes 40 seconds West 4.00 feet to a point on a curve;

Thence curving to the left from an initial tangent that bears North 89 degrees 32 minutes 20 seconds East with a radius of 20.00 feet through a central angle of 89 degrees 21 minutes 38 seconds, an arc distance of 31.19 feet to a point on a line parallel with and 82.00 feet Westerly, measured at right angles from the Easterly line of said Section 2;

Thence North 0 degrees 10 minutes 42 seconds East along said parallel line, 859.84 feet;

Thence at right angles North 89 degrees 49 minutes 18 seconds West 928.44 feet;

Thence at right angles South 00 degrees 10 minutes 42 seconds West parallel with the East line of said Section 2; 991.14 feet to a point on the North right of way line of Eighth Street, as shown by map of subdivision of Section 11, as per plat recorded in Book 9 of Maps, Page 10, Records of Riverside County;

Thence South 89 degrees 44 minutes 30 seconds East along the North right of way line of said Eighth Street, 136.96 feet to a tangent curve, as established by said realignment of Eighth Street;

Thence curving to the left with a radius of 960.00 feet through a central angle of 14 degrees 24 minutes 50 seconds an arc distance of 241.51 feet;

Thence North 75 degrees 50 minutes 40 seconds East 177.79 feet to a tangent curve;

Thence curving to the right with a radius of 1040.00 feet through a central angle of 13 degrees 41 minutes 40 seconds, an arc

EXHIBIT A

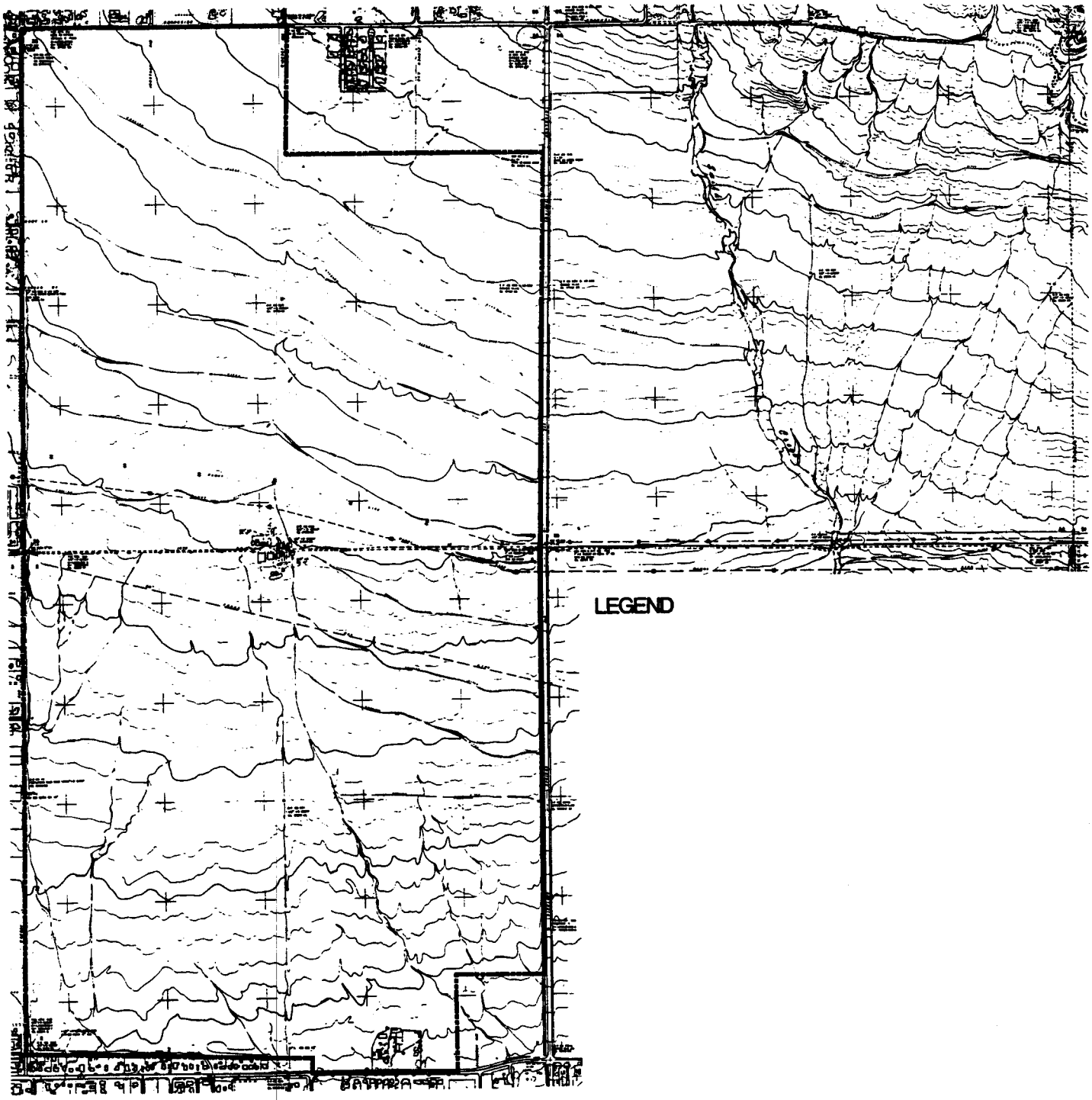
distance of 248.57 feet;

Thence North 89 degrees 32 minutes 20 seconds East 114.62 feet to the point of beginning.

Also except from said land all of those portions lying within the public roads and highways adjoining said land known as Eighth Street and Highland Springs Avenue.

EXHIBIT "B"

MAP OF PROPERTY



DEUTSCH PROPERTY
SPECIFIC PLAN
BEAUMONT, CALIFORNIA

TIERRA

EXHIBIT "C"

TITLE REPORT SHOWING OWNERSHIP INTERESTS IN THE PROPERTY

Preliminary Report

Order No. 4104930127-492 GATEWAY TITLE COMPANY

Title officer: Dwight Helmer

Policy(ies) contemplated:
Preliminary Title Report

THE DEUTSCH COMPANY
STE. 600
2444 WILSHIRE BLVD.
SANTA MONICA, CA 90403

Our No.: 4104930127-492

Your Ref: BANNING

ATTN: BILL HOLLER

Date : March 11, 1991 at 7:30 A.M.

SCHEDULE A

The estate or interest in the land described or referred to in this schedule covered by this report is:

a fee
Title to the said estate or interest at the date hereof is vested in:

Aleisian Farms, a Partnership composed of Walter Scholtz, Mark Scholtz, Alex Deutsch, Lester Deutsch, Carl Deutsch, Ray Tissue, Ben Weingart, Robert Cumins, Philip E. Holzman, Edward Jones, and Philip E. Holzman as trustee for David Deutsch;

Highland Farms, a California General Partnership, as their interest appear of record, as to all of those portions described in Exhibit "A" herein excepting therefrom the South one half of the Northeast one Quarter of said Section 35; subject to the spousal interest of Betty U. Deutsch, as to the North one half of the Southeast one quarter of said Section 35;

Banning Farms, a California General Partnership, as to the South one half of the Northeast one Quarter of said Section 35.

The land referred to in this report is situated in the State of California, County of Riverside, and is described as follows:

DESCRIPTION CONTAINED IN "EXHIBIT A"
attached hereto and made a part hereof.

Gateway Order No.: 4104930127-492 Reference No.: BANNING

EXHIBIT A

PARCEL 1:

Section 35, Township 2 South, Range 1 West, San Bernardino Base and Meridian, in the County of Riverside, State of California.

EXCEPT the North one-half of the Northeast One Quarter thereof;

Section 2, Township 3 South, Range 1 West, San Bernardino Base and Meridian.

EXCEPT the Southeast One Quarter thereof.

Said land is also known as follows:

Lots 1 to 32, inclusive, and Lots 41 to 112, inclusive, of Orchard Heights Tract, in the County of Riverside, State of California, as shown by map on file in Book 10 Page 2 of Maps, Riverside County Records;

EXCEPT from Lots 1, 2 and 3 the Northerly 30 feet thereof granted to the County of Riverside, to be used as a public highway by deed recorded June 10, 1926 in Book 675 Page 467 of Deeds, Riverside County Records;

ALSO EXCEPT from Lot 4 an easement over the Northerly 10 feet thereof for public highway.

ALSO EXCEPT from said land all of those portions lying within the public roads and highways adjoining said land known as Brookside Avenue, Cherry Avenue, Orchard Heights Avenue, Seventeenth Street, Eighth Street and Highland Springs Avenue.

PARCEL 2:

The Southeast One Quarter of Section 2, Township 3 South, Range 1 West, San Bernardino Base and Meridian.

EXCEPT therefrom the following described land, as conveyed to Trangniew, Inc., by instrument recorded May 01, 1972 as Instrument No. 55762, and more particularly described as follows:

Commencing at the Southeast corner of said Section 2, said point being marked by a brass stamped "Section Corner Sections 1, 2, 11 and 12";

Thence South 89 degrees 32 minutes 20 seconds West along the realigned centerline of Eighth Street (80 feet wide) as shown on Deed Plat No. 746-888 on file in the office of the county surveyor of Riverside County, California, a distance of 101.29 feet;

Thence at right angles North 00 degrees 27 minutes 40 seconds West 40.00 feet to the true point of beginning.

EXHIBIT A

Thence continuing North 00 degrees 27 minutes 40 seconds West 4.00 feet to a point on a curve;

Thence curving to the left from an initial tangent that bears North 89 degrees 32 minutes 20 seconds East with a radius of 20.00 feet through a central angle of 89 degrees 21 minutes 34 seconds, an arc distance of 31.19 feet to a point on a line parallel with and 82.00 feet Westerly, measured at right angles from the Easterly line of said Section 2;

Thence at right angles North 89 degrees 49 minutes 18 seconds West 928.44 feet;

Thence at right angles South 00 degrees 10 minutes 42 seconds West parallel with the East line of said Section 2, 991.14 feet to a point on the North right of way line of Eighth Street, as shown by map of subdivision of Section 11, as per plat recorded in Book 9 of Maps, Page 10, Records of San Bernardino County;

Thence South 89 degrees 44 minutes 30 seconds East along the North right of way line of said Eighth Street, 136.96 feet to a tangent curve, as established by said realignment of Eighth Street;

Thence curving to the left with a radius of 960.00 feet through a central angle of 14 degrees 24 minutes 50 seconds an arc distance of 241.51 feet;

Thence North 75 degrees 50 minutes 40 seconds East 177.79 feet to a tangent curve;

Thence curving to the right with a radius of 1040.00 feet through a central angle of 13 degrees 41 minutes 40 seconds, a arc distance of 248.57 feet;

Thence North 89 degrees 32 minutes 20 seconds East 114.62 feet to the point of beginning.

ALSO EXCEPT from said land all of those portions lying within the public roads and highways adjoining said land known as Eighth Street and Highland Springs Avenue.

PARCEL 3:

Those portions lying within Section 11, Township 3 South, Range 1 West, San Bernardino Base and Meridian, more particularly described as follows:

Lots 1, 2, 3, 4, 5, 6 and 7 in Block 1 of subdivision of Section 11, Township 3 South, Range 1 West, San Bernardino Base and Meridian, as shown by map on file in Book 9 Page 10 of Maps, Riverside County Records.

EXHIBIT A

EXCEPT therefrom the following described land as conveyed to Trangniew, Inc., by instrument recorded May 01, 1972 as Instrument No. 55762, and more particularly described as follows:

Commencing at the Southeast corner of said Section 2, said point being marked by a brass disk stamped "Section Corner Sections 1, 2, 11 and 12";

Thence South 89 degrees 32 minutes 20 seconds West along the realigned centerline of Eighth Street (80 feet wide) as shown by Deed Plat No. 746-888 on file in the Office of the County Surveyor of Riverside County, California, a distance of 101.29 feet;

Thence at right angles North 00 degrees 27 minutes 40 seconds West 40.00 feet to the true point of beginning;

Thence continuing North 00 degrees 27 minutes 40 seconds West 4.00 feet to a point on a curve;

Thence curving to the left from an initial tangent that bears North 89 degrees 32 minutes 20 seconds East with a radius of 20.00 feet through a central angle of 89 degrees 21 minutes 38 seconds, an arc distance of 31.19 feet to a point on a line parallel with and 82.00 feet Westerly, measured at right angles from the Easterly line of said Section 2;

Thence North 0 degrees 10 minutes 42 seconds East along said parallel line, 859.84 feet;

Thence at right angles North 89 degrees 49 minutes 18 seconds West 928.44 feet;

Thence at right angles South 00 degrees 10 minutes 42 seconds West parallel with the East line of said Section 2; 991.14 feet to a point on the North right of way line of Eighth Street, as shown by map of subdivision of Section 11, as per plat recorded in Book 9 of Maps, Page 10, Records of Riverside County;

Thence South 89 degrees 44 minutes 30 seconds East along the North right of way line of said Eighth Street, 136.96 feet to a tangent curve, as established by said realignment of Eighth Street;

Thence curving to the left with a radius of 960.00 feet through a central angle of 14 degrees 24 minutes 50 seconds an arc distance of 241.51 feet;

Thence North 75 degrees 50 minutes 40 seconds East 177.79 feet to a tangent curve;

Thence curving to the right with a radius of 1040.00 feet through a central angle of 13 degrees 41 minutes 40 seconds, an arc

EXHIBIT A

distance of 248.57 feet;

Thence North 89 degrees 32 minutes 20 seconds East 114.62 feet to the point of beginning.

Also except from said land all of those portions lying within the public roads and highways adjoining said land known as Eighth Street and Highland Springs Avenue.

SCHEDULE B

Preliminary Report GATEWAY TITLE COMPANY

Order No. 4104930127-492

At the date hereof Exceptions to coverage in addition to the printed exceptions and exclusions contained in said policy form would be as follows:

1. Property taxes, including any assessments collected with taxes, to be levied for the fiscal year 1991-1992, which are a lien not yet payable.

2. Property taxes, including any personal property taxes, and any assessments collected with taxes, for the fiscal year 1990-1991:

First installment	Amount:	$1,705.85
	Penalty:	
	Current status:	Paid
Second installment	Amount:	$1,705.85
	Penalty:	
	Current status:	Paid

Homeowners exemption: --NONE--
Code area: 056-004
Assessors Parcel No.: 406-170-005-7

The above matter affects The West 1/2 of the South 1/2 of the Southeast 1/4 of Section 35

3. Property taxes, including any personal property taxes, and any assessments collected with taxes, for the fiscal year 1990-1991:

First installment	Amount:	$350.95
	Penalty:	
	Current status:	Paid
Second installment	Amount:	$350.95
	Penalty:	
	Current status:	Paid

Homeowners exemption: --NONE--
Code area: 056-004
Assessors Parcel No.: 406-170-007-9

The above matter affects The South 1/2 of the Northeast 1/2 of Section 35

SCHEDULE B

Preliminary Report GATEWAY TITLE COMPANY

Order No. 4104930127-492

4. Property taxes, including any personal property taxes, and any assessments collected with taxes, for the fiscal year 1990-1991:

First installment	Amount:	$342.92
	Penalty:	
	Current status:	Paid
Second installment	Amount:	$342.92
	Penalty:	
	Current status:	Paid

Homeowners exemption: --NONE--
Code area: 056-004
Assessors Parcel No.: 406-170-008-0

The above matter affects The North 1/2 of the Southeast 1/4 of Section 35

5. Property taxes, including any personal property taxes, and any assessments collected with taxes, for the fiscal year 1990-1991:

First installment	Amount:	$4,590.25
	Penalty:	
	Current status:	Paid
Second installment	Amount:	$4,590.25
	Penalty:	
	Current status:	Paid

Homeowners exemption: --NONE--
Code area: 056-004
Assessors Parcel No.: 419-020-017-8

The above matter affects The West 1/2 and the Northeast 1/4 of Section 2

6. Property taxes, including any personal property taxes, and any assessments collected with taxes, for the fiscal year 1990-1991:

First installment	Amount:	$1,533.81
	Penalty:	
	Current status:	Paid
Second installment	Amount:	$1,533.81
	Penalty:	
	Current status:	Paid

Homeowners exemption: --NONE--
Code area: 056-004
Assessors Parcel No.: 419-020-018-9

SCHEDULE B

Preliminary Report GATEWAY TITLE COMPANY

Order No. 4104930127-492

The above matter affects The above item affects: Parcels 2 and 3 herein described in Exhibit "A"

7. The lien of supplemental taxes, if any, assessed according to provisions of the statutes of 1983 of the State of California.

8. An easement in favor of the public for any public roads now existing on said property.

9. An easement, affecting lots 44, 48, 52, 56, 60, 64, 72, 80, 88 and 96 in Parcel 1 for road 20 feet wide off and along the East side of Section 35, Township 2 South, Range 1 West, and Section 2, Township 3 South, Range 1 West, San Bernardino Base and Meridian, granted to the County of Riverside by deed recorded March 21, 1900 in Book 147 Page 3 of Deeds, Riverside County Records.

10. A right of way, affecting a portion of Parcel 1 herein described, for pipe line over lots 1 to 64, inclusive, lots 69 to 72, inclusive, lots 77 to 82, inclusive, lots 85 to 90, inclusive, lots 93 to 96, inclusive, as reserved in the deed from the Riverside Abstract Company, recorded April 01, 1913 in Book 371 Page 177 of Deeds.

11. The right of the public to the use of streets as shown on the map of Orchard Heights Tract, as shown by map on file in Book 10 Page 2 of Maps, Riverside County Records.

Said rights affect a portion of Parcel 1 subject to the effect of a revocation of dedication recorded November 24, 1947 in Book 872 Page 561 of of Official Records purporting to revoke any and all dedications of the following streets: Lots H, G, F, E, D, C, B, A, J, K, L, M, N and more commonly known as 9th, 11th, 12th, 13th, 14th, 15th, 16th and that portion of 17th Street, which is delineated on the map of Orchard Heights Tract.

12. An easement for utilities, affecting Parcel 1, granted to Southern Sierras Power Company, as referred to in United States Patent recorded December 01, 1919 in Book 8 Page 40 of Patents, Riverside County Records, to which record reference is hereby made for further particulars.

13. An easement, affecting Parcel 2 for public highway and public utility purposes over the Easterly rectangular 40 feet of the herein described property, as granted to the County of Riverside by Deed recorded December 15, 1936 in Book 305 Page 464 of Official Records.

14. An easement affecting Parcel 1, for public highways and public utility purposes over the Easterly 20 feet of Lots 52, 56, 60, 64, 72, 80, 88 and 96 herein described, granted to the County of Riverside by Deed recorded March 24, 1937 in Book 317 Page 331 of Official Records.

15. An easement affecting a portion of Parcel 1, for public highway and flood control purposes over a portion of Lot 1 herein described, granted to the County of Riverside by deed recorded October 17, 1939 in Book 435 Page 376 of Official Records, described as follows:

Beginning at the Northwesterly corner of said Lot 1;

Thence South along the Westerly line of said Lot, 10 feet for the point of beginning;

Thence South along the Westerly line of said Lot, 10 feet for the point of beginning;

Thence South along the Westerly line of said Lot, 33 feet;

Thence in a Northeasterly direction to a point which is 40 feet Easterly of the point of beginning and 10 feet Southerly of the Northerly line of said Lot 1;

Thence Westerly, 40 feet to the point of beginning.

16. An easement, affecting a portion of Parcel 1, for storm drain, 30 feet wide, over Lots 110 and 111 herein described, granted to the County of Riverside by Deed recorded October 27, 1943 in Book 604 Page 154 of Official Records. The center line of said easement is described as follows:

Beginning at a point on the South line of Orchard Heights Tract, as shown by map on file in Book 10 Page 2 of Maps, Riverside County Records, from which point the Southwest corner of Section 2, Township 3 South, Range 1 West bears North 88 degrees 38 minutes West, 1731.42 feet;

Thence Westerly along a curve, concave to the South having a central angle of 22 degrees 20 minutes and a radius of 200 feet;

Thence along said curve 77.96 feet, the radial line at the beginning of said curve bears South 23 degrees 52 minutes West;

Thence North 88 degrees 38 minutes West, 682.0 feet along a line parallel to and 15 feet Northerly measured at right angles from the Southerly line of said Lots 110 and 111. The right of way lines of the Easterly end of this description are to be prolonged or shortened so that they will end on the Southerly line of said Lot 111. The title to said right of way is now vested of record in Riverside County Flood Control and Water Conservation District.

17. Permanent and exclusive easements and rights of way, affecting a portion of Parcel 1, in, under, over and across Lots 25 to 28, inclusive, Lots 29 to 32, inclusive, Lots 61 to 64, inclusive, and Lots 70 to 72, inclusive herein described, granted to the Southern California Edison Company, Ltd., by Deed recorded November 10, 1945 in Book 704 Page 453 of Official Records. Said easement is described as follows:

A strip of land 300 feet wide, the Southerly and Northerly boundary lines of which are parallel with and respectively 100 feet Southerly and 200 feet Northerly from a line described as follows:

Beginning at a point in the center line of Glen Eyrie Street, as now established, 80 feet wide, along the East line of said Lot 72, which point is South 0 degrees 07 minutes 12 seconds East, 249.35 feet, measured along said center line from the intersection of said center line with the Easterly prolongation of the center line of Lot "L" (14th Street) as shown on the map of Orchard Heights Tract;

Thence from said point of beginning North 89 degrees 58 minutes 32 seconds West, 283.92 feet;

Thence North 74 degrees 39 minutes 55 seconds West, 2578.60 feet;

Thence North 82 degrees 48 minutes 25 seconds West 2501.58 feet, more or less, to a point in the West line of Lot "P" as shown on said map, said West line being also the East line of the Southeast Quarter of Section 34, Township 2 South, Range 1 West, San Bernardino Base and Meridian, said last mentioned point being North 00 degrees 20 minutes 55 seconds East, 751.37 feet, measured along said East line from a inch iron pipe in concrete set for the Southeast corner of said Section 34, said last measured point being South 00 degrees 20 minutes 55 seconds West 1883.43 feet, more or less, for a concrete pipe set for the East Quarter corner of said Section 34.

18. A right of way, affecting a portion of Parcel 1, for pipe line, 16.50 feet wide, for transportation of gas, over, under and along a portion of Lots 29, 65 to 68, inclusive, 75 to 80, inclusive, 87, 88, Lot "P" (Cherry Avenue), Lot "R" (Orchard Heights Avenue), Lot "D" (14th Street), Lot "H" (13th Street), and Glen Eyrie Street, map of Orchard Heights Tract herein described, granted to Southern California Gas Company, a corporation and Southern Counties Gas Company of California by Deed filed for record under Torrens Title as Instrument No. 846 on September 5, 1950, last certificate no. 403. The center line of said right of way is described as follows:

Beginning at the Northwest corner of Section 2, Township 3 South, Range 1 West, San Bernardino Base and Meridian;

Thence North 0 degrees 20 minutes 55 seconds East, along the Westerly line of Section 35, Township 2 South, Range 1 West, San Bernardino Base and Meridian, 40 feet to the point of beginning;

Thence North 89 degrees 54 minutes 26 seconds East, 77.28 feet;

Thence South 47 degrees 13 minutes 49 seconds East, 152.06 feet;

Thence South 75 degrees 42 minutes 34 seconds East, 5232.05 feet to a point in the Easterly line of said Section 2. The side lines of said right of way shall be prolonged or shortened so as to terminate in said Westerly line of Section 35 and said Easterly line of Section 2.

19. An easement, affecting a portion of Parcel 1, for Flood Control and Water Conservation purposes, 30 feet wide, over Lots 109, 110 and 111 herein described, granted to the Riverside County Flood Control and Water Conservation District, by deed recorded August 18, 1954 in Book 1620 Page 573 of Official Records. The center line of said right of way is described as follows:

Beginning at a point on the South line of the said Orchard Tract, from which point the Southwest corner of Section 2, Township 3 South, Range 1 West, San Bernardino Base and Meridian, as shown by said map bears North 88 degrees 38 minutes West, 1731.42 feet;

Thence Westerly along a curve concave to the South, having a central angle of 22 degrees 20 minutes and a radius of 200 feet;

Thence along said curve, 77.96 feet; the radial line at the beginning of said curve bears South 23 degrees 42 minutes West;

Thence North 86 degrees 38 minutes West, 1523.13 feet;

Thence along the arc of a 150 foot radius curve, concave to the North, through an angle of 49 degrees 48 minutes feet, a distance of 130.38 feet to the Westerly line of Lot 109. The side lines of said strip of land are to be shortened or extended so as to end on the West line of Lot 109 and the South line of Lot 111.

20. A petition filed April 14, 1960 in the office of the county clerk of Riverside County, Case No. 71851, Superior Court, wherein it is sought to exclude Parcels 1, 2 and 5 herein described, from subdivision, under the provisions of the Subdivision Land Exclusion Law (Business and Professions Code, Sections 11700-11709), application thereof for said petition being made by Aleisian Farms, a Partnership.

An order of exclusion recorded June 09, 1960 as Instrument No. 51499 in Book 2710 at page 462 of Official Records; the exclusion map recorded June 09, 1960 as Instrument No. 51500 in Book 2711 at page 84 of Official Records.

SCHEDULE B

Preliminary Report GATEWAY TITLE COMPANY

Order No. 4104930127-492

21. A pending court action as disclosed by a recorded notice.

Plaintiff: California Electric Power Company, a corporation

Defendant: Aleisian Farms, A Partnership, et. al.
County: Riverside
Court: Superior Court
Case No.: 22698
Nature of Action: To acquire various rights of way and easements
Recorded: August 30, 1960 as Instrument No. 76497

22. Easement, and incidents thereto,

In Favor of: Riverside County Flood Control and Water Conservation District
ecorded, Official Records: December 6, 1972
Series/Instrument No.: 161550
Purpose: For the construction, operation and maintenance of drainage facilities
Affects: Portions of said land

Reference is hereby made to said instrument for further particulars

23. The terms, conditions and restrictions set forth in that certain Land Conservation Contract

Dated: January 1, 1973
Executed by: Aleisian Farms a General Partnership and the County of Riverside
Recorded: January 30, 1973 as Instrument No. 12634

24. The terms conditions and restrictions set forth in that certain Land Conservation Contract

Dated: January 1, 1973
Executed by: Aleisian Farms a General Partnership and The County of Riverside
Recorded: January 30, 1973 as Instrument No. 12635

Notice of non-renewal of said contract was recorded October 28, 1981 as Instrument No. 203479.

25. The terms, conditions and restrictions set forth in that certain Land Conservation Contract

Dated: January 1, 1973
Executed by: Tragniew Inc. a California corporation and The County of Riveside
Recorded: April 23, 1973 as Instrument No. 51451

Notice of Non-Renewal of said contract was recorded

October 28, 1981 as Instrument No. 203480

26. The terms conditions and restrictions set forth in that certain Land Conservation Contract

Dated: January 1, 1982
Executed by: Aleisian Farms and The County of Riverside
Recorded: March 01, 1982 as Instrument No. 34806

27. The fact that said land is included within a project area of the Redevelopment Agency shown below, and that proceedings for the redevelopment of said project have been instituted under the redevelopment law (such redevelopment to proceed only after the adoption of the redevelopment plan) as disclosed by a document.

Redevelopment Agency: Beaumont Project Area
Recorded: December 16, 1982 as Instrument No. 217749, Official Records.

The above matter affects a portion of the land described herein and other land.

28. We will require a STATEMENT OF INFORMATION from ALL PARTIES INCLUDING GENERAL PARTNERS OF ALL THE VARIOUS PARTNERSHIPS in order to complete this report, based on the effect of documents, proceedings, liens, decrees, or other matters which do not specifically describe said land, but which, if any do exist, may affect the title or impose liens or encumbrances thereon. (TO BE SUBMITTED A MINIMUM OF SEVEN DAYS PRIOR TO THE CLOSE OF SAID TRANSACTION).

SCHEDULE B

Preliminary Report GATEWAY TITLE COMPANY

Order No. 4104930127-492

29. If title is to be insured from the Partnerships then the General Partners, comprised of Trusts, Gateway will require a copy of the trust instrument creating such trust, and all amendments thereto, together with a written verification by all present trustees that the copy is a true and correct copy of the trust, as it may have been amended, that it is in full force and effect and that it has not been revoked or terminated.

30. The requirement that a statement of partnership be recorded for the vestee named below, as provided in Section 15010.5 California Corporations Code.

Vestee: Banning Farms

NOTE: The charge for a policy of title insurance, if issued through this title order, will be based on the basic (not short-term) title insurance rate.

SCHEDULE B

Preliminary Report GATEWAY TITLE COMPANY

Order No. 4104930127-492

NOTE: "Any funds to be disbursed by Gateway Title Company will be disbursed in compliance with Section 12413.1 of the California Insurance Code. A cashier's, teller's or certified check will have next day availability after deposit. All other local checks will have two (2) day availability after deposit. Non-local checks will have five (5) day availability after deposit. Funds received too late in the day for same day deposit will require one (1) additional day before they are available for disbursement.

THE DEPOSIT OF A CASHIER'S, TELLER'S OR CERTIFIED CHECK, OR ELECTRONIC TRANSFER OF FUNDS WILL EXPEDITE THE DISBURSEMENT OF FUNDS AND THE CLOSE OF THIS TRANSACTION."

WIRING INSTRUCTIONS FOR GATEWAY TITLE COMPANY:

Bank: WELLS FARGO BANK
2323 North Broadway
Santa Ana, California 92706

Credit: Gateway Title Company
Sub-Escrow Account
No. 4602-092827

ABA No.: 121000248

Very important: Please reference our TITLE ORDER NUMBER and or TITLE OFFICER'S NAME.

Please notify your title officer in advance of your intention to wire funds so we may alert our respective departments. Any additional information concerning wire transfers can be obtained from your title officer.

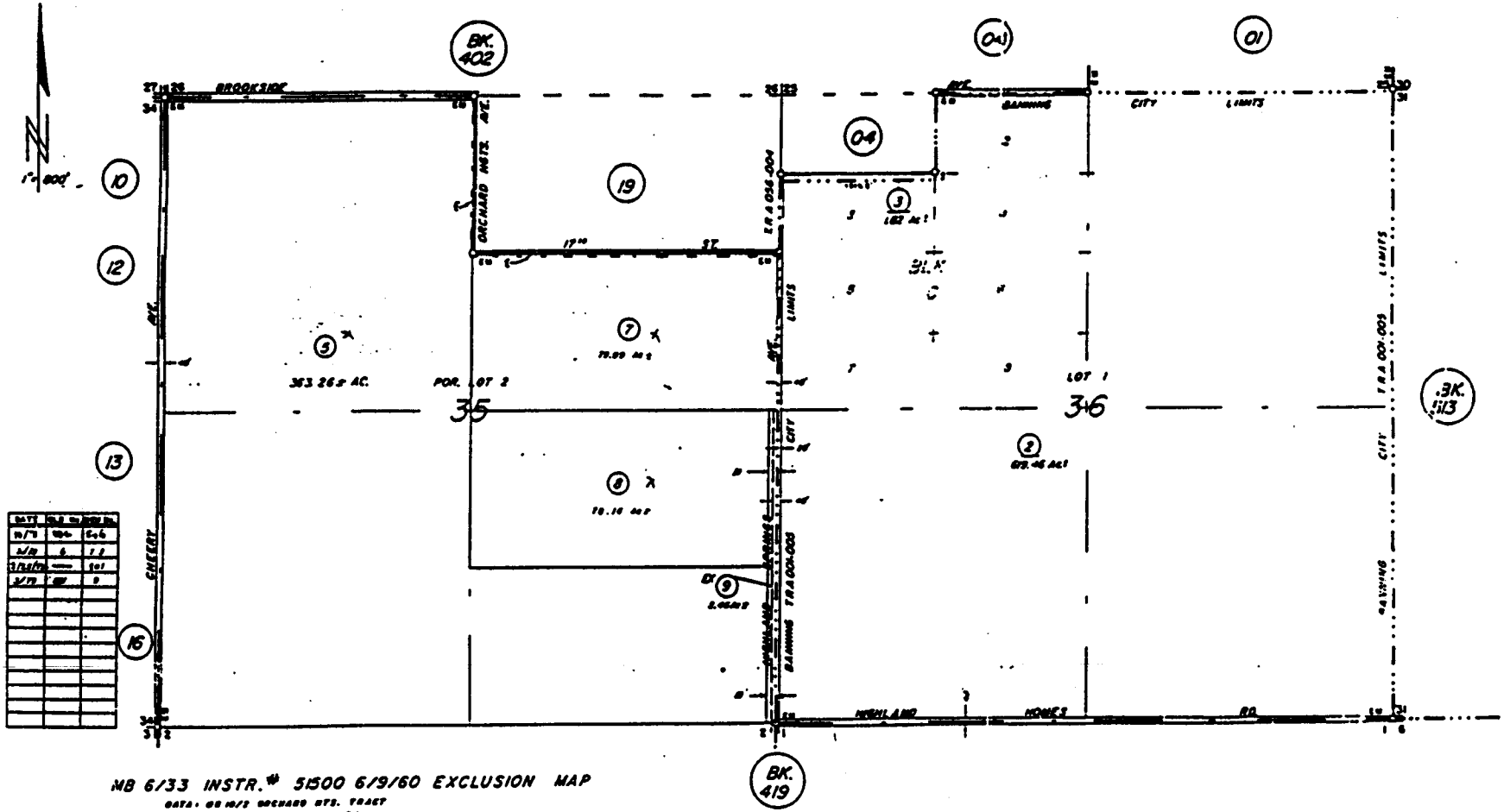
DH:dm:lmw
Plats enclosed

15-30

406-17

T.C.A. 056-004
001-005

POR. SEC. 35 & 36, T. 2 S., R. 1 W.



MB 6/33 INSTR.# 51500 6/9/60 EXCLUSION MAP

DATA: 88 M/L ORCHARD HTS. TRACT
88 M/L HIGHLAND ACRES

ASSESSOR'S MAP BK. 406 PG. 17
RIVERSIDE COUNTY, CALIF.

MAR. 1970

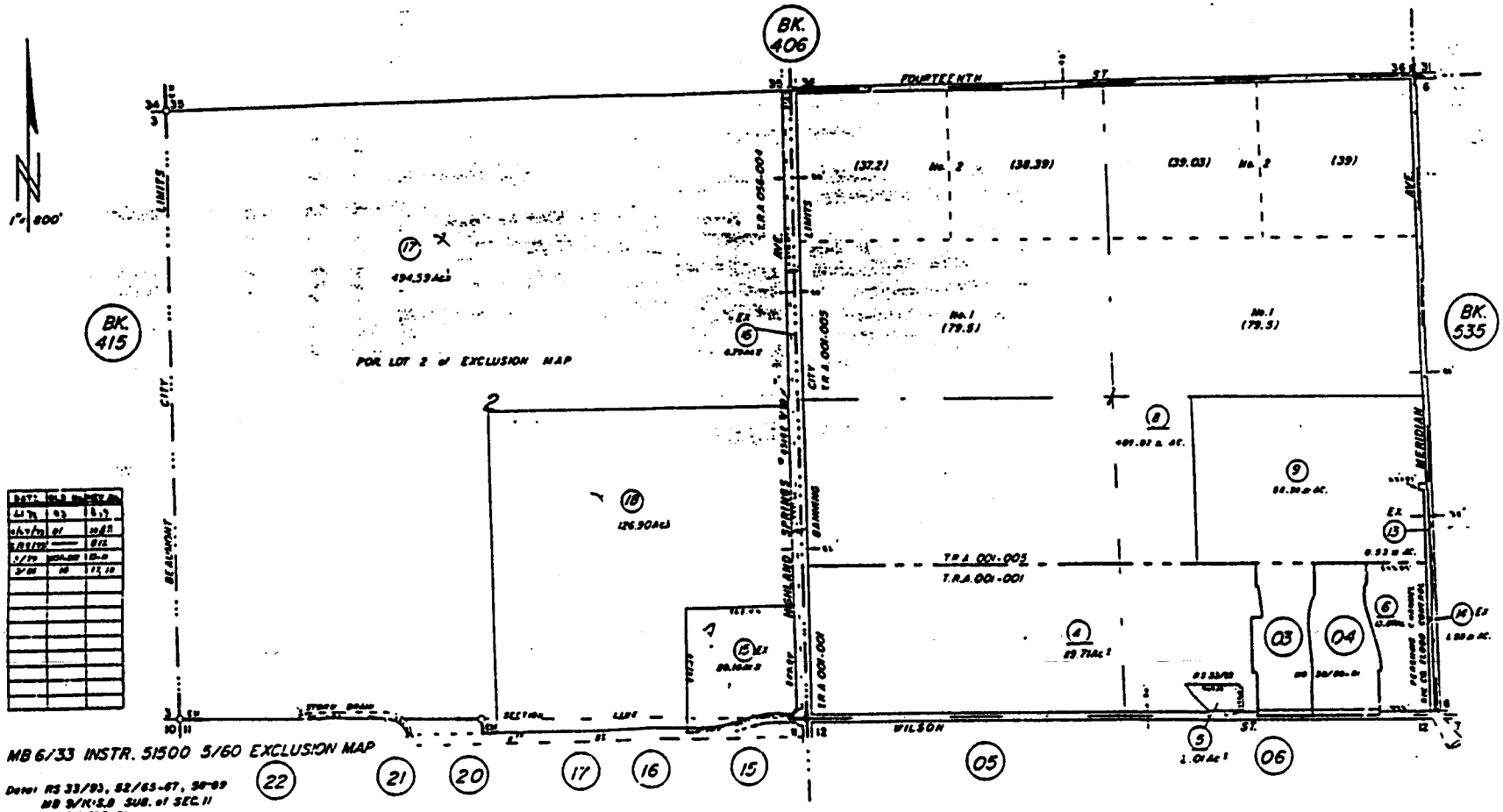
15-27
15-27-2

419-02

T.C.A. 056-004
001-001
001-005

SEC. 18 2, T. 3 S., R. 1 W.

THIS MAP IS FOR ASSESSMENT PURPOSES ONLY



MB 6/33 INSTR. 51500 5/60 EXCLUSION MAP

Detail RS 33/93, 82/63-67, 98-99
MB 9/K.S.D. SUB. of SEC. 11
MB 38/80-81
COUNTY SURVEY 32-C, 746 888
RS 74/29-32
G.L.O. PLAT 1880
COUNTY SURVEY 816-A

ASSESSOR'S MAP BK. 419 PG. 02
RIVERSIDE COUNTY, CALIF.

EXHIBIT "D"

PERMITS AND APPROVALS CONSTITUTING

DEVELOPMENT PLAN

1. Deutsch Planned Community Specific Plan approved by the City Council on January 14, 1991 by Resolution No. 1991-03.

EXHIBIT "E"

BENEFITS TO CITY

1. The proposed project is consistent and compatible with other existing and proposed uses in the vicinity of the project and community in general.

2. The proposed project will contribute to roadway improvements consistent with the City's updated Master Circulation Plan.

3. The proposed project will be developed on agricultural land which has been denied a permit to farm from the Office of the Agricultural Commissioner due to insufficient moisture content in the soil.

4. The project will be designed and landscaped so as to provide an aesthetically pleasing environment compatible with surrounding land uses.

5. The overall planning of the project is comprehensive and interrelated, not planned in a piecemeal fashion.

6. The proposed project will result in revenues to public agencies through increased property tax from development of the site.

7. The proposed project will result in revenues to public agencies through increased property tax from development of the site.

8. The proposed project will increase sales tax revenue for the City of Beaumont through retail sales.

9. The proposed project will provide public facilities to include parks and a library facility to the City of Beaumont.

10. The intensity of the project is appropriate for the location and is consistent with the City of Beaumont General Plan.

11. The proposed project provides for alternative transportation opportunities through the implementation of bicycle and pedestrian facilities.

12. The proposed project represents a reasonable mix of uses for the site all factors considered.

EXHIBIT "F"

LIST OF FEES AND ASSESSMENTS

APPLICATIONS	-	Agricultural Preserve
	-	Architectural Plan
	-	Development Agreement
	-	Landscape Concept Plans
	-	Sign Permits
	-	Tentative Parcel or Tract Map
	-	Plan Check Parcel or Tract Map
	-	Improvement Construction Plan Checking
	-	Inspection of Improvement Construction
	-	Final Survey Staking Guarantee
	-	Plan Checks per Building Code
	-	Building Permits per Building Code
	-	Amendments to any of the above or prior approved applications
INFRASTRUCTURE FEES	-	Sewer
	-	Water
	-	Reclaimed Water
	-	Drainage
MITIGATIONS	-	Transportation - Circulation
	-	Police
	-	Fire
	-	Park
	-	Signalization
	-	Public Facilities
FEES	-	Development Agreement Annual Review Fee
	-	CHARGED BY OTHER AGENCIES WHICH ARE REQUIRED TO BE COLLECTED BY THE CITY

C-03-09

DOC # 2003-323467
05/06/2003

Conformed Copy
Has not been compared with original

Gary L Orso
County of Riverside
Assessor, County Clerk & Recorder

RECORDING REQUESTED BY, AND
WHEN RECORDED, MAIL TO:

City Clerk
City of Beaumont
550 East Sixth Street
Beaumont, California 92223

(Space above this line for Recorder's use)

PRE-ANNEXATION AND

DEVELOPMENT AGREEMENT

NO. 02-DA-01

BETWEEN

THE CITY OF BEAUMONT

AND

OAK VALLEY PARTNERS, L.P.

AND

PARDEE HOMES

(Pursuant to California Government Code Sections 65864 - 65869.5 and City of Beaumont Resolution No. 1987-34)

_____, 2003

PRE-ANNEXATION AND

DEVELOPMENT AGREEMENT

This **PRE-ANNEXATION AND DEVELOPMENT AGREEMENT ("Agreement")** is entered into to be effective on 11/19, 2002 between **OAK VALLEY PARTNERS, L.P.,** a Texas limited partnership qualified to do business in California, **PARDEE HOMES** (the "Developer"), and the **CITY OF BEAUMONT,** a municipal corporation organized and existing under the laws of the State of California (the **"City").** The Developer and the City are sometimes collectively referred to herein as the "parties."

RECITALS:

This Agreement is predicated upon the following facts:

A. These Recitals use certain capitalized terms which are defined in this Agreement.

B. Government Code Sections 65864 - 65869.5 authorize the City to enter into binding development agreements with persons having a legal or equitable interest in real property for the development of such property, all for the purpose of strengthening the public planning process, encouraging private participation and comprehensive planning and reducing the economic costs of such development. The City has implemented the law contained in such sections by adopting Resolution No. 1987-34, titled "Establishing Procedures and Requirements for Consideration of Development Agreements" (such Resolution, together with the aforementioned Government Code Sections, are being referred to herein as the **"Development Agreement Law").**

C. This Agreement is adopted pursuant to the Development Agreement Law.

D. The Developer is the owner of approximately 1759 acres of land currently located in unincorporated Riverside County, California **("County"),** but which the parties intend to be annexed to the City, all as more particularly described on Exhibit "A" attached hereto and shown on Exhibit "B" attached hereto (the **"Property").**

E. The Developer intends to develop the Property in accordance with the Development Plan (as hereinafter defined) (the **"Project").** The Project is highly capital intensive, especially in its initial phases, which, in order to make the Project economically and fiscally feasible, requires major commitment to and investment in public facilities and on-site and off-site improvements prior to the construction and sale or leasing of residential and commercial buildings. This Agreement to facilitate the logical and orderly development of the Project in the City.

F. The City has determined the Development Plan is consistent with the City General Plan and has approved the Development Plan in order to promote the health, safety and welfare of its citizens and protect the quality of the community and environment. The Development Plan consists of Specific Plan No. 318 which was approved for the Property by the County of Riverside on August 14, 2001, for which the County prepared and certified

Environmental Impact Report No. 418 (the "EIR"). As part of that process of approving the Development Plan, the City has prepared and reviewed, pursuant to the California Environmental Quality Act ("CEQA"), an Addendum to the EIR, with respect to the potential significant impacts of the Project resulting from its annexation to the City. The City has determined based on that review that the EIR adequately addresses the potential significant impacts of the Project, and that accordingly neither a supplemental nor subsequent environmental impact report is required for the Development Plan and this Agreement.

G. All of the proceedings relating to the approval of the Agreement have been conducted in accordance with the Development Agreement Law.

H. On 11/19, 200_2 the City Council of the City adopted Ordinance No. 832 approving this Agreement with the Developer, as an inducement for the Developer to support annexation of the Property to the City.

I. The terms and conditions of this Agreement have undergone extensive review by the City and its City Council and have been found to be fair, just and reasonable, and the City has found and determined that the execution of this Agreement is in the best interest of the public health, safety and general welfare of the City and its residents and that adopting this Agreement constitutes a present exercise of its police power.

AGREEMENT

In light of the foregoing Recitals, which are an operative part of this Agreement, the parties agree as follows:

1 DEFINITIONS.

"Agreement" is this Pre-Annexation and Development Agreement.

"Agreement Date" is the date this Agreement is approved by the City Council.

"Alternative Financing Mechanism" has the meaning given that phrase in Section 10.8 below.

"CEQA" is the California Environmental Quality Act, Public Resources Code section 21000 *et seq.*

"CFD" is a Community Facilities District formed pursuant to the Mello-Roos Community Facilities Act of 1982, Government Code section 53312 *et seq.*

"City" is the City of Beaumont, California.

"City's Discretion" is discretion exercised by the City in accordance with the policies and principles set forth in the Development Plan, this Agreement and the procedures in effect as of the Effective Date such that the approvals given by the City to the Developer pursuant to the exercise of such discretion shall not be unreasonably withheld or delayed.

"Developer" is Oak Valley Partners, L.P., a Texas limited partnership, Pardee Homes and their successors in interest to all or any part of the Property.

"Development Agreement Law" is Government Code sections 65864 *et seq.*, and Resolution No. 1987-34, titled "Establishing Procedures and Requirements for Consideration of Development Agreements."

"Development Plan" is, collectively, the permits and approvals listed on Exhibit "C."

"Effective Date" is that date which is the later to occur of (a) the expiration of the time for filing a referendum petition relating to this Agreement if no such petition is filed within such period, and (b) the certification of the results of a referendum election are declared approving this Agreement if a referendum petition is filed within the applicable period, or (c) the date that the annexation of the Property to the City is completed.

"EIR" is Environmental Impact Report No. 418 ("EIR") for Specific Plan 318 certified by the County of Riverside on August 14, 2001, and the "Addendum" prepared for the Project and dated 9/30, 2002, copies of which are on file with the City.

"Project" is the proposed development of the Property included within the Development Plan and associated amenities, including, without limitation, on-site and off-site improvements contemplated by the Development Plan, as the same may be further defined, enhanced or modified pursuant to the provisions of this Agreement.

"Property" is the real property on which the Project is, or will be, located as described on Exhibit "A" attached hereto and shown on Exhibit "B" attached hereto.

2 **EXHIBITS**. The following documents are referred to in this Agreement, attached hereto and incorporated herein by this reference:

Exhibit Designation	Description
A	Legal Description of the Property
B	Map of the Property
C	List of Permits and Approvals
D	City Conditions of Approval
E	Statement of Benefits to the City

3 **MUTUAL BENEFITS**. This Agreement is entered into for the purpose of annexing the Property to the City, and implementing the Development Plan for the Project in a manner that will secure certain assurances to the Developer that the Property may be developed in accordance with the Development Plan and this Agreement, and certain benefits to the City as set forth on Exhibit E as set forth in this Section. The City and the Developer agree that, due to the size and duration of the Project, the Agreement is necessary to achieve those desired benefits.

4 **INTEREST OF THE DEVELOPER**. The Developer represents that the Developer owns fee title to the Property.

5 **BINDING EFFECT OF AGREEMENT**. The terms and conditions of this Agreement shall be binding upon and inure to the benefit of the parties and their successors and assigns as set forth herein.

6 **PROJECT AS A PRIVATE UNDERTAKING**. It is specifically understood and agreed that the development of the Project is a private and not a public sector development, that neither party is acting as the agent of the other in any respect hereunder, and that each party is an independent contracting entity with respect to the terms, covenants and conditions contained in this Agreement. No partnership, joint venture or other association of any kind is formed by this Agreement. The only relationship between the City and the Developer is that of a government entity regulating the development of private property by the owner of such Property.

7 **TERM**. The term of this Agreement shall be twenty-five (25) years following the Effective Date. Expiration of the term of this Agreement shall not in any manner affect rights which have otherwise vested under applicable law.

8 **HOLD HARMLESS** The Developer shall hold the City, its officers, agents, employees and representatives harmless from liability for damage or claims for damage for personal injury, including death and claims for property damage, arising on the Property from the wrongful or negligent activities of the Developer or those of the Developer's contractors, subcontractors, agents, employees or other persons acting on the Developer's behalf which relate to the Project. In the event any person not a party or a successor to a party to this Agreement institutes any type of action against the City with respect to this Agreement, City and Developer shall cooperate in defending against the action, provided that City may, in its sole discretion, elect to tender the defense of such action to the Developer. If the Developer accepts the tender, the Developer shall thereafter hold City harmless from and defend City from all costs and expenses incurred in the defense of such action, provided that City fully cooperates with the Developer in the defense of such action. If the Developer declines the tender, then City shall have no further obligation or duty to defend the action.

9 **VESTED RIGHT**. By entering into this Agreement the City grants to the Developer a vested right to develop the Property in accordance with the Development Plan. The City shall not enact and enforce against the Project an ordinance, policy, rule, regulation or other measure which significantly alters the rate, type, manner, density, timing or sequencing of the.Project In addition to and not in limitation of the foregoing, it is the intent of the Developer and the City that no moratorium, whether relating to the rate, type, manner, density, timing or sequencing of the Project and whether or not enacted by initiative or otherwise, except a moratorium imposed by the City to implement State or Federal laws, statutes, regulations, policies or orders as provided in Section 11.2, affecting parcel or subdivision maps, building permits, plot plans, special use permits, conditional use permits, occupancy certificates or other entitlements to use or permits approved, issued or granted within the City, or portions of the City, shall not apply to the Project to the extent such moratorium or other limitation is in conflict with the Development Plan. Notwithstanding the foregoing, should an ordinance, general plan or zoning amendment, measure, moratorium, policy, rule, regulation or other limitation enacted by the citizens of the City through the initiative process be determined by a court of competent jurisdiction to invalidate or prevail over all or any part of the Development Plan, the Developer shall have no recourse against the City pursuant to this Agreement. The foregoing shall not be deemed to limit the Developer's right to appeal any such determination of such ordinance, general plan or zoning amendment, measure, policy, rule, regulation, moratorium or other limitation which purports to invalidate or prevail over all or any part of this Agreement.

10 DEVELOPMENT OF THE PROJECT.

10.1 **Annexation**. The City and the Developer shall cooperate and use their best reasonable efforts to cause the Property to be annexed into the City, subject only to terms and conditions set forth in the Development Plan and Exhibit "D" hereto, and the mitigation measures set forth in the EIR.

10.2 **Phasing and Timing of Development**. When or the order in which Project phases will be developed, or whether it will be developed at all, depend upon numerous factors which are not within the control of the Developer or City, such as market orientation and demand, interest rates, availability of funding, competition and other similar factors. Accordingly, to the extent permitted by the Development Plan and this Agreement, the Developer shall have the right to develop the Project in phases in such order and at such times as the Developer, in its sole discretion, deems appropriate within the exercise of its subjective business judgment; provided, however, that the City reserves the right to review, condition and approve each phase through discretionary and ministerial approvals consistent with this Agreement.

10.3 **Effect of Agreement on Land Use Regulations**. The rules, regulations and policies governing permitted uses of property, the density and intensity of use of property, the maximum height and size of proposed buildings and the design, improvement, construction and development standards and specifications applicable to development of property are those rules, regulations and policies in force as of the date of the Agreement, and those rules, regulations and official policies which may hereinafter be adopted by the City in accordance with Section 11.1 hereof, or State or Federal laws, statutes, regulations, policies or orders as provided in Section 11..2.

10.4 Application Processing. In connection with any approval which the City is permitted or has the right to make under this Agreement relating to the Project, or otherwise under its rules, regulations and official policies, the City shall exercise the City's Discretion or take action in a manner which is as expeditious as reasonably possible.

10.5 **Administrative Changes and Amendments**. The parties acknowledge that further planning and development of the Project may demonstrate that refinements and changes are appropriate with respect to the details of the Project or interpretation of the Development Plan.. If and when the parties find that minor changes or adjustments are necessary or appropriateto the Project or the Development Plan, they shall, unless otherwise required by law, effectuate such changes or adjustments through administrative amendments approved by the Director of Planning, which, after execution, shall be attached hereto as addenda and become a part hereof, and may be further changed and amended from time to time as necessary, with approval by the Director of Planning as may be requested by the Developer. Minor changes or amendments shall be those which are consistent with the overall intent of the Development Plan and this Agreement and which do not materially alter the overall nature, scope, or design of the Project. Any such minor administrative changes or amendments shall not be deemed to be an amendment to this Agreement under Government Code Section 65868 and, unless otherwise required by law, no such administrative amendments shall require prior notice or hearing. As part of this Agreement, City understands and agrees that (i) any planning area designated for commercial use or park use, may instead be developed with residential dwelling units at an average density of up to 5.2 units per net acre, without further amendment of the Development Plan.

10.6 **Mello-Roos Communities Facilities Districts; Other Assessment Districts or Financing Mechanisms**. Pursuant to Chapter 2.5 (commencing with section 53312) Part 1, Division 2, Title 5 of the Government Code of the State of California, commonly known as the "Mello-Roos Community Facilities Act of 1982," the Developer may, at its sole election, petition the City Council of the City or a joint powers agency in which the City is a member to establish a Community Facilities District ("CFD"), in accordance with the City's policies in existence on the Effective Date. Alternatively, or in addition thereto, the Developer may request that the City initiate and complete proceedings under the Municipal Improvement Act of 1911, the Municipal Improvement Act of 1913, the Improvement Bond Act of 1915, the Landscaping and Lighting Act of 1972, or any and all other available public financing mechanism, to provide public conduit financing for the construction of public infrastructure improvements on the Property (**"Alternative Financing Mechanisms"**). If so requested by the Developer, the City shall cooperate with the Developer (or, for matters beyond its control, shall use its best efforts) in taking all steps necessary to cause the CFD or Alternative Financing Mechanisms to issue bonds for such purposes. If the Property is included within a CFD or Alternative Funding Mechanism with other surrounding properties, the special taxes or special assessments burdening the various properties so included shall be apportioned on a fair share basis related to the benefit derived by each of such properties in accordance with City policies at the time such property is included.

10.7 **Public Services and Facilities**. The Development Plan requires an integrated roadway system, and other public facilities including parks, schools, storm drains, and water and sewer facilities. City will reasonably assist Developer in obtaining public facilities and services for the Project on a timely basis in keeping with the pace of development of the Property. To the extent that the Developer constructs, installs or provides financing for public facilities or other public infrastructure improvements that benefit lands outside of the Property, the City shall use best reasonable efforts to adopt such ordinances, mitigation fees, liens or assessments as are necessary to to provide credits, reimbursements, or in-kind funding to the Developer for the fair share of the benefits conferred upon such lands other than the Property by such public facilities or infrastructure improvements.

10.8 **Other Governmental or Quasi-Governmental Permits**. The Developer shall apply for such other permits and approvals as may be required by other governmental or quasi-governmental agencies having jurisdiction over the Project (such as public utilities or utility districts, or other federal or state agencies) to the extent required for the development of, or provision of, services and facilities to the Project as set forth in the Development Plan. The City shall cooperate with and assist the Developer in obtaining such permits and approvals, and, where necessary in making application for such approvals or permits. The Developer shall be solely responsible for all costs and shall be responsible for the processing of all such permits.

10.9 **Consistency Between This Agreement and Current Laws**. The City represents that as of the date of the execution of this Agreement, there are no rules, regulations, ordinances or official policies of the City that would interfere with the development of the Project according to the Development Plan, provided the Property is annexed into the City.

10.10 **Assessments, Fees, Mitigation and Exactions**. The City shall not impose any future assessment, fee, mitigation measure or exaction on the Project or any portion thereof, except (a) those existing and proposed assessments, fees, mitigation measures and exactions included in Exhibit "C", (b) such other fees, assessments and exactions as may be adopted or imposed by the City in conformance with the requirements of Article XIII D of the California Constitution, (c) such other development impact fees or categories of development impact fees which are adopted on a City or County-wide basis or as required as a condition to obtaining County funding, such as the proposed County of Riverside Traffic Uniform Mitigation Fee; and (d) such other development impact fees or categories of development impact fees which are imposed on other development projects in the City and are adopted and levied based on a benefit assessment. Fees payable to City shall be at rates applicable on the date the fee is paid. City shall recognize and apply a dollar-for-dollar in-lieu credit against any and all fees, for and equal to the cost of improvements and/or dedications made in the development of the Project by the Developer, or funded by any CFD or Alternative Financing Mechanism including the Property, and for which the fees would otherwise be imposed. City further agrees to use any fees paid with respect to development of the Project to fund improvements which benefit the Project, to the fullest reasonable extent available and applicable under the law. Any payments made to the City as required in that certain settlement agreement between the Developer and the Cherry Valley Acres and Neighbors settling a lawsuit against Specific Plan 318 shall be treated by City as an advance and credit against any fees that may be imposed by the City for the same purposes as the payment.

10.11 **Reimbursement by the City**. Pursuant to Government Code Section 65865.2, the City hereby agrees that as future development fees, assessments and exactions are imposed on future projects which have benefited from the fees, assessments and exactions paid by the Developer, the City shall promptly reimburse the Developer to the extent that such fees, assessments and exactions paid by Developer benefited lands outside of the Property, but only to the extent that the City actually receives or collects such fees, assessments or exactions for a period of ten years from the date the fee was paid.

11 RULES, REGULATIONS, REQUIREMENTS AND OFFICIAL POLICIES.

11.1 **New Rules**. This Agreement shall not prevent the City from applying the following new rules, regulations, requirements and policies, if applied on a City-wide or area of benefit basis:

11.1.1 Processing fees and charges imposed by the City which cover only the estimated actual costs to the City of processing applications for development approvals, for monitoring compliance with any development approvals or for monitoring compliance with environmental impact mitigation measures.

11.1.2 Procedural regulations relating to hearing bodies, petitions, applications, notices, findings, records, hearings, reports, recommendations, appeals and any other matter of procedure, provided that such changes in procedural regulations do not have the effect of materially interfering with the benefits conferred by this Agreement.

11.1.3 Regulations governing construction standards and specifications including, without limitation, the City's Building Code, Plumbing Code, Mechanical Code, Electrical Code and Fire Code.

11.1.4 Regulations which are necessary to protect public health and safety, provided that to the maximum extent possible such regulations shall be designed, construed and applied in a manner to preserve the benefits of this Agreement.

11.1.5 New or increased fees or categories of fees imposed as a condition of development, for the purpose of defraying all or a portion of the cost of public facilities (as defined in Government Code Sections 66000 *et seq.)* related to development projects.

11.1.6 Regulations which are in conflict with the Development Plan or this Agreement if such regulations have been consented to in writing by the Developer.

11.2 **State and Federal Laws**. In the event that State or Federal laws or regulations enacted after this Agreement is executed prevent or preclude compliance with one or more of the provisions of this Agreement, such provisions of this Agreement shall be modified or suspended as may be necessary to comply with such State or Federal laws or regulations; provided, however, that this Agreement shall remain in full force and effect to the extent it is not inconsistent with such laws or regulations and to the extent such laws or regulations do not render such remaining provisions impractical to enforce.

12 **AMENDMENT OR CANCELLATION OF AGREEMENT**. This Agreement may be amended or canceled in whole or in part only by mutual consent of the parties in the manner provided for in Government Code Section 65868.

13 **ENFORCEMENT**. Unless amended or canceled as provided in Section 12 above, or modified or suspended pursuant to Government Code Section 65869.5, this Agreement is enforceable by either party hereto notwithstanding any change in any applicable general or specific plan, zoning, or subdivision regulation or standard adopted by the City (or by the voters of the City unless found by a court of competent and final jurisdiction to prevail over this Agreement) which alters or amends the Development Plan or is inconsistent with this Agreement.

14 **PERIODIC REVIEW OF COMPLIANCE WITH AGREEMENT**. The City shall review this Agreement at least once every year from the date this Agreement is executed. During each periodic review, each party is required to demonstrate good faith compliance with the terms of this Agreement. Such periodic review shall be conducted administratively by the City Manager and any appropriate department heads designated by the City Manager to perform such periodic review. If the City Manager finds that the Developer is not in good faith compliance with this Agreement, the Developer shall have the right to appeal such finding to the City Council. The City Council on appeal shall not hold a public hearing to review a finding that the Developer is not in good faith compliance with this Agreement unless so requested by the Developer in writing at the time of the submission of such appeal. The City shall notify the Developer in writing of the date for review at least thirty (30) days prior thereto. The Developer shall pay or reimburse the City for the City's reasonable costs incurred in connection with such periodic reviews.

15 **EVENTS OF DEFAULT.**

15.1 **Default by the Developer**. If the City Council determines on the basis of substantial evidence upon appeal of the City Manager's decision pursuant to Section 14 hereof that the Developer has not complied in good faith with the terms and conditions of this Agreement, it shall, by written notice to the Developer, specify the manner in which the Developer has failed to so comply and state the steps the Developer must take to bring itself into compliance. If, within sixty (60) days after the effective date of notice from the City specifying the manner in which the Developer has failed to so comply, the Developer does not commence action reasonably necessary to bring itself into compliance as required and thereafter diligently pursue such steps to completion, then the Developer shall be deemed to be in default under the terms of this Agreement and the City may, if such failure persists after thirty (30) days' prior written notice, exercise its rights and remedies pursuant to Section 15.3.

15.2 **Default by the City**. If the Developer determines on the basis of substantial evidence that the City has not complied in good faith with the terms and conditions of this Agreement, the Developer shall, by written notice to the City, specify the manner in which the City has failed to so comply and state the steps the City must take to bring itself into compliance. If, within sixty (60) days after the effective date of notice from the Developer specifying the manner in which the City has failed to so comply, the City does not commence steps reasonably necessary to bring itself into compliance as required and thereafter diligently pursue such steps to completion, then the City shall be deemed to be in default under the terms of this Agreement and if such failure persists after thirty days prior written notice, the Developer may terminate this Agreement or seek specific performance as set forth in Section 15.3.

15.3 **Specific Performance Remedy**. Due to the size, nature and scope of the Project, it will not be practical or possible to restore the Property to its natural condition following development of all or any portion of the Property. After such development, the Developer may be foreclosed from other choices it may have had to utilize the Property. The Developer has invested significant time and resources and performed extensive planning and processing of the Project in agreeing to the terms of this Agreement and will be investing substantially more time and resources in implementing the Project in reliance upon the terms of this Agreement. It would be difficult or impossible to accurately determine the sum of money which would adequately compensate the Developer for such efforts. For the above reasons, the City and the Developer agree that damages alone would not be an adequate remedy if the City fails to carry out its obligations under this Agreement. Similarly, if the Developer breaches certain of its obligations hereunder, monetary damages may not constitute an adequate remedy for the City. Therefore, the parties agree that specific performance of this Agreement is an appropriate remedy if either party defaults and fails to perform its non-monetary obligations under this Agreement. Notwithstanding the foregoing, nothing in this Agreement is intended to prevent either party from seeking recovery of appropriate damages in the event that the terms of this Agreement are breached. The City and the Developer acknowledge that if the Developer is in default of its obligations under this Agreement, the City shall have the right to refuse to issue any permits or other approvals to which the Developer would not otherwise have been entitled but for this Agreement.

16 **INSTITUTION OF LEGAL ACTION**. In addition to any other rights or remedies, either party may institute legal action to cure, correct or remedy any default, to enforce any covenants or agreements herein, to enjoin any threatened or attempted violation hereof, to recover damages for any default or to obtain any other remedies consistent with the purpose of this Agreement. Any such legal action shall be brought in the Superior Court of the State of California for the County of Riverside. The parties hereto waive any right to trial by jury.

17 WAIVERS AND DELAYS.

17.1 **Waiver**. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by the other party, and failure by a party to exercise its rights upon a default by the other party hereto, shall not constitute a waiver of such party's right to demand strict compliance by such other party in the future.

17.2 **Third Parties**. Nonperformance shall not be excused because of a failure of a third person except as provided in Section 17.3 below.

17.3 **Force Majeure**. Neither party shall be deemed to be in default for failure or delay in performance of any of its obligations under this Agreement if caused by floods, earthquakes, other Acts of God, fires, wars, riots or similar hostilities, strikes, other labor difficulties, government regulations or other causes beyond either of the parties' control. If any such event shall occur, the term of this Agreement and the time for performance by the Developer of any of its obligations hereunder or pursuant to the Development Plan shall be extended by the period of time that such events prevent or delay development of the Project.

18 **NOTICES**. All notices required or provided for under this Agreement shall be in writing and delivered in person and deposited in the United States mail, postage prepaid and addressed as follows:

To the City:	The City of Beaumont 550 East Sixth Street Beaumont, California 92223 Attn: City Manager
With a copy to:	Mr. Joseph Aklufi Aklufi & Wysocki 3403 Tenth Street, Suite 610 Riverside, CA 92501
To the Developer:	Oak Valley Partners LP PO Box 645 10410 Roberts Road Calimesa California 92320 Attn: Project Director
With a copy to:	Latham and Watkins 650 Town Center Drive, 20th Floor Costa Mesa, California 92626 Attn: Robert K. Break, Esq.
To the Developer:	Pardee Homes 1181 California Ave., Suite 103 Corona, CA 92881 Attn: Director of Community Development
With a copy to:	Hewitt & O'Neil LLP 19900 MacArthur Blvd., Suite 1050 Irvine, California 92612 Attn: Dennis D. O'Neil, Esq.

Any party may change its address stated herein by giving notice, in writing, to the other parties.

19 **ATTORNEYS' FEES.** If legal action is brought by either party against the other for breach of this Agreement, or to compel performance under this Agreement, the prevailing party shall be entitled to an award of reasonable attorneys' fees and costs.

20 **TRANSFERS AND ASSIGNMENTS.**

20.1 **Right to Assign.** The Developer shall have the right to sell, assign or transfer this Agreement and any and all of its rights, duties and obligations hereunder, in whole or in part, to any person or entity at any time during the term of this Agreement; provided, however, in no event shall the rights, duties and obligations conferred upon the Developer pursuant to this Agreement be at any time so transferred or assigned except through a transfer of an interest of the Developer in the Property, a portion . The assignment shall not be effective without the City's prior approval, which shall not be unreasonably withheld, to ensure that the assignment will not prevent the orderly development of the Project consistent with the Agreement or Development Plan. In the event of any such assignment, the transferee shall thereafter be solely liable for the performance of all obligations of the Developer relating to the portion of the Property, or interest therein, so transferred. Such transferee or the Developer shall notify the City, in advance, and in writing of their intent to transfer such obligations.

20.2 **Release Upon Transfer.** Upon the sale, transfer or assignment of the Developer's rights and interests under this Agreement as permitted pursuant to Section 20.1, the Developer shall be released from its obligations under this Agreement and all of the Developer's obligations pursuant to the Development Plan, or other agreements assumed by transferee with respect to the Property, or portion thereof, so transferred, provided that (a) the Developer is not then in default under the Agreement, (b) the Developer or transferee has provided the City notice of such transfer and (c) the transferee executes and delivers to the City a written agreement in which (i) the name and address of the transferee is set forth and (ii) the transferee expressly and unconditionally assumes all of the obligations of the Developer under this Agreement with respect to the Property, or a portion thereof, so transferred.

21 **COOPERATION IN THE EVENT OF LEGAL CHALLENGE.** In the event of any legal action instituted by a third party or other governmental entity or official challenging the validity of this Agreement or any portion thereof, the parties hereby agree to cooperate in defending such action, subject to the provisions of Section 8. In the event of any litigation challenging the effectiveness of this Agreement, or any portion hereof, this Agreement shall remain in full force and effect while such litigation, including any appellate review, is pending.

22 **EMINENT DOMAIN.** No provision of this Agreement shall be construed to limit or restrict the exercise by the City of its power of eminent domain.

23 **AUTHORITY TO EXECUTE.** The person or persons executing this Agreement on behalf of the Developer warrant and represent that they have the authority to execute this Agreement on behalf of the Developer and warrant and represent that they have the authority to bind the Developer to the performance of its obligations hereunder.

24 **ESTOPPEL CERTIFICATES**. The City shall at any time upon not less than thirty (30) days' prior written notice from the Developer execute, acknowledge and deliver to the Developer a statement in writing (i) certifying that this Agreement is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Agreement, as so modified, is in full force and effect); (ii) certifying the amounts of the fees, assessments and exactions that have been received from the Developer and what amounts, if any, remain outstanding; and (iii) acknowledging that there are not, to the City's knowledge, any defaults if any are claimed. Any such statement may be conclusively relied upon by any prospective purchaser, lender or joint venture partner.

25 **RECORDATION**. This Agreement and any amendment or cancellation hereto shall be recorded in the Official Records of the County of Riverside, by the City Clerk within the period required by Section 65868.5 of the Government Code.

26 **PROTECTION OF MORTGAGE HOLDERS**. The parties hereto agree that this Agreement shall not prevent or limit the Developer, in any manner, at the Developer's sole discretion, from encumbering the Property or any portion thereof or any improvement thereon by any mortgage, deed of trust or other security device securing financing with respect to the Property. The City acknowledges that the lenders providing such financing may require certain interpretations, estoppel certificates and modifications to this Agreement and agrees upon request, from time to time, to meet with the Developer and representatives of such lenders to negotiate in good faith any such request for interpretations, estoppel certificates or modifications. The City will not unreasonably withhold its consent to any such requested interpretation, estoppel certificate or modification provided the same is consistent with the intent and purposes of this Agreement. The holder(s) of any mortgage, deed of trust or other security instrument encumbering the Property (each, a "**Mortgagee**") shall have the following rights and privileges:

26.1.1 Neither entering into this Agreement nor a breach of this Agreement shall defeat, render invalid, diminish or impair the lien of any mortgage on the Property made in good faith and for value, unless otherwise required by law.

26.1.2 Any Mortgagee which has submitted a request in writing to the City in the manner specified herein for giving notices, shall be entitled to receive written notification from City of any default by the Developer in the performance of the Developer's obligations under this Agreement.

26.1.3 If the City timely receives a request from a Mortgagee requesting a copy of any notice of default given to the Developer under the terms of this Agreement, the City shall provide a copy of that notice to the Mortgagee within ten (10) days of sending the notice of default to the Developer. Mortgagee's not party to this Agreement. If the cure period for a default by the Developer set forth in Section 15.1 above has expired and such default has not been cured, the Mortgagee shall be provided with an additional thirty (30) day period after the expiration of such cure period in which to commence all steps reasonably necessary to bring the Developer in compliance as required under this Agreement and thereafter diligently pursue such steps to completion. During such cure period, and if the default is ultimately cured, the City shall not terminate this Agreement.

26.1.4 Any Mortgagee who comes into possession of the Property, or any part thereof, pursuant to foreclosure of the mortgage or deed of trust, or deed in lieu of such foreclosure, shall take the Property, or part thereof, subject to the terms of this Agreement. Notwithstanding any other provision of this Agreement to the contrary, no Mortgagee shall have an obligation or duty under this Agreement to perform any of the Developer's obligations or other affirmative covenants of the Developer hereunder, or to guarantee such performance; provided, however, that to the extent that any covenant to be performed by the Developer is a condition precedent to the performance of a covenant by City, the performance thereof shall continue to be a condition precedent to City's performance hereunder, and further provided that any sale, transfer or assignment by any Mortgagee in possession shall be subject to the provisions of this Agreement.

27 **SEVERABILITY OF TERMS**. If any term, provision, covenant or condition of this Agreement shall be determined invalid, void or unenforceable, the remainder of this Agreement shall not be affected thereby to the extent such remaining provisions are not rendered impractical to enforce.

28 **SUBSEQUENT AMENDMENT TO AUTHORIZING STATUTE**. This Agreement has been entered into in reliance upon the provisions of the Development Agreement Law in effect as of the Agreement Date. Accordingly, subject to Section 11.2 above, to the extent a subsequent amendment to the Development Agreement Law would affect the provisions of this Agreement, such amendment shall not be applicable to the Agreement unless necessary for this Agreement to be enforceable or unless this Agreement is modified pursuant to the provisions set forth in the Agreement and Government Code Section 65868 in effect on the Agreement Date.

29 **INTERPRETATION AND GOVERNING LAW**. This Agreement and any dispute arising hereunder shall be governed and interpreted in accordance with the laws of the State of California. Unless otherwise provided, any ambiguity concerning the content or application of the Development Agreement, arising as a result of any apparent conflict between (a) the conditions, terms and requirements to be applied by City under the Development Agreement and (b) the conditions, terms and requirements previously imposed on the Project by the County of Riverside, shall be resolved by the City's Planning Director, subject to the appeal procedure set forth in the Development Code for appeals of staff determinations.

30 **SECTION HEADINGS**. All section headings and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

31 **INCORPORATION OF RECITALS AND EXHIBITS**. Recitals A through L and attached Exhibits "A" through "D" are hereby incorporated herein by this reference as though set forth in full.

32 **RULES OF CONSTRUCTION AND MISCELLANEOUS TERMS.**

32.1 **Gender**. The singular includes the plural; the masculine gender includes the feminine; "shall" is mandatory, "may" is permissive.

32.2 **Time of Essence**. Time is of the essence regarding each provision of this Agreement in which time is an element.

32.3 **Cooperation**. Each party covenants to take such reasonable actions and execute all documents that may be necessary to achieve the purposes and objectives of this Agreement.

The parties have executed this Development Agreement on the date and year first written above.

"City"

THE CITY OF BEAUMONT, a municipal corporation of the State of California

By: _____
Brian DeForge, Mayor

"Developer"

OAK VALLEY PARTNERS, L.P., a Texas limited partnership qualified to do business in California

By: Oak Valley-Hunt, Inc., a Texas corporation, Managing General Partner

By: _____
D. Craig Martin, President

PARDEE HOMES

By: _____
Michael Taylor
Director of Community Development

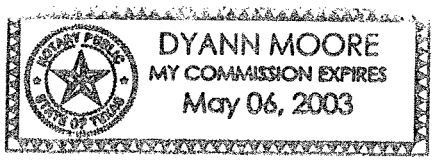
SIGNED AND CERTIFIED THAT A COPY OF THIS DOCUMENT HAS BEEN DELIVERED TO THE MAYOR OF THE CITY COUNCIL

By: _____
City Clerk

State of Texas }
County of Dallas }

On March 18, 2003, before me, Dyann Moore, Notary Public personally appeared D. Craig Martin personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



Signature of Notary Public

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document

Description of Attached Document
Title or Type of Document: Pre-Annexation and Development Agreement
Document Date March 18, 2003 Number of Pages: 43 Total

Capacity(ies) Claimed by Signer
Signer's Name: D. Craig Martin

☐ Corporate Officer – Title (s) : President

Signer is representing Oak Valley Partners, L.P.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California
County of Riverside } ss.

On May 5, 2003 (Date) before me, Shaina J. Harwood, Notary Public (Name and Title of Officer (e.g., "Jane Doe, Notary Public")),
personally appeared Brian DeForge (Name(s) of Signer(s)),

☒ personally known to me
☐ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(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.

Shaina J. Harwood
Signature of Notary Public

SHAINA J. HARWOOD
Commission # 1413105
Notary Public - California
Riverside County
My Comm. Expires Apr 22, 2007

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Pre-Annexation & Development Agreement

Document Date: May 5, 2003 Number of Pages: 1

Signer(s) Other Than Named Above: None

Capacity(ies) Claimed by Signer

Signer's Name: Brian DeForge

☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☒ Other: Mayor

Signer Is Representing: City of Beaumont

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

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CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of RIVERSIDE } ss.

On MARCH 14, 2003 (Date), before me, LORRAINE R. DOMMER, NOTARY PUBLIC (Name and Title of Officer (e.g., "Jane Doe, Notary Public")),

personally appeared MICHAEL TAYLOR (Name(s) of Signer(s)),

☒ personally known to me
☐ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(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.

ABA1 LORRAINE R. DOMMER Comm. #1260566 NOTARY PUBLIC - CALIFORNIA LOS ANGELES COUNTY My Comm. Expires April 14, 2004 ABA1

Place Notary Seal Above

Lorraine R. Dommer
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: PRE-ANNEXATION & DEVELOPMENT AGREEMENT

Document Date: MARCH 14, 2003 Number of Pages: 1

Signer(s) Other Than Named Above: NONE

Capacity(ies) Claimed by Signer

Signer's Name: MICHAEL TAYLOR

☐ Individual
XX Corporate Officer — Title(s): DIRECTOR OF COMMUNITY DEVELOPMENT
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: PARDEE HOMES

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

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EXHIBIT A
LEGAL DESCRIPTION OF THE PROPERTY

PARCELS A, B, C, D, E, F, G, H, K, L, Q and R OF LOT LINE ADJUSTMENT 4188 RECORDED FEBRUARY 2, 2000 AS INSTRUMENT NO. 2000-039255 AND AS PERFECTED AND SHOWN ON RECORD OF SURVEY FILED IN BOOK 109 OF RECORDS OF SURVEY AT PAGES 7 THROUGH 13, INCLUSIVE, ALL OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, STATE OF CALIFORNIA.

EXHIBIT B
PRE-ANNEXATION AND DEVELOPMENT AGREEMENT BETWEEN THE CITY OF BEAUMONT AND OAK VALLEY PARTNERS, L.P. AND PARDEE HOMES MAP OF THE PROPERTY

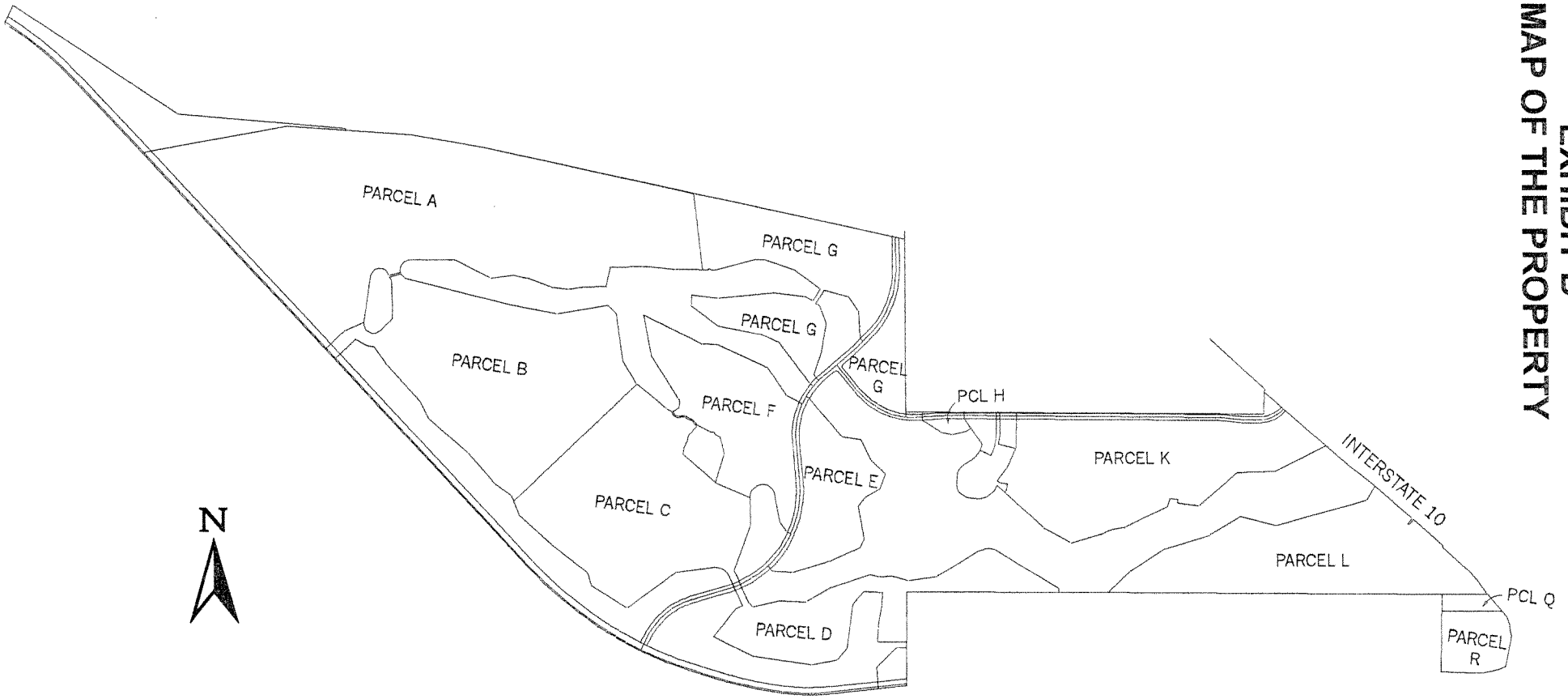


EXHIBIT B
MAP OF THE PROPERTY

EXHIBIT C
LIST OF PERMITS AND APPROVALS

Specific Plan 318 ad EIR 418

EXHIBIT D

CONDITIONS OF APPROVAL

CITY OF BEAUMONT

CONDITIONS OF APPROVAL

SPECIFIC PLAN 318

1. HOLD HARMLESS

The applicant or any successor-in-interest shall defend, indemnify, and hold harmless the City of Beaumont (City), its agents, officers, or employees from any claim, action, or proceeding against the City, its agents, officers, or employees to attack, set aside, void or annul an approval of the City, its advisory agencies, appeal boards, or legislative body concerning this SPECIFIC PLAN. The City will promptly notify the applicant of any such claim, action, or proceeding against the City and will cooperate fully in the defense. If the City fails to promptly notify the subdivider of any such claim, action, or proceeding or fails to cooperate fully in the defense, the subdivider shall not, thereafter, be responsible to defend, indemnify, or hold harmless the City.

2. DEFINITIONS

The words identified in the following list that appear in all capitals in the attached conditions of Specific Plan No. 318 shall be henceforth defined as follows:

SPECIFIC PLAN = Riverside County Specific Plan No. 318

CHANGE OF ZONE = City of Beaumont Change of Zone No. 02-RZ-03.

EIR = Riverside County Environmental Impact Report No. 418.

3. SPECIFIC PLAN DOCUMENT

Specific Plan No. 318 shall consist of the following:

a. Specific Plan Document, which must include, but to be limited to, the following items:

1. City Council Specific Plan Resolution.
2. Conditions of Approval.
3. Specific Plan Zoning Ordinance Text.
4. Land Use Plan in both 8 ½" x 11" black-and-white and 11"x 17" color formats
5. Specific Plan text.
6. Descriptions of each Planning Area in both graphical and narrative formats.

b. Environmental Impact Report No. 418 Document, which must include, but not be limited to, the following items:

1. Mitigation Reporting/Monitoring Program (M/M).
2. Agency Notice of Preparation (NOP).
3. Draft EIR.
4. Agency Notice of Completion (NOC).
5. Comments on the NOC.
6. Final EIR, including the responses to comments on the NOC.
7. Technical Appendices
8. Initial Study/Addendum for Oak Valley Specific Plan 318/ Environmental Impact Report No. 418 Amendment

If any specific plan conditions of approval differ from the specific plan text or exhibits, the specific plan conditions of approval shall take precedence.

4. ORDINANCE REQUIREMENTS

The development of the property shall be in accordance with the mandatory requirements of all City ordinances not in conflict with the Specific Plan and state laws.

BUILDING AND SAFETY

5. APPLICABLE GRADING REGULATIONS

Anything to the contrary, proposed by SP 318, shall not supersede the following: All grading shall conform to the Uniform Building Code, City's General Plan, and all other relevant laws, rules and regulations governing grading in City.

6. COMPLIANCE WITH SOILS REPORTS

All grading shall be performed in accordance with the recommendations of the approved-geotechnical/soils reports for this Specific Plan.

7. ALL CLEARANCES REQUIRED BEFORE PERMIT

Prior to issuance of a grading permit, all certifications affecting grading shall have written clearances. This includes, but is not limited to, additional environmental assessments, erosion control plans, geotechnical/soils reports, and departmental clearances.

FIRE DEPARTMENT

8. HAZARDOUS FIRE AREA

The specific plan is located in the "Hazardous Fire Area" of Riverside County as shown on a map on file with the Clerk of the Board of Supervisors. Any building constructed on lots created by this project shall comply with the special construction provisions contained in City Ordinances for Hazardous Fire Areas. and the California Code of Regulations, Title 14, and Public Resources Code 4290.

9. WATER MAINS

All water mains and fire hydrants providing required fire flows shall be constructed in accordance with the appropriate sections of Riverside County Ordinance 460 and/or No. 787, subject to the approval by the Riverside County Fire Department.

10. ROOFING MATERIAL

The proposed project area lies within the VERY HIGH FIRE HAZARD SEVERITY ZONE as shown on the California Fire Classification maps on file. All buildings shall be constructed with a class "A" fire retardant roofing material as per the 1999 California Fire Code. Wood shingles and shakes are not recommended as a roof or other exterior covering material.

11. OPEN SPACE

Prior to approval of any development for lands adjacent to open space areas, a fire protection/vegetation management (fuel modification) plan shall be submitted to the Riverside County Fire Department for review and approval. The Homeowner's Association or appropriate management entity shall be responsible for maintaining the elements to the plan.

12. FINAL FIRE REQUIREMENTS

Final fire protection requirements and impact mitigation measures will be determined when specific project plans are submitted.

13. DISCLOSURE

This project lies within the VERY HIGH FIRE HAZARD SEVERITY ZONE as shown on the Fire Hazard Zone Maps of California. All roof construction shall meet a minimum class "A" rating as described in the current model building code of California.

A fire fuel analysis of the open space/wildlands within and outside the project area may be required prior to submitting a fuel modification plan.

NOTICE - The transferor of real property shall disclose to the transferee that this project lies within a VERY HIGH FIRE HAZARD area.

PUBLIC WORKSDEPARTMENT

14. GREENBELT, BASIN MAINTENANCE

This project proposes detention basins and green belt channels which will require maintenance by a public agency, or a guarantee of maintenance by a public agency in the event the responsible private party fails to meet its maintenance obligation. In particular the detention basin adjacent to Planning Areas 9 and 10 would require such a guarantee because the proposed downstream development would depend on it for public health and safety. These types of flood control facilities are selected at the discretion of the applicant to complement the nature of the proposed development, and do not have a regional benefit commensurate with the maintenance costs which are anticipated to be excessively high. Therefore, to ensure the public is not unduly burdened for future costs, prior to final approval or recordation of any case protected by these drainage facilities, the City will require an acceptable financial mechanism to be implemented to provide for reimbursement of maintenance costs in perpetuity. This may consist of a mechanism to assess individual benefiting property owners, or other means approved by the City. If an acceptable maintenance mechanism cannot be developed, the project should be redesigned to eliminate all high maintenance cost features.

PLANNING DEPARTMENT

15. MAINTAIN PLANNING AREAS

ALL PLANNING AREA NUMBERS SHALL BE MAINTAINED THROUGHOUT THE LIFE OF THE SPECIFIC PLAN, UNLESS CHANGED THROUGH THE APPROVAL OF A SPECIFIC PLAN AMENDMENT OR SPECIFIC PLAN SUBSTANTIAL CONFORMANCE ACCOMPANIED BY A REVISION TO THE COMPLETE SPECIFIC PLAN DOCUMENT.

16. TRAFFIC STUDY CONDITIONS

The City has reviewed the traffic study submitted by LSA Associates, Inc. for the referenced project. The study has been prepared in accordance with accepted traffic engineering standards and practices. The study analyzed year 2020 Buildout Impacts for the project and surrounding intersections.

The study indicates that it is possible to achieve a Level of Service "C" for the following intersections (some of which will require additional construction for mitigation at the time of development):

Singleton Road (NS)/I-10 Fwy EB Ramps (EW)
Singleton Road (NS)/I-10 Fwy WB Ramps (EW)
Singleton Road (NS)/Calimesa Boulevard (EW)
Cherry Valley Boulevard (NS)/I-10 Fwy EB Ramps (EW)
Cherry Valley Boulevard (NS)/I-10 Fwy WB Ramps (EW)
Cherry Valley Boulevard (NS)/Calimesa Boulevard (EW)
Nancy Avenue (NS)/Cherry Valley Boulevard (EW)
Beaumont Avenue (NS)/Cherry Valley Boulevard (EW)

Brookside Avenue (NS)/Desert Lawn Drive (EW)
Nancy Avenue (NS)/Brookside Avenue (EW)
Oak Valley P'way (NS)/I-10 Fwy EB Ramps (EW)
Oak Valley P'way (NS)/I-10 Fwy WB Ramps (EW)
Beaumont Avenue (NS)/I-10 Fwy EB Ramps (EW)
Beaumont Avenue (NS)/I-10 Fwy WB Ramps (EW)
Potrero Boulevard (NS)/SR-60 EB Ramps (EW)
Potrero Boulevard (NS)/Champions Drive (EW)
"J" Street (NS)/San Timoteo Canyon Road (EW)
"J" Street (NS/"G" Street (EW)
San Timoteo Canyon Road (NS)/"G" Street (EW)

The study indicates that it is possible to achieve a Level of Service "D" for the following intersections (some of which will require additional construction for mitigation at the time of development).

Calimesa Boulevard (NS)/Brookside Avenue (EW)
Beaumont Avenue (NS)/Brookside Avenue (EW)
Oak Valley Estates (NS)/ Oak Valley P'way
Nancy Street (NS)/14th Street (EW)
Beaumont Avenue (NS) Oak Valley P'way)
Elm Avenue (NS)/8th Street (EW)
California Avenue (NS)/6th Street (EW)
Potrero Boulevard (NS)/SR-60 WB Ramps (EW)

Mitigation to improve operations of the following intersection to the required Level of Service standards of the applicable jurisdictions (LOS "C" within the County of Riverside and the City of Calimesa, and LOS "D" within the City of Beaumont) for Year 2020 Buildout conditions is problematic, due either to existing conditions or to infeasible geometrics:

Singleton Road (NS)/Woodhouse Road (EW)
Cherry Valley Boulevard (NS)/Roberts Road-Desert Lawn Drive (EW)
Desert Lawn Drive (NS)/Champions Drive (EW)
Singleton Road (NS)/ San Timoteo Canyon Road (EW)
Champions Drive (NS)/San Timoteo Canyon Road (EW)
Beaumont Avenue (NS)/6th Street (EW)

The associated conditions of approval incorporate mitigation measures identified in the traffic study which are necessary to achieve or maintain the required level of service.

17. ROADWAY IMPROVEMENTS

Roadway links wholly within the boundaries of Oak Valley Specific Plan No. 318, as well as the entirety of Champions Drive, shall be constructed at the time of project development per the requirements of the specific plan. Roadway links along the perimeter of the specific plan area (San Timoteo Canyon Road) shall be constructed to

their full half-width section concurrent with development of the adjacent Oak Valley, Specific Plan No. 318 Planning Areas. Intersections located within and adjacent to the boundaries of Oak Valley Specific Plan No. 318 (San Timoteo Canyon Road at "G" Street and "J" Street, Champions Drive at "J" Street Desert Lawn Drive) shall be constructed concurrent with the roadways with the geometrics illustrated in Figure D.1.12c, unless subsequent traffic impact analyses demonstrate that lesser geometrics can be provided which meet applicable LOS standards, as approved by the City Engineer.

18. "P" STREET IMPROVEMENTS

"P" Street shall be constructed to County of Riverside Standard No. 102, Modified Secondary Highway (56'/88' R.O.W.) from Champions Drive to San Timoteo Canyon Road.

19. WARRANTED TRAFFIC SIGNALS

The project is responsible for the following traffic signals when warranted through subsequent traffic studies done for implementing projects within the boundaries of the specific plan:

San Timoteo Canyon Road/"G" Street
San Timoteo Canyon Road/"J" Street
Desert Lawn Drive/Champions Drive
Potrero Boulevard/Champions Drive
Champions Drive/"J" Street

20. GEOMETRICS

The following intersections shall be improved to the geometrics as described.

Potrero Boulevard (NS)/San Timoteo Canyon Road (EW) shall be improved to provide the following geometrics:

Southbound: Two left turn lanes, one right turn lane.
Eastbound: One left turn lane, two through lanes.
Eastbound: Two through lanes, one right turn lane.

Potrero Boulevard (NS)/Champions Drive (EW) shall be improved to provide the following geometrics:

Northbound: Two left turn lanes, one right turn lane.
Southbound: NA
Eastbound: Two through lanes.
Westbound: Two left turn lanes, two through lanes.

Desert Lawn Drive (NS)/Champions Drive (EW) shall be improved to provide the following geometrics:

Northbound: NA
Southbound: Two left turn lanes, one right turn lane.
Eastbound: One left turn lane, two through lanes.
Westbound: Two through lanes, one right turn lane.

"J" Street (NS)/San Timoteo Canyon Road (EW) shall be improved to provide the following geometrics:

Northbound: NA
Southbound: One left turn lane, one right turn lane.
Eastbound: One left turn lane, two through lanes.
Westbound: Two through lanes, one right turn lane.

"J" Street (NS)/Champions Drive (EW) shall be improved to provide the following geometrics:

Northbound: Two through lanes, one right turn lane.
Southbound: Two left turn lanes, two through lanes.
Eastbound: NA
Westbound: One left turn lane, one right turn lane

"J" Street (NS)/"G" Street (EW) shall be improved to provide the following geometrics:

Northbound: One left turn lane, two through lanes, one through/right turn lane.
Southbound: Two left turn lanes, three through lanes.
Eastbound: Two left turn lanes, one through/right turn lane.
Westbound: One left turn lane, one through lane, one through/right turn lane.

"G" Street (NS)/San Timoteo Canyon Road (EW) shall be improved to provide the following geometrics:

Northbound: NA
Southbound: One left turn lane, one right turn lane.
Eastbound: One left turn lane, two through lanes.
Westbound: Two through lanes, one right turn lane.

21. TRANSPORTATION MITIGATION FEE

The project proponent shall be required to pay all transportation impact and signal mitigation fees in effect in the City of Beaumont. The project proponent will receive credit against transportation impact and signal mitigation fees for improvements installed which are part of the transportation impact and signal mitigation fee schedule of improvements or similarly covered by the fee(s).

22. "G" STREET IMPROVEMENTS

Concurrent with the construction of "G" Street within the boundaries of Oak Valley Specific Plan No. 318, "G" Street shall be constructed offsite to intersect with "J" Street as Modified Collector Street (78' R.O.W.)

PARKS AND RECREATION DEPARTMENT

23. TRAIL CONSTRUCTION

Prior to the approval of any implementing project, including but not limited to grading permits, the applicant shall have in place a funding or construction mechanism, as approved by the City, to insure the construction of the regional trail along San Timoteo Canyon Road.

PLANNING DEPARTMENT

24. PLANNING AREA STANDARDS

Prior to the approval of any implementing project within the SPECIFIC PLAN (i.e., tract map, parcel map, use permit, plot plan, etc.), the following condition shall be placed on the implementing project, with the blanks filled in at the implementing project:

"This implementing project is within Planning Area[s] ____ of the SPECIFIC PLAN. Accordingly, this project is subject to these development standards:

1. All residential lots must be at least ____ [square feet/acres].

2. The average residential lot size must be at least ____ [square feet/acres].

3. The target density of this planning area is ____ to ____ du/ac.

4. The target range of the number of dwelling units in this planning area is ____ to ____.

5. Entry monumentation is required at the intersection of _____ and _____.

6. Roadway landscaping is required at _____.

7. Recreational trails are located at _____.

8. This implementing map is conditioned to build a park at _____ prior to the ____th building permit.

9. [Residential] [Commercial] [Industrial] buildings must conform to the design guidelines on pages ____ to ____ of the SPECIFIC PLAN."

25. MITIGATION MONITORING PROGRAM (GENERAL)

Prior to approval of any implementing project within the SPECIFIC PLAN (i.e., tract map, parcel map, use permit, plot plan, etc.), the following condition shall be placed on the implementing project:

"The EIR prepared for the SPECIFIC PLAN imposes specific mitigation measures and monitoring requirements on the project. Certain conditions of the SPECIFIC PLAN and this implementing project constitute reporting/monitoring requirements for certain mitigation measures."

26. NON-IMPLEMENTING MAPS

Prior to approval of any implementing project within the SPECIFIC PLAN (i.e., tract map, parcel map, use permit, plot plan, etc.), the following condition shall be placed on the implementing project:

"A land division filed for the purposes of phasing or financing shall not be considered an implementing development application for the purposes of the Planning Department's conditions of approval.

Should this project be an application for phasing or financing, all of the other conditions in this implementing project with a prefix of "SP" will be considered as NOTAPPLICABLE, and this condition shall be considered as MET. Should this project not be an application for phasing or financing, this condition shall be considered as NOT APPLICABLE."

27. PLANNING AREA SUMMARY TABLE

Prior to the approval of any implementing Project within the SPECIFIC PLAN (i.e., tract map, parcel map, use permit, plot plan, etc.), the following condition shall be placed on the implementing project:

The following table shows the residential map requirements of the adopted SPECIFIC PLAN:

Planning Areas:	Min. lot size [sq. ft.]	Density Range [du/acre]	Target Density

1	4,000	5-8	6.0
2	5,000	2-5	4.0
3	5,000	2-5	4.0
4	3,800	8-12	10.0
7B	10,000	.2-2	1.0
8	5,500	2-5	4.0
10	3,800	8-12	10.0
11	6,000	2-5	4.0
12	5,000	2-5	4.0
14	4,000	12-20	20.0
15	7,000	2-5	4.0
16	6,000	2-5	4.0
18	5,000	5-8	6.0
19	8,000	2-2	2.0
20	4,000	2-5	4.0
22	5,500	2-5	4.0
23B	10,000	2-2	1.0
25	3,800	8-12	12.0
26	8,000	2-5	4.0
30	6,000	2-5	4.0
32	4,000	5-8	6.0
36	4,000	5-8	6.0
38	3,800	8-12	12.0
39	5,000	2-5	4.0

This condition shall be considered MET if the implementing residential land division proposal is within the above mentioned standards. This condition may only be considered as NOT APPLICABLE if the implementing project is concurrent with a specific plan amendment that proposes to change the above-mentioned standards, or if this implementing project is either commercial or industrial in nature.

28. PROJECT LOCATION EXHIBIT

Prior to approval of any implementing project within the SPECIFIC PLAN (i.e., tract map, parcel map, use permit, plot plan, etc.), the following condition shall be placed on the implementing project:

"The applicant shall provide to the Planning Department an 8 ½" x 11" exhibit showing where in the SPECIFIC PLAN this project is located. The exhibit shall also show all prior implementing projects within the SPECIFIC PLAN that have already been approved.

This condition shall be considered MET once the applicant provides the Planning Department with the required information. This condition may not be DEFERRED."

29. ACOUSTICAL STUDY REQUIRED

Prior to the approval of any implementing project within Planning Areas 1, 10, 32, 36, and 38 of the SPECIFIC PLAN (i.e., tract map, use permit, plot plan, etc.), the following condition shall be placed on the implementing project:

"PRIOR TO BUILDING PERMIT APPROVAL, an acoustical study shall be submitted to the Planning Department for review and approval.

This condition shall be considered MET if the relevant study has been approved by the Planning Department. This condition may be considered as NOT APPLICABLE if the Planning Department determines that the required study is not necessary.

30. OAK TREE PLAN REQUIREDPRIOR TO THE APPROVAL OF ANY IMPLEMENTING PROJECT (I.E., TRACT MAP, PARCEL MAP, USE PERMIT, PLOT PLAN, ETC.) WITHIN PLANNING AREAS 10, 11, 15, 16, 21A, 21B, 22, AND 23B OF THE SPECIFIC PLAN, THE FOLLOWING CONDITION SHALL BE PLACED ON THE IMPLEMENTING PROJECT:

"PRIOR TO PROJECT APPROVAL, an oak tree inventory and conservation plan shall be developed providing detail by planning area. Each oak shall be mapped with its location numbered, its caliper (diameter) at breast height and its drip line (Tree canopy) diameter identified, rated as to qualitative condition and desirability for retention, and assigned a recommended mitigation replacement ratio if removal were required. The plan shall also include general mitigation guidelines covering how oak trees to be retained will be protected during construction activities, how oak trees to be removed will be monitored, and how mitigation plantings for those oak trees removed will be accomplished. Additionally, the plan shall include the following requirements: 1) No mass grading will be permitted within the oak woodlands on site. 2) Residential lots within oak woodlands will be individually sited to avoid mature oak trees (>12" diameter-breast-height (dbh)) if at all possible. 3) No slab foundations shall be permitted within the drip-line (widest extent of canopy cover) of oak trees. No irrigated sod shall be planted within the drip-line of oak trees. The oak tree plan shall be submitted to the Planning Department for review and approval.

This condition shall be considered MET if the relevant inventory and conservation plan has been approved by the Planning Department. This condition may be considered as NOT APPLICABLE if the Planning Department determines that the required plan is not necessary."

31. DESIGN PLAN REQUIREDPRIOR TO THE APPROVAL OF ANY IMPLEMENTING PROJECT (I.E., TRACT MAP, PARCEL MAP, USE PERMIT, PLOT PLAN, ETC.) WITHIN PLANNING AREAS 1-4, 8, 10, 12, 14, 18, 20, 22, 25, 32, 36, 38, OR 39 OF THE SPECIFIC PLAN, THE FOLLOWING CONDITION SHALL BE PLACED ON THE IMPLEMENTING PROJECT:

"PRIOR TO PROJECT APPROVAL, the developer shall submit a development plan to the Planning Department for review and approval, showing which amenities described in Exhibit D (which follows this condition) are applicable to this project.

This condition shall be considered MET when the Planning Department approves a plan showing specifically how a given development project will implement the general design concepts in Exhibit D. The development plan submittal may be DEFERRED prior to building permit issuance when incorporated into the Final Site Plan for the proposed project. This condition shall not be considered NOT APPLICABLE."

32. WATER ANALYSIS/AGREEMENT

Prior to the recordation of any implementing project (i.e., tract map, parcel map, etc.) or prior to the issuance of a building permit for any use permit (i.e., conditional use permit, plot plan, etc.), whichever come first, within any planning area of the SPECIFIC PLAN, the Planning Department shall receive an executed agreement between the developer and either (1) the San Gorgonio Pass Water Agency, (2) the Beaumont-Cherry Valley Water District, or (3) another qualified water service agency. The agreement shall provide for sufficient supplemental water supply to the development for domestic purposes.

This condition shall be considered MET if the applicant submits a satisfactory agreement to the Planning Department. This condition shall be considered NOT APPLICABLE if the Planning Department determines that significant new information (i.e., other documented additions to water supply or documented enhancements to groundwater recharge capability applicable to the project vicinity, etc.) would make such an agreement unnecessary. This condition cannot be DEFERRED.

33. PALEO STUDY REQUIRED

Prior to the approval of any implementing project within any planning area of the SPECIFIC PLAN (i.e., tract map, parcel map, use permit, plot plan, etc.), the following condition shall be placed on the implementing project:

"PRIOR TO GRADING PERMIT ISSUANCE, a Paleontological Resources Impact Mitigation Program (PRIMP) study shall be submitted to the Planning Department for review and approval.

This condition shall be considered MET if the relevant study has been approved by the Planning Department. This condition may be considered as NOT APPLICABLE if the Planning Department determines that the required study is not necessary.

34. GEO STUDY REQUIRED

Prior to the approval of any implementing project (i.e., tract map, parcel map, use permit, plat plan, etc.) for which the Public Works Director requires further Geotechnical analysis, the following condition shall be placed on the implementing project:

"PRIOR TO PROJECT APPROVAL", a Geotechnical investigation and seismic analysis shall be submitted to the Public Works Director for review and approval. The study shall treat the following issues:

1. Slope Stability / Landslide potential

2. Faulting

3. Treatment of recent alluvium

4. Shallow groundwater areas

5. Any other geological/Geotechnical issues identified by the Public Works Director as pertinent to development within the planning area(s) covered by the implementing development application.

This condition shall be considered MET if the relevant study has been approved by the Planning Department. This condition may be considered as NOT APPLICABLE if the Planning Department determines that the required study is not necessary.

The submittal of this study mandates that a CEQA determination of an Addendum to a previously adopted EIR be made, at a minimum."

35. AMENDMENT REQUIRED

Prior to the approval of any implementing project within the SPECIFIC PLAN (i.e., tract map, parcel map, use permit, plot plan, etc.), the following condition shall be placed on the implementing project:

"If this implementing project meets any of the following criteria, an amendment to the SPECIFIC PLAN shall be required and processed concurrently with this implementing project:

1. The implementing project adds any area to, or deletes area from, the SPECIFIC PLAN;

2. The implementing project proposes a substantially different use than currently allowed in the SPECIFIC PLAN or as determined by the Planning Director.

Any amendment to the SPECIFIC PLAN, even though it may affect only one portion of the SPECIFIC PLAN, shall be accompanied by a complete specific plan document which includes the entire specific plan, including both changed and unchanged parts.

This condition shall be considered MET if the specific plan amendment has been filed, and NOT APPLICABLE if a specific plan amendment is determined to be unnecessary."

36. COMMON AREA

Prior to the approval of any implementing land division project within the SPECIFIC PLAN (i.e., tract map or parcel map), the following condition shall be placed on the implementing application:

PRIOR TO MAP RECORDATION, the following procedures for common area maintenance procedures shall be complied with:

a. A permanent master maintenance organization shall be established for the specific plan area, to assume ownership and maintenance responsibility for all common recreation, open space, circulation systems and landscaped areas. The organization may be public or private. Merger with an area-wide or regional organization shall satisfy this condition provided that such organization is legally and financially capable of assuming the responsibilities for ownership and maintenance. If the organization is a private association then neighborhood associations shall be established for each residential development, where required, and such associations may assume ownership and maintenance responsibility for neighborhood common areas.

b. Unless otherwise provided for in these conditions of approval, common open areas shall be conveyed to the maintenance organizations as implementing development is approved or any subdivision as recorded.

c. The maintenance organization shall be established prior to or concurrent with the recordation of the first land division.

d. The common areas to be maintained by the master maintenance organization shall included, but not be limited to, the following: Planning Areas 5, 7A, 13, 17, 21B, 23A, 24, 31B, 34, and 37."

37. CC&R'S RES PUB COMMON AREA

Prior to the approval of any implementing land division project (i.e., tract map or parcel map), the following condition shall be applied to the land division PRIOR TO MAP RECORDATION if the permanent master maintenance organization referenced in the condition entitled "SP – Common Area Maintenance" is a public organization:

"The applicant shall convey to the City fee simple title, to all common open space areas, free and clear of all liens, taxes, assessments, leases (recorded or unrecorded) and easement, except those easements which in the sole discretion of the City are acceptable. As a condition precedent to the City accepting title to such areas, the applicant shall

notify the Planning Department that the following documents shall be submitted to the office of the Planning Director and submit said documents for review along with the current fee, which shall be subject to City approval:

1. A cover letter identifying the project for which approval is sought;

2. A signed and notarized declaration of covenants, conditions and restrictions;

3. A sample document, conveying title to the purchase, of an individual lot or unit which provides that the declaration of covenants, conditions and restrictions is incorporated therein by reference; and,

The declaration of covenants, conditions and restrictions submitted for review shall a) provide for a minimum term of 60 years, b) provide for the establishment of a property owners' association comprised of the owners of each individual lot or unit as tenants in common, and c) contain the following provision verbatim:

"Notwithstanding any provision in this Declaration to the contrary, the following provisions shall apply:

The property owners' association established herein shall, if dormant, be activated, by incorporation or otherwise, at the request of the City, and the property owners' association shall unconditionally accept from the City, upon the City's demand, title to all or any part of the 'common area' more particularly described on Exhibit '___' attached hereto. Such acceptance shall be through the president of the property owner's association, who shall be authorized to execute any documents required to facilitate transfer of the 'common area'. The decision to require activation of the property owners' association and the decision to require that the association unconditionally accept title to the 'common area' shall be at the sole discretion of the City.

In the event that the 'common area', or any part thereof, is conveyed to the property owners' association, the association, thereafter, shall own such 'common area', and shall not sell or transfer such 'common area' or any part thereof, absent the prior written consent of the Planning Director or the association shall have the right to assess the owner of each individual lot or unit for the reasonable cost of maintaining such 'common area', and shall have the right to lien the property of any such owner who defaults in the payment of a maintenance assessment. An assessment lien, once created, shall be prior to all other liens recorded subsequent to the notice of assessment or other document creating the assessment lien.

This declaration shall not be terminated, 'substantially' amended, or property deannexed therefrom absent the prior written consent of the Planning Director. A proposed amendment shall be considered 'substantial' if it affects the extent, usage or maintenance of the 'common area' established pursuant to this Declaration.

In the event of any conflict between this Declaration and the Articles of Incorporation, the Bylaws, or the property owners' association Rules and Regulations, if any, this Declaration shall control."

Once approved by the Planning Director, the declaration of covenants, conditions and restrictions shall be recorded by the Planning Department with one copy retained for the case file.

38. ARCHEO MITIGATION MONITORING PROGRAM

Prior to the approval of any implementing project within the SPECIFIC PLAN (i.e., tract map, parcel map, use permit, plot plan, etc.), the following condition shall be placed on the implementing project:

"PRIOR TO THE ISSUANCE OF GRADING PERMITS, the project applicant shall enter into an agreement with a qualified archaeologist. This agreement shall include, but not be limited to, the preliminary mitigation and monitoring procedures to be implemented during the process of grading, as found in the EIR. A copy of said agreement shall be submitted to the Planning Department. No grading permits will be issued unless the preliminary mitigation and monitoring procedures required prior to grading permits as described in the EIR are substantially complied with."

39. GENERIC MITIGATION MONITORING PROGRAM

Prior to the approval of any implementing project within the SPECIFIC PLAN (i.e., tract map, parcel map, use permit, plot plan, etc.), the following condition shall be placed on the implementing project:

"PRIOR TO THE ISSUANCE OF GRADING PERMITS, the project applicant shall provide to the Planning Department a detailed proposal for complying with the preliminary mitigation and monitoring procedures described in the EIR during the process of grading. Grading permits will not be issued unless the preliminary mitigation and monitoring procedures as described in the EIR are substantially complied with."

40. USFWS/CDFG CLEARANCES

Prior to the approval of any implementing project within the SPECIFIC PLAN (i.e., tract map, parcel map, use permit, plot plan, etc.) which may result in the disturbance of on-site habitat occupied by any species determined to be endangered or threatened by the United States Fish and Wildlife Service (USFWS) or California Department of Fish and Game (CDFG), the following condition shall be placed on the implementing project:

"PRIOR TO THE ISSUANCE OF GRADING PERMITS, the applicant shall obtain necessary take permit(s) from the USFWS and CDFG. A copy of said permit(s) shall be submitted to the Planning Department."

41. CDFG (SECT 1601/1603)

Prior to the approval of any implementing project (i.e., tract map, parcel map, use permit, plot plan, etc.) within Planning Areas 1, 5, 6, 9, 10, 14, 23B, 29, 30, 31B, 32, 33A, 33B, 34, 36, 37, 38, and 39 of the SPECIFIC PLAN, which may propose grading or construction within or along the banks of any blue-line streams, the following condition shall be placed on the implementing project:

"PRIOR TO THE ISSUANCE OF GRADING PERMITS, the applicant shall obtain written notification to the Planning Department that the appropriate California Department of Fish and Game notification pursuant to Sections 1601/1603 of the California Fish and Game Code has taken place, or obtain an "Agreement Regarding Proposed Stream or lake Alteration: (Sections 1601/1603 Permit) should any grading or construction be proposed within or along the banks of any natural watercourse or wetland determined to be jurisdictional, located either on-site or any required off-site improvement areas. Copies of any agreement shall be submitted with the notification."

42. ACOE CLEARANCE

Prior to the approval of any implementing project (i.e., tract map, parcel map, use permit, plot plan, etc.) within Planning Areas 1, 5, 6, 9, 10, 14, 23B, 29, 30, 31B, 32, 33A, 33B, 34, 36, 37, 38, and 39 of the SPECIFIC PLAN, which propose grading or construction within or along the banks of any blue-line stream which is determined to be within the jurisdiction of the United States Army Corps of Engineers, the following condition shall be placed on the implementing project:

"PRIOR TO THE ISSUANCE OF GRADING PERMITS, the applicant shall obtain written notification to the Planning Department that the alteration of any watercourse or wetland determined to be jurisdictional, located either on-site or on any required off-site improvement areas, complies with the U.S. Army Corps of Engineers Nationwide Permit Conditions, or obtain a permit under Section 404 of the Clean Water Act should any grading or construction be proposed within or along the banks of any natural watercourse or wetland. Copies of any agreement shall be submitted with the notification."

43. ENTRY MONUMENTATION

Prior to the approval of any implementing project within the SPECIFIC PLAN (i.e., tract map, parcel map, use permit, plot plan, etc.), the following condition shall be placed on the implementing project:

"PRIOR TO THE ISSUANCE OF BUILDING PERMITS, the following language shall be added to the landscaping requirements of the implementing project:

1. A primary entry monument shall be shown at locations indicated in Figure 4-1, with features as depicted in Figure 4-2 and Figure 4-3.

2. A secondary entry monument shall be shown at locations indicated in Figure 4-1, with features as depicted in figure 4-5.

3. The entry monument shall be in substantial conformance with the design guidelines of Planning Area '____' of the SPECIFIC PLAN, as shown on pages ____ to _____."

44. POST GRADING REPORT

Prior to approval of any implementing project within the SPECIFIC PLAN (i.e., tract map, parcel map, use permit, plot plan, etc.), the following condition shall be placed on the implementing project:

"PRIOR TO THE ISSUANCE OF BUILDING PERMITS, the project applicant shall provide to the Planning Department a post grading report. The report shall describe how the mitigation and monitoring program as described in the EIR and pre-grading agreement[s] with the qualified archaeologist and paleontologist were complied with."

45. SCHOOL MITIGATION

Prior to the approval of any implementing project within the SPECIFIC PLAN (i.e., tract map, parcel map, use permit, plot plan, etc.), the following condition shall be placed on the implementing project:

"PRIOR TO BUILDING PERMITS, impacts to the Beaumont Unified School District shall be mitigated in accordance with the existing mitigation agreement with the developer dated December 19, 1989. If said agreement shall be rescinded, then impacts to schools shall be mitigated in accordance with the state law."

46. PHASE 1 PARKS

Prior to approval of any implementing residential project within Phase One of the SPECIFIC PLAN, a phasing plan for the design and construction of Phase One parks shall be submitted to and approved by the Planning Department. The plan shall provide for parks, design and construction as well as landscape maintenance and upkeep. The plan shall also document a permanent maintenance mechanism for the parks and their facilities. Conditions for applicable thresholds will be developed concurrent with approval of the phasing plan consistent with the City of Beaumont's General Plan standards.

This condition shall be considered MET if a document is submitted that is acceptable to both the Planning Department. This condition may be considered as NOT APPLICABLE if the implementing application is not within Phase One.

47. PHASE 2 PARKS

Prior to the approval of any implementing residential project within Phase Two of the SPECIFIC PLAN, a phasing plan for the design and construction of Phase Two parks shall be submitted to and approved by the Planning Department. The plan shall provide for parks design and construction as well as landscape maintenance and upkeep. The plan shall also document a permanent maintenance mechanism for the parks and their

facilities. Conditions for applicable thresholds will be developed concurrent with approval of phasing plan consistent with the City of Beaumont's General Plan standards.

This condition shall be considered MET if a document is submitted that is acceptable to the Planning Department. This condition may be considered as NOT APPLICABLE if the implementing application is not within Phase Two.

48. PHASE 3 PARKS

Prior to approval of any implementing residential project within Phase Three of the SPECIFIC PLAN, a phasing plan for the design and construction of the parks within Phase Three shall be submitted to and approved by the Planning Department. The plan shall provide for parks design and construction as well as landscape maintenance and upkeep. The plan shall also document a permanent maintenance mechanism for the parks and their facilities. Conditions for applicable thresholds will be developed concurrent with the approval of the phasing plan consistent with the City of Beaumont's General Plan standards.

This condition shall be considered MET if the applicable information is provided to the Planning Department. This condition may be considered as NOT APPLICABLE if the implementing project is not within Phase Three.

49. BIOLOGICAL MITIGATION

Prior to approval of any implementing project within Planning Areas 1, 5, 6, 9, 10, 14, 23B, 29, 30, 31B, 32, 33A, 33B, 37, 38, and 39 of SPECIFIC PLAN (i.e., tract map, parcel map, use permit, plot plan, etc.), the following condition shall be placed on the implementing project:

"PRIOR TO THE ISSUANCE OF GRADING PERMITS, a mitigation program shall be implemented providing for the preservation, creation or enhancement of replacement riparian woodland or wetland habitat. The initial focus for mitigation shall be within the San Timoteo Canyon Creek corridor where the mitigation shall be implemented to the greatest extent feasible. The mitigation program must be acceptable to the Army Corps of Engineers (Corps), Californian Department of Fish and Game (CDFG), and the Regional Water Quality Control Board (BOARD) under their Section 404, 1603, and 401 or other applicable permitting process, respectively. The Planning Department must receive written confirmation of the acceptability of the mitigation measures from the Corps, CDFG and/or the Board.

If the Corps, CDFG, and/or Board will not accept the mitigation or if the implementation of the program in the San Timoteo Canyon Creek corridor is not feasible, the mitigation shall be implemented within the site of the SPECIFIC PLAN or at a suitable off site location in accordance with the EIR.

TRANS DEPARTMENT

50. TRAFFIC STUDY REQUIRED

Site specific traffic studies will be required for all subsequent implementing projects within the boundaries of Specific Plan No. 318, as deemed necessary by the City Engineer. Subsequent traffic studies shall monitor development within the specific plan and its associated trip generation. Traffic signals identified in Condition 19, Warranted Traffic Signals, will be installed by the project without credit for signal mitigation fees unless determined to not be warranted under existing or any future conditions and as approved by the City Engineer.

51. OFF-SITE MITIGATION

EIR No. 418 proposes mitigation for traffic impacts to off-site roadways and intersections located within various jurisdictions. The following intersections have been identified within the EIR as requiring mitigation:

Singleton Road/I-10 Fwy EB Ramps
Singleton Road/I-10 Fwy WB Ramps
Singleton Road/Calimesa Boulevard
Cherry Valley Boulevard/Roberts Road – Desert Lawn Drive
Cherry Valley Boulevard/I-10 Fwy EB Ramps
Cherry Valley Boulevard/I-10 Fwy WB Ramps
Cherry Valley Boulevard/ Calimesa Boulevard
Nancy Avenue/Cherry Valley Boulevard
Beaumont Avenue/Cherry Valley Boulevard
Brookside Avenue/Desert Lawn Drive
Brookside Avenue/Calimesa Boulevard
Beaumont Avenue/Brookside Avenue
Champions Drive/San Timoteo Canyon Road
Oak Valley P'way/I-10 Fwy EB Ramps
Oak Valley P'way/I-10 Fwy WB Ramps
Oak Valley P'way/Oak View Drive
Nancy Avenue/14th Street
Beaumont Avenue/14th Street
Elm Avenue/8th Street
California Avenue/6th Street
Beaumont/I-10 Fwy EB Ramps
Beaumont Avenue/I-10 Fwy WB Ramps
Potrero Boulevard/SR-60 EB Ramps
Potrero Boulevard/SR-60 WB ramps
Potrero Boulevard/San Timoteo Canyon Road
Singleton Road/San Timoteo Canyon Road

The project developer shall participate on a "fair share basis" in a regional mechanism that provides funding for the necessary improvements. Prior to the issuance of the first

Building Permit, the project developer may be required to make a deposit to the Planning Department to initiate the process of creating the appropriate funding mechanism. This deposit shall be credited against the developer's "fair share" of the improvement costs identified. Any funds advanced by the project developer not expended shall be refunded or credited against their "fair share". A "PRIOR TO BUILDING PERMIT ISSUANCE" condition shall be imposed on residential tract maps or commercial site plans, respectively, for the funding of the process to create the appropriate regional mechanism. This condition shall be considered MET upon deposit of the funds for creating the appropriate funding mechanism with the Planning Department.

RAL-03-05

PLEASE COMPLETE THIS INFORMATION
RECORDING REQUESTED BY:

AND WHEN RECORDED MAIL TO:

CITY OF BEAUMONT
550 E. 6th STREET
BEAUMONT, CA 92223

DOC # 2004-0131329
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Page 1 of 46
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County of Riverside
Gary L. Orso
Assessor, County Clerk & Recorder

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Development Agreement Between City of Beaumont & LB/L - SunCal Oak Valley LLC

Title of Document

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($3:00 Additional Recording Fee Applies)

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City Clerk
City of Beaumont
550 East Sixth Street
Beaumont, California 92223

EXEMPT: GOV'T CODE § 6103

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Page 1 of 42
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County of Riverside
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Assessor, County Clerk & Recorder

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DEVELOPMENT AGREEMENT

BETWEEN

THE CITY OF BEAUMONT

AND

LB/L–SUNCAL OAK VALLEY LLC

(Pursuant to California Government Code Sections 65864 - 65869.5 and City of Beaumont Resolution No. 1987-34)

November 18, 2003

DEVELOPMENT AGREEMENT

This **DEVELOPMENT AGREEMENT** ("**Agreement**") is entered into to be effective on the date of recordation, between **LB/L–SUNCAL OAK VALLEY LLC**, a Delaware limited liability company (the "**Developer**"), and the **CITY OF BEAUMONT,** a municipal corporation organized and existing under the laws of the State of California (the "**City**"). The Developer and the City are sometimes collectively referred to herein as the "parties."

RECITALS:

This Agreement is predicated upon the following facts:

A. These Recitals use certain capitalized terms which are defined in this Agreement.

B. Government Code Sections 65864 - 65869.5 authorize the City to enter into binding development agreements with persons having a legal or equitable interest in real property for the development of such property, all for the purpose of strengthening the public planning process, encouraging private participation and comprehensive planning and reducing the economic costs of such development. The City has implemented the law contained in such sections by adopting Resolution No. 1987-34, titled "Establishing Procedures and Requirements for Consideration of Development Agreements" (such Resolution, together with the aforementioned Government Code Sections, are being referred to herein as the "**Development Agreement Law**").

C. This Agreement is adopted pursuant to the Development Agreement Law.

D. Developer has entered into a Purchase and Sales Agreement with Oak Valley Partners, L.P., a Texas limited partnership ("**Oak Valley Partners**"), to acquire undeveloped land owned by Oak Valley Partners located in the City and more particularly described on Exhibit "A" and as shown on Exhibit "B" attached and made a part of this Agreement (the "**Property**"). On April 9, 2003, the Riverside Local Agency Formation Commission issued and recorded the Certificate of Completion annexing the land owned by Oak Valley Partners, including the Property.

E. The Developer intends to develop the Property in accordance with the Development Plan, as hereinafter defined (the "**Project**"). The Project is highly capital intensive, especially in its initial phases, which, in order to make the Project economically and fiscally feasible, requires major commitment to and investment in public facilities and on-site and off-site infrastructure improvements prior to the construction and sale or leasing of residential and commercial buildings. This Agreement will facilitate the logical and orderly development of the Project in the City.

F. The City has determined the Development Plan is consistent with the City General Plan and has approved the Development Plan in order to promote the health, safety and welfare of its citizens and protect the quality of life of the community and the surrounding environment. The Development Plan consists of Specific Plan No. 318 which was approved for

the Property by the County of Riverside ("**County**") on August 14, 2001, for which the County prepared and certified Environmental Impact Report No. 418 (the "**EIR**"). As part of the process of approving the Development Plan, the City has prepared and reviewed, pursuant to the California Environmental Quality Act ("**CEQA**"), an Addendum to the EIR, with respect to the potential significant impacts of the Project resulting from its annexation to the City and made a Finding of Substantial Conformance with Specific Plan 318. The City has determined based on that review that the EIR adequately addresses the potential significant impacts of the Project, and that accordingly neither a supplemental nor subsequent environmental impact report is required for the Development Plan and this Agreement.

G. All of the proceedings relating to the approval of the Agreement have been conducted in accordance with the Development Agreement Law and CEQA.

H. On November 18, 2003, the City Council of the City adopted Ordinance No. 850 approving this Agreement with the Developer.

I. The terms and conditions of this Agreement have undergone extensive review by the City and its City Council and have been found to be fair, just and reasonable, and the City has found and determined that the execution of this Agreement is in the best interest of the public health, safety and general welfare of the City and its residents and that adopting this Agreement constitutes a present exercise of its police power.

AGREEMENT

In light of the foregoing Recitals, which are an operative part of this Agreement, the parties agree as follows:

1. DEFINITIONS.

"Agreement" is this Development Agreement.

"Agreement Date" is the date this Agreement is approved by the City Council.

"Alternative Financing Mechanism" has the meaning given that phrase in Section 10.5 below.

"CEQA" is the California Environmental Quality Act, Public Resources Code section 21000 *et seq.*

"CFD" is a Community Facilities District formed pursuant to the Mello-Roos Community Facilities Act of 1982, California Government Code section 53312 *et seq.*

"City" is the City of Beaumont, California.

"City's Discretion" is discretion exercised by the City in accordance with the policies and principles set forth in the Development Plan, this Agreement and the procedures in effect as of the Effective Date such that the approvals given by the City to the Developer pursuant to the exercise of such discretion shall not be unreasonably withheld or delayed.

"County" is the County of Riverside, California.

"Developer" is LB/L–Suncal Oak Valley LLC, a Delaware limited liability company.

"Development Agreement Law" is California Government Code sections 65864 *et seq.*, and Resolution No. 1987-34, titled "Establishing Procedures and Requirements for Consideration of Development Agreements."

"Development Plan" is, collectively, the permits and approvals listed on Exhibit "C."

"Effective Date" is that date which is the later to occur of (a) the expiration of the time for filing a referendum petition relating to this Agreement if no such petition is filed within such period; or (b) the certification of the results of a referendum election are declared approving this Agreement if a referendum petition is filed within the applicable period.

"EIR" is Environmental Impact Report No. 418 ("EIR") for Specific Plan 318 certified by the County of Riverside on August 14, 2001, and the "Addendum" prepared for the Project and approved by the City Council on November 5, 2002.

"Project" is the proposed development of the Property included within the Development Plan and associated amenities, including, without limitation, on-site and off-site improvements contemplated by the Development Plan, as the same may be further defined, enhanced or modified pursuant to the provisions of this Agreement.

"Property" is the real property on which the Project is, or will be, located as described on Exhibit "A" attached hereto and shown on Exhibit "B" attached hereto.

2. **EXHIBITS**. The following documents are referred to in this Agreement, attached hereto and incorporated herein by this reference:

Exhibit Designation	Description
A	Legal Description of the Property
B	Map of the Property
C	List of Permits and Approvals
D	City Conditions of Approval

3. **MUTUAL BENEFITS**. This Agreement is entered into for the purpose of implementing the Development Plan for the Project in a manner that will secure certain assurances to the Developer that the Property may be developed in accordance with the Development Plan and this Agreement, and certain benefits to the City as set forth in this Agreement. The City and the Developer agree that, due to the size and duration of the Project, the Agreement is necessary to achieve those desired benefits.

4. **INTEREST OF THE DEVELOPER**. The Developer represents that the Developer owns an equitable interest in the Property under a legally binding contract to purchase the Property.

5. **BINDING EFFECT OF AGREEMENT**. The terms and conditions of this Agreement shall be binding upon and inure to the benefit of the parties and their successors and assigns as set forth herein.

6. **PROJECT AS A PRIVATE UNDERTAKING**. It is specifically understood and agreed that the development of the Project is a private and not a public sector development, that neither party is acting as the agent of the other in any respect hereunder, and that each party is an independent contracting entity with respect to the terms, covenants and conditions contained in this Agreement. No partnership, joint venture or other association of any kind is formed by this Agreement. The only relationship between the City and the Developer is that of a government entity regulating the development of private property by the equitable owner of such Property.

7. **TERM**. The term of this Agreement shall be twenty-five (25) years following the Effective Date. Expiration of the term of this Agreement shall not in any manner affect rights which have otherwise vested under applicable law.

8. **HOLD HARMLESS** The Developer shall hold the City, its officers, agents, employees and representatives harmless from liability for damage or claims for damage for personal injury, including death and claims for property damage, arising on the Property from the wrongful or negligent activities of the Developer or those of the Developer's contractors, subcontractors, agents, employees or other persons acting on the Developer's behalf which relate to the Project. In the event any person not a party or a successor to a party to this Agreement institutes any type of action against the City with respect to this Agreement, City and Developer shall cooperate in defending against the action, provided that City may, in its sole discretion, elect to tender the defense of such action to the Developer. If the Developer accepts the tender, the Developer shall thereafter hold City harmless from and defend City from all costs and expenses incurred in the defense of such action, provided that City fully cooperates with the Developer in the defense of such action. If the Developer declines the tender, then City shall have no further obligation or duty to defend the action.

9. **VESTED RIGHT**. By entering into this Agreement the City grants to the Developer a vested right to develop the Property in accordance with the Development Plan. The City shall not enact and enforce against the Project an ordinance, policy, rule, regulation or other measure which significantly alters the rate, type, manner, density, timing or sequencing of the Project. In addition to and not in limitation of the foregoing, it is the intent of the Developer and the City that no moratorium, whether relating to the rate, type, manner, density, timing or sequencing of the Project and whether or not enacted by initiative or otherwise, except a moratorium imposed by the City to implement State or Federal laws, statutes, regulations, policies or orders as provided in Section 11.2, affecting parcel or subdivision maps, building permits, plot plans, special use permits, conditional use permits, occupancy certificates or other entitlements to use or permits approved, issued or granted within the City, or portions of the City, shall not apply to the Project to the extent such moratorium or other limitation is in conflict with the Development Plan. Notwithstanding the foregoing, should an ordinance, general plan or zoning amendment,

measure, moratorium, policy, rule, regulation or other limitation enacted by the citizens of the City through the initiative process be determined by a court of competent jurisdiction to invalidate or prevail over all or any part of the Development Plan, the Developer shall have no recourse against the City pursuant to this Agreement. The foregoing shall not be deemed to limit the Developer's right to appeal any such determination of such ordinance, general plan or zoning amendment, measure, policy, rule, regulation, moratorium or other limitation which purports to invalidate or prevail over all or any part of this Agreement.

10. DEVELOPMENT OF THE PROJECT.

10.1 Phasing and Timing of Development. When or the order in which Project phases will be developed, or whether it will be developed at all, depend upon numerous factors which are not within the control of the Developer or City, such as market orientation and demand, interest rates, availability of funding, competition and other similar factors. Accordingly, to the extent permitted by the Development Plan and this Agreement, the Developer shall have the right to develop the Project in phases in such order and at such times as the Developer, in its sole discretion, deems appropriate within the exercise of its subjective business judgment; provided, however, that the City reserves the right to review, condition and approve each phase through discretionary and ministerial approvals consistent with this Agreement.

10.2 Effect of Agreement on Land Use Regulations. The rules, regulations and policies governing permitted uses of property, the density and intensity of use of property, the maximum height and size of proposed buildings and the design, improvement, construction and development standards and specifications applicable to development of property are those rules, regulations and policies in force as of the date of the Agreement, and those rules, regulations and official policies which may hereinafter be adopted by the City in accordance with Section 11.1 hereof, or State or Federal laws, statutes, regulations, policies or orders as provided in Section 11.2.

10.3 Application Processing. In connection with any approval which the City is permitted or has the right to make under this Agreement relating to the Project, or otherwise under its rules, regulations and official policies, the City shall exercise the City's discretion or take action in a manner which is as expeditious as reasonably possible.

10.4 Administrative Changes and Amendments. The parties acknowledge that further planning and development of the Project may demonstrate that refinements and changes are appropriate with respect to the details of the Project or interpretation of the Development Plan. If and when the parties find that minor changes or adjustments are necessary or appropriate to the Project or the Development Plan, they shall, unless otherwise required by law, effectuate such changes or adjustments through administrative amendments approved by the Director of Planning, which, after execution, shall be attached hereto as addenda and become a part hereof, and may be further changed and amended from time to time as necessary, with approval by the Director of Planning as may be requested by the Developer. Minor changes or amendments shall be those which are consistent with the overall intent of the Development Plan and this Agreement and which do not materially alter the overall nature, scope, or design of the Project. Any such minor administrative changes or amendments shall not be deemed to be an

amendment to this Agreement under Government Code Section 65868 and, unless otherwise required by law, no such administrative amendments shall require prior notice or hearing. As part of this Agreement, City understands and agrees that (i) any planning area designated for commercial use or park use, may instead be developed with residential dwelling units at an average density of up to 5.2 units per net acre, without further amendment of the Development Plan.

10.5 Mello-Roos Communities Facilities Districts; Other Assessment Districts or Financing Mechanisms. Pursuant to Chapter 2.5 (commencing with section 53312) Part 1, Division 2, Title 5 of the Government Code of the State of California, commonly known as the "Mello-Roos Community Facilities Act of 1982," the Developer may, at its sole election, petition the City Council of the City or a joint powers agency in which the City is a member to establish a Community Facilities District ("CFD"), in accordance with the City's policies in existence on the Effective Date. Alternatively, or in addition thereto, the Developer may request that the City initiate and complete proceedings under the Municipal Improvement Act of 1911, the Municipal Improvement Act of 1913, the Improvement Bond Act of 1915, the Landscaping and Lighting Act of 1972, or any and all other available public financing mechanism, to provide public conduit financing for the construction of public infrastructure improvements on the Property ("**Alternative Financing Mechanisms**"). If so requested by the Developer, the City shall cooperate with the Developer (or, for matters beyond its control, shall use its best efforts) in taking all steps necessary to cause the CFD or Alternative Financing Mechanisms to issue bonds for such purposes. If the Property is included within a CFD or Alternative Funding Mechanism with other surrounding properties, the special taxes or special assessments burdening the various properties so included shall be apportioned on a fair share basis related to the benefit derived by each of such properties in accordance with City policies at the time such property is included.

10.6 Public Services and Facilities. The Development Plan requires an integrated roadway system, and other public facilities including parks, schools, storm drains, and water and sewer facilities. City will reasonably assist Developer in obtaining public facilities and services for the Project on a timely basis in keeping with the pace of development of the Property. To the extent that the Developer constructs, installs or provides financing for public facilities or other public infrastructure improvements that benefit lands outside of the Property, the City shall use best reasonable efforts to adopt such ordinances, mitigation fees, liens or assessments as are necessary to provide credits, reimbursements, or in-kind funding to the Developer for the fair share of the benefits conferred upon such lands other than the Property by such public facilities or infrastructure improvements.

10.7 Other Governmental or Quasi-Governmental Permits. The Developer shall apply for such other permits and approvals as may be required by other governmental or quasi-governmental agencies having jurisdiction over the Project (such as public utilities or utility districts, or other federal or state agencies) to the extent required for the development of, or provision of, services and facilities to the Project as set forth in the Development Plan. The City shall cooperate with and assist the Developer in obtaining such permits and approvals, and, where necessary in making application for such approvals or permits. The Developer shall be solely responsible for all costs and shall be responsible for the processing of all such permits.

10.8 Consistency Between This Agreement and Current Laws. The City represents that as of the date of the execution of this Agreement, there are no rules, regulations, ordinances or official policies of the City that would interfere with the development of the Project according to the Development Plan.

10.9 Assessments, Fees, Mitigation and Exactions. The City shall not impose any future assessment, fee, mitigation measure or exaction on the Project or any portion thereof, except (a) those existing and proposed assessments, fees, mitigation measures and exactions included in Exhibit "C", (b) such other fees, assessments and exactions as may be adopted or imposed by the City in conformance with the requirements of Article XIII D of the California Constitution, (c) such other development impact fees or categories of development impact fees which are adopted on a City or County-wide basis or as required as a condition to obtaining County funding; and (d) such other development impact fees or categories of development impact fees which are imposed on other development projects in the City and are adopted and levied based on a benefit assessment. Fees payable to City shall be at rates applicable on the date the fee is paid. City shall recognize and apply a dollar-for-dollar in-lieu credit against any and all fees, for and equal to the cost of improvements and/or dedications made in the development of the Project by the Developer, or funded by any CFD or Alternative Financing Mechanism including the Property, and for which the fees would otherwise be imposed. City further agrees to use any fees paid with respect to development of the Project to fund improvements which benefit the Project, to the fullest reasonable extent available and applicable under the law. Any payments made to the City as required in that certain settlement agreement between the Developer and the Cherry Valley Acres and Neighbors settling a lawsuit against Specific Plan 318 shall be treated by City as an advance and credit against any fees that may be imposed by the City for the same purposes as the payment.

10.10 Reimbursement by the City. Pursuant to Government Code Section 65865.2, the City hereby agrees that as future development fees, assessments and exactions are imposed on future projects which have benefited from the fees, assessments and exactions paid by the Developer, the City shall promptly reimburse the Developer to the extent that such fees, assessments and exactions paid by Developer benefited lands outside of the Property, but only to the extent that the City actually receives or collects such fees, assessments or exactions for a period of ten years from the date the fee was paid.

11. RULES, REGULATIONS, REQUIREMENTS AND OFFICIAL POLICIES.

11.1 New Rules. This Agreement shall not prevent the City from applying the following new rules, regulations, requirements and policies, if applied on a City-wide or area of benefit basis:

11.1.1 Processing fees and charges imposed by the City which cover only the estimated actual costs to the City of processing applications for development approvals, for monitoring compliance with any development approvals or for monitoring compliance with environmental impact mitigation measures.

11.1.2 Procedural regulations relating to hearing bodies, petitions, applications, notices, findings, records, hearings, reports, recommendations, appeals and any other matter of

procedure, provided that such changes in procedural regulations do not have the effect of materially interfering with the benefits conferred by this Agreement.

11.1.3 Regulations governing construction standards and specifications including, without limitation, the City's Building Code, Plumbing Code, Mechanical Code, Electrical Code and Fire Code.

11.1.4 Regulations which are necessary to protect public health and safety, provided that to the maximum extent possible such regulations shall be designed, construed and applied in a manner to preserve the benefits of this Agreement.

11.1.5 New or increased fees or categories of fees imposed as a condition of development, for the purpose of defraying all or a portion of the cost of public facilities (as defined in Government Code Sections 66000 *et seq.)* related to development projects.

11.1.6 Regulations which are in conflict with the Development Plan or this Agreement if such regulations have been consented to in writing by the Developer.

11.2 State and Federal Laws. In the event that State or Federal laws or regulations enacted after this Agreement is executed prevent or preclude compliance with one or more of the provisions of this Agreement, such provisions of this Agreement shall be modified or suspended as may be necessary to comply with such State or Federal laws or regulations; provided, however, that this Agreement shall remain in full force and effect to the extent it is not inconsistent with such laws or regulations and to the extent such laws or regulations do not render such remaining provisions impractical to enforce.

12. AMENDMENT OR CANCELLATION OF AGREEMENT. This Agreement may be amended or canceled in whole or in part only by mutual consent of the parties in the manner provided for in Government Code Section 65868.

13. ENFORCEMENT. Unless amended or canceled as provided in Section 12 above, or modified or suspended pursuant to Government Code Section 65869.5, this Agreement is enforceable by either party hereto notwithstanding any change in any applicable general or specific plan, zoning, or subdivision regulation or standard adopted by the City (or by the voters of the City unless found by a court of competent and final jurisdiction to prevail over this Agreement) which alters or amends the Development Plan or is inconsistent with this Agreement.

14. PERIODIC REVIEW OF COMPLIANCE WITH AGREEMENT. The City shall review this Agreement at least once every year from the date this Agreement is executed. During each periodic review, each party is required to demonstrate good faith compliance with the terms of this Agreement. Such periodic review shall be conducted administratively by the City Manager and any appropriate department heads designated by the City Manager to perform such periodic review. If the City Manager finds that the Developer is not in good faith compliance with this Agreement, the Developer shall have the right to appeal such finding to the City Council. The City Council on appeal shall not hold a public hearing to review a finding that the Developer is not in good faith compliance with this Agreement unless so requested by the Developer in writing at the time of the submission of such appeal. The City shall notify the

Developer in writing of the date for review at least thirty (30) days prior thereto. The Developer shall pay or reimburse the City for the City's reasonable costs incurred in connection with such periodic reviews.

15. Events of Default.

15.1 Default by the Developer. If the City Council determines on the basis of substantial evidence upon appeal of the City Manager's decision pursuant to Section 14 hereof that the Developer has not complied in good faith with the terms and conditions of this Agreement, it shall, by written notice to the Developer, specify the manner in which the Developer has failed to so comply and state the steps the Developer must take to bring itself into compliance. If, within sixty (60) days after the effective date of notice from the City specifying the manner in which the Developer has failed to so comply, the Developer does not commence action reasonably necessary to bring itself into compliance as required and thereafter diligently pursue such steps to completion, then the Developer shall be deemed to be in default under the terms of this Agreement and the City may, if such failure persists after thirty (30) days' prior written notice, exercise its rights and remedies pursuant to Section 15.3.

15.2 Default by the City. If the Developer determines on the basis of substantial evidence that the City has not complied in good faith with the terms and conditions of this Agreement, the Developer shall, by written notice to the City, specify the manner in which the City has failed to so comply and state the steps the City must take to bring itself into compliance. If, within sixty (60) days after the effective date of notice from the Developer specifying the manner in which the City has failed to so comply, the City does not commence steps reasonably necessary to bring itself into compliance as required and thereafter diligently pursue such steps to completion, then the City shall be deemed to be in default under the terms of this Agreement and if such failure persists after thirty days prior written notice, the Developer may terminate this Agreement or seek specific performance as set forth in Section 15.3.

15.3 Specific Performance Remedy. Due to the size, nature and scope of the Project, it will not be practical or possible to restore the Property to its natural condition following development of all or any portion of the Property. After such development, the Developer may be foreclosed from other choices it may have had to utilize the Property. The Developer has invested significant time and resources and performed extensive planning and processing of the Project in agreeing to the terms of this Agreement and will be investing substantially more time and resources in implementing the Project in reliance upon the terms of this Agreement. It would be difficult or impossible to accurately determine the sum of money which would adequately compensate the Developer for such efforts. For the above reasons, the City and the Developer agree that damages alone would not be an adequate remedy if the City fails to carry out its obligations under this Agreement. Similarly, if the Developer breaches certain of its obligations hereunder, monetary damages may not constitute an adequate remedy for the City. Therefore, the parties agree that specific performance of this Agreement is an appropriate remedy if either party defaults and fails to perform its non-monetary obligations under this Agreement. Notwithstanding the foregoing, nothing in this Agreement is intended to prevent either party from seeking recovery of appropriate damages in the event that the terms of this Agreement are breached. The City and the Developer acknowledge that if the Developer is in default of its obligations under this Agreement, the City shall have the right to refuse to issue any

permits or other approvals to which the Developer would not otherwise have been entitled but for this Agreement.

16. INSTITUTION OF LEGAL ACTION. In addition to any other rights or remedies, either party may institute legal action to cure, correct or remedy any default, to enforce any covenants or agreements herein, to enjoin any threatened or attempted violation hereof, to recover damages for any default or to obtain any other remedies consistent with the purpose of this Agreement. Any such legal action shall be brought in the Superior Court of the State of California for the County of Riverside. The parties hereto waive any right to trial by jury.

17. WAIVERS AND DELAYS.

17.1 Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by the other party, and failure by a party to exercise its rights upon a default by the other party hereto, shall not constitute a waiver of such party's right to demand strict compliance by such other party in the future.

17.2 Third Parties. Nonperformance shall not be excused because of a failure of a third person except as provided in Section 17.3 below.

17.3 Force Majeure. Neither party shall be deemed to be in default for failure or delay in performance of any of its obligations under this Agreement if caused by floods, earthquakes, other Acts of God, fires, wars, riots or similar hostilities, strikes, other labor difficulties, government regulations or other causes beyond either of the parties' control. If any such event shall occur, the term of this Agreement and the time for performance by the Developer of any of its obligations hereunder or pursuant to the Development Plan shall be extended by the period of time that such events prevent or delay development of the Project.

18. NOTICES. All notices required or provided for under this Agreement shall be in writing and delivered in person and deposited in the United States mail, postage prepaid and addressed as follows:

To the City:	The City of Beaumont 550 East Sixth Street Beaumont, California 92223 Attn: City Manager
With a copy to:	Mr. Joseph Aklufi Aklufi & Wysocki 3403 Tenth Street, Suite 610 Riverside, CA 92501
To the Developer:	LB/L–Suncal Oak Valley LLC c/o SunCal Companies 5109 E. La Palma, Suite D Anaheim, CA 92807 Attn: Bruce Elieff

With a copy to: Hewitt & O'Neil LLP
19900 MacArthur Blvd., Suite 1050
Irvine, California 92612
Attn: Dennis D. O'Neil, Esq.

Any party may change its address stated herein by giving notice, in writing, to the other parties.

19. ATTORNEYS' FEES. If legal action is brought by either party against the other for breach of this Agreement, or to compel performance under this Agreement, the prevailing party shall be entitled to an award of reasonable attorneys' fees and costs.

20. TRANSFERS AND ASSIGNMENTS.

20.1 Right to Assign. The Developer shall have the right to sell, assign or transfer this Agreement and any and all of its rights, duties and obligations hereunder, in whole or in part, to any person or entity at any time during the term of this Agreement; provided, however, in no event shall the rights, duties and obligations conferred upon the Developer pursuant to this Agreement be at any time so transferred or assigned except through a transfer of an interest of the Developer in the Property, a portion . The assignment shall not be effective without the City's prior approval, which shall not be unreasonably withheld, to ensure that the assignment will not prevent the orderly development of the Project consistent with the Agreement or Development Plan. In the event of any such assignment, the transferee shall thereafter be solely liable for the performance of all obligations of the Developer relating to the portion of the Property, or interest therein, so transferred. Such transferee or the Developer shall notify the City, in advance, and in writing of their intent to transfer such obligations.

20.2 Release Upon Transfer. Upon the sale, transfer or assignment of the Developer's rights and interests under this Agreement as permitted pursuant to Section 20.1, the Developer shall be released from its obligations under this Agreement and all of the Developer's obligations pursuant to the Development Plan, or other agreements assumed by transferee with respect to the Property, or portion thereof, so transferred, provided that (a) the Developer is not then in default under the Agreement, (b) the Developer or transferee has provided the City notice of such transfer and (c) the transferee executes and delivers to the City a written agreement in which (i) the name and address of the transferee is set forth and (ii) the transferee expressly and unconditionally assumes all of the obligations of the Developer under this Agreement with respect to the Property, or a portion thereof, so transferred.

21. COOPERATION IN THE EVENT OF LEGAL CHALLENGE. In the event of any legal action instituted by a third party or other governmental entity or official challenging the validity of this Agreement or any portion thereof, the parties hereby agree to cooperate in defending such action, subject to the provisions of Section 8. In the event of any litigation challenging the effectiveness of this Agreement, or any portion hereof, this Agreement shall remain in full force and effect while such litigation, including any appellate review, is pending.

22. EMINENT DOMAIN. No provision of this Agreement shall be construed to limit or restrict the exercise by the City of its power of eminent domain.

23. AUTHORITY TO EXECUTE. The person or persons executing this Agreement on behalf of the Developer warrant and represent that they have the authority to execute this Agreement on behalf of the Developer and warrant and represent that they have the authority to bind the Developer to the performance of its obligations hereunder.

24. ESTOPPEL CERTIFICATES. The City shall at any time upon not less than thirty (30) days' prior written notice from the Developer execute, acknowledge and deliver to the Developer a statement in writing (i) certifying that this Agreement is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Agreement, as so modified, is in full force and effect); (ii) certifying the amounts of the fees, assessments and exactions that have been received from the Developer and what amounts, if any, remain outstanding; and (iii) acknowledging that there are not, to the City's knowledge, any defaults if any are claimed. Any such statement may be conclusively relied upon by any prospective purchaser, lender or joint venture partner.

25. RECORDATION. This Agreement and any amendment or cancellation hereto shall be recorded in the Official Records of the County of Riverside, by the City Clerk within the period required by Section 65868.5 of the Government Code.

26. PROTECTION OF MORTGAGE HOLDERS. The parties hereto agree that this Agreement shall not prevent or limit the Developer, in any manner, at the Developer's sole discretion, from encumbering the Property or any portion thereof or any improvement thereon by any mortgage, deed of trust or other security device securing financing with respect to the Property. The City acknowledges that the lenders providing such financing may require certain interpretations, estoppel certificates and modifications to this Agreement and agrees upon request, from time to time, to meet with the Developer and representatives of such lenders to negotiate in good faith any such request for interpretations, estoppel certificates or modifications. The City will not unreasonably withhold its consent to any such requested interpretation, estoppel certificate or modification provided the same is consistent with the intent and purposes of this Agreement. The holder(s) of any mortgage, deed of trust or other security instrument encumbering the Property (each, a "**Mortgagee**") shall have the following rights and privileges:

26.1.1 Neither entering into this Agreement nor a breach of this Agreement shall defeat, render invalid, diminish or impair the lien of any mortgage on the Property made in good faith and for value, unless otherwise required by law.

26.1.2 Any Mortgagee which has submitted a request in writing to the City in the manner specified herein for giving notices, shall be entitled to receive written notification from City of any default by the Developer in the performance of the Developer's obligations under this Agreement.

26.1.3 If the City timely receives a request from a Mortgagee requesting a copy of any notice of default given to the Developer under the terms of this Agreement, the City shall provide a copy of that notice to the Mortgagee within ten (10) days of sending the notice of default to the Developer. Mortgagee's not party to this Agreement. If the cure period for a default by the Developer set forth in Section 15.1 above has expired and such default has not been cured, the Mortgagee shall be provided with an additional thirty (30) day period after the

expiration of such cure period in which to commence all steps reasonably necessary to bring the Developer in compliance as required under this Agreement and thereafter diligently pursue such steps to completion. During such cure period, and if the default is ultimately cured, the City shall not terminate this Agreement.

26.1.4 Any Mortgagee who comes into possession of the Property, or any part thereof, pursuant to foreclosure of the mortgage or deed of trust, or deed in lieu of such foreclosure, shall take the Property, or part thereof, subject to the terms of this Agreement. Notwithstanding any other provision of this Agreement to the contrary, no Mortgagee shall have an obligation or duty under this Agreement to perform any of the Developer's obligations or other affirmative covenants of the Developer hereunder, or to guarantee such performance; provided, however, that to the extent that any covenant to be performed by the Developer is a condition precedent to the performance of a covenant by City, the performance thereof shall continue to be a condition precedent to City's performance hereunder, and further provided that any sale, transfer or assignment by any Mortgagee in possession shall be subject to the provisions of this Agreement.

27. SEVERABILITY OF TERMS. If any term, provision, covenant or condition of this Agreement shall be determined invalid, void or unenforceable, the remainder of this Agreement shall not be affected thereby to the extent such remaining provisions are not rendered impractical to enforce.

28. SUBSEQUENT AMENDMENT TO AUTHORIZING STATUTE. This Agreement has been entered into in reliance upon the provisions of the Development Agreement Law in effect as of the Agreement Date. Accordingly, subject to Section 11.2 above, to the extent a subsequent amendment to the Development Agreement Law would affect the provisions of this Agreement, such amendment shall not be applicable to the Agreement unless necessary for this Agreement to be enforceable or unless this Agreement is modified pursuant to the provisions set forth in the Agreement and Government Code Section 65868 in effect on the Agreement Date.

29. INTERPRETATION AND GOVERNING LAW. This Agreement and any dispute arising hereunder shall be governed and interpreted in accordance with the laws of the State of California. Unless otherwise provided, any ambiguity concerning the content or application of the Development Agreement, arising as a result of any apparent conflict between (a) the conditions, terms and requirements to be applied by City under the Development Agreement and (b) the conditions, terms and requirements previously imposed on the Project by the County of Riverside, shall be resolved by the City's Planning Director, subject to the appeal procedure set forth in the Development Code for appeals of staff determinations.

30. SECTION HEADINGS. All section headings and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

31. INCORPORATION OF RECITALS AND EXHIBITS. Recitals A through L and attached Exhibits "A" through "D" are hereby incorporated herein by this reference as though set forth in full.

32. RULES OF CONSTRUCTION AND MISCELLANEOUS TERMS.

32.1 Gender. The singular includes the plural; the masculine gender includes the feminine; "shall" is mandatory, "may" is permissive.

32.2 Time of Essence. Time is of the essence regarding each provision of this Agreement in which time is an element.

32.3 Cooperation. Each party covenants to take such reasonable actions and execute all documents that may be necessary to achieve the purposes and objectives of this Agreement.

33. TENTATIVE TRACT MAP EXTENSIONS. In accordance with the provisions of Section 66452.6 of the California Government Code, tentative subdivision tract map(s) or tentative parcel map(s), heretofore or hereafter approved in connection with development of the Property, shall be granted an extension of time for the term of this Agreement.

[Signature page follows]

The parties have executed this Development Agreement on the date and year first written above.

"City"

THE CITY OF BEAUMONT, a
municipal corporation of the State of California

By: _____
Brian DeForge, Mayor

"Developer"

LB/L - SUNCAL OAK VALLEY LLC,
a Delaware limited liability company

By: LBREP LAKESIDE OAK VALLEY LLC,
a Delaware limited liability company,
its Managing Member

By: _____
Melvin T. Andrews,
Authorized Signatory

By: SCC/OAK VALLEY, LLC,
a Delaware limited liability company,
Member

By: _____
Bruce Elieff,
Manager

SIGNED AND CERTIFIED THAT A COPY OF
THIS DOCUMENT HAS BEEN DELIVERED TO
THE MAYOR OF THE CITY COUNCIL

By: _____
City Clerk

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Riverside } ss.

On February 12, 2024 (Date) before me, Shaina J. Harwood (Name and Title of Officer (e.g., "Jane Doe, Notary Public"))

personally appeared Brian DeForge (Name(s) of Signer(s))

X personally known to me
☐ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(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.

Shaina J. Harwood
Signature of Notary Public

SHAINA J. HARWOOD
Commission # 1413105
Notary Public - California
Riverside County
My Comm. Expires Apr 22, 2007

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

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CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Riverside } ss.

On February 12, 2004 (Date) before me, Shaina J. Harwood (Name and Title of Officer (e.g., "Jane Doe, Notary Public")),

personally appeared Shelby Harvey (Name(s) of Signer(s))

X personally known to me
— proved to me on the basis of satisfactory evidence

to be the person(s) whose name(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.

Shaina J. Harwood
Signature of Notary Public

SHAINA J. HARWOOD
Commission # 1413105
Notary Public - California
Riverside County
My Comm. Expires Apr 22, 2007

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Capacity(ies) Claimed by Signer

Signer's Name: _____

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- ☐ Corporate Officer — Title(s): _____
- ☐ Partner — ☐ Limited ☐ General
- ☐ Attorney-in-Fact
- ☐ Trustee
- ☐ Guardian or Conservator
- ☐ Other: _____

Signer Is Representing: _____

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CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Orange } ss.

On February 5, 2004 (Date) before me, Niki Whitney (Name and Title of Officer (e.g., "Jane Doe, Notary Public"))

personally appeared Bruce Elieff (Name(s) of Signer(s))

☒ personally known to me
☐ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(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.

NIKI WHITNEY
Commission # 1426145
Notary Public - California
Orange County
My Comm. Expires Jun 23, 2007

WITNESS my hand and official seal.

Niki Whitney
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Development Agreement / City of Beaumont + LB/L SunCal Oak Valley, LLC

Document Date: 11-18-03 Number of Pages: 15

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: Bruce Elieff

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

☐ Individual
☒ Corporate Officer — Title(s): Manager
☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: LB/L SunCal Oak Valley, LLC

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CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California
County of Los Angeles } ss.

On February 6, 2004 (Date) before me, O. ARSENAULT (Name and Title of Officer (e.g., "Jane Doe, Notary Public")),
personally appeared Melvin T. Andrews (Name(s) of Signer(s)),

X personally known to me
☐ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(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.

O. Arsenault
Signature of Notary Public

O. ARSENAULT
Commission # 1282479
Notary Public - California
Los Angeles County
My Comm. Expires Oct 30, 2004

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT OF SIGNER
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EXHIBIT "A"
LEGAL DESCRIPTION

THOSE PORTIONS OF SECTIONS 25, 26, 27, 31, 32, 35 AND 36 OF TOWNSHIP 2 SOUTH, RANGE 1 WEST AND A PORTION OF SECTION 5 TOWNSHIP 3 SOUTH, RANGE 1 WEST SAN BERNARDINO MERIDIAN, LOCATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PH1-A
PARCEL "A" OF LOT LINE ADJUSTMENT NO. 4188 AS SHOWN ON RECORD OF SURVEY FILED IN BOOK 109 OF RECORD OF SURVEYS PAGES 7 THROUGH 13 INCLUSIVE.

PH1-B
PARCEL "B" OF LOT LINE ADJUSTMENT NO. 4188 AS SHOWN ON RECORD OF SURVEY FILED IN BOOK 109 OF RECORD OF SURVEYS PAGES 7 THROUGH 13 INCLUSIVE.

PH1-F
PARCEL "F" OF LOT LINE ADJUSTMENT NO. 4188 AS SHOWN ON RECORD OF SURVEY FILED IN BOOK 109 OF RECORD OF SURVEYS PAGES 7 THROUGH 13 INCLUSIVE.

PH1-G
PARCEL "G" OF LOT LINE ADJUSTMENT NO. 4188 AS SHOWN ON RECORD OF SURVEY FILED IN BOOK 109 OF RECORD OF SURVEYS PAGES 7 THROUGH 13 INCLUSIVE.

PH1-H
PARCEL "H" OF LOT LINE ADJUSTMENT NO. 4188 AS SHOWN ON RECORD OF SURVEY FILED IN BOOK 109 OF RECORD OF SURVEYS PAGES 7 THROUGH 13 INCLUSIVE.

PH2-C
PARCEL "C" OF LOT LINE ADJUSTMENT NO. 4188 AS SHOWN ON RECORD OF SURVEY FILED IN BOOK 109 OF RECORD OF SURVEYS PAGES 7 THROUGH 13 INCLUSIVE.

PH2-D
PARCEL "D" OF LOT LINE ADJUSTMENT NO. 4188 AS SHOWN ON RECORD OF SURVEY FILED IN BOOK 109 OF RECORD OF SURVEYS PAGES 7 THROUGH 13 INCLUSIVE AND AMENDED BY LOT LINE ADJUSTMENT NO. 03-LLA-11 (SHOWN AS PARCEL "A") AS INSTRUMENT NO. 2003-500693 RECORDED JULY 7, 2003.

PH2-E
PARCEL "E" OF LOT LINE ADJUSTMENT NO. 4188 AS SHOWN ON RECORD OF SURVEY FILED IN BOOK 109 OF RECORD OF SURVEYS PAGES 7 THROUGH 13 INCLUSIVE.

PH2-R
PARCEL "R" OF LOT LINE ADJUSTMENT NO. 4188 AS SHOWN ON RECORD OF SURVEY FILED IN BOOK 109 OF RECORD OF SURVEYS PAGES 7 THROUGH 13 INCLUSIVE.

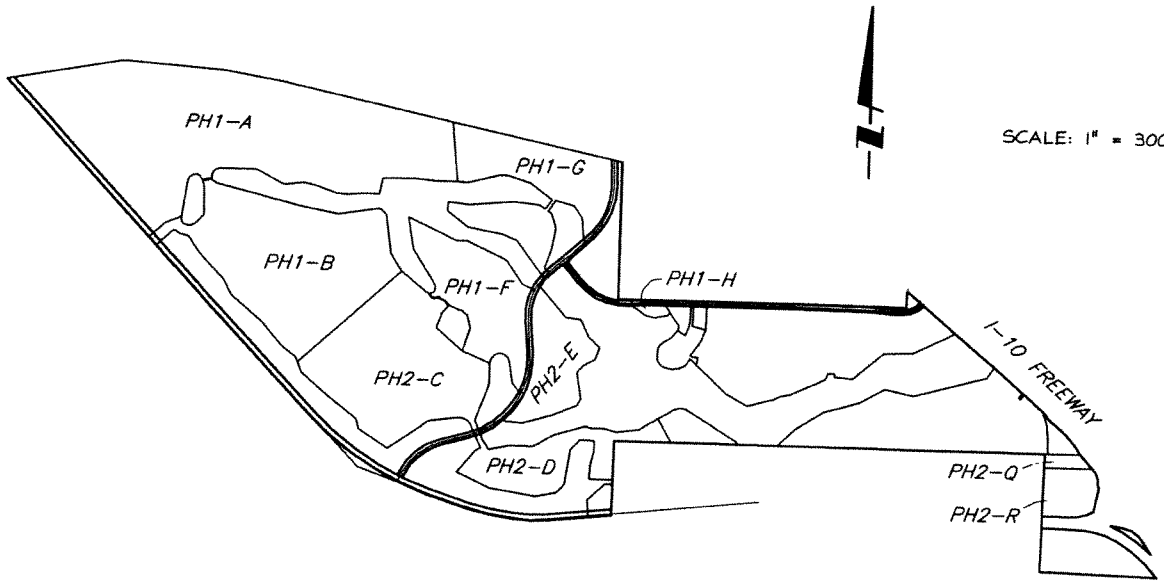
PH2-Q

PARCEL "Q" OF LOT LINE ADJUSTMENT NO. 4188 AS SHOWN ON RECORD OF SURVEY FILED IN BOOK 109 OF RECORD OF SURVEYS PAGES 7 THROUGH 13 INCLUSIVE AND AMENDED BY LOT LINE ADJUSTMENT NO. 03-LLA-11 (SHOWN AS PARCEL "B") AS INSTRUMENT NO. 2003-500694 RECORDED JULY 7, 2003.

EXHIBIT B

SHEET 1 OF 1

THIS EXHIBIT IS TO BE ATTACHED TO THE LEGAL DESCRIPTION



PH1-A, PCL A PER LLA# 4188

PH1-B, PCL B PER LLA# 4188

PH1-F, PCL F PER LLA# 4188

PH1-G, PCL G PER LLA# 4188

PH1-H, PCL H PER LLA# 4188

PH2-C, PCL C PER LLA# 4188

PH2-D, PCL D PER LLA# 4188 AS AMENDED (PCL A) PER LLA 03-LLA-11

PH2-E, PCL E PER LLA# 4188

PH2-Q, PCL Q PER LLA# 4188 AS AMENDED (PCL B) PER LLA 03-LLA-11

PH2-R, PCL R PER LLA# 4188

PHASE 1 AND 2

The Keith Companies TKC

22690 Cactus Avenue, Suite 300 Moreno Valley, CA 92553-9024 (909) 653-0234

P:\31841.00\Dwg\PRSX0008.dwg, 08/19/2003 09:56:57 AM, J JOSENHANS

Plotted: 8/18/2003 5:18:19 PM By: B PIERCE DWG: P:\31841.00\Dwg\PRSX0008.dwg

EXHIBIT C

LIST OF PERMITS AND APPROVALS

Specific Plan 318
Finding of Substantial Conformance
EIR 418 and Addendum
Vesting Tentative Tract Map 31462

EXHIBIT D

CONDITIONS OF APPROVAL

CITY OF BEAUMONT

CONDITIONS OF APPROVAL

SPECIFIC PLAN 318

1. HOLD HARMLESS

The applicant or any successor-in-interest shall defend, indemnify, and hold harmless the City of Beaumont (City), its agents, officers, or employees from any claim, action, or proceeding against the City, its agents, officers, or employees to attack, set aside, void or annul an approval of the City, its advisory agencies, appeal boards, or legislative body concerning this SPECIFIC PLAN. The City will promptly notify the applicant of any such claim, action, or proceeding against the City and will cooperate fully in the defense. If the City fails to promptly notify the subdivider of any such claim, action, or proceeding or fails to cooperate fully in the defense, the subdivider shall not, thereafter, be responsible to defend, indemnify, or hold harmless the City.

2. DEFINITIONS

The words identified in the following list that appear in all capitals in the attached conditions of Specific Plan No. 318 shall be henceforth defined as follows:

SPECIFIC PLAN = Riverside County Specific Plan No. 318

CHANGE OF ZONE = City of Beaumont Change of Zone No. 02-RZ-03.

EIR = Riverside County Environmental Impact Report No. 418.

3. SPECIFIC PLAN DOCUMENT

Specific Plan No. 318 shall consist of the following:

a. Specific Plan Document, which must include, but to be limited to, the following items:

1. City Council Specific Plan Resolution.
2. Conditions of Approval.
3. Specific Plan Zoning Ordinance Text.
4. Land Use Plan in both 8 ½" x 11" black-and-white and 11"x 17" color formats
5. Specific Plan text.
6. Descriptions of each Planning Area in both graphical and narrative formats.

b. Environmental Impact Report No. 418 Document, which must include, but not be limited to, the following items:

1. Mitigation Reporting/Monitoring Program (M/M).
2. Agency Notice of Preparation (NOP).
3. Draft EIR.
4. Agency Notice of Completion (NOC).
5. Comments on the NOC.
6. Final EIR, including the responses to comments on the NOC.
7. Technical Appendices
8. Initial Study/Addendum for Oak Valley Specific Plan 318/ Environmental Impact Report No. 418 Amendment

If any specific plan conditions of approval differ from the specific plan text or exhibits, the specific plan conditions of approval shall take precedence.

4. ORDINANCE REQUIREMENTS

The development of the property shall be in accordance with the mandatory requirements of all City ordinances not in conflict with the Specific Plan and state laws.

BUILDING AND SAFETY

5. APPLICABLE GRADING REGULATIONS

Anything to the contrary, proposed by SP 318, shall not supersede the following: All grading shall conform to the Uniform Building Code, City's General Plan, and all other relevant laws, rules and regulations governing grading in City.

6. COMPLIANCE WITH SOILS REPORTS

All grading shall be performed in accordance with the recommendations of the approved-geotechnical/soils reports for this Specific Plan.

7. ALL CLEARANCES REQUIRED BEFORE PERMIT

Prior to issuance of a grading permit, all certifications affecting grading shall have written clearances. This includes, but is not limited to, additional environmental assessments, erosion control plans, geotechnical/soils reports, and departmental clearances.

FIRE DEPARTMENT

8. HAZARDOUS FIRE AREA

The specific plan is located in the "Hazardous Fire Area" of Riverside County as shown on a map on file with the Clerk of the Board of Supervisors. Any building constructed on lots created by this project shall comply with the special construction provisions contained in City Ordinances for Hazardous Fire Areas. and the California Code of Regulations, Title 14, and Public Resources Code 4290.

9. WATER MAINS

All water mains and fire hydrants providing required fire flows shall be constructed in accordance with the appropriate sections of Riverside County Ordinance 460 and/or No. 787, subject to the approval by the Riverside County Fire Department.

10. ROOFING MATERIAL

The proposed project area lies within the VERY HIGH FIRE HAZARD SEVERITY ZONE as shown on the California Fire Classification maps on file. All buildings shall be constructed with a class "A" fire retardant roofing material as per the 1999 California Fire Code. Wood shingles and shakes are not recommended as a roof or other exterior covering material.

11. OPEN SPACE

Prior to approval of any development for lands adjacent to open space areas, a fire protection/vegetation management (fuel modification) plan shall be submitted to the Riverside County Fire Department for review and approval. The Homeowner's Association or appropriate management entity shall be responsible for maintaining the elements to the plan.

12. FINAL FIRE REQUIREMENTS

Final fire protection requirements and impact mitigation measures will be determined when specific project plans are submitted.

13. DISCLOSURE

This project lies within the VERY HIGH FIRE HAZARD SEVERITY ZONE as shown on the Fire Hazard Zone Maps of California. All roof construction shall meet a minimum class "A" rating as described in the current model building code of California.

A fire fuel analysis of the open space/wildlands within and outside the project area may be required prior to submitting a fuel modification plan.

NOTICE - The transferor of real property shall disclose to the transferee that this project lies within a VERY HIGH FIRE HAZARD area.

PUBLIC WORKSDEPARTMENT

14. GREENBELT, BASIN MAINTENANCE

This project proposes detention basins and green belt channels which will require maintenance by a public agency, or a guarantee of maintenance by a public agency in the event the responsible private party fails to meet its maintenance obligation. In particular the detention basin adjacent to Planning Areas 9 and 10 would require such a guarantee because the proposed downstream development would depend on it for public health and safety. These types of flood control facilities are selected at the discretion of the applicant to complement the nature of the proposed development, and do not have a regional benefit commensurate with the maintenance costs which are anticipated to be excessively high. Therefore, to ensure the public is not unduly burdened for future costs, prior to final approval or recordation of any case protected by these drainage facilities, the City will require an acceptable financial mechanism to be implemented to provide for reimbursement of maintenance costs in perpetuity. This may consist of a mechanism to assess individual benefiting property owners, or other means approved by the City. If an acceptable maintenance mechanism cannot be developed, the project should be redesigned to eliminate all high maintenance cost features.

PLANNING DEPARTMENT

15. MAINTAIN PLANNING AREAS

ALL PLANNING AREA NUMBERS SHALL BE MAINTAINED THROUGHOUT THE LIFE OF THE SPECIFIC PLAN, UNLESS CHANGED THROUGH THE APPROVAL OF A SPECIFIC PLAN AMENDMENT OR SPECIFIC PLAN SUBSTANTIAL CONFORMANCE ACCOMPANIED BY A REVISION TO THE COMPLETE SPECIFIC PLAN DOCUMENT.

16. TRAFFIC STUDY CONDITIONS

The City has reviewed the traffic study submitted by LSA Associates, Inc. for the referenced project. The study has been prepared in accordance with accepted traffic engineering standards and practices. The study analyzed year 2020 Buildout Impacts for the project and surrounding intersections.

The study indicates that it is possible to achieve a Level of Service "C" for the following intersections (some of which will require additional construction for mitigation at the time of development):

Singleton Road (NS)/I-10 Fwy EB Ramps (EW)
Singleton Road (NS)/I-10 Fwy WB Ramps (EW)
Singleton Road (NS)/Calimesa Boulevard (EW)
Cherry Valley Boulevard (NS)/I-10 Fwy EB Ramps (EW)
Cherry Valley Boulevard (NS)/I-10 Fwy WB Ramps (EW)
Cherry Valley Boulevard (NS)/Calimesa Boulevard (EW)
Nancy Avenue (NS)/Cherry Valley Boulevard (EW)
Beaumont Avenue (NS)/Cherry Valley Boulevard (EW)

Brookside Avenue (NS)/Desert Lawn Drive (EW)
Nancy Avenue (NS)/Brookside Avenue (EW)
Oak Valley P'way (NS)/I-10 Fwy EB Ramps (EW)
Oak Valley P'way (NS)/I-10 Fwy WB Ramps (EW)
Beaumont Avenue (NS)/I-10 Fwy EB Ramps (EW)
Beaumont Avenue (NS)/I-10 Fwy WB Ramps (EW)
Potrero Boulevard (NS)/SR-60 EB Ramps (EW)
Potrero Boulevard (NS)/Champions Drive (EW)
"J" Street (NS)/San Timoteo Canyon Road (EW)
"J" Street (NS/"G" Street (EW)
San Timoteo Canyon Road (NS)/"G" Street (EW)

The study indicates that it is possible to achieve a Level of Service "D" for the following intersections (some of which will require additional construction for mitigation at the time of development).

Calimesa Boulevard (NS)/Brookside Avenue (EW)
Beaumont Avenue (NS)/Brookside Avenue (EW)
Oak Valley Estates (NS)/ Oak Valley P'way
Nancy Street (NS)/14th Street (EW)
Beaumont Avenue (NS) Oak Valley P'way)
Elm Avenue (NS)/8th Street (EW)
California Avenue (NS)/6th Street (EW)
Potrero Boulevard (NS)/SR-60 WB Ramps (EW)

Mitigation to improve operations of the following intersection to the required Level of Service standards of the applicable jurisdictions (LOS "C" within the County of Riverside and the City of Calimesa, and LOS "D" within the City of Beaumont) for Year 2020 Buildout conditions is problematic, due either to existing conditions or to infeasible geometrics:

Singleton Road (NS)/Woodhouse Road (EW)
Cherry Valley Boulevard (NS)/Roberts Road-Desert Lawn Drive (EW)
Desert Lawn Drive (NS)/Champions Drive (EW)
Singleton Road (NS)/ San Timoteo Canyon Road (EW)
Champions Drive (NS)/San Timoteo Canyon Road (EW)
Beaumont Avenue (NS)/6th Street (EW)

The associated conditions of approval incorporate mitigation measures identified in the traffic study which are necessary to achieve or maintain the required level of service.

17. ROADWAY IMPROVEMENTS

Roadway links wholly within the boundaries of Oak Valley Specific Plan No. 318, as well as the entirety of Champions Drive, shall be constructed at the time of project development per the requirements of the specific plan. Roadway links along the perimeter of the specific plan area (San Timoteo Canyon Road) shall be constructed to

their full half-width section concurrent with development of the adjacent Oak Valley, Specific Plan No. 318 Planning Areas. Intersections located within and adjacent to the boundaries of Oak Valley Specific Plan No. 318 (San Timoteo Canyon Road at "G" Street and "J" Street, Champions Drive at "J" Street Desert Lawn Drive) shall be constructed concurrent with the roadways with the geometrics illustrated in Figure D.1.12c, unless subsequent traffic impact analyses demonstrate that lesser geometrics can be provided which meet applicable LOS standards, as approved by the City Engineer.

18. "P" STREET IMPROVEMENTS

"P" Street shall be constructed to County of Riverside Standard No. 102, Modified Secondary Highway (56'/88' R.O.W.) from Champions Drive to San Timoteo Canyon Road.

19. WARRANTED TRAFFIC SIGNALS

The project is responsible for the following traffic signals when warranted through subsequent traffic studies done for implementing projects within the boundaries of the specific plan:

San Timoteo Canyon Road/"G" Street
San Timoteo Canyon Road/"J" Street
Desert Lawn Drive/Champions Drive
Potrero Boulevard/Champions Drive
Champions Drive/"J" Street

20. GEOMETRICS

The following intersections shall be improved to the geometrics as described.

Potrero Boulevard (NS)/San Timoteo Canyon Road (EW) shall be improved to provide the following geometrics:

Southbound: Two left turn lanes, one right turn lane.
Eastbound: One left turn lane, two through lanes.
Eastbound: Two through lanes, one right turn lane.

Potrero Boulevard (NS)/Champions Drive (EW) shall be improved to provide the following geometrics:

Northbound: Two left turn lanes, one right turn lane.
Southbound: NA
Eastbound: Two through lanes.
Westbound: Two left turn lanes, two through lanes.

Desert Lawn Drive (NS)/Champions Drive (EW) shall be improved to provide the following geometrics:

Northbound: NA
Southbound: Two left turn lanes, one right turn lane.
Eastbound: One left turn lane, two through lanes.
Westbound: Two through lanes, one right turn lane.

"J" Street (NS)/San Timoteo Canyon Road (EW) shall be improved to provide the following geometrics:

Northbound: NA
Southbound: One left turn lane, one right turn lane.
Eastbound: One left turn lane, two through lanes.
Westbound: Two through lanes, one right turn lane.

"J" Street (NS)/Champions Drive (EW) shall be improved to provide the following geometrics:

Northbound: Two through lanes, one right turn lane.
Southbound: Two left turn lanes, two through lanes.
Eastbound: NA
Westbound: One left turn lane, one right turn lane

"J" Street (NS)/"G" Street (EW) shall be improved to provide the following geometrics:

Northbound: One left turn lane, two through lanes, one through/right turn lane.
Southbound: Two left turn lanes, three through lanes.
Eastbound: Two left turn lanes, one through/right turn lane.
Westbound: One left turn lane, one through lane, one through/right turn lane.

"G" Street (NS)/San Timoteo Canyon Road (EW) shall be improved to provide the following geometrics:

Northbound: NA
Southbound: One left turn lane, one right turn lane.
Eastbound: One left turn lane, two through lanes.
Westbound: Two through lanes, one right turn lane.

21. TRANSPORTATION MITIGATION FEE

The project proponent shall be required to pay all transportation impact and signal mitigation fees in effect in the City of Beaumont. The project proponent will receive credit against transportation impact and signal mitigation fees for improvements installed which are part of the transportation impact and signal mitigation fee schedule of improvements or similarly covered by the fee(s).

22. "G" STREET IMPROVEMENTS

Concurrent with the construction of "G" Street within the boundaries of Oak Valley Specific Plan No. 318, "G" Street shall be constructed offsite to intersect with "J" Street as Modified Collector Street (78' R.O.W.)

PARKS AND RECREATION DEPARTMENT

23. TRAIL CONSTRUCTION

Prior to the approval of any implementing project, including but not limited to grading permits, the applicant shall have in place a funding or construction mechanism, as approved by the City, to insure the construction of the regional trail along San Timoteo Canyon Road.

PLANNING DEPARTMENT

24. PLANNING AREA STANDARDS

Prior to the approval of any implementing project within the SPECIFIC PLAN (i.e., tract map, parcel map, use permit, plot plan, etc.), the following condition shall be placed on the implementing project, with the blanks filled in at the implementing project:

"This implementing project is within Planning Area[s] ____ of the SPECIFIC PLAN. Accordingly, this project is subject to these development standards:

1. All residential lots must be at least ____ [square feet/acres].
2. The average residential lot size must be at least ____ [square feet/acres].
3. The target density of this planning area is ____ to ____ du/ac.
4. The target range of the number of dwelling units in this planning area is ____ to ____.
5. Entry monumentation is required at the intersection of _____ and _____.
6. Roadway landscaping is required at _____.
7. Recreational trails are located at _____.
8. This implementing map is conditioned to build a park at _____ prior to the ____th building permit.
9. [Residential] [Commercial] [Industrial] buildings must conform to the design guidelines on pages ____ to ____ of the SPECIFIC PLAN."

25. MITIGATION MONITORING PROGRAM (GENERAL)

Prior to approval of any implementing project within the SPECIFIC PLAN (i.e., tract map, parcel map, use permit, plot plan, etc.), the following condition shall be placed on the implementing project:

"The EIR prepared for the SPECIFIC PLAN imposes specific mitigation measures and monitoring requirements on the project. Certain conditions of the SPECIFIC PLAN and this implementing project constitute reporting/monitoring requirements for certain mitigation measures."

26. NON-IMPLEMENTING MAPS

Prior to approval of any implementing project within the SPECIFIC PLAN (i.e., tract map, parcel map, use permit, plot plan, etc.), the following condition shall be placed on the implementing project:

"A land division filed for the purposes of phasing or financing shall not be considered an implementing development application for the purposes of the Planning Department's conditions of approval.

Should this project be an application for phasing or financing, all of the other conditions in this implementing project with a prefix of "SP" will be considered as NOTAPPLICABLE, and this condition shall be considered as MET. Should this project not be an application for phasing or financing, this condition shall be considered as NOT APPLICABLE."

27. PLANNING AREA SUMMARY TABLE

Prior to the approval of any implementing Project within the SPECIFIC PLAN (i.e., tract map, parcel map, use permit, plot plan, etc.), the following condition shall be placed on the implementing project:

The following table shows the residential map requirements of the adopted SPECIFIC PLAN:

Planning Areas:	Min. lot size [sq. ft.]	Density Range [du/acre]	Target Density

1	4,000	5-8	6.0
2	5,000	2-5	4.0
3	5,000	2-5	4.0
4	3,800	8-12	10.0
7B	10,000	.2-2	1.0
8	5,500	2-5	4.0
10	3,800	8-12	10.0
11	6,000	2-5	4.0
12	5,000	2-5	4.0
14	4,000	12-20	20.0
15	7,000	2-5	4.0
16	6,000	2-5	4.0
18	5,000	5-8	6.0
19	8,000	2-2	2.0
20	4,000	2-5	4.0
22	5,500	2-5	4.0
23B	10,000	2-2	1.0
25	3,800	8-12	12.0
26	8,000	2-5	4.0
30	6,000	2-5	4.0
32	4,000	5-8	6.0
36	4,000	5-8	6.0
38	3,800	8-12	12.0
39	5,000	2-5	4.0

This condition shall be considered MET if the implementing residential land division proposal is within the above mentioned standards. This condition may only be considered as NOT APPLICABLE if the implementing project is concurrent with a specific plan amendment that proposes to change the above-mentioned standards, or if this implementing project is either commercial or industrial in nature.

28. PROJECT LOCATION EXHIBIT

Prior to approval of any implementing project within the SPECIFIC PLAN (i.e., tract map, parcel map, use permit, plot plan, etc.), the following condition shall be placed on the implementing project:

"The applicant shall provide to the Planning Department an 8 ½" x 11" exhibit showing where in the SPECIFIC PLAN this project is located. The exhibit shall also show all prior implementing projects within the SPECIFIC PLAN that have already been approved.

This condition shall be considered MET once the applicant provides the Planning Department with the required information. This condition may not be DEFERRED."

29. ACOUSTICAL STUDY REQUIRED

Prior to the approval of any implementing project within Planning Areas 1, 10, 32, 36, and 38 of the SPECIFIC PLAN (i.e., tract map, use permit, plot plan, etc.), the following condition shall be placed on the implementing project:

"PRIOR TO BUILDING PERMIT APPROVAL, an acoustical study shall be submitted to the Planning Department for review and approval.

This condition shall be considered MET if the relevant study has been approved by the Planning Department. This condition may be considered as NOT APPLICABLE if the Planning Department determines that the required study is not necessary.

30. OAK TREE PLAN REQUIREDPRIOR TO THE APPROVAL OF ANY IMPLEMENTING PROJECT (I.E., TRACT MAP, PARCEL MAP, USE PERMIT, PLOT PLAN, ETC.) WITHIN PLANNING AREAS 10, 11, 15, 16, 21A, 21B, 22, AND 23B OF THE SPECIFIC PLAN, THE FOLLOWING CONDITION SHALL BE PLACED ON THE IMPLEMENTING PROJECT:

"PRIOR TO PROJECT APPROVAL, an oak tree inventory and conservation plan shall be developed providing detail by planning area. Each oak shall be mapped with its location numbered, its caliper (diameter) at breast height and its drip line (Tree canopy) diameter identified, rated as to qualitative condition and desirability for retention, and assigned a recommended mitigation replacement ratio if removal were required. The plan shall also include general mitigation guidelines covering how oak trees to be retained will be protected during construction activities, how oak trees to be removed will be monitored, and how mitigation plantings for those oak trees removed will be accomplished. Additionally, the plan shall include the following requirements: 1) No mass grading will be permitted within the oak woodlands on site. 2) Residential lots within oak woodlands will be individually sited to avoid mature oak trees (>12" diameter-breast-height (dbh)) if at all possible. 3) No slab foundations shall be permitted within the drip-line (widest extent of canopy cover) of oak trees. No irrigated sod shall be planted within the drip-line of oak trees. The oak tree plan shall be submitted to the Planning Department for review and approval.

This condition shall be considered MET if the relevant inventory and conservation plan has been approved by the Planning Department. This condition may be considered as NOT APPLICABLE if the Planning Department determines that the required plan is not necessary."

31. DESIGN PLAN REQUIREDPRIOR TO THE APPROVAL OF ANY IMPLEMENTING PROJECT (I.E., TRACT MAP, PARCEL MAP, USE PERMIT, PLOT PLAN, ETC.) WITHIN PLANNING AREAS 1-4, 8, 10, 12, 14, 18, 20, 22, 25, 32, 36, 38, OR 39 OF THE SPECIFIC PLAN, THE FOLLOWING CONDITION SHALL BE PLACED ON THE IMPLEMENTING PROJECT:

"PRIOR TO PROJECT APPROVAL, the developer shall submit a development plan to the Planning Department for review and approval, showing which amenities described in Exhibit D (which follows this condition) are applicable to this project.

This condition shall be considered MET when the Planning Department approves a plan showing specifically how a given development project will implement the general design concepts in Exhibit D. The development plan submittal may be DEFERRED prior to building permit issuance when incorporated into the Final Site Plan for the proposed project. This condition shall not be considered NOT APPLICABLE."

32. WATER ANALYSIS/AGREEMENT

Prior to the recordation of any implementing project (i.e., tract map, parcel map, etc.) or prior to the issuance of a building permit for any use permit (i.e., conditional use permit, plot plan, etc.), whichever come first, within any planning area of the SPECIFIC PLAN, the Planning Department shall receive an executed agreement between the developer and either (1) the San Gorgonio Pass Water Agency, (2) the Beaumont-Cherry Valley Water District, or (3) another qualified water service agency. The agreement shall provide for sufficient supplemental water supply to the development for domestic purposes.

This condition shall be considered MET if the applicant submits a satisfactory agreement to the Planning Department. This condition shall be considered NOT APPLICABLE if the Planning Department determines that significant new information (i.e., other documented additions to water supply or documented enhancements to groundwater recharge capability applicable to the project vicinity, etc.) would make such an agreement unnecessary. This condition cannot be DEFERRED.

33. PALEO STUDY REQUIRED

Prior to the approval of any implementing project within any planning area of the SPECIFIC PLAN (i.e., tract map, parcel map, use permit, plot plan, etc.), the following condition shall be placed on the implementing project:

"PRIOR TO GRADING PERMIT ISSUANCE, a Paleontological Resources Impact Mitigation Program (PRIMP) study shall be submitted to the Planning Department for review and approval.

This condition shall be considered MET if the relevant study has been approved by the Planning Department. This condition may be considered as NOT APPLICABLE if the Planning Department determines that the required study is not necessary.

34. GEO STUDY REQUIRED

Prior to the approval of any implementing project (i.e., tract map, parcel map, use permit, plat plan, etc.) for which the Public Works Director requires further Geotechnical analysis, the following condition shall be placed on the implementing project:

"PRIOR TO PROJECT APPROVAL", a Geotechnical investigation and seismic analysis shall be submitted to the Public Works Director for review and approval. The study shall treat the following issues:

1. Slope Stability / Landslide potential
2. Faulting
3. Treatment of recent alluvium
4. Shallow groundwater areas
5. Any other geological/Geotechnical issues identified by the Public Works Director as pertinent to development within the planning area(s) covered by the implementing development application.

This condition shall be considered MET if the relevant study has been approved by the Planning Department. This condition may be considered as NOT APPLICABLE if the Planning Department determines that the required study is not necessary.

The submittal of this study mandates that a CEQA determination of an Addendum to a previously adopted EIR be made, at a minimum."

35. AMENDMENT REQUIRED

Prior to the approval of any implementing project within the SPECIFIC PLAN (i.e., tract map, parcel map, use permit, plot plan, etc.), the following condition shall be placed on the implementing project:

"If this implementing project meets any of the following criteria, an amendment to the SPECIFIC PLAN shall be required and processed concurrently with this implementing project:

1. The implementing project adds any area to, or deletes area from, the SPECIFIC PLAN;

2. The implementing project proposes a substantially different use than currently allowed in the SPECIFIC PLAN or as determined by the Planning Director.

Any amendment to the SPECIFIC PLAN, even though it may affect only one portion of the SPECIFIC PLAN, shall be accompanied by a complete specific plan document which includes the entire specific plan, including both changed and unchanged parts.

This condition shall be considered MET if the specific plan amendment has been filed, and NOT APPLICABLE if a specific plan amendment is determined to be unnecessary."

36. COMMON AREA

Prior to the approval of any implementing land division project within the SPECIFIC PLAN (i.e., tract map or parcel map), the following condition shall be placed on the implementing application:

PRIOR TO MAP RECORDATION, the following procedures for common area maintenance procedures shall be complied with:

a. A permanent master maintenance organization shall be established for the specific plan area, to assume ownership and maintenance responsibility for all common recreation, open space, circulation systems and landscaped areas. The organization may be public or private. Merger with an area-wide or regional organization shall satisfy this condition provided that such organization is legally and financially capable of assuming the responsibilities for ownership and maintenance. If the organization is a private association then neighborhood associations shall be established for each residential development, where required, and such associations may assume ownership and maintenance responsibility for neighborhood common areas.

b. Unless otherwise provided for in these conditions of approval, common open areas shall be conveyed to the maintenance organizations as implementing development is approved or any subdivision as recorded.

c. The maintenance organization shall be established prior to or concurrent with the recordation of the first land division.

d. The common areas to be maintained by the master maintenance organization shall included, but not be limited to, the following: Planning Areas 5, 7A, 13, 17, 21B, 23A, 24, 31B, 34, and 37."

37. CC&R'S RES PUB COMMON AREA

Prior to the approval of any implementing land division project (i.e., tract map or parcel map), the following condition shall be applied to the land division PRIOR TO MAP RECORDATION if the permanent master maintenance organization referenced in the condition entitled "SP – Common Area Maintenance" is a public organization:

"The applicant shall convey to the City fee simple title, to all common open space areas, free and clear of all liens, taxes, assessments, leases (recorded or unrecorded) and easement, except those easements which in the sole discretion of the City are acceptable. As a condition precedent to the City accepting title to such areas, the applicant shall

notify the Planning Department that the following documents shall be submitted to the office of the Planning Director and submit said documents for review along with the current fee, which shall be subject to City approval:

1. A cover letter identifying the project for which approval is sought;

2. A signed and notarized declaration of covenants, conditions and restrictions;

3. A sample document, conveying title to the purchase, of an individual lot or unit which provides that the declaration of covenants, conditions and restrictions is incorporated therein by reference; and,

The declaration of covenants, conditions and restrictions submitted for review shall a) provide for a minimum term of 60 years, b) provide for the establishment of a property owners' association comprised of the owners of each individual lot or unit as tenants in common, and c) contain the following provision verbatim:

"Notwithstanding any provision in this Declaration to the contrary, the following provisions shall apply:

The property owners' association established herein shall, if dormant, be activated, by incorporation or otherwise, at the request of the City, and the property owners' association shall unconditionally accept from the City, upon the City's demand, title to all or any part of the 'common area' more particularly described on Exhibit '___' attached hereto. Such acceptance shall be through the president of the property owner's association, who shall be authorized to execute any documents required to facilitate transfer of the 'common area'. The decision to require activation of the property owners' association and the decision to require that the association unconditionally accept title to the 'common area' shall be at the sole discretion of the City.

In the event that the 'common area', or any part thereof, is conveyed to the property owners' association, the association, thereafter, shall own such 'common area', and shall not sell or transfer such 'common area' or any part thereof, absent the prior written consent of the Planning Director or the association shall have the right to assess the owner of each individual lot or unit for the reasonable cost of maintaining such 'common area', and shall have the right to lien the property of any such owner who defaults in the payment of a maintenance assessment. An assessment lien, once created, shall be prior to all other liens recorded subsequent to the notice of assessment or other document creating the assessment lien.

This declaration shall not be terminated, 'substantially' amended, or property deannexed therefrom absent the prior written consent of the Planning Director. A proposed amendment shall be considered 'substantial' if it affects the extent, usage or maintenance of the 'common area' established pursuant to this Declaration.

In the event of any conflict between this Declaration and the Articles of Incorporation, the Bylaws, or the property owners' association Rules and Regulations, if any, this Declaration shall control."

Once approved by the Planning Director, the declaration of covenants, conditions and restrictions shall be recorded by the Planning Department with one copy retained for the case file.

38. ARCHEO MITIGATION MONITORING PROGRAM

Prior to the approval of any implementing project within the SPECIFIC PLAN (i.e., tract map, parcel map, use permit, plot plan, etc.), the following condition shall be placed on the implementing project:

"PRIOR TO THE ISSUANCE OF GRADING PERMITS, the project applicant shall enter into an agreement with a qualified archaeologist. This agreement shall include, but not be limited to, the preliminary mitigation and monitoring procedures to be implemented during the process of grading, as found in the EIR. A copy of said agreement shall be submitted to the Planning Department. No grading permits will be issued unless the preliminary mitigation and monitoring procedures required prior to grading permits as described in the EIR are substantially complied with."

39. GENERIC MITIGATION MONITORING PROGRAM

Prior to the approval of any implementing project within the SPECIFIC PLAN (i.e., tract map, parcel map, use permit, plot plan, etc.), the following condition shall be placed on the implementing project:

"PRIOR TO THE ISSUANCE OF GRADING PERMITS, the project applicant shall provide to the Planning Department a detailed proposal for complying with the preliminary mitigation and monitoring procedures described in the EIR during the process of grading. Grading permits will not be issued unless the preliminary mitigation and monitoring procedures as described in the EIR are substantially complied with."

40. USFWS/CDFG CLEARANCES

Prior to the approval of any implementing project within the SPECIFIC PLAN (i.e., tract map, parcel map, use permit, plot plan, etc.) which may result in the disturbance of on-site habitat occupied by any species determined to be endangered or threatened by the United States Fish and Wildlife Service (USFWS) or California Department of Fish and Game (CDFG), the following condition shall be placed on the implementing project:

"PRIOR TO THE ISSUANCE OF GRADING PERMITS, the applicant shall obtain necessary take permit(s) from the USFWS and CDFG. A copy of said permit(s) shall be submitted to the Planning Department."

41. CDFG (SECT 1601/1603)

Prior to the approval of any implementing project (i.e., tract map, parcel map, use permit, plot plan, etc.) within Planning Areas 1, 5, 6, 9, 10, 14, 23B, 29, 30, 31B, 32, 33A, 33B, 34, 36, 37, 38, and 39 of the SPECIFIC PLAN, which may propose grading or construction within or along the banks of any blue-line streams, the following condition shall be placed on the implementing project:

"PRIOR TO THE ISSUANCE OF GRADING PERMITS, the applicant shall obtain written notification to the Planning Department that the appropriate California Department of Fish and Game notification pursuant to Sections 1601/1603 of the California Fish and Game Code has taken place, or obtain an "Agreement Regarding Proposed Stream or lake Alteration: (Sections 1601/1603 Permit) should any grading or construction be proposed within or along the banks of any natural watercourse or wetland determined to be jurisdictional, located either on-site or any required off-site improvement areas. Copies of any agreement shall be submitted with the notification."

42. ACOE CLEARANCE

Prior to the approval of any implementing project (i.e., tract map, parcel map, use permit, plot plan, etc.) within Planning Areas 1, 5, 6, 9, 10, 14, 23B, 29, 30, 31B, 32, 33A, 33B, 34, 36, 37, 38, and 39 of the SPECIFIC PLAN, which propose grading or construction within or along the banks of any blue-line stream which is determined to be within the jurisdiction of the United States Army Corps of Engineers, the following condition shall be placed on the implementing project:

"PRIOR TO THE ISSUANCE OF GRADING PERMITS, the applicant shall obtain written notification to the Planning Department that the alteration of any watercourse or wetland determined to be jurisdictional, located either on-site or on any required off-site improvement areas, complies with the U.S. Army Corps of Engineers Nationwide Permit Conditions, or obtain a permit under Section 404 of the Clean Water Act should any grading or construction be proposed within or along the banks of any natural watercourse or wetland. Copies of any agreement shall be submitted with the notification."

43. ENTRY MONUMENTATION

Prior to the approval of any implementing project within the SPECIFIC PLAN (i.e., tract map, parcel map, use permit, plot plan, etc.), the following condition shall be placed on the implementing project:

"PRIOR TO THE ISSUANCE OF BUILDING PERMITS, the following language shall be added to the landscaping requirements of the implementing project:

1. A primary entry monument shall be shown at locations indicated in Figure 4-1, with features as depicted in Figure 4-2 and Figure 4-3.

2. A secondary entry monument shall be shown at locations indicated in Figure 4-1, with features as depicted in figure 4-5.

3. The entry monument shall be in substantial conformance with the design guidelines of Planning Area '____' of the SPECIFIC PLAN, as shown on pages ____ to _____."

44. POST GRADING REPORT

Prior to approval of any implementing project within the SPECIFIC PLAN (i.e., tract map, parcel map, use permit, plot plan, etc.), the following condition shall be placed on the implementing project:

"PRIOR TO THE ISSUANCE OF BUILDING PERMITS, the project applicant shall provide to the Planning Department a post grading report. The report shall describe how the mitigation and monitoring program as described in the EIR and pre-grading agreement[s] with the qualified archaeologist and paleontologist were complied with."

45. SCHOOL MITIGATION

Prior to the approval of any implementing project within the SPECIFIC PLAN (i.e., tract map, parcel map, use permit, plot plan, etc.), the following condition shall be placed on the implementing project:

"PRIOR TO BUILDING PERMITS, impacts to the Beaumont Unified School District shall be mitigated in accordance with the existing mitigation agreement with the developer dated December 19, 1989. If said agreement shall be rescinded, then impacts to schools shall be mitigated in accordance with the state law."

46. PHASE 1 PARKS

Prior to approval of any implementing residential project within Phase One of the SPECIFIC PLAN, a phasing plan for the design and construction of Phase One parks shall be submitted to and approved by the Planning Department. The plan shall provide for parks, design and construction as well as landscape maintenance and upkeep. The plan shall also document a permanent maintenance mechanism for the parks and their facilities. Conditions for applicable thresholds will be developed concurrent with approval of the phasing plan consistent with the City of Beaumont's General Plan standards.

This condition shall be considered MET if a document is submitted that is acceptable to both the Planning Department. This condition may be considered as NOT APPLICABLE if the implementing application is not within Phase One.

47. PHASE 2 PARKS

Prior to the approval of any implementing residential project within Phase Two of the SPECIFIC PLAN, a phasing plan for the design and construction of Phase Two parks shall be submitted to and approved by the Planning Department. The plan shall provide for parks design and construction as well as landscape maintenance and upkeep. The plan shall also document a permanent maintenance mechanism for the parks and their

facilities. Conditions for applicable thresholds will be developed concurrent with approval of phasing plan consistent with the City of Beaumont's General Plan standards.

This condition shall be considered MET if a document is submitted that is acceptable to the Planning Department. This condition may be considered as NOT APPLICABLE if the implementing application is not within Phase Two.

48. PHASE 3 PARKS

Prior to approval of any implementing residential project within Phase Three of the SPECIFIC PLAN, a phasing plan for the design and construction of the parks within Phase Three shall be submitted to and approved by the Planning Department. The plan shall provide for parks design and construction as well as landscape maintenance and upkeep. The plan shall also document a permanent maintenance mechanism for the parks and their facilities. Conditions for applicable thresholds will be developed concurrent with the approval of the phasing plan consistent with the City of Beaumont's General Plan standards.

This condition shall be considered MET if the applicable information is provided to the Planning Department. This condition may be considered as NOT APPLICABLE if the implementing project is not within Phase Three.

49. BIOLOGICAL MITIGATION

Prior to approval of any implementing project within Planning Areas 1, 5, 6, 9, 10, 14, 23B, 29, 30, 31B, 32, 33A, 33B, 37, 38, and 39 of SPECIFIC PLAN (i.e., tract map, parcel map, use permit, plot plan, etc.), the following condition shall be placed on the implementing project:

"PRIOR TO THE ISSUANCE OF GRADING PERMITS, a mitigation program shall be implemented providing for the preservation, creation or enhancement of replacement riparian woodland or wetland habitat. The initial focus for mitigation shall be within the San Timoteo Canyon Creek corridor where the mitigation shall be implemented to the greatest extent feasible. The mitigation program must be acceptable to the Army Corps of Engineers (Corps), Californian Department of Fish and Game (CDFG), and the Regional Water Quality Control Board (BOARD) under their Section 404, 1603, and 401 or other applicable permitting process, respectively. The Planning Department must receive written confirmation of the acceptability of the mitigation measures from the Corps, CDFG and/or the Board.

If the Corps, CDFG, and/or Board will not accept the mitigation or if the implementation of the program in the San Timoteo Canyon Creek corridor is not feasible, the mitigation shall be implemented within the site of the SPECIFIC PLAN or at a suitable off site location in accordance with the EIR.

TRANS DEPARTMENT

50. TRAFFIC STUDY REQUIRED

Site specific traffic studies will be required for all subsequent implementing projects within the boundaries of Specific Plan No. 318, as deemed necessary by the City Engineer. Subsequent traffic studies shall monitor development within the specific plan and its associated trip generation. Traffic signals identified in Condition 19, Warranted Traffic Signals, will be installed by the project without credit for signal mitigation fees unless determined to not be warranted under existing or any future conditions and as approved by the City Engineer.

51. OFF-SITE MITIGATION

EIR No. 418 proposes mitigation for traffic impacts to off-site roadways and intersections located within various jurisdictions. The following intersections have been identified within the EIR as requiring mitigation:

Singleton Road/I-10 Fwy EB Ramps
Singleton Road/I-10 Fwy WB Ramps
Singleton Road/Calimesa Boulevard
Cherry Valley Boulevard/Roberts Road – Desert Lawn Drive
Cherry Valley Boulevard/I-10 Fwy EB Ramps
Cherry Valley Boulevard/I-10 Fwy WB Ramps
Cherry Valley Boulevard/ Calimesa Boulevard
Nancy Avenue/Cherry Valley Boulevard
Beaumont Avenue/Cherry Valley Boulevard
Brookside Avenue/Desert Lawn Drive
Brookside Avenue/Calimesa Boulevard
Beaumont Avenue/Brookside Avenue
Champions Drive/San Timoteo Canyon Road
Oak Valley P'way/I-10 Fwy EB Ramps
Oak Valley P'way/I-10 Fwy WB Ramps
Oak Valley P'way/Oak View Drive
Nancy Avenue/14th Street
Beaumont Avenue/14th Street
Elm Avenue/8th Street
California Avenue/6th Street
Beaumont/I-10 Fwy EB Ramps
Beaumont Avenue/I-10 Fwy WB Ramps
Potrero Boulevard/SR-60 EB Ramps
Potrero Boulevard/SR-60 WB ramps
Potrero Boulevard/San Timoteo Canyon Road
Singleton Road/San Timoteo Canyon Road

The project developer shall participate on a "fair share basis" in a regional mechanism that provides funding for the necessary improvements. Prior to the issuance of the first

DOC # 2016-0543919
12/07/2016 01:01 PM Fees: $0.00
Page 1 of 19
Recorded in Official Records
County of Riverside
Peter Aldana
Assessor-County Clerk-Recorder

This document was electronically submitted to the County of Riverside for recording
Receipted by: SOPHIA #466

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Beaumont
Attention: City Clerk
550 East 6th Street
Beaumont, CA 92223

(SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE)

APNs: 414-380-001 THROUGH 414-380-069; 414-390-001 THROUGH 414-390-059; 414-400-001 THROUGH 414-400-084; 414-410-001 THROUGH 414-410-073; 414-110-048; 414-420-001 THROUGH 414-420-072; 414-430-001 THROUGH 414-430-063; 414-440-001 THROUGH 414-440-083; 414-450-001 THROUGH 414-450-062; 414-460-001 THROUGH 414-460-040; 414-470-001 THROUGH 414-470-072; 414-480-001 THROUGH 414-480-081; 414-490-001 THROUGH 414-490-066; 414-500-001 THROUGH 414-500-067; 414-110-056 THROUGH 414-110-064; 414-100-039; AND 414-100-040.

FIRST AMENDMENT TO DEVELOPMENT AGREEMENT

FIRST AMENDMENT TO
DEVELOPMENT AGREEMENT

This FIRST AMENDMENT TO DEVELOPMENT AGREEMENT (hereinafter this "Amendment") is entered into as of November 15, 2016 (the "Effective Date"), by and between THE CITY OF BEAUMONT, CALIFORNIA (the "City"), and LV HEARTLAND LLC, a Delaware limited liability company (the "Owner"). This Amendment is entered into with reference to the following Recitals:

RECITALS

A. Owner owns in fee that certain unimproved real property consisting of approximately four hundred seventeen (417) acres located in the City of Beaumont, County of Riverside, State of California, which property is more fully described on **Exhibit "A"** attached hereto and incorporated by reference herein (the "Property").

B. Heartland Beaumont California L.T.D. ("Original Developer") and the City previously entered into that certain Development Agreement with respect to the Property, which was adopted by the City on October 11, 1993, pursuant to Ordinance No. 726, and which became effective in accordance with its terms on December 9, 1993 (the "Original Development Agreement"). The Original Development Agreement was recorded in the Official Records of Riverside County, California (the "Official Records") on December 9, 1993, as Instrument Number 490898. All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Original Development Agreement.

C. Temecula Valley, LLC, a Delaware limited liability company, as successor-in-interest to Original Developer, assigned all of its right, title, and interest in the Original Development Agreement to SunCal Heartland LLC, a Delaware limited liability company ("SunCal"), pursuant to that certain Assignment of Development Agreement dated May 26, 2005, and recorded in the Official Records on May 26, 2005, as Instrument Number 2005-0419668 (the "SunCal Assignment").

D. SunCal, through its Chapter 11 bankruptcy estate, subsequently assigned all of its right, title, and interest in the Original Development Agreement to Owner, as designee of SunCal's creditor Lehman ALI Inc., a Delaware corporation, pursuant to that certain Assignment and Assumption Agreement dated April 27, 2012 (the "Bankruptcy Court Assignment"). The Original Development Agreement is listed as item 1 of Exhibit "A" to the Bankruptcy Court Assignment, under the heading "Assumed Executory Contracts."

E. SunCal, through its Chapter 11 bankruptcy estate, and the City entered into that certain Memorandum of Understanding dated April 7, 2009 (the "Original Memorandum of Understanding"), which, among other things, contemplated that the City would acquire bridge materials from the Chapter 11 estate, and perform the environmental mitigation project.

F. Contemporaneously with entering into this Amendment the City and Owner are entering into that certain Settlement, Waiver, and Release Agreement (the "Settlement Agreement") whereby the parties release one another from certain claims as provided therein.

G. Contemporaneously with entering into this Amendment the City and Owner are also entering into that certain Memorandum of Understanding (the "New Memorandum of Understanding") to, amongst other things, terminate the Original Memorandum of Understanding, as defined therein.

H. City and Owner now desire to amend the Original Development Agreement to, among other terms, extend the term of the Original Development Agreement, cooperate in the formation of a new community facilities district, and provide for payment to the City as provided therein.

I. Prior to entering into this Amendment, the City complied with all legal requirements for notice, public hearings, findings, votes, and other procedural matters necessary as a condition precedent to entering into this Amendment with Owner, including without limitation the requirements of the California Environmental Quality Act.

AGREEMENT

NOW, THEREFORE, in consideration of the above Recitals and of the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. No Default. The City hereby confirms that (a) the Original Development Agreement, as assigned pursuant to the SunCal Assignment and the Bankruptcy Court Assignment and as amended by this Amendment (collectively, the "Development Agreement"), is in full force and effect and (b) to the best of City's knowledge no breach or default exists under the Development Agreement, nor has any act or omission occurred which, solely as a result of the giving of notice or passage of time, or both, would constitute a breach or default under the Development Agreement.

2. "Owner" Defined.

(a) Section 1.1.17 of the Original Development Agreement is hereby deleted in its entirety and replaced with the following:

"Owner" means LV Heartland LLC, a Delaware limited liability company, and its successors in interest to all or any part of the Property.

(b) Notwithstanding anything to the contrary set forth in Section 2.7 of the Original Development Agreement, all notices to Owner shall be delivered as follows:

LV Heartland LLC
c/o Lehman Brothers Holdings Inc.
3121 Michelson Drive, Suite 200
Irvine, California 92612
Attention: Eric Hoffman
E-mail: eric.hoffman@lehmanholdings.com

with a copy to:

LV Heartland LLC
c/o Lehman Brothers Holdings Inc.
1271 Avenue of the Americas, 40th Floor
New York, New York 10020
Attention: Peter Campbell
E-mail: peter.campbell@lehmanholdings.com

with a copy to:

Gibson, Dunn & Crutcher LLP
333 South Grand Avenue, Suite 4900
Los Angeles, California 90071
Attention: Douglas M. Champion, Esq.
E-mail: dchampion@gibsondunn.com

3. "Property" Defined. Exhibit "A" of the Original Development Agreement is hereby deleted in its entirety and replaced with **Exhibit "A"** attached hereto and incorporated herein by reference.

4. Term. Section 2.3 of the Original Development Agreement is hereby deleted in its entirety and replaced with the following:

"Term.

The term of this Agreement (the "Term") shall commence on the Effective Date and shall expire on December 9, 2028 (the "Expiration Date"). The Expiration Date shall be subject to a single option to extend the Expiration Date by an additional term of five (5) years provided that Owner has obtained building permits for at least five hundred (500) residential lots within the Project prior to the initial Expiration Date.

5. Exactions. Notwithstanding anything to the contrary set forth in the Original Development Agreement, including without limitation Section 3.7.1(d) therein, the Project shall be subject to all Development Exactions levied by the City against the Project and those imposed by the City on behalf of any other public agency including, but not limited to Transportation Uniform Mitigation Fees ("TUMF") and Riverside County Multiple Species Habitat Conservation Plan ("MSHCP") fees, at the rate as required at the time such fees are due and payable, which shall be at the time of issuance of building permits, or otherwise as specified by applicable law.

6. Consideration. In consideration of the mutual covenants, conditions, and agreements in this Amendment, Owner shall remit to City a fee of three million dollars ($3,000,000.00) which shall be due and payable at the earlier to occur of (a) the time of the close of escrow of the sale of the Property by Owner to a third-party purchaser ("Buyer"), and (b) February 28, 2017. City hereby consents to the transfer of the Property to Buyer to the extent such consent is required by the terms of the Original Development Agreement. City further consents to the assignment by Owner to Buyer or its designee of that certain Deposit Agreement for Expenses

Incurred, dated May 13, 2014, by and among Riverside-Corona Resource Conservation District, City, and Owner. Notwithstanding the forgoing provisions of this Section 6, if City has not timely received the sum of three million dollars ($3,000,000.00) from Owner as provided in this Section 6, this Amendment, the Settlement Agreement and New Memorandum of Understanding will not take effect, and shall be deemed null and void *ab initio*.

7. Water Well. Section 4.3.1 of the Original Development Agreement is hereby deleted in its entirety and replaced with the following:

"The City acknowledges that Owner's predecessor-in-interest previously executed a Bill of Sale for a water well ("Well") located on the Property which Owner believes currently exists on Parcel 14 of Parcel Map 34880. However, City makes no representation or warranty regarding the legal status or effect of such Bill of Sale as it pertains to the ownership and title to the Well or the underlying water rights. The Owner may only make use of the Well for irrigation and construction water on the Property and any habitat mitigation land associated with the Project and not for any other or offsite use. Concurrent with Owner's payment of the amounts set forth in Section 6, the City agrees, at no cost to City, to execute a Bill of Sale to convey whatever title is held by the City to the Well back to Owner in its "AS IS, WHERE IS" condition, and to cooperate with Owner, at no cost to City, in Owner's efforts to make such use of the Well and, to that end, shall cooperate with the Owner, at no cost to City, in good faith in Owner's efforts with any requisite public agencies with jurisdiction over the Well, including but not limited to the California Department of Fish and Wildlife ("CDFW"), the Beaumont Cherry Valley Water District ("BCVWD"), and any other public agencies having jurisdiction over such matters, as applicable. Owner agrees to hold harmless and release City from and against any claims, actions, liability, or costs associated with conveying whatever title is held by the City in the Well to Owner."

8. Relinquishment of Offer of Dedication. The Parties acknowledge that Parcel Map 34880 contains offers of dedication to the City for part or all of Parcel 15 and Parcel 17. The City has not accepted this offer of dedication, and hereby relinquishes its right to do so provided that Owner conveys Parcel 15 and Parcel 17 for conservation purposes as required by CDFW and in compliance with all land use entitlements and conditions of approval applicable to the Property.

9. Assumption of Mitigation Obligation.

(a) City assigns, and Owner assumes, any remaining habitat mitigation obligations under that certain Habitat Mitigation and Monitoring Plan for the Heartland Project dated November 20, 2006 (as amended, the "HMMP") subject to the approval of CDFW. Promptly following the execution of this Amendment, the City and Owner shall diligently pursue approval by CDFW of an assignment and assumption agreement whereby the City assigns, and Owner assumes, any remaining obligations, including, but not limited to, habitat mitigation obligations under the HMMP. The form of such documentation shall be reasonably acceptable to both City and Owner. In the event that CDFW does not so approve the assignment and assumption by Owner of the HMMP and/or during the period while the assignment and assumption of the HMMP is pending with CDFW, City shall not be obligated to comply with the terms of the HMMP unless Owner advances the costs of compliance with the terms of the

HMMP to the City or undertakes such compliance efforts on behalf of the City subject to its reasonable approval.

(b) In the event that part of the Property is transferred and the Property is held by two or more parties (other than residential purchasers) all of the parties shall be jointly and severally liable under the Development Agreement.

10. Formation of New Community Facilities District. The provisions set forth in **Exhibit "B"** attached hereto are incorporated herein by reference. All terms and conditions regarding the New CFD (as defined in Exhibit "B") shall be governed by Exhibit "B". References in the Development Agreement to the "CFD" refer to CFD No. 93-1 only and shall not affect the provisions regarding the New CFD in Exhibit "B".

11. HOA Maintenance Obligations. In connection with Owner or its successors and assigns entering into a declaration of covenants, conditions, and restrictions for the Property ("CC&Rs") as and when required by the conditions of approval of the Heartland Specific Plan, the residential property owners' association described in such CC&Rs (the "Association") shall assume responsibility, at the Association's sole cost and expense, for all of the onsite maintenance obligations for the Project including but not limited to those set forth on **Exhibit "C"** attached hereto and incorporated herein by reference (the "Assumed Maintenance Obligations"). The Assumed Maintenance Obligations shall be expressly set forth in the CC&Rs, and the provision of the CC&Rs related to such Assumed Maintenance Obligations shall be subject to the prior written approval of the City Planning Director, in consultation with the City Attorney, and not be amended without the written consent of the City Planning Director, such consent not to be unreasonably withheld, conditioned, or delayed.

12. Lien Contracts. City agrees that Owner and its successors and assigns may utilize lien contracts pursuant to California Government Code Section 66499(a)(4) in lieu of bonds as security under the Subdivision Improvement Agreements executed in connection with the Project. Such lien contracts shall provide that prior to obtaining any ministerial permit for the Project, including a grading or building permit, or prior to commencing the installation and construction of any portion of the Improvements required by a Subdivision Improvement Agreement, Owner shall deposit any application or inspection fees, if any such fees are required under City regulations, applicable law, or ordinance, and Owner shall substitute payment and performance bonds within the entirety of the applicable Tract, for any other improvements which are needed for ingress and egress to the Tract and improvements which are amenities, utilities and other improvements which are related to such Tract in amounts satisfactory to the City in place of the lien contract, and at such time the City shall release the applicable lien contract and the City's lien associated therewith. The lien contracts shall be recorded in a first position ahead of any other mortgage, deed of trust, lien or encumbrance other than the lien for taxes and assessments not yet due and payable. The City shall not be required at any time to subordinate the lien contracts to any mortgage, deed of trust or other lien or encumbrance.

13. Recordation of Amendment; Runs with the Land. This Amendment shall be recorded in the Official Records by City. This Amendment shall run with the land and bind the successors and assigns of Owner.

14. Severability. If any term, provision, covenant or condition of this Amendment shall be determined invalid, void or unenforceable, the remainder of this Amendment shall not be affected thereby to the extent such remaining provisions are not rendered impractical to perform taking into consideration the purposes of this Amendment.

15. Interpretation and Governing Law. This Amendment and any dispute arising hereunder shall be governed and interpreted in accordance with the laws of the State of California. This Amendment shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the parties hereto, and the rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this Amendment, all parties having been represented by counsel in the negotiation and preparation hereof.

16. Section Headings. All section headings and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this Amendment.

17. Singular and Plural. As used herein, the singular of any word includes the plural.

18. Time of Essence. Time is of the essence in the performance of the provisions of this Amendment as to which time is an element.

19. Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Amendment by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by the other party with the terms of this Amendment thereafter.

20. No Third Party Beneficiaries. This Amendment is made and entered into for the sole protection and benefit of the parties and their successors and assigns. No other person shall have any right to action based upon any provision of this Amendment.

21. Counterparts. This Amendment may be executed by the parties in counterparts, which counterparts shall be construed together and have the same effect as if all of the parties had executed the same instrument.

22. Approval. This Amendment shall not become effective until it has been approved by both parties and executed by their duly authorized representatives. In the case of City, approval requires compliance with the Development Agreement amendment process contained in Government Code Sections 65867, 65867.5 and 65868 including a notice of intent, public hearing and adoption by an ordinance.

23. Interpretation. Except as specifically amended by this Amendment, the Original Development Agreement shall remain in full force and effect. To the extent of any inconsistency between this Amendment and the Original Development Agreement, this Amendment shall control. The Recitals to this Amendment are hereby incorporated herein by reference.

[signatures on following page]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment on the day and year first set forth above.

CITY:

CITY OF BEAUMONT

By: _____
Mayor, City of Beaumont

Attest: _____
City Clerk of City of Beaumont

OWNER:

LV HEARTLAND LLC

By: LV M/H Ventures LLC, a DE LLC, its managing member

By: _____
Name: _____
Title: _____
Jonathan Cohen
Authorized Signatory

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the 25th day of October in the year 2016 before me, the undersigned, personally appeared Jonathan Cohen, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person or entity upon behalf of which the individual acted, executed the instrument.

Signature and Office of individual taking acknowledgment

CHRISTINE NEGROM
NOTARY PUBLIC, STATE OF NEW YORK
NO. 01NE6327770
QUALIFIED IN QUEENS COUNTY
MY COMMISSION EXPIRES JUL 13, 2019

EXHIBIT A

Legal Description

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1: (414-380-001 THROUGH 414-380-069)

LOTS 1 THROUGH 69, INCLUSIVE, AND LETTERED LOTS A THROUGH F, INCLUSIVE, OF TRACT NO. 27971-1, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 443, PAGES 95 THROUGH 99, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 2: (414-390-001 THROUGH 414-390-059)

LOTS 1 THROUGH 59, INCLUSIVE, AND LETTERED LOTS A THROUGH G, INCLUSIVE, OF TRACT NO. 27971-2, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 443, PAGES 100 THROUGH 104, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 3: (414-400-001 THROUGH 414-400-084)

LOTS 1 THROUGH 84, INCLUSIVE, AND LETTERED LOTS A THROUGH F, INCLUSIVE, OF TRACT NO. 27971-3, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 444, PAGES 1 THROUGH 5, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 4: (414-410-001 THROUGH 414-410-073)

LOTS 1 THROUGH 73, INCLUSIVE, AND LETTERED LOTS A THROUGH F, INCLUSIVE, OF TRACT NO. 27971-4, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 444, PAGES 6 THROUGH 9, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 5: (414-110-048)

LOTS 1 THROUGH 127, INCLUSIVE, AND LETTERED LOTS A THROUGH J, INCLUSIVE, OF TRACT NO. 27971-5, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 448, PAGES 58

THROUGH 63, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 6: (414-420-001 THROUGH 414-420-072)

LOTS 1 THROUGH 72, INCLUSIVE, AND LETTERED LOTS A THROUGH E, INCLUSIVE, OF TRACT NO. 27971-6, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 444, PAGES 10 THROUGH 14, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 7: (414-430-001 THROUGH 414-430-063)

LOTS 1 THROUGH 63, INCLUSIVE, AND LETTERED LOTS A THROUGH E, INCLUSIVE, OF TRACT NO. 27971-7, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 444, PAGES 15 THROUGH 19, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 8: (414-440-001 THROUGH 414-440-083)

LOTS 1 THROUGH 83, INCLUSIVE, AND LETTERED LOTS A THROUGH G, INCLUSIVE, OF TRACT NO. 27971-8, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 444, PAGES 20 THROUGH 24, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 9: (414-450-001 THROUGH 414-450-062 AND 414-460-001 THROUGH 414-460-040)

LOTS 1 THROUGH 102, INCLUSIVE, AND LETTERED LOTS A THROUGH F, INCLUSIVE, OF TRACT NO. 27971-9, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 444, PAGES 25 THROUGH 30, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 10: (414-470-001 THROUGH 414-470-072 AND 414-480-001 THROUGH 414-480-081)

LOTS 1 THROUGH 153, INCLUSIVE, AND LETTERED LOTS A THROUGH J, INCLUSIVE, OF TRACT NO. 27971-10, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 444, PAGES 31 THROUGH 36, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 11: (414-490-001 THROUGH 414-490-066)

LOTS 1 THROUGH 66, INCLUSIVE, AND LETTERED LOTS A THROUGH D, INCLUSIVE, OF TRACT NO. 27971-11, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 444, PAGES 37 THROUGH 40, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 12: (414-500-001 THROUGH 414-500-067)

LOTS 1 THROUGH 67, INCLUSIVE, AND LETTERED LOTS A THROUGH E, INCLUSIVE, OF TRACT NO. 27971-12, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 444, PAGES 41 THROUGH 44, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 13: (414-110-056 THROUGH 414-110-064 AND 414-100-039 AND 414-100-040)

PARCELS 13 THROUGH 23, INCLUSIVE, AND LETTERED LOTS A, C, F, G, H, I, AND X ALL OF PARCEL MAP NO. 34880, RECORDED IN BOOK 237 OF PARCEL MAPS, PAGES 67 THROUGH 76, INCLUSIVE, RECORDS OF RIVERSIDE COUNTY, STATE OF CALIFORNIA.

EXHIBIT B

Community Facilities District Financing Provisions

1.1 Formation of New CFD

(a) Background. Owner desires to form a New CFD (as defined below) to develop over time approximately two hundred twenty-eight acres of the Property as approximately 981 single-family residential lots (the "**CFD Property**"), and to finance various infrastructure improvements through such New CFD.

(b) Formation. City shall, upon the petition of the Owner described below, take the steps to establish a community facilities district ("**New CFD**") pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the "**CFD Act**") in the manner described in this Section 1.1.

(c) Petition. At any time, Owner may petition City under the CFD Act to establish the New CFD over the CFD Property. In its petition, Owner may include proposed specifications for the New CFD, including special tax rates ("**Special Taxes**"), New CFD boundaries and any proposed tax zones, the total tax burden that will result from the imposition of the special taxes (subject to the 2.00% Limitation (as defined below) for residential units), and other provisions. Owner's proposed specifications will be based on Owner's development plans, market analysis, and required preferences, but in all cases will be subject to the Development Agreement and the CFD Goals (as defined herein). The City shall have the right to review and object to any market analysis or home price assumptions it believes to be unreasonable. The City reserves the right to hire an independent pricing analyst to review and verify the Owner's projected pricing. The City's obligation to form the New CFD shall be subject to the provisions of the Development Agreement, the CFD Goals, and the reasonable exercise of the City Council's legislative discretion.

(d) Commencement of Formation of New CFD. Within ninety (90) days following City's receipt of a petition and a deposit of $50,000.00, the City Council shall adopt a resolution of intention to form the New CFD consistent with the petition. The New CFD shall have a rate and method of apportionment of special tax (the "**RMA**"), authorization to issue one or more series of special tax bonds ("**CFD Bonds**"), and an appropriations limit. A notice of special tax lien required by Section 3114.5 of the California Streets and Highways Code (the "**Notice of Special Tax Lien**") shall be recorded against each taxable parcel within the New CFD upon completion of formation of the New CFD.

(e) Authorized Financing. The New CFD shall be authorized to finance both of the following:

(i) Refunding of all outstanding bonds of Improvement Area No. 5 of City of Beaumont Community Facilities District No. 93-1 that encumber the CFD Property (the "**Refunding**"); and

(ii) The Facilities (as defined in Section 1.2 below), irrespective of the geographic location of the improvements financed.

(f) Service Special Taxes. The New CFD shall include special taxes to pay for police, fire, and paramedics and other emergency services ("**Public Safety Services**") of $419 annually escalating by the greater of 5% or CPI. Such special tax rate shall escalate commencing in Fiscal Year 2018.

(g) Joint Community Facilities Agreements. Under the CFD Act, City may be required to enter into one or more joint community facilities agreements with other governmental entities that will own or operate any of the Facilities to be financed by the New CFD. The City and Owner agree that they will take all reasonable steps to procure the authorization and execution of any required joint community facilities agreements with other governmental entities before the issuance of any CFD Bonds that will finance the construction or acquisition of Facilities that will be owned or operated by such other governmental entities. Owner acknowledges and agrees that the ability of the City to enter into joint community facilities agreements is subject to the discretion of the other governmental entities.

1.2 Scope of CFD-Financed Costs

(a) Facilities. The New CFD shall be authorized to finance all or any portion of the items described in Section 53313.5 of the CFD Act, in each case to the extent agreed upon by the City and Owner at the time of formation of the New CFD (collectively, the "**Facilities**"). Under no circumstances shall the New CFD be obligated to finance capital improvement fees in lieu of facilities.

1.3 Parameters of CFD Formation

(a) Cooperation. Owner and City agree to cooperate reasonably in developing the RMA to be used in the New CFD. Owner and City will each use good-faith reasonable efforts at all times to furnish timely to the other, or to obtain and then furnish to the other, any information necessary to develop the RMA, such as Owner's plans for the types, sizes, numbers, and timing for construction of buildings within the New CFD.

(b) Maximum Special Tax Rates for Developed Property. The RMA for the New CFD will specify the maximum Special Tax rates for "**Developed Property**" (property for which a building permit has been issued) within the New CFD (the "**Maximum Special Tax Rates**"). The Maximum Special Tax Rates for Developed Property may vary based on sizes, densities, types of buildings to be constructed, and other relevant factors. The RMA will establish Maximum Special Tax Rates assuming that any CFD Bonds issued will have a minimum debt service coverage-ratio of one hundred ten percent (110%) plus administrative expenses of the City. The Maximum Special Tax Rates shall include a special tax to pay for Facilities (a "**Facilities Special Tax**") and a special tax to pay for Public Safety Services.

(c) Total Tax Obligation. The Maximum Special Tax Rates which shall include the special taxes levied for Facilities and Public Safety Services will be set so that the Total Tax Obligation (as defined below) on any residential unit within the New CFD at the time of formation of the New CFD will not exceed two percent (2.00%) of the anticipated sales price

of that residential unit (the "**2.00% Limitation**"). The anticipated sales price of a residential unit may be based on reasonable projections of value over time or at the City's sole discretion a market price study prepared by an independent consultant and paid for by the Owner.

(i) For purposes of this Section 1.3, the term "**Total Tax Obligation**" means, with respect to a residential unit at the time of calculation, the sum of: (a) the ad valorem taxes actually levied or projected to be levied if the residential unit were developed at the time of calculation; (b) the Maximum Special Tax Rates levied or projected to be levied if the residential unit were developed at the time of calculation; and (c) all other special taxes (based on assigned special tax rates) or assessments collected on the secured tax roll by the County and secured by a lien on the residential unit levied or projected to be levied if the residential unit was developed at the time of calculation. Homeowners' association fees shall not be included in the calculation of the Total Tax Obligation.

(d) No Escalation of Facilities Special Tax Rates. The Special Tax Rates for Facilities shall not escalate. The Special Tax Rates for Public Safety Services shall escalate as provided in Section 1.1(f) hereof.

(e) Use of Special Taxes for Direct Payment of Facilities. Owner and City agree that the RMA and the New CFD formation proceedings shall provide that Facilities may be financed directly from Facilities Special Taxes prior to the issuance of the first series of CFD Bonds but there shall be no obligation of the New CFD to levy Facilities Special Taxes directly for Facilities after the issuance of the first series of Bonds. The RMA will contain a provision that levies and apportions the Facilities Special Taxes at the maximum amount on all parcels of Developed Property regardless of debt service until the first series of CFD Bonds are issued, and all Facilities Special Taxes collected that remain after paying administrative expenses shall be used to finance Facilities.

(f) Prepayment. The RMA will include provisions allowing an Owner within an Improvement Area that is not in default of its obligation to prepay the Owner's Special Tax obligation related to the Facilities. The Special Taxes related to Public Safety Services shall not be subject to prepayment. Prepaid Special Taxes will be placed in a segregated account in accordance with the applicable Indenture (defined below). The RMA and the Indenture will specify the use of prepaid Special Taxes. Before CFD Bonds are issued, all prepayment amounts other than those required for administrative expenses shall be used to finance Facilities ("Prepaid Special Taxes").

1.4 Issuance of CFD Bonds

(a) Issuance. City, on behalf of the New CFD, intends to issue one or more series of CFD Bonds secured by the maximum Facilities Special Tax in the RMA for purposes of financing the Facilities. Provided that at least twenty percent (20%) of the residential units anticipated for the CFD Property have been closed to homeowners, the Owner may submit a written request that City issue CFD Bonds, specifying requested issuance dates, amounts, and main financing terms. Following Owner's request, Owner and City will meet with City's public financing consultants to determine reasonable and appropriate issuance dates, amounts, and main financing terms that are consistent with the Development Agreement and the CFD

Goals. CFD Bonds shall be issued pursuant to an indenture, trust agreement, or fiscal agent agreement (however denominated, an "**Indenture**") between the New CFD and a fiscal agent or trustee (however denominated, the "**Fiscal Agent**"). Owner acknowledges that the City is currently under investigation by the United States Securities and Exchange Commission and may not have access to the public capital markets to issue CFD Bonds in accordance with this Section 1.4 until such investigation is concluded, and such delay shall in no way constitute a default hereunder.

(b) Term. Each issue of CFD Bonds will have a term of not less than thirty (30) years and not more than thirty-five (35) years unless Owner and City agree otherwise; provided that in no event shall the term of the CFD Bonds exceed the term of the Special Tax for Facilities.

(c) For each series of CFD Bonds, the underwriter's discount shall not exceed 1% of the principal amount of such series of CFD Bonds, and the costs of issuance and incidentals for each series of CFD Bonds shall be not in excess of $300,000.

1.5 CFD Goals

(a) CFD Goals. Under Section 53312.7 of the CFD Act, prior to formation of the New CFD, the City must consider and adopt local goals and policies concerning the New CFD (the "CFD Goals"). To the extent that CFD Goals have not previously been adopted, the City Council will, on or before initiating formation of the New CFD, adopt CFD Goals consistent with this Section 1.5. The CFD Goals shall apply to the CFD Property in the New CFD on the date of formation. Future amendments to the CFD Goals shall not be applicable to the New CFD or the CFD Property unless required under the CFD Act or other controlling State or federal law. In particular, the CFD Goals include the following provisions, each of which the Owner is relying on:

(i) Value-to-Lien Ratio. The appraised or assessed value-to-lien ratio required for each CFD Bond issue (including all relevant overlapping liens) will be three to one (3:1) or such higher ratio that is (A) required by bond market conditions at the time of bond issuance, or (B) required by the CFD Act.

(ii) Coverage Ratio. An issue of CFD Bonds will not have a debt service coverage-ratio (including all overlapping and outstanding CFD Bonds) of less than one hundred ten percent (110%) plus reasonable administrative expenses, unless otherwise agreed to by the Owner and the City.

(iii) Letter of Credit. If the City reasonably determines that a letter of credit is required in order to issue the CFD Bonds, each landowner that owns property responsible for 20% or more of the Special Taxes for Facilities (a "**Large Landowner**") shall provide a letter of credit in a stated amount not in excess of the Special Taxes expected to be levied on the portion of the CFD Property then-owned by a Large Landowner in the first year of the term of the CFD Bonds. Each letter of credit shall be reduced as portions of the CFD Property are sold to homeowners and may be terminated when the property owned by the Large

Landowner is no longer responsible for 20% or more of the Special Taxes for Facilities. Under no circumstances shall a homeowner or a model home financing company be required to provide a letter of credit.

1.6 Miscellaneous CFD Provisions

(a) Reserve Fund Earnings. The Indenture for each issue of CFD Bonds will provide that earnings on any reserve fund that are not then needed to replenish the reserve fund to the reserve requirement will be transferred to: (i) the project fund for the CFD Bonds for allowed uses until it is closed in accordance with the Indenture; then (ii) the debt service fund held by the Fiscal Agent under the Indenture. Notwithstanding the forgoing, if the Project Fund has not closed within three (3) years of the CFD Bond Issuance the City may at its sole discretion direct the reserve fund earnings to the debt service fund.

(b) Authorization of Reimbursements. City will take all actions necessary to satisfy section 53314.9 of the Government Code or any similar statute subsequently enacted to use CFD Bond proceeds and Facilities Special Taxes to reimburse Owner for: (i) New CFD formation and CFD Bond issuance deposits; and (ii) advance funding of Facilities or costs.

(c) Acquisition Agreement. Contemporaneously with the formation of the New CFD, Owner and City will execute an acquisition and funding agreement (the "Acquisition Agreement") that will apply to the acquisition and construction of the Facilities for the New CFD. The Acquisition Agreements shall contain an acknowledgment by the City and Owner as to the following:

(i) Owner may be constructing Facilities before CFD Bond proceeds, Facilities Special Taxes, and Prepaid Special Taxes (herein, "**Funding Sources**") that will be used to acquire them are available;

(ii) The City will inspect Facilities and process payment requests even if Funding Sources for the amount of pending payment requests are not then sufficient to satisfy them in full;

(iii) Facilities may be conveyed to and accepted by the City or other governmental entity before the applicable payment requests are paid in full;

(iv) If the City or other governmental entity accepts Facilities before the applicable payment requests are paid in full, the unpaid balance will be paid when sufficient Funding Sources become available, and the Acquisition Agreement will provide that the applicable payment requests for Facilities accepted by the City or other governmental entity may be paid: (A) in any number of installments as Funding Sources become available; and (B) irrespective of the length of time payment is deferred;

(v) Owner's conveyance or dedication of Facilities to the City or other governmental entity before the availability of Funding Sources to acquire the Facilities is not a dedication or gift, or a waiver of Owner's right to payment of Facilities under the Development Agreement or the Acquisition Agreement; and

(vi) City will have no obligation to acquire the Facilities or reimburse Owner with any moneys other than the Funding Sources.

(d) the Owner acknowledges that in accordance with Section 53313.5 of the CFD Act, that the CFD may only finance the purchase of Facilities completed after the adoption of the resolution of the formation if the facility was constructed as if it had been constructed under the direction and supervision, or under the authority of the local agency that will own or operate the facility, and the Acquisition Agreement will contain the terms necessary to satisfy this condition.

(e) Initial and Continuing Disclosure. In connection with each issue of CFD Bonds, the Owner shall provide customary disclosure about the Owner and its development and financing plans including opinions of counsel and certificates and representations as may be reasonably and customarily required by the City and/or the underwriter of the CFD Bonds. In addition, Owner shall comply with all of its obligations under any continuing disclosure agreement it executes in connection with the offering and sale of any CFD Bonds. Owner acknowledges that a condition to the issuance of any CFD Bonds may be Owner's execution of a continuing disclosure agreement.

(f) No Other Land-Secured Financings. Other than the New CFD and any community facilities district initiated by the City as the result of a qualified petition of registered voters residing in the New CFD, City shall not form any additional community facilities district over any portion of the property in the Project without Owner's written consent which may be given in its sole discretion. The City shall not form any additional land-secured financing district over the property in the New CFD unless the property in the New CFD is found to have special benefit from the improvements being financed; provided, however, under no circumstances may an additional land-secured financing district be formed over the property in the New CFD to pay for any part of the costs of the Potrero Interchange improvements (it being understood and agreed by the City and the Owner that the Property shall have no obligation to fund such Potrero Interchange improvements). Notwithstanding that any such additional land-secured financing district qualifies under the preceding sentence, the Owner reserves the right to oppose or vote against any such formation or levy.

(g) Prevailing Wages. As a condition of the acquisition of Facilities financed through the New CFD, the Owner shall require, and the specifications and bid and contract documents shall require, all contractors engaged to perform work on the Facilities to pay prevailing wages and to otherwise comply with applicable provisions of the California Labor Code.

(h) Disclosure to Property Owners. Owner agrees to provide, or cause to be provided, the disclosure to purchasers of property in the New CFD in the manner and at the time required by the CFD Act.

(i) Attorneys' and Consultants' Fees. Owner agrees to enter into a deposit agreement whereby it advances the City's attorneys' and consultants' fees associated with implementing the New CFD. The deposit agreement shall provide that any costs so advanced by the Owner may be reimbursed to the Owner out of the proceeds of the CFD Bonds.

EXHIBIT C

HOA Maintenance Obligations

1. Landscape and Tree Maintenance: Lot BB of Parcel Map 34880; Lots 68 and 69 of Tract No. 27971-1; Lots 58 and 59 of Tract No. 27971-2; Lots 83 and 84 of Tract No. 27971-3; Lot 73 of Tract No. 27971-4; Lots 125 through 127, inclusive, of Tract No. 27971-5; Lots 71 and 72 of Tract No. 27971-6; Lots 60 through 63, inclusive, of Tract No. 27971-7; Lots 81 through 83, inclusive, of Tract No. 27971-8; Lots 101 and 102 of Tract No. 27971-9; Lots 152 and 153 of Tract No. 27971-10; Lots 59 through 66, inclusive, of Tract No. 27971-11; and Lots 62 through 67, inclusive, of Tract No. 27971-12
2. Community Walls and Monuments
3. Street Lights
4. Street Sweeping and Maintenance: Lots A through Z, inclusive; lots AA and CC of Parcel Map 34880; lettered lots A through F, inclusive, of Tract No. 27971-1; lettered lots A through G, inclusive, of Tract No. 27971-2; lettered lots A through F, inclusive, of Tract No. 27971-3; lettered lots A Through F, inclusive, of Tract No. 27971-4; lettered lots A through J, inclusive, of Tract No. 27971-5; lettered lots A through E, inclusive, of Tract No. 27971-6; lettered lots A through E, inclusive, of tract No. 27971-7; lettered lots A through G, inclusive, of Tract No. 27971-8; lettered lots A through F, inclusive, of Tract No. 27971-9; lettered lots A through J, inclusive, of Tract No. 27971-10; A through D, inclusive, of Tract No. 27971-11; lettered lots A through E, inclusive, of Tract No. 27971-12
5. Parks Maintenance: Parcels 14, 19, 20, 21, 22, 23 of Parcel Map 34880
6. Mitigation Open Space (to be transferred to 3rd party entity): Parcels 15 and 17 of Parcel Map 34880
7. Trails Maintenance: Parcels 14, 19, 21 and 23 and Lot BB of Parcel Map 34880
8. Graffiti Abatement
9. Drainage Improvements: Parcels 16 and 18 of Parcel Map 34880
10. Water Well: Parcel 14 of Parcel Map 34880

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL
TO:

City Clerk
City of Beaumont
P. O. Box 158
Beaumont, Ca 92223

490898

RECEIVED FOR RECORD
AT 8:00 O'CLOCK

DEC 9 - 1993

Recorded in Official Records
of Riverside County, California
Recorder
Fees $

HEARTLAND BEAUMONT CALIFORNIA L.T.D.
DEVELOPMENT AGREEMENT

490898

This Development Agreement (hereinafter this "Agreement") is entered into effective on the date it is recorded with the Riverside County Recorder (hereinafter the "Effective Date") by and between the City of Beaumont (hereinafter the "City"), and Heartland Beaumont California L.T.D. (hereinafter the "Owner"). This Agreement is entered into with reference to the following Recitals:

RECITALS

A. In order to strengthen the public planning process, to encourage private participation in comprehensive planning, and to reduce the economic risks of development, the Legislature of the State of California has adopted sections 65864 through 65869.5 of the Government code which authorize the City and the Owner to enter into this Agreement for purposes of facilitating the development of the property as described herein.

B. The City, by adopting Resolution No. 1987-34, has adopted rules and regulations establishing procedures and requirements for the consideration of this Agreement.

C. This Agreement is also entered into with reference to and pursuant to the general municipal powers of the City as established by case law made by the courts of the State of California, including, without limitation, such law as has been established in the cases of Morrison Homes Corporation v. City of Pleasanton (1976) 58 Cal.App.3d 724 and Carruth v. City of Madera (1965) 233 Cal.App.2d 688.

D. Owner owns in fee that certain unimproved real property consisting of approximately four hundred twenty-nine (429) acres located in the City of Beaumont, County of Riverside, State of California, which property is more fully described and shown on Exhibit A attached hereto and incorporated by reference herein (hereinafter "Property").

E. Owner has heretofore indicated its desire to develop the Property in the manner provided for in this Agreement within the City. The City has heretofore indicated its desire to mitigate public facility impacts related to the development of the Project as provided for in this Agreement. To accomplish their mutual intent, the Owner and the City have heretofore taken the actions described in the Recitals set forth herein.

F. Prior to February 8, 1993, the City prepared the City of Beaumont General Plan and Environmental Impact Report (respectively the "General Plan" and "General Plan EIR"). On February 8, 1993, the City Council of the City, after duly complying with the California Environmental Quality Act and all statutes, ordinances and resolutions applicable to the adoption of the General Plan and certification of the General Plan EIR; adopted its Resolution No. 1993-04 certifying that the EIR had been completed in compliance with the California Environmental Quality Act and adopted its Resolution No. 1993-05 approving the General Plan.

G. On June 29, 1993, the City Council approved the City of Beaumont Community Facilities District No. 93-1 ("CFD No. 93-1" or the "CFD") as part of the City Comprehensive Public Facilities Financing Program (the "City Program") pursuant to which the City determined that it was appropriate to provide for certain public facilities and services in order to implement the General Plan and, further, that such facilities and services could best be facilitated through the City issuing bonds secured by liens on real property to be developed within the City. City and Owner determined that it is in the best interests of the City and Owner to participate in the CFD and, as part of such participation, to cooperate in the issuance of the bonds and the placing of a lien upon the Property to secure repayment of a portion of the bonded indebtedness created as a result of the establishment of the CFD.

H. This Agreement is consistent with the General Plan.

I. Prior to adopting this Agreement, City and Owner complied with all procedures and requirements of the California Environmental Quality Act with respect to the Project and the Agreement.

J. The terms and conditions of this Agreement have been extensively reviewed by the City, its Planning Commission and its City Council and have been found to be fair, just and reasonable, to be in the best interest of the citizens of the City, and to serve public health, safety, and welfare, and the City Council has further found that the Development of the Property in accordance with the General Plan, the General Plan EIR, the Development Plan, the EIR and this Agreement will provide substantial benefits to the City with respect to implementing City policies and goals which promote community, economic, public infrastructure, and high quality, managed development.

K. Owner has (i) advanced funds for CFD No. 93-1 public facility planning, design, environmental compliance and CFD No. 93-1 formation and issuance costs, (ii) incurred and will in the future incur substantial costs in order to develop the Property in accordance with this Agreement, and Owner would not incur such future costs without obtaining the legally enforceable assurances with respect to the Development of the Property as contained in the Development Plan, the CFD No. 93-1 formation documents, the Bond Sale Limitation Agreement and this Agreement. In addition, by participating in CFD No. 93-1, Owner has incurred and will incur in the future substantial costs in excess of the requirements generally applicable to Development of the Property such as that contemplated by this Agreement in order to insure vesting of legal rights related to Development of the Property in accordance with this Agreement.

L. Prior to entering into this Agreement, City complied with all legal requirements for notice, public hearings, findings, votes, and other procedural matters necessary as a condition precedent to entering into this Agreement with Owner.

COVENANTS

NOW, THEREFORE, in consideration of the above recitals and of the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS AND EXHIBITS.

1.1 Definitions. The following terms when used in this Agreement shall be defined as follows:

1.1.1 "Agreement" means this Development Agreement.

1.1.2 "Bond Sale Limitation Agreement" means the agreement by and between the City and the Owner relating to the timing and amount of bonds to be issued under the CFD No. 93-1 proceedings.

1.1.3 "BSFF" means the $500.00 component of the per EDU fee for City facility and service mitigation entitled the City Basic Services and Facilities Fee adopted pursuant to Ordinance No. 506 of the City.

1.1.4 "CFD" or "CFD No. 93-1" means Community Facilities District No. 93-1 of the City of Beaumont.

1.1.5 "City" means the City of Beaumont, a municipality duly incorporated under the laws of the State of California.

1.1.6 "City Program" means the City Comprehensive Public Facilities Financing Program which includes policies and procedures related to public infrastructure financing which are or will be adopted and/or implemented on a City-wide and/or area of benefit basis.

1.1.7 "Completion Date" means the date the City wastewater engineer certifies completion of construction of the City Stage I Wastewater Treatment Plant Expansion partially funded by the CFD.

1.1.8 "Critical Facilities and Services" means facilities and services of the City relating to law enforcement, fire protection, transportation, wastewater treatment and parks, recreation and open space.

1.1.9 "Development" means the improvement of the Property for the purposes of completing the structures, improvements and facilities comprising the Project including, but not limited to: grading; the construction of infrastructure and public facilities related to the Project whether located within or outside the Property; the construction of

buildings and structures; and the installation of landscaping. "Development" does not include the maintenance, repair, reconstruction or redevelopment of any building, structure, improvement or facility after the construction and completion thereof.

1.1.10 "Development Approvals" means all permits and other entitlements for use subject to approval or issuance by City in connection with Development of the Property including:

(a) General Plan designations and amendments;

(b) Specific plans and specific plan amendments;

(c) Zoning;

(d) Tentative and final subdivision and parcel maps;

(e) Conditional use permits, public use permits and plot plans;

(f) Planned unit development and planned development approvals;

(g) Variances;

(h) Lot line adjustments;

(i) Grading and building permits; and

(j) Occupancy permits

1.1.11 "Development Exaction" means any requirements of the City in connection with or pursuant to any Land Use Regulation or Development Approval for the dedication of land, the construction or improvement of public facilities, or the payment of fees adopted by action of the City Council in order to lessen, offset, mitigate or compensate for the impacts of development on the environment or other public interests; excepting therefrom development exactions by agencies other than the City applied through the Land Use Regulations or Development Approvals over which the City has no direct control, and Development Exactions with respect to sewer connection fees.

1.1.12 "Development Plan" means the Existing Development Approvals and the Existing Land Use Regulations applicable to Development of the Property.

1.1.13 "Effective Date" means the date this Agreement is recorded with the County Recorder.

1.1.14 "Existing Development Approvals" means all Development Approvals approved or issued prior to the Effective Date. Existing Development Approvals includes the Development Approvals identified in Recital G herein and those incorporated herein as Exhibit "C," together with all other Development Approvals which are a matter of public record on the Effective Date.

1.1.15 "Existing Land Use Regulations" means all Land Use Regulations in effect on the Effective Date. Existing Land Use Regulations includes the Land Use Regulations incorporated herein as Exhibit "D" and all other Land Use Regulations which are a matter of public record on the Effective Date.

1.1.16 "Land Use Regulations" means all ordinances, resolutions, codes, rules, regulations and official policies of City governing the Development and use of land, including, without limitation, the permitted use of land, the density or intensity of use, subdivision requirements, the maximum height and size of proposed buildings, provisions for reservation or dedication of land for public purposes, and the design, improvement and construction standards and specifications applicable to the development of the Property. The term "Land Use Regulations" does not include any City ordinance, resolution, code, rule, regulation or official policy, governing:

(a) The conduct of businesses, professions, and occupations;

(b) Taxes and assessments;

(c) The control and abatement of nuisances;

(d) The granting of encroachment permits, extensions of time and the conveyance of rights and interests which provide for the use of or the entry upon public property;

(e) The exercise of the power of eminent domain.

1.1.17 "Owner" means Heartland Beaumont California L.T.D. and its successors in interest to all or any part of the Property.

1.1.18 "Mortgagee" means a mortgagee of a mortgage, a beneficiary under a deed of trust or any other security-device lender and their successors and assigns.

1.1.19 "Project" means the Development of the Property contemplated by the Development Plan as such Plan may be further defined, enhanced, or modified pursuant to the provisions of this Agreement.

1.1.20 "Property" means the real property described on Exhibit "A" and shown on Exhibit "B" to this Agreement.

1.1.21 "Reservations of Authority" means the rights and authority excepted from the assurances and rights provided to Owner under this Agreement and reserved to City under Subsection 3.7.1 of this Agreement.

1.1.22 "Subsequent Development Approvals" means all Development Approvals required or requested by Owner and approved by City subsequent to the Effective Date in connection with Development of the Property.

1.1.23 "Subsequent Development Exaction" means all Development Exactions applied to the Development Plan following the Effective Date of this Agreement.

1.1.24 "Subsequent Land Use Regulations" means any Land Use Regulations adopted and effective after the Effective Date of this Agreement.

1.2 Exhibits. The following documents are attached to, and by this reference made a part of, this Agreement:

Exhibit "A" -- Legal Description of the Property.

Exhibit "B" -- Map showing Property and its location.

Exhibit "C" -- Existing Development Approvals.

Exhibit "D" -- Existing Land Use Regulations.

Exhibit "E" -- CFD Resolutions of Formation.

Exhibit "F" -- Sewer Service Facilities Construction Schedule.

2. GENERAL PROVISIONS.

2.1 Binding Effect of Agreement. The Property is hereby made subject to this Agreement. Development of the Property is hereby authorized and shall be carried out only in accordance with the terms of this Agreement.

2.2 Ownership of Property. Owner represents and covenants that it is the owner of the fee simple title to the Property or a portion thereof.

2.3 Term. The term of this Agreement shall commence on the Effective Date and shall continue for a period of twenty five (25) years thereafter unless this term is modified or extended pursuant to the provisions of this Agreement.

2.4 Assignment.

2.4.1 Right to Assign. Owner shall have the right to sell, transfer, or assign the Property in whole or in part at any time during the term of this Agreement; provided, however, that any such sale, transfer or assignment shall be made only with notice to the City and shall include the assignment and assumption of the rights, duties and obligations arising under or from this Agreement and be made in strict compliance with the following conditions precedent:

(a) No sale, transfer or assignment of any right or interest under this Agreement shall be made unless made together with the sale, transfer or assignment of all or part of the Property.

(b) Concurrent with any such sale, transfer or assignment, or within thirty (30) business days thereafter, Owner shall notify the City in writing, of such sale, transfer or assignment~~, and shall provide the City with an executed release agreement, in a form acceptable to the City, by the purchaser, transferee or assignee and providing expressly and unconditionally that the purchaser, transferee, or assignee assumes all the rights, duties and obligations of the Owner under this Agreement with respect to the property interest sold, transferred or assigned.~~

(c) In the event there is a transfer of a portion of the Property, then the Owner and the transferee may elect by written agreement to allocate between themselves fee credits available pursuant to Section 4.7, sewer connection rights pursuant to Section 4.2.5, or other benefits available to the Owner under this Agreement, in any manner they see fit and such allocations shall be as set forth in the written agreement between the Owner and the transferee, a copy of which agreement shall be filed with the City. In the event the Owner and the transferee have not made a written allocation of such benefits, then such benefits of the Agreement shall be allocated between the Owner and the transferee on a prorata (by area of land) basis as determined in the sole and reasonable discretion of the City.

Any sale, transfer or assignment not made in strict compliance with the foregoing conditions shall constitute a default by the Owner under this Agreement. Notwithstanding the failure of any purchaser, transferee or assignee to execute the agreement required by Paragraph (b) of this Subsection 2.4.1, the rights, duties and obligations of this Agreement shall be binding upon such purchaser, transferee or assignee until and unless such agreement is executed.

A sale, transfer, or assignment of the Property, in whole or in part, shall not, in and of itself, give City the right to apply subsequent Development Exactions or Subsequent Land Use Regulations upon the Project.

2.4.2 Release of Transferring Owner. Notwithstanding any sale, transfer or assignment, a transferring Owner shall continue to be obligated under this

Agreement unless such transferring Owner applies for a release request and is given a release in writing by City, which release shall be provided by City upon the full satisfaction by such transferring Owner of the following conditions:

(a) Owner no longer has a legal or equitable interest in the Property (or portion of the Property) sold, transferred or assigned.

(b) Owner has provided City with the release request notice and executed release agreement required under Paragraph (b) of Subsection 2.4.1.

2.4.3 Subsequent Assignment. Any subsequent sale, transfer or assignment after an initial sale, transfer or assignment shall be made only in accordance with and subject to the terms and conditions of this Section.

2.4.4 Partial Release of Purchaser, Transferee or Assignee of School Lot. A purchaser, transferee or assignee of a lot, which has been subdivided as provided for in the Development Plan and for which a school lot has been approved pursuant to the Development Plan, may submit a release request, in writing, to the City to release, ~~concurrently with the issuance of an occupancy permit~~, said lot from the rights, duties and obligations under this Agreement. Within ninety (90) days of such request, the City shall review, and if the above conditions are satisfied shall approve the request for release and notify the purchaser, transferee or assignee in writing thereof. The City shall not unreasonably withhold its approval of such a release.

2.4.5 Termination of Agreement With Respect to Individual Lots Upon Sale to Public and Completion of Construction. The provisions of Subsection 2.4.1 shall not apply to the sale or lease (for a period longer than one year) of any lot which has been subdivided and is individually (and not in "bulk") sold or leased to a member of the public or other ultimate user. Notwithstanding any other provisions of this Agreement, this Agreement shall terminate with respect to any lot and such lot shall be released and no longer be subject to this Agreement without the execution or recordation of any further document upon satisfaction of both of the following conditions:

(a) The lot has been subdivided and individually (and not in "bulk") sold or leased (for a period longer than one year) to a member of the public or other ultimate user.

(b) A Certificate of Occupancy has been issued for a building on the lot in accordance with the Development Plan and this Agreement.

2.5 Amendment or Cancellation of Agreement. This Agreement may be amended or canceled in whole or in part only by written consent of the parties in the manner provided for in Government Code Section 65868. This provision shall not limit any remedy of City or Owner as provided by this Agreement.

2.6 Termination. This Agreement shall be deemed terminated and of no further effect upon the occurrence of any of the following events:

(a) Expiration of the stated term of this Agreement as set forth in Section 2.3.

(b) Entry of a final judgment setting aside, voiding or annulling the adoption of the ordinance approving this Agreement.

(c) Completion of the Project in accordance with the terms of this Agreement including issuance of all required occupancy permits and acceptance by the City and applicable public agencies of all required dedications and public improvements.

2.7 Notices

(a) As used in this Agreement, "notice" includes, but is not limited to, the communication of notice, request, demand, approval, statement, report, acceptance, consent, waiver, appointment or other communication required or permitted hereunder.

(b) All notices shall be in writing and shall be considered given either: (i) when delivered in person to the recipient named below; or (ii) on the date of delivery shown on the return receipt, after deposit in the United States mail in a sealed envelope as either registered or certified mail with return receipt requested, and postage and postal charges prepaid, and addressed to the recipient named below; or (iii) on the date of delivery shown in the records of the telegraph company after transmission by telegraph to the recipient named below. All notices shall be addressed as follows:

If to City:
City Clerk
City of Beaumont
550 East Sixth Street
Beaumont, CA 92223-0158

and
City Manager
City of Beaumont
550 East Sixth Street
Beaumont, CA 92223-0158

If to Owner:
Stephen P. Walker, III
Heartland Beaumont California L.T.D.
701 Fifth Avenue
Seattle, WA 98104

c/o Heartland
4660 Columbia Center

50 all

(c) Either party may, by notice given at any time, require subsequent notices to be given to another person or entity, whether a party or an officer or

representative of a party, or to a different address, or both. Notices given before actual receipt of notice of change shall not be invalidated by the change.

3. DEVELOPMENT OF THE PROPERTY.

3.1 Rights to Develop. Subject to the terms of this Agreement, including the Reservations of Authority, the Owner shall have a vested right to develop the Property in accordance with, and to the extent of, the Development Plan. Development of the Project shall be subject to all Subsequent Development Approvals and, subsequent to the date specified in Subsection 3.7.1(d), Subsequent Development Exactions required by the City to complete the Project as set forth in the Development Plan and this Agreement. The City agrees to process in good faith the balance of approvals needed to develop the Property in accordance with the Development Plan. Once approved, all Subsequent Development Approvals shall be deemed part of the Development Plan and subject to the vested rights set forth herein. Except as otherwise provided in this Agreement, the permitted uses of the Property, the density and intensity of use, the maximum height and size of proposed buildings, and provisions for reservation and dedication of land for public purposes shall be those set forth in the Development Plan. The Development Plan entitles the Owner to develop 1,291 single-family detached units on the Property. The exact mixture of each residential product type (single-family detached, single-family attached, and multi-family apartments) proposed in relation to Subsequent Development Approvals shall be at the sole election of the Owner, subject only to the limits set forth in the Development Plan. The Development Plan also entitles the Owner to develop retail commercial and/or industrial buildings, and such other uses as have been approved within the Development Plan.

3.2 Effect of Agreement on Land Use Regulations. Except as otherwise provided under the terms of this Agreement, including the Reservations of Authority; the rules, regulations and official policies governing permitted uses of the Property, the density and intensity of use of the Property, the maximum height and size of proposed buildings, and the design, improvement and construction standards and specifications applicable to development of the Property shall be the Existing Land Use Regulations and the Development Plan. In connection with any Subsequent Development Approval, the City shall exercise its discretion in accordance with the Development Plan, and as provided by this Agreement including, but not limited to, the Reservations of Authority. The City shall accept for processing, review and action all applications for Subsequent Development Approvals, and such applications shall be processed in the normal manner for processing such matters.

3.3 Effect of Agreement on General Plan. The City and the Owner acknowledge that the feasibility of the Development Plan and the value of the Property is dependent in part upon the City permitting the Development of the Property in accordance with the General Plan as set forth in the Existing Land Use Regulations and in accordance with the City Program. Therefore, the City shall not amend the General Plan in any manner which would materially and adversely impact the Owner's Development or use of the Property as provided in the Development Plan.

3.4 Timing of Development. The parties acknowledge that Owner cannot at this time predict when or the rate at which phases of the Property will be developed. Such decisions depend upon numerous factors which are not within the control of the Owner, such as market conditions, interest rates, absorption, completion and other similar factors. Since the California Supreme Court held in Pardee Construction Co. v. City of Camarillo (1984) 37 Cal.3d 465, that the failure of the parties therein to provide for the timing of development resulted in a later adopted initiative restricting the time of development to prevail over such parties' agreement; it is the parties' intent to cure that deficiency by acknowledging and providing that the Owner shall have the right to develop the Property in such order and at such rate and at such times as the Owner deems appropriate within the exercise of its subjective business judgment, subject only to any timing or phasing requirements set forth in the Development Plan or the Phasing Plan set forth in Section 3.5.

3.5 Phasing Plan. Development of the Property shall be subject to all timing and phasing requirements established by the Development Plan.

3.6 Changes and Amendments. The parties acknowledge that refinement and further Development of the Project will require Subsequent Development Approvals and may demonstrate that changes are appropriate and mutually desirable in the Existing Development Approvals. In the event the Owner finds that a change in the Existing Development Approvals is necessary or appropriate, the Owner shall apply for Subsequent Development Approvals to effectuate such change and the City shall process and act on such application in accordance with the Existing Land Use Regulations, except as otherwise provided by this Agreement including the Reservations of Authority. If approved, any such change in the Existing Development Approvals shall be incorporated herein as an addendum to Exhibit "C", and may be further changed from time to time as provided in this Section. Unless otherwise required by law, as determined in the City's reasonable sole discretion, a change in the Existing Development Approvals shall be deemed "minor," shall not require a public hearing, and not require an amendment to this Agreement, and shall be made administratively by the City at the request of the Owner, provided such change does not:

(a) Alter the permitted uses of the Property as a whole; or,

(b) Increase the density or intensity of use of the Property as a whole; or,

(c) Increase the maximum height and size of permitted buildings; or,

(d) Delete a requirement for the reservation or dedication of land for public purposes within the Property as a whole; or,

(e) Constitute a project requiring an environmental impact report pursuant to Section 21166 of the Public Resources Code.

3.7 Reservations of Authority.

3.7.1 Limitations, Reservations and Exceptions. Notwithstanding any other provision of this Agreement, the following Subsequent Land Use Regulations, and no others, shall apply to the Development of the Property.

(a) Processing fees and charges reasonably imposed by City to cover the reasonable estimated actual costs to the City of processing applications for Development Approvals or for monitoring compliance with any Development Approvals granted or issued provided that such fees and charges are applied uniformly or on an area of benefit basis to development in the City.

(b) Procedural regulations relating to hearing bodies, petitions, applications, notices, findings, records, hearings, reports, recommendations, appeals and any other matter of procedure.

(c) Regulations and policies governing construction standards, extensions of time and specifications including, without limitation, the City's Building Code, Plumbing code, Mechanical Code, Electrical Code, Fire Code and Grading Code.

(d) Subsequent Development Exactions; provided, however, that such exactions shall be only those for Critical Facilities and Services which are imposed on (1) residential development after the earlier of (a) ten (10) years from the Effective Date or (b) issuance of two hundred fifty nine (259) residential building permits for the Property, or any portion thereof, and, (2) non-residential development within the Project after twelve (12) years from the Completion Date; and, that no such exactions shall be applicable to the Development of the Property unless such exaction (i) is applied uniformly to development, either throughout the City or within a defined area of benefit which includes the Property, and (ii) complies with all laws applicable to such exactions. Any Subsequent Development Exactions which the City is empowered to levy pursuant to this Agreement shall not exceed the "fair share" of the benefit allocable to the specific parcel(a) against which such exaction is imposed, determined pro rata in proportion to the benefit allocable to all properties, developed or undeveloped, in the area of benefit of the program, facility or service to be funded, as provided by law.

No subsequently adopted Development Exaction shall apply if its application to the Property would substantially interfere with the Development of the Property in accordance with the existing development approvals.

(e) Regulations which are not in conflict with the Development Plan; however, any ordinance, resolution, regulation, or measure which is enacted, whether by action of the City, by initiative, referendum, or otherwise, which relates to the rate, timing or sequencing of the Development or construction of the Project, shall be deemed to be in conflict with the Development Plan and shall therefore not be applicable to

the Development of the Property. Without limiting the foregoing, any limitation affecting timing of the availability of permits, approvals, or other entitlements relating to subdivision maps, building permits, utility connections, or other entitlements necessary for the Development of the Project shall be deemed to be in conflict with the Development Plan and shall therefore not be applicable to Development of the Property.

3.7.2 Subsequent Development Approvals. This Agreement shall not restrict the City in acting on Subsequent Development Approvals and from applying Subsequent Land Use Regulations which do not conflict with but which may provide definition to the Development Plan, nor shall this Agreement prevent the City from denying or conditionally approving any Subsequent Development Approval on the basis of the Existing Land Use Regulations or any Subsequent Land Use Regulation not in conflict with the Development Plan.

3.7.3 Modification or Suspension by State or Federal Law. In the event that State or Federal laws or regulations, enacted after the Effective Date of this Agreement, prevent or preclude compliance with one or more of the provisions of this Agreement, such provisions of this Agreement shall be modified or suspended as may be necessary to comply with such State or Federal laws or regulations, provided, however, that this Agreement shall remain in full force and effect to the extent it is not inconsistent with such laws or regulations and to the extent such laws or regulations do not render such remaining provisions impractical to enforce.

3.7.4 Intent. The parties acknowledge and agree that the City is restricted in its authority to limit its police power by contract and that the foregoing limitations, reservations and exceptions are intended to reserve to the City all of its police power which cannot be so limited. This Agreement shall be construed, contrary to its stated terms if necessary, to reserve to the City all such power and authority which cannot be restricted by contract.

3.8 Provision of Real Property Interests by City. Except as otherwise provided herein, in any instance where the Owner is required, pursuant to a condition of approval of the Development of the Property, to construct any public improvement on land not owned by the Owner; the Owner shall attempt in good faith to provide or cause to be provided at its sole cost and expense the real property interests necessary for the construction of such public improvements. In the event the Owner is unable, after exercising reasonable efforts, including, but not limited to, the rights under Sections 1001 and 1002 of the Civil Code, to acquire the real property interests necessary for the construction of such public improvements, the City shall, if necessary, in accordance with the procedures established by law, use its power of eminent domain to acquire such required real property interests. The Owner shall pay all costs associated with such acquisition and condemnation proceedings, including City administration and legal costs. In the event of the advance funding of costs, City shall endeavor to provide a mechanism for Owner to recover such costs, including an adjustment for the cost of moneys advanced, from other owners of property benefiting from such improvements on a fair-share basis.

3.9 Regulation by Other Public Agencies. It is acknowledged by the parties that other public agencies not within the control of the City possess authority to regulate aspects of the Development of the Property separately from or jointly with the City and this Agreement does not limit the authority of such other public agencies acting separately from or jointly with the City. The City agrees to cooperate with and use its reasonable efforts in support of the Owner's efforts to obtain any required approvals from such other public agencies which may be necessary for the Development of Property in accordance with the Development Plan.

3.10 Tentative Tract Map Extension. Existing tentative subdivision or tentative parcel maps in connection with the Development of the Property shall be effective for the longer of the following periods of time:

(a) The period of time within which tentative subdivision or tentative parcel maps may be finalized on property which is not affected by a development agreement entered into pursuant to Government Code sections 65864 through 65869.5; or

(b) A term of ten (10) years from the Completion Date, provided that Owner may apply for and City may grant two (2) additional one-year extensions.

The terms of any tentative subdivision or tentative parcel map hereafter approved in connection with the Development of the Property pursuant to this Agreement shall be the longer of the following periods of time:

(a) The period of time within which tentative subdivision or tentative parcel maps may be finalized on property which is not affected by a development agreement entered into pursuant to Government Code sections 65864 through 65869.5; or

(b) Pursuant to Government Code section 66452.6(a), an initial term of ten (10) years from the approval of the tentative map, provided that Owner may apply for and City may grant two (2) additional one-year extensions and further provided that the total term of any such tentative map shall not exceed the term of this Agreement.

3.11 Vesting Tentative Maps. If any tentative or final subdivision map, or tentative or final parcel map, heretofore or hereafter approved in connection with Development of the Property, is a vesting map under Subdivision Map Act (Government Code Section 66410, et seq.) and if this Agreement is determined by a final judgment to be invalid or unenforceable insofar as it grants a vested right to develop to the Owner, then and to that extent the rights and protections afforded to the Owner under the laws and ordinances applicable to vesting maps shall supersede the provisions of this Agreement. Except as set forth immediately above, Development of the Property shall occur only as provided in this Agreement, and the provisions in this Agreement shall be controlling over any conflicting provision of law or ordinance concerning vesting maps.

4. PUBLIC IMPROVEMENTS AND FINANCING.

4.1 Streets and Highways.

4.1.1 Generally. The City has approved the conceptual Circulation Plan included within the Development Plan. Except as otherwise expressly provided herein, as Development of the Project proceeds and construction of various components of the Circulation Plan are required to serve the Project, the Owner shall dedicate to the City those specified streets and highways and related improvements to be constructed thereon which are designated as "public" streets and highways within the Circulation Plan of the Development Plan and subsequent Development Approvals; and the Owner shall construct or cause to be constructed the specified improvement for the streets and highways depicted within the Circulation Plan of the Development Plan and subsequent Development Approvals as Development of the Property proceeds. It is understood that such dedication and construction of the identified circulation improvements will proceed incrementally as reasonably determined by the City based upon traffic demands and in accordance with the phasing of the development of the Project. The City reserves the right to make minor changes to the Circulation Plan if the City determines in its sole reasonable judgement based upon traffic studies that such minor changes are necessary in order to accommodate projected traffic demands. Such minor changes shall in no event materially and adversely impact the Development Plan or the benefits to accrue to the Owner thereunder. The City agrees to use its best efforts to facilitate the construction of the circulation improvements in accordance with this Agreement.

4.1.2 Transportation Benefit District. The City agrees to use its best efforts to form and implement a "Transportation Benefit District" ("TBD") within two (2) years of the sale of CFD 1993A bonds for the purpose of allocating to and imposing fees and/or assessments upon other properties which benefit from the costs incurred by the Owner in improving streets identified by the General Plan or streets having four (4) or more travel lanes. The TBD shall provide for the allocation of costs, including interest on moneys advanced, fees and assessments based upon the City traffic indexes, credits and reimbursements, and shall be developed in conjunction with the City Program.

4.1.3 Through Streets. It is agreed that the streets with four (4) or more travel lanes which are identified in the Circulation Plan of the Development Plan ("Through Streets") will be improved such that their traffic carrying capacities will be sufficient to serve area-wide traffic requirements and meet traffic demands beyond those created by the Project. Therefore, the City agrees to use its best efforts to facilitate the formation and implementation of a TBD to provide reimbursement to the Owner of street improvement costs which exceed those improvement costs which would be required to serve only the Project. Owner agrees to grant or dedicate without cost to the City, rights-of-way within the Property necessary for the Through Streets, including the right-of-way necessary to serve non-Project related traffic demand. The dedications shall take place only as such streets are required in order to facilitate the incremental Development of the Project or to serve area-wide traffic requirements as determined by the City. The TBD to be created shall be

designed so as to allocate and assess all properties benefitting from the Through Streets, as and when such properties develop, with a fair share of the costs, including interest on moneys advanced, associated with the Through Streets based upon the City traffic indices and the City polices and procedures adopted, concurrently or subsequent to the adoption of the City Program and provide for reimbursement to properties charged or assessed in amount in excess of its fair share cost.

4.1.4 Off-Site Streets. The Owner shall construct or otherwise cause to be constructed off site streets in accordance with the Development Plan and the standards and specifications of the City and other agencies having jurisdiction. The City shall use its best efforts to assist the Owner in obtaining all necessary agency approvals associated with improving off site streets. In the event the other agencies having jurisdiction or any other jurisdiction, requires the Owner to construct any off site street improvements, then the City shall use its best effort to assist the Owner in obtaining reimbursement from such agencies, or other potentially responsible or benefitted parties, of those costs, including interest on moneys advanced, associated with acquiring the right-of-way and constructing improvements related to the off-site streets.

4.2 Sewer Service.

4.2.1 Generally. The City agrees to use its best efforts to provide public financing mechanisms to construct and operate wastewater collection, treatment and disposal facilities sufficient to collect, treat, and dispose of all sewage and wastewater generated in connection with the Project ("Sewer Service"). The Sewer Service facilities to be constructed and operated by the City to serve the Project shall be constructed in accordance with the City Program. The Owner shall be responsible for the cost of constructing and dedicating to the City those Sewer Service facilities necessary to serve the Project at such time as its Development requires such facilities. The Owner acknowledges that the availability of Sewer Service facilities is contingent upon the Owner's participation in the funding of Sewer Service facilities as determined by the City to be the Owner's fair share cost as determined by an area of benefit analysis defined in Section 4.2.2 of this Agreement and as set forth in this Agreement.

4.2.2 Sewer Benefit District. The City agrees to use its best efforts to form and implement a Sewer Benefit District (SBD) for the purpose of allocating to and imposing assessments or fees upon other properties which benefit from the costs incurred by the Owner in constructing Sewer Service facilities. The SBD shall provide for (i) the allocation of costs, fees and assessments to all affected parties based upon City engineering criteria and an area of benefit analysis and (ii) the reimbursement of any amounts paid on behalf of any parcel, including interest on moneys advanced, in excess of the benefit received, in the form of fee credits, redemption of bonds secured by such parcel or cash payment. The SBD shall be established in conjunction with the City Program.

4.2.3 "Will Serve" Commitment by City. The City will use its best efforts to serve the Project with Sewer Service in accordance with the development phasing

schedule of the Development Plan, and subject to City regulations, policies and procedures related to the issuance of sewer connection permits and this Agreement.

4.2.4 Schedule. The Sewer Service facilities funded by the CFD shall be completed by City in accordance with the City Program and in compliance with the schedule set forth in Exhibit "F" attached hereto and incorporated herein by reference. If, by reason of events or circumstances outside the reasonable control of City, City is unable to comply with the schedule set forth in Exhibit "F", then City may give notice to Owner of the need for such reasonable delays as are required as a result of such events or circumstances and City shall then diligently proceed with the completion of the Sewer Service in accordance with the adjusted schedule.

4.2.5 Priority Wastewater Treatment Plant Capacity Rights. By reason of the Owner's payment and City collection of sewer connection fees applicable at the time of issuance of a building permit, or by participation in the sale of CFD 1993A bonds secured by Improvement Area No. 5 to construct wastewater treatment plant capacity, the Owner shall receive an entitlement to sewer service for the number of units so paid or financed. This entitlement shall be calculated as the total of the Owner and/or Improvement Area No. 5 funded wastewater treatment plant facilities divided by the amount of the City sewer connection fee on (i) the date the sewer connection permits are issued or (ii) the date on which the bonds are sold to fund expansion of the wastewater treatment plant. Sewer Service is to be provided out of the expanded wastewater treatment plant to serve the Project. The City guarantees that this number of units of wastewater treatment plant capacity so paid or financed shall be reserved and, upon completion of the wastewater treatment plant expansion, available to the Owner without further payment. If Owner's participation in the CFD with respect to the funding of the expansion of the wastewater treatment plant takes the form of a cash contribution to the CFD rather than utilizing a special tax lien on the Property to secure repayment of CFD bonds, then Owner shall have the right to assign Owner's sewage treatment plant capacity rights to any other CFD participant, provided that City shall have the first right of refusal to purchase such capacity rights from Owner on the same terms and conditions agreed to between Owner and such CFD participant. If such sewer capacity was funded by the CFD, then City shall permit Owner to purchase capacity from other Improvement Areas of the CFD and/or the City if the owner of the Improvement Area land is a willing seller and such purchase conforms to the requirements of this Section. Such purchase shall be facilitated by City in a manner to be approved by bond counsel, which may include, among other mechanisms, a purchase by City and resale to Owner of the capacity from the selling Improvement Area, along with a reallocation of the infrastructure line item budget for the selling Improvement Area.

4.2.6 Package Sewage Treatment Plant. In the event that the City is unable to provide wastewater treatment plant capacity to the Owner for any phase of the Development of the Project, then the Owner may elect to pay in cash or privately finance the construction of a permitted package wastewater treatment plant to receive, treat, reclaim and discharge wastewater generated by the Project. The initial minimum treatment and disposal capacity of the package wastewater treatment plant is 150,000 gallons per day. The City

agrees to use its best efforts to assist the Owner in obtaining any necessary permits or public agency approvals for permitting construction and certification of the package wastewater treatment plant. The City shall maintain and operate the package wastewater treatment plant and shall establish a separate budget and financing system for performing its obligations of operation and maintenance with respect to the package wastewater treatment plant. The Owner agrees to pay all costs associated with the design, permitting, and construction of the package wastewater treatment plant, and of removing the package wastewater treatment plant when it is mutually agreed upon between the City and the Owner that the plant is no longer necessary for providing Sewer Service to the Property, or any portion thereof. Owner and City may decommission and/or sell the package wastewater treatment plant or sublease unused treatment capacity within the package wastewater treatment plant to other developments within the City as mutually agreed upon by the Owner and the City. The City shall have the right to approve any such sublease, but such approval shall not be unreasonably withheld. The City shall have a right of first refusal to purchase and/or sublease any capacity and shall be entitled to collect reasonable sewer service charges to pay for the City costs to operate and maintain the package wastewater treatment plant. The decision of the Owner to support and finance a package wastewater treatment plant shall not operate as a waiver of any claims the Owner may have against the City by reason of City's failure to provide wastewater treatment plant capacity to the Project. The City will cooperate to permit occupancy in January 1995, including support of alternate methods of disposal in accordance with City's policies and requirements.

4.2.7 Gravity and Force Mains. The Owner has agreed to pay, on a pro rata basis, CFD costs to fund a Master Sewer Plan which may require the construction of major gravity and force main sewer lines, and a sewage lift station within the Property. The major sewer lines may convey sewage from properties tributary thereto to a major sewage lift station and ultimately to a wastewater treatment plant owned and operated by the City.

(a) The City shall cause the major gravity and force main pipelines within the Property to be designed and constructed in accordance with the City Program; provided, however, that such design and construction shall not unreasonably burden the Development of the Property as contemplated by this Agreement. Prior to the commencement of any construction by the City pursuant to said plans for such facilities, the City shall submit such plans to the Owner for the Owner's approval. The Owner agrees to not unreasonably withhold its approval of said plans and the City agrees to make such changes in the design of such facilities as may be reasonably requested by the Owner which do not substantially increase the cost of construction of such facilities within the Property.

(b) The City shall cause the Sewer Service facilities located within the Property to be designed, whenever feasible, by the City to permit the Owner to make service lateral connections to the collector mains at locations reasonably appropriate for the Development of the Project. The cost of such service lateral connections shall be paid by the Owner, including as necessary, the construction of manholes, wyes and appurtenances in appropriate locations. The Owner shall be responsible for the prompt payment of said actual incremental costs so as to not unreasonably delay construction of the Sewer Service facilities.

The Owner and the City agree to cooperate and coordinate with each other in connection with the design and construction of the service lateral connection facilities within the collector mains.

(c) Sewer Service facilities may be located in right-of-way traversing the Property on alignments which generally correspond to the Development Plan, but which may be precisely determined by the City, or as otherwise agreed to by Owner. The Owner agrees to grant in fee to the City, at no cost to the City, any land which the Owner owns on the Effective Date necessary to construct the Sewer Service facilities. If additional right-of-way or easements are necessary within the Property to accommodate the Sewer Service facilities required for the development of adjacent properties in CFD 93-1, and such additional right-of-way adversely impacts the design or building densities of the Project as set forth in the Development Plan, then the Owner shall grant the right-of-way contemplated by this subsection and the City shall create a fee credit for the benefit of the Owner equal to the fair market value of the land acquired for the right-of-way as of the time the right-of-way is granted to the City. This credit may be used by the Owner as an offset against any fees, charges, or payments required to be made by the Owner to the City in connection with the development of the Project, excepting therefrom sewer connection fees. The granting of the Owner's land and the City fee credit to create the right-of-way above shall be done on the basis of appraised fair market value which shall be established by the Owner paying and the City retaining an independent MAI qualified appraiser which is reasonably acceptable to Owner and the City to determine the appraised fair market value of the land being granted for the right-of-way. In the event either the City or the Owner find the appraised value rendered by the first appraiser unacceptable, then either or both of them may elect to retain and pay another MAI qualified appraiser to appraise the right-of-way being granted to the City, and the appraised value determined by the first appraiser and the appraised value determined by the subsequent appraiser or appraisers retained by the City or the Owner shall be averaged in order to determine the value of the fee credits and the right-of-way being granted.

4.2.8 Major Lift Station. Pursuant to the City Program, the City may construct from funds provided by benefiting land owners as determined pursuant to Section 4.2.2 of this Agreement, a major lift station for the purpose of pumping wastewater from areas tributary to the major lift station to a City wastewater treatment plant. The City shall locate the major lift station in such a way as to assure the Owner that the major lift station will not impose conditions, constraints, or limitations (such as noise impacts, odor impacts, public safety impacts, architectural impacts, or similar impacts) upon the Property which might interfere with the Owner's Development of the Property pursuant to this Agreement. The City shall submit to the Owner the architectural plans for the structural components of the major lift station in order to give the Owner an opportunity to review and approve the architectural aspects of the structure. The Owner agrees it will not unreasonably withhold its approval of the architectural components of the major lift station. The Owner may reasonably require that the major lift station be appropriately screened and landscaped in order to mitigate impacts upon the Property and the cost of such landscaping shall be paid by benefiting landowners. If it is necessary to locate the major lift station on the Property, then

the land necessary to construct and maintain the major lift station shall be granted by the Owner to the City. The Owner shall, in all events, receive credits as described in Section 4.2.7(c) for the fair market value of the Property granted for the construction of the major lift station in the event the Property granted materially adversely impacts the design or building densities of the Project as set forth in the Development Plan.
4.8

4.3 Water Service. The City agrees that it will use its best efforts to cause the Project to be served with potable water for residential, industrial, commercial and municipal uses. Such service shall be facilitated by the City Program in accordance with the General Plan and the Cooperative Water Agreements between the City and the Beaumont-Cherry Valley Water District and among the City, the Beaumont- Cherry Valley Water District and the San Gorgonio Pass Water Agency.

4.3.1 Owner's Well on the Property. The City acknowledges that the Owner has a domestic water well ("Well") located on the Property. It is the Owner's intention to make economic use of the Well in connection with the Project. The City agrees to cooperate with Owner in Owner's efforts to make economic use of the Well and, to that end, shall cooperate with the Owner in the Owner's efforts to make water from the Well available at competitive rates to users within the Project, users outside the Project, or users within the Beaumont-Cherry Valley Water District municipal water system.

4.4 Other Utilities. The Owner shall have the right to establish its own cable television or satellite earth station and/or television communications systems or enter into a contract with another franchised and/or non-franchised cable television operator for service to the Property at the Owner's sole election and in accordance with City, state and federal laws related to the operation of cable television in the City. Electric service and telephone service may be provided to the Project by public utilities providing such service generally in the area. Electrical and telephone service within the Project shall be installed underground unless conditions make underground installation unreasonable, uneconomical, or impractical as mutually determined by the City and the Owner. Temporary overhead electric and telephone lines shall be permitted within the Project in order to facilitate phased construction of the Project.

4.5 Drainage Facilities. The Parties acknowledge the necessity of constructing and/or improving drainage facilities needed for the Development of the Project in accordance with the Development Plan. The City and the Owner shall use their best efforts to coordinate the drainage facility improvements with adjacent property owners and all public agencies which have jurisdiction over the construction and/or improvement of drainage facilities needed for the Development of the Project in accordance with the Development Plan.

4.6 CFD Implementation and Participation. The City and the Owner shall use their best efforts to establish the CFD and issue the bonds pursuant thereto in accordance with the formation documents of the CFD and the City Program. Provided that the CFD complies with the terms and conditions set forth in Exhibit "E" or future formation

documents, the Owner shall participate in the formation of the CFD and shall cooperate in causing the Property to be encumbered by a lien securing payment of the special tax necessary to support repayment of the Series 1993 A Bonds or subsequently approved bonded indebtedness of the CFD authorized by the Owner and approved by the City, as limited by the terms of the Bond Sale Limitation Agreement by and between the City and the Owner..

4.7 Fee Credits. Fee Credits shall be available to the Owner in the amounts, for the term and in the order listed below:

(a) In consideration of the Owner's participation in the CFD funding of the City Program, including the payment of CFD issuance, formation and facility master plan costs, and upon the issuance of the CFD Series 1993 A bonds and for a period of ten (10) years thereafter, Owner shall be entitled to a credit against BSFF fees attributable to the Project at the time payment of such fees would be due, calculated as an amount equal to the 1994-95 and 1995-96 fiscal years' CFD scheduled debt service payments attributable to Undeveloped Property, based on an assumed issuance date of November 1, 1993, and available incrementally for the corresponding period if Owner is not delinquent in the payment of its special taxes. If Owner elects to pay the amount of the special tax lien attributable to its Property for the Series 1993A bonds in full prior to sale, the credit shall be similarly calculated as if the Series 1993A special tax bonds for its Property had been issued on November 1, 1993. The credit may be used only to offset BSFF fees imposed at the time of issuance of building permits; provided, however, that if the City discontinues imposition of the BSFF, or adopts a new fee in lieu thereof, then this credit may be applied against any successor fees imposed by the City for the same purpose in connection with the issuance of building permits for the Project.

(b) In anticipation of entering into this Agreement and in anticipation of the City implementing a public financing program to facilitate the construction of the public facilities contemplated by the City Program, the Owner has advanced to the City the sum of One Hundred Eighty-Seven Thousand, Three Hundred Twenty and 94/100 Dollars ($187,320.94) ("Advanced Funds"). The Advanced Funds were used by the City in connection with the design of the facilities and the formation of the CFD. The Owner is therefore entitled to a credit against BSFF fees, or successor or additional fees for the same purpose, attributable to the Project up to the amount of the Advanced Funds, to be taken at the time of the issuance of building permits for the Project, for the full period of this Agreement. The parties acknowledge, however, that this credit is available only as an offset against BSFF fees, or successor or additional fees for the same purpose, attributable to the Project as they become due and may not be fully recoverable in the event no fees are due. Such credit may only be applied in the event that all credits due under Section 4.7(a) of the Agreement have been taken or have expired. As full consideration for the Advanced Funds fee credit, the Owner agrees to release and hold harmless the City from all claims and causes of action resulting from or arising out of the previous Sewer Agreement and the proceedings related to formation of Assessment District No. 92-1, applicable only to those owners which were parties to that previous Sewer Agreement.

4.8 Financing Generally of Public Improvements. In addition to specific obligations with respect to the financing of public improvements as set forth in this Agreement and the City Program, the City and the Owner agree, whenever feasible as determined in the sole discretion of the City, to facilitate and utilizing various methods of public finance for the construction of the public streets, wastewater treatment and wastewater reclamation facilities, storm drains, and other public improvements and infrastructure located within the Project or required to serve the Project. It is contemplated that the Owner and the City will consider various public financing programs, including tax-exempt lease-purchase, the formation of community facility districts, formation of assessment districts through the Municipal Improvement Act of 1913 and the Improvement Bond Act of 1915, the issuance of Industrial Development Bonds, the formation of maintenance districts and the formation of Benefit Districts.

The City shall use its best efforts to adopt ordinances and/or resolutions providing for the collection of mitigation fees for the construction of sewer facilities, storm drains, street improvements, and other infrastructure facilities which serve the Project and other developments within the City, which ordinances or resolutions shall provide for the collection of mitigation fees with respect to property which receives the benefits of the various public facilities, and reimbursement to other properties which have paid or been assessed for the acquisition and construction necessary to complete the various improvements in excess of a proportionate share based upon the fair assessment of the relative benefits of the various properties as set forth in the City Program. Such ordinances and/or resolutions shall further provide that when the reimbursement to properties participating in the bond program occurs in accordance with the City Program, then such reimbursement shall be used by the City (i) to retire any outstanding assessments or bonded indebtedness imposed upon the properties which initially financed the public improvements for which the mitigation fees are being paid or (ii) pay in cash to the Owner if such facilities costs were paid by the Owner in cash.

The City further agrees to cooperate with the Owner and any school districts serving the Project in reaching acceptable mitigation and reimbursement agreements with respect to the amount of school impact mitigation fees and, when appropriate, the waiver of school impact mitigation fees for Development of the Project which does not impact school facilities, as determined by the Beaumont Unified School District. The City shall not unlawfully impose assessments, special taxes, or similar financial burdens upon the Property.

4.9 Timing of Public Facilities to be Provided by Owner. To the extent this Agreement or the Development Plan require Owner to provide public facilities by, for example, dedicating land or constructing a public improvement, Owner shall not be obligated to provide the required public facilities until such time as Development takes place within the Project which necessitates provision of the public facilities as set forth in the Development Plan. It is understood that Development within the Project will take place incrementally and over several years as set forth in the Development Plan. Therefore, it is understood and agreed that the public facilities to be provided by Owner will be provided incrementally and over a period of years in coordination with the actual Development of the Property.

4.10 Subdivision Security. Owner shall be relieved from the requirement for posting subdivision security, including payment and performance bonds, for any and all infrastructure improvements for which construction funding is provided by sales of bonds of Improvement Area No. 5 of CFD 93-1. In the event that Owner has posted subdivision security prior to the sale of such CFD bonds then Owner shall be entitled to the immediate release of such subdivision security upon receipt of CFD bond proceeds intended for the bonded facilities.

4.11 No Cross-Collateralization. City has informed Owner that it intends to sell and deliver bonds of the CFD pursuant to provisions of the Marks-Roos Local Bond Pooling Act of 1985, Government Code § 6584, et seq. City agrees that no special taxes shall be levied on the Property within Improvement Area No. 5 to (i) replenish a bond reserve fund applicable to bonds of any other Improvement Area of the CFD, (ii) provide any funds to secure against the default or possible default of debt service payments to bondholders of any other Improvement Area of the CFD, or (iii) provide any other benefit for any Improvement Area in the CFD save and except for the benefit of Improvement Area No. 5. However, the reserve fund established for the bonds of the Marks-Roos Local Bond Pool shall be available to cover delinquencies in any Improvement Area, notwithstanding the restriction on replenishment thereof.

In the event the City does not finance any of the required public infrastructure improvements in the City Program through a public financing mechanism, the City shall cooperate with the Owner in obtaining the necessary permits for such improvements and entering into owner participation agreements and/or reimbursement agreements, as appropriate, to facilitate the construction and funding of the improvements and the repayment of Owner on a fair-share basis based on a benefit analysis from payments received from other benefiting owners.

5. REVIEW FOR COMPLIANCE.

5.1 Periodic Review. The City Planning Director shall review this Agreement annually, within a period of ninety (90) days following the anniversary of the Effective Date, in order to ascertain the good faith compliance by the Owner with the terms of the Agreement. The Owner agrees to pay the City for administrative and legal costs which are reasonable, customary and related to such review; provided that the charge to Owner for each annual review shall not exceed $800, while the land is undeveloped, or $2,000, once development has commenced, both fees adjusted for 1995 and subsequent years based on the increase in the Engineering News-Record Cost Index for Los Angeles over its value on January 1, 1994.

5.2 Special Review. The City Council or the City Planning Commission may order a special review of compliance with this Agreement at any time at no cost to Owner. The City Planning Director shall conduct such special reviews.

5.3 Procedure.

(a) During either a periodic review or a special review, the Owner shall be required to demonstrate good faith compliance with the terms of this Agreement. The burden of proof on this issue shall be on the Owner.

(b) Upon completion of a periodic review or a special review, the City Planning Director shall submit a report to the City Council setting forth the evidence concerning good faith compliance by the Owner with the terms of this Agreement and shall present the recommended finding on that issue in writing.

(c) If the City Council finds on the basis of substantial evidence that the Owner has complied in good faith with the terms and conditions of this Agreement, the review shall be concluded.

(d) If the City Council makes a preliminary finding that the Owner may not have complied in good faith with the terms and conditions of this Agreement, including failure to pay CFD special taxes in a timely manner, the City Council shall commence proceedings as provided in Section 5.4 and Section 5.5. Notice of possible default as provided under Section 6.4 of this Agreement shall be given to Owner prior to or concurrent with, proceedings under Section 5.4 and Section 5.5.

5.4 Proceedings Upon Modification or Termination. If, upon a finding under Section 5.3, the City determines to proceed with modification or termination of this Agreement, the City shall give written notice to the Owner of its intention to do so. The notice shall be given at least thirty (30) calendar days prior to the scheduled hearing and shall contain:

(a) The time and place of the hearing;

(b) A statement as to whether or not City proposes to terminate or to modify the Agreement; and,

(c) Such other information as is reasonably necessary to inform Owner of the nature of proceeding.

5.5 Hearing on Modification or Termination. At the time and place set for the hearing on modification or termination, the Owner shall be given an opportunity to be heard. The Owner shall be required to demonstrate good faith compliance with the terms and conditions of this Agreement. The burden of proof on this issue shall be on the Owner. If the City Council finds, based upon substantial evidence that the Owner has not complied in good faith with the Agreement, and that the decision of the City Council is in the best interest of the City, then pursuant to authority of Government Code Section 65865.1 the City Council may extend, terminate or modify this Agreement and impose such conditions as are reasonably necessary to protect the interests of the City and the participants of CFD No.

93-1, subject to first complying with the requirement of Section 6.3 hereof. The decision of the City Council shall be final, subject only to judicial review pursuant to Section 1094.5 of the Code of Civil Procedure.

5.6 Certificate of Agreement Compliance. If, at the conclusion of a periodic or special review, the Owner is found to be in compliance with this Agreement, the City shall, upon request by the Owner, issue a Certificate of Agreement Compliance ("Certificate") to the Owner stating that after the most recent periodic or special review and based upon the information known or made known to the City Planning Director and the City Council that (i) this Agreement remains in effect and (ii) the Owner is not in default. The Certificate shall be in recordable form, shall contain information necessary to communicate constructive record notice of the finding of compliance, shall state whether the Certificate is issued after a periodic or special review and shall state the anticipated date of commencement of the next periodic review. The Owner may record the Certificate with the County Recorder.

Whether or not the Certificate is relied upon by assignees or other transferees or The Owner, the City shall not be bound by a Certificate if a default existed at the time of the periodic or special review, but was concealed from or otherwise not known to the City Planning Director or the City Council.

6. DEFAULT AND REMEDIES.

6.1 Remedies in General. In general, each of the parties hereto may pursue any remedy at law or equity available for the breach of any provision of this Agreement.

6.2 Specific Performance. The parties acknowledge that money damages and remedies at law generally are inadequate and specific performance is a particularly appropriate remedy for the enforcement of this Agreement and should be available to all parties. Due to the size, nature and scope of the Project, it may not be practical or possible to restore the Property to its natural condition once implemented, and the Owner or the City may be foreclosed from other choices related to the Development of the Property or portions thereof, in accordance with the Development Plan and the City Program. The Owner and the City have invested significant time and resources and performed extensive planning and processing of the Project in agreeing to the terms of this Agreement and will be investing significant time and resources with respect to the Development of the Project in reliance upon the terms of this Agreement, and it is not possible to determine the sum of money which would adequately compensate the Owner or the City for such efforts.

6.3 Suspension of Agreement for Default of Owner. The City may suspend Owner's rights under this Agreement for any failure of the Owner to perform any material duty or obligation of the Owner under this Agreement or to pay CFD special taxes in a timely manner or to comply in good faith with the terms of this Agreement (hereinafter referred to as "default"); provided, however, the City may suspend this Agreement pursuant to this Section only after providing written notice to the Owner of the default setting forth the nature

of the default and the actions, if any, required by the Owner to take such actions and cure such default within sixty (60) days after the effective date of such notice or, in the event that such default cannot be cured within such sixty (60) day period but can be cured within a longer time, has failed to commence the actions necessary to cure such default within such sixty (60) day period and to diligently proceed to complete such actions and cure such default.

6.4 Termination of Agreement for Default of City. The Owner may terminate this Agreement only in the event of a default by the City in the performance of a material term of this Agreement and only after providing written notice to the City of default setting forth the nature of the default and the actions, if any, required by the City to take such actions and cure such default within sixty (60) days after the effective date of such notice or, in the event that such default cannot be cured within such sixty (60) day period but can be cured within a longer time, has failed to commence the actions necessary to cure such default within such sixty (60) day period and to diligently proceed to complete such actions and cure such default.

7. THIRD PARTY LITIGATION.

7.1 General Plan Litigation. The City has determined that this Agreement is consistent with its General Plan and that the General Plan meets all requirements of law. The Owner has reviewed the General Plan and concurs with the City's determination. The City shall have no liability under this Agreement for any failure of the City to perform under this Agreement or the inability of the Owner to develop the Property in accordance with the Development Plan as the result of a judicial determination that on the Effective Date, or at any time thereafter, the General Plan, or portions thereof, are invalid or inadequate or not in compliance with law.

7.2 Third Party Litigation Concerning Agreement. The Owner shall defend, at its expense, including attorneys' fees, indemnify, and hold harmless the City, its agents, officers, employees and subcontractors or independent contractors from any claim, action or proceeding against the City, its agents, officers, or employees to attack, set aside, void, or annul the approval, enforcement or operation of this Agreement. The City shall promptly notify the Owner of any such claim, action or proceeding, and the City shall cooperate in the defense. If the City within sixty (60) days of being so notified of any claim, action or proceeding fails to notify the Owner of any such claim, action or proceeding, or if the City fails to cooperate in the defense, the Owner shall not thereafter be responsible to defend, indemnify, or hold harmless the City. The City may in its sole discretion participate in the defense of any such claim, action or proceeding.

7.3 Indemnity. In addition to the provisions of 7.2 above, the Owner shall indemnify and hold the City, its agents, officers, employees, subcontractors and independent contractors free and harmless from any liability whatsoever, based or asserted upon any act or omission of the Owner, its agents, officers, employees, subcontractors and independent contractors, for property damage, bodily injury, or death (Owner's employees included) or any other element of damage of any kind or nature, relating to or in any way connected with

or arising from Owner's acts or omissions related to the Development of the Property, including, but not limited to, the study, design, engineering, construction, completion, failure and conveyance of the public improvements save and except claims for damages arising through the active negligence or willful misconduct of the City. The Owner shall defend, at its expense, including attorneys' fees, the City, its agents, agents, employees, subcontractors and independent contractors in legal action based upon such alleged acts or omissions. The City may in its discretion participate in the defense of any such legal action.

7.4 Environmental Assurances. The Owner shall indemnify and hold the City, its agents, officers, employees, subcontractors and independent contractors free and harmless from any liability, based or asserted, upon any act or omission of Owner, its agents, officers, employees, subcontractors, ~~predecessors in interest, successors, assigns~~ and independent contractors for any violation of any federal, state or local law, ordinance or regulation relating to industrial hygiene or to environmental conditions on, under or about the Property, including, but not limited to, soil and groundwater conditions, and the Owner shall defend, at its expense, including attorneys' fees, the City, its agents, officers, employees, subcontractors and independent subcontracts in any action based or asserted upon any such alleged act or omission. The City may in its discretion participate in the defense of any such action.

7.5 Reservation of Rights. With respect to Sections 7.2, 7.3 and 7.4 herein, the City reserves the right to either (i) approve the attorney(s) which the Owner selects, hires or otherwise engages to defend the City hereunder, which approval shall not be unreasonably withheld, or (ii) if the Owner fails to provide such defense to the City, conduct its own defense, provided, however, that the Owner shall reimburse the City forthwith for any and all reasonable expenses incurred for such defense, including reasonable attorneys' fees, upon billing and accounting therefor.

7.6 Survival. The provisions of this Section 7.1 through 7.6, inclusive, shall survive the termination of this Agreement.

8. MORTGAGEE PROTECTION.

The parties hereto agree that this Agreement shall not prevent or limit the Owner, in any manner, at the Owner's sole discretion, from encumbering the Property or any portion thereof or any private improvement thereon by any mortgage, deed of trust or other security device securing financing with respect to the Property. The City acknowledges that the lenders providing such financing may require certain Agreement interpretations and modifications and agrees upon request, from time to time, to meet with the Owner and representatives of such lenders to negotiate in good faith any such request for interpretation or modification. The City will not unreasonably withhold its consent to any such requested interpretation or modification provided such interpretation or modification is consistent with the intent and purposes of this Agreement. Any Mortgagee of the Property shall be entitled to the following rights privileges:

(a) Neither entering into this Agreement nor a breach of this Agreement shall defeat, render invalid, diminish or impair the lien of any mortgage on the Property made in good faith and for value, unless otherwise required by law.

(b) The Mortgagee of any mortgage or deed of trust encumbering the Property, or any part thereof, which Mortgagee, has submitted a request in writing to the City in the manner specified herein for giving notices, shall be entitled to receive written notification from the City of any default by the Owner in the performance of the Owner's obligations under this Agreement.

(c) If the City timely receives a request from a Mortgagee requesting a copy of any notice of default given to the Owner under the terms of this Agreement, the City shall provide a copy of that notice to the Mortgagee within ten (10) days of sending the notice of default to the Owner. The Mortgagee shall have the right, but not the obligation, to cure the default during the remaining cure period allowed such party under this Agreement.

(d) Any Mortgagee who comes into possession of the Property, or any part thereof, pursuant to foreclosure of the mortgage or deed of trust, or deed in lieu of such foreclosure, shall take the Property, or part thereof, subject to the terms of this Agreement.

9. MISCELLANEOUS PROVISIONS.

9.1 Recordation of Agreement. This Agreement and any amendment or cancellation thereof shall be recorded with the County Recorder by the Clerk of the City within the period required by Section 65868.5 of the Government Code.

9.2 Entire Agreement. This Agreement sets forth and contains the entire understanding and agreement of the parties, and there are no oral or written representations, understandings or ancillary covenants, undertakings or agreements which are not contained or expressly referred to herein. No testimony or evidence of any such representations, understandings or covenants shall be admissible in any proceeding of any kind or nature to interpret or determine the terms or conditions of this Agreement.

9.3 Severability. If any term, provision, covenant or condition of this Agreement shall be determined invalid, void or unenforceable, the remainder of this Agreement shall not be affected thereby to the extent such remaining provisions are not rendered impractical to perform taking into consideration the purposes of this Agreement.

9.4 Interpretation and Governing Law. This Agreement and any dispute arising hereunder shall be governed and interpreted in accordance with the laws of the State of California. This Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the parties hereto, and the rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this Agreement, all parties having been represented by counsel in the negotiation and preparation hereof.

9.5 Section Headings. All section headings and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

9.6 Singular and Plural. As used herein, the singular of any word includes the plural.

9.7 Obligations Run With the Land. If at any time during the term of this Agreement, an ownership interest in the Property is transferred to another entity, (i) any obligation under this Agreement which relates to or depends on the area of land owned shall be apportioned to the underlying ownership interest (by area of land) as though the successor owner had been an original party to this Agreement and (ii) all obligations which are not subject to apportionment shall additionally become an obligation of such successor owner. Notwithstanding the foregoing, no Owner of a single lot which has been finally subdivided and sold to such Owner as a member of the general public or otherwise as an ultimate user shall have any obligation under this Agreement.

9.8 Time of Essence. Time is of the essence in the performance of the provisions of this Agreement as to which time is an element.

9.9 Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party's right to insist an demand strict compliance by the other party with the terms of this Agreement thereafter.

9.10 No Third Party Beneficiaries. This Agreement is made and entered into for the sole protection and benefit of the parties and their successors and assigns. No other person shall have any right to action based upon any provision of this Agreement.

9.11 Force Majeure. Neither party shall be deemed to be in default where failure or delay in performance of any of its obligations under this Agreement is caused by floods, earthquakes, other Acts of God, fires, wars, riots or similar hostilities, strikes and other labor difficulties beyond the party's control, (including the party's employment force), government regulations, court actions (such as restraining orders or injunctions), or other causes beyond the party's control. If any such events shall occur, the term of this Agreement and the time for Performance by either party of any of its obligation hereunder may be extended by the written agreement of the parties for the period of time that such events prevented such performance, provided that the term of this Agreement shall not be extended under any circumstances for more than five (5) years.

9.12 Mutual Covenants. The covenants contained herein are mutual covenants and also constitute conditions to the concurrent or subsequent performance by the party benefitted thereby of the covenants to be performed thereunder by such benefitted party.

9.13 Successors in Interest. The burdens of this Agreement shall be binding upon, and the benefits of this Agreement shall inure to, all successors in interest to the parties to this Agreement. All provisions of this Agreement shall be enforceable as equitable servitudes and constitute covenants running with the land. Each covenant to do or refrain from doing some act hereunder with regard to Development of the Property: (i) is for the benefit of and is a burden upon every portion of the Property; (ii) runs with the Property and each portion thereof; and, (iii) is binding upon each party and each successor in interest during ownership of the Property or any portion thereof.

9.14 Counterparts. This Agreement may be executed by the parties in counterparts, which counterparts shall be construed together and have the same effect as if all of the parties had executed the same instrument.

9.15 Jurisdiction and Venue. Any action at law or in equity arising under this Agreement or brought by a party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Agreement shall be filed and tried in the Superior Court of the County of Riverside, State of California, and the parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court.

9.16 Project as a Private Undertaking. It is specifically understood and agreed by and between the parties hereto that the Development of the Project is a private undertaking, that neither party is acting as the agent of the other in any respect hereunder, and that each party is an independent contracting entity with respect to the terms, covenants and conditions contained in this Agreement. No partnership, joint venture or other association of any kind is formed by this Agreement. The only relationship between the City and the Owner is that of a government entity regulating the development of private property and the owner of such property.

9.17 Further Actions and Instruments. Each of the parties shall cooperate with and provide reasonable assistance to the other to the extent contemplate hereunder in the performance of all obligations under this Agreement and the satisfaction of the conditions of this Agreement. Upon the request of either party at any time, the other party shall promptly execute, with acknowledgment of affidavit if reasonably required, and file or record such required instruments and writings and take any actions as may be reasonably necessary under the terms of this Agreement to carry out the intent and to fulfill the provisions of this Agreement or to evidence or consummate the transactions contemplated by this Agreement.

9.18 Eminent Domain. No provision of this Agreement shall be construed to limit or restrict the exercise by the City of its power of eminent domain.

9.19 Agent for Service of Process. In the event the Owner is not a resident of the State of California or it is an association, partnership or joint venture without a member, partner or joint venturer resident of the State of California, or it is a foreign corporation, then in any such event, the Owner shall file with the City Planning Director, upon its execution of this Agreement, a designation of a natural person residing in the State

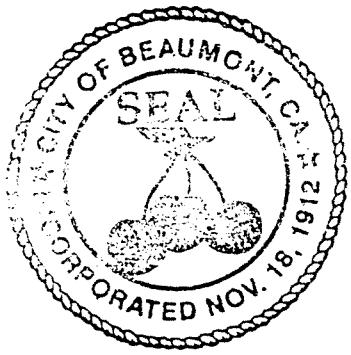
of California, giving his or her name, resident and business addresses, as its agent for the purpose of service of process in any court action arising out of or based upon this Agreement, and the delivery to such agent of a copy of any process in any such action shall constitute valid service upon the Owner. If for any reason service of such process upon such agent is not feasible, then in such event the Owner may be personally served with such process out of the County of Riverside, State of California and such service shall constitute valid service upon the Owner. The Owner is amenable to the process so served, submits to the jurisdiction of the Court so obtained and waives any and all objections and protests hereto.

9.20 Authority to Execute. The person or persons executing this Agreement on behalf of the Owner warrants and represents that he/they have the authority to execute this Agreement on behalf of his/their corporation, partnership or business entity and warrants and represents that he/they has/have authority to bind the Owner to the performances of its obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first set forth above.

CITY:

CITY OF BEAUMONT



By: _____
Mayor, City of Beaumont

Attest: _____
City Clerk of City of Beaumont

OWNER:

HEARTLAND BEAUMONT CALIFORNIA L.T.D.

By: _____
President Heartland Group, Inc
Its: General Partner

By: _____

State of _____

County of _____

_____ before me, _____
DATE — NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"

personally appeared _____
NAME(S) OF SIGNER(S)

☐ personally known to me - OR - ☐ proved to me on the basis of satisfactory evidence to be the person(s) whose name(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

OPTIONAL SECTION

CAPACITY CLAIMED BY SIGNER

Though statute does not require the Notary to fill in the data below, doing so may prove invaluable to persons relying on the document.

☐ INDIVIDUAL

☐ CORPORATE OFFICER(S)

_____
TITLE(S)

☐ PARTNER(S) ☐ LIMITED ☐ GENERAL

☐ ATTORNEY-IN-FACT

☐ TRUSTEE(S)

☐ GUARDIAN/CONSERVATOR

☐ OTHER: _____

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)

_____

_____

OPTIONAL SECTION

THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED AT RIGHT:

Though the data requested here is not required by law, it could prevent fraudulent reattachment of this form.

TITLE OR TYPE OF DOCUMENT _____

NUMBER OF PAGES _____ DATE OF DOCUMENT _____

SIGNER(S) OTHER THAN NAMED ABOVE _____

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FORNIA ALL-PURPOSE ACKNOWLEDGMENT No. 51

State of Washington

County of King

On 11/24/93 before me, Marc RAngelillo
DATE — NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"

personally appeared Stephen P. Walker III
NAME(S) OF SIGNER(S)

☒ personally known to me - OR - ☐ proved to me on the basis of satisfactory evidence to be the person(s) whose name(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.

MARC R. ANGELILLO NOTARY PUBLIC COMMISSION EXPIRES FEB. 1, 1997 STATE OF WASHINGTON

WITNESS my hand and official seal.

Marc R. Angelillo
SIGNATURE OF NOTARY

OPTIONAL SECTION

CAPACITY CLAIMED BY SIGNER

Though statute does not require the Notary to fill in the data below, doing so may prove invaluable to persons relying on the document.

☐ INDIVIDUAL

☐ CORPORATE OFFICER(S)

_____
TITLE(S)

☐ PARTNER(S) ☐ LIMITED ☐ GENERAL

☐ ATTORNEY-IN-FACT

☐ TRUSTEE(S)

☐ GUARDIAN/CONSERVATOR

☒ OTHER: Corporate officer of General Partner

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)

_____

_____

OPTIONAL SECTION

CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED AT RIGHT:

Though the data requested here is not required by law, it could prevent fraudulent reattachment of this form.

TITLE OR TYPE OF DOCUMENT _____

NUMBER OF PAGES _____ DATE OF DOCUMENT _____

SIGNER(S) OTHER THAN NAMED ABOVE _____

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EXHIBIT "A"

Legal Description of Property

CFD 93-1
LEGAL DESCRIPTION FOR
HEARTLAND CALIFORNIA BEAUMONT LIMITED PARTNERSHIP

IMPROVEMENT AREA NO. 5

APN 414-110-018

THAT PORTION OF LOT 7, OF SECTION 6, TOWNSHIP 3 SOUTH, RANGE 1 WEST, SAN BERNARDINO BASE AND MERIDIAN, WHICH IS WITHIN THE FOLLOWING DESCRIBED PARCEL:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 6;

THENCE SOUTH 00° 00′ 15" EAST, A DISTANCE OF 4498.96 FEET TO THE SOUTH LINE OF THE LAND CONVEYED TO MARY CORDEIRO BY DEED RECORDED SEPTEMBER 18, 1974 AS INSTRUMENT NO. 120470, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

THENCE ALONG SAID SOUTH LINE NORTH 88° 36′ 23" WEST, A DISTANCE OF 4131.73 FEET TO THE TRUE POINT OF BEGINNING;

THENCE CONTINUING ALONG SAID SOUTH LINE NORTH 88° 36′ 23" WEST, A DISTANCE OF 880.00 FEET;

THENCE ALONG SAID SOUTH LINE NORTH 64° 00′ 41" WEST, A DISTANCE OF 299.00 FEET TO THE WEST LINE OF SECTION 6;

THENCE ALONG SAID WEST LINE NORTH 00° 08′ 55" WEST, A DISTANCE OF 465.00 FEET;

THENCE NORTH 83° 55′ 20" EAST, A DISTANCE OF 650.00 FEET;

THENCE SOUTH 54° 07′ 32" EAST, A DISTANCE OF 625.00 FEET;

THENCE SOUTH 00° 33′ 00" WEST, A DISTANCE OF 320.00 FEET TO THE TRUE POINT OF BEGINNING.

APN 414-110-020

BEGINNING AT THE SOUTHEASTERLY TERMINUS OF THAT CERTAIN COURSE DESCRIBED AS "THENCE SOUTH 64° 05′ 00" EAST, 299.00 FEET," IN DEED TO MARY CORDEIRO RECORDED SEPTEMBER 18, 1974 AS INSTRUMENT NO. 120470, OFFICIAL RECORDS OF SAID COUNTY;

THENCE ALONG THE SOUTHERLY BOUNDARY OF SAID CORDEIRO PARCEL SOUTH 88° 39′ 33" EAST, 5012.15 FEET TO THE EAST LINE OF SAID SECTION 6;

APN 414-110-020

THENCE ALONG SAID EAST LINE, SOUTH 00° 14′ 42" EAST, 146.99 FEET TO A POINT WHICH IS NORTH 00° 14′ 42" WEST, 133.04 FEET FROM A THREE-QUARTER (3/4) INCH IRON PIPE AS SHOWN BY RECORD OF SURVEY IN BOOK 17 OF RECORDS OF SURVEY, PAGE 21, IN THE RIVERSIDE COUNTY RECORDER'S OFFICE, MARKING THE SOUTHEAST CORNER OF SAID SECTION 6;

THENCE NORTH 89° 21′ 30: WEST, 638.34 FEET TO A TANGENT CURVE CONCAVE SOUTH HAVING A RADIUS OF 2200.00 FEET;

THENCE WESTERLY ALONG SAID CURVE THROUGH AN ANGLE OF 15° 17′ 30" A DISTANCE OF 587.16 FEET;

THENCE SOUTH 75° 21′ 00" WEST, 754.82 FEET TO A TANGENT CURVE CONCAVE NORTH HAVING A RADIUS OF 2827.00 FEET;

THENCE WESTERLY ALONG SAID CURVE THROUGH AN ANGLE OF 15° 27′ 30" A DISTANCE OF 762.72 FEET;

THENCE NORTH 89° 11′ 30" WEST, 816.26 FEET TO A NON-TANGENT CURVE CONCAVE NORTHERLY, HAVING A RADIUS OF 2000.00 FEET;

THENCE NORTHWESTERLY ALONG SAID CURVE FROM A TANGENT BEARING OF NORTH 87° 47′ 31" EAST, THROUGH AN ANGLE OF 28° 05′ 07" A DISTANCE OF 980.36 FEET;

THENCE NORTH 64° 07′ 22" WEST, 476.14 FEET;

THENCE NORTH 30° 12′ 59" WEST, 222.95 FEET TO THE POINT OF BEGINNING.

SUBJECT TO THE RESERVATION OF SOUTHERN CALIFORNIA EDISON COMPANY RECORDED SEPTEMBER 20, 1970 AS INSTRUMENT NO. 93335, OFFICIAL RECORDS OF SAID COUNTY.

THERE SHALL BE NO ABUTTERS RIGHTS OF ACCESS APPURTENANT TO THE ABOVE-DESCRIBED REAL PROPERTY IN AND TO THE ADJACENT STATE FREEWAY.

THE ABOVE-DESCRIBED REAL PROPERTY IS LANDLOCKED AND WITHOUT ANY DIRECT ACCESS TO THE FREEWAY OR TO ANY PUBLIC OR PRIVATE ROAD. THE STATE OF CALIFORNIA IS WITHOUT OBLIGATION OR LIABILITY TO PROVIDE ACCESS TO THE SAID REAL PROPERTY.

APN 414-110-014 and 414-110-016

PARCEL 1

GOVERNMENT LOT 6 IN FRACTIONAL SECTION 6, TOWNSHIP 3 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT THAT PORTION DESCRIBED IN DEED TO THE CITY OF BEAUMONT, A MUNICIPAL CORPORATION RECORDED MAY 31, 1984 AS INSTRUMENT NO. 116461 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

APN 414-100-006

PARCEL 2

THAT PORTION OF GOVERNMENT LOT 5 AND THAT PORTION OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 6, TOWNSHIP 3 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHERLY OF THE SOUTHERLY LINE OF THE SOUTHERN PACIFIC RAILROAD RIGHT OF WAY;

EXCEPT THAT PORTION THEREOF DESCRIBED IN DEED TO THE COUNTY OF RIVERSIDE RECORDED MAY 5, 1905 IN BOOK 202, PAGE 54 OF DEEDS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

APN 414-110-003 (A Portion)

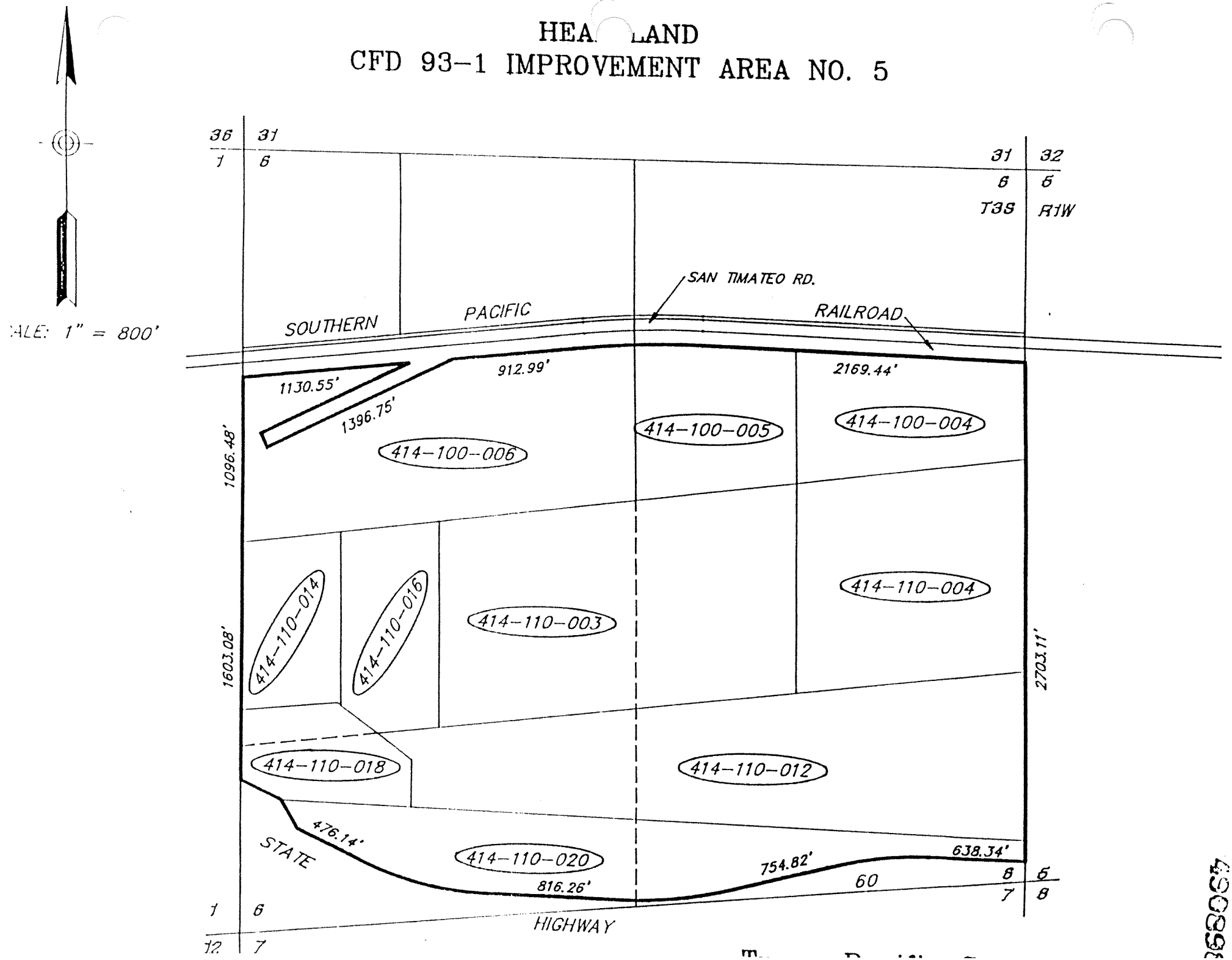
PARCEL 3

THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER, ALL IN FRACTIONAL SECTION 6, TOWNSHIP 3 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXHIBIT "B"

Map Showing Property and Its Location

HEA LAND
CFD 93-1 IMPROVEMENT AREA NO. 5



APN 414-100-005 AND 414-110-003 (A Portion)

PARCEL 4

THAT PORTION OF THE SOUTH HALF OF THE NORTHEAST QUARTER AND THE NORTH HALF OF THE SOUTHEAST QUARTER LYING SOUTHERLY OF THE SOUTHERLY LINE OF THE SOUTHERN PACIFIC RAILROAD RIGHT OF WAY AND WESTERLY OF THE LINE DESCRIBED BELOW, ALL IN FRACTIONAL SECTION 6, TOWNSHIP 3 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

BEGINNING AT A POINT ON THE SOUTHERLY LINE OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 6, WHICH SAID POINT IS 1,545.56 FEET WESTERLY, MEASURED ON SAID SOUTHERLY LINE FROM THE EAST LINE OF SAID SECTION;

THENCE NORTHERLY, TO A POINT ON THE SOUTHERLY LINE OF SAID RAILROAD RIGHT OF WAY REFERRED TO ABOVE, WHICH POINT IS 1,539.60 FEET WESTERLY, MEASURED ON SAID RIGHT OF WAY, FROM THE EASTERLY LINE OF SAID SECTION.

APN 414-100-004 and 414-110-004

PARCEL 5

THAT PORTION OF THE NORTH HALF OF THE SOUTHEAST QUARTER AND THE SOUTH HALF OF THE NORTHEAST QUARTER LYING SOUTHERLY OF THE SOUTHERLY LINE OF THE SOUTHERN PACIFIC RAILROAD RIGHT OF WAY AND EASTERLY OF THE LINE DESCRIBED BELOW, IN FRACTIONAL SECTION 6, TOWNSHIP 3 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

BEGINNING AT A POINT ON THE SOUTHERLY LINE OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 6, WHICH SAID POINT IS 1,545./56 FEET WESTERLY, MEASURED ON SAID SOUTHERLY LINE, FROM THE EAST LINE OF SAID SECTION;

THENCE NORTHERLY TO A POINT ON THE SOUTHERLY LINE OF SAID RAILROAD RIGHT OF WAY REFERRED TO ABOVE, WHICH SAID POINT IS 1,539.60 FEET WESTERLY, MEASURED ON SAID RIGHT OF WAY FROM THE EASTERLY LINE OF SAID SECTION.

Section 14. This Resolution shall take effect immediately upon its adoption.

MOVED, PASSED AND ADOPTED this 29th day of June, 1993 by the following vote:

AYES: Council Member Brey, McLaughlin, Parrott, Russo and Mayor Leja.

NOES: None.

ABSTAIN: None.

ABSENT: None.

Mayor of the City of Beaumont

ATTEST:

CITY CLERK (Deputy)

CERTIFICATION

The foregoing is certified to be a true copy of Resolution No. 1993-14 duly adopted by the said City Council of the City of Beaumont on the date herein set forth.

CITY CLERK, CITY OF BEAUMONT

APN 414-110-012

PARCEL 6

THAT PORTION OF THE SOUTH HALF OF THE SOUTH HALF OF SECTION 6, TOWNSHIP 3 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING NORTHERLY OF THE FOLLOWING DESCRIBED LINE;

BEGINNING ON THE WEST LINE OF SAID SECTION 6, DISTANT ON SAID WEST LINE NORTH 00° 13′ 14" WEST, 1,035.04 FEET FROM A 3 INCH IRON PIPE AND BRASS CAP MARKING THE SOUTHWEST CORNER OF SAID SECTION 6;

THENCE SOUTH 64° 05′ 00" EAST, 299.00 FEET;

THENCE SOUTH 88° 39′ 33" EAST, 5,012.15 FEET TO THE EAST LINE OF SAID SECTION 6, DISTANT ON SAID EAST LINE NORTH 00° 14′ 42" WEST, 280.03 FEET FROM A THREE QUARTER INCH IRON PIPE, AS SHOWN BY MAP ON FILE IN BOOK 17, PAGE 21 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, MARKING THE SOUTHEAST CORNER OF SAID SECTION 6;

EXCEPT THAT PORTION DESCRIBED IN DEED TO THE CITY OF BEAUMONT, A MUNICIPAL CORPORATION , DATED MARCH 7, 1984 AS INSTRUMENT NO. 116462 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

CONTAINS 420.39 ACRES, MORE OR LESS.

EXHIBIT "C"

Existing Development Approvals

Exhibit "C"

Existing Development Approvals

- General Plan Designation of Specific Plan as part of Beaumont General Plan Update, February 1993

EXHIBIT "D"

Existing Land Use Regulations

Exhibit "D"

Existing Land Use Regulations

- Beaumont General Plan
- Beaumont Municipal Code
- Heartland Beaumont Specific Plan (Subsequent to approval by the City Council)

EXHIBIT "E"

CFD Resolutions of Formation

RESOLUTION NO. 1993-13

RESOLUTION OF THE CITY OF BEAUMONT ESTABLISHING COMMUNITY FACILITIES DISTRICT NO. 93-1, CREATING SEPARATE IMPROVEMENT AREAS THEREIN (INCLUDING CERTAIN TERRITORY REFERENCED IN RESOLUTION NO. 1993-24 WHICH WAS TO BE ANNEXED TO COMMUNITY FACILITIES DISTRICT NO. 93-1), PROVIDING FOR A SPECIAL TAX WITHIN EACH IMPROVEMENT AREA TO PAY FOR CERTAIN PUBLIC FACILITIES AND CALLING A SPECIAL ELECTION WITHIN EACH IMPROVEMENT AREA TO SUBMIT TO THE QUALIFIED ELECTORS OF EACH IMPROVEMENT AREA THE QUESTION OF LEVYING SUCH SPECIAL TAX AND ESTABLISHING AN APPROPRIATIONS LIMIT FOR THE COMMUNITY FACILITIES DISTRICT, DESIGNATING THE CITY CLERK OF THE CITY AS THE ELECTION OFFICIAL.

WHEREAS, the City Council (the "City Council") of the City of Beaumont, California ("the City") on February 22, 1993, duly adopted Resolution No. 1993-06 declaring its intention to establish "City of Beaumont Community Facilities District No. 93-1" (the "Community Facilities District"), including twelve separate improvement areas therein (each an "Improvement Area," and collectively, the "Improvement Areas") and to levy special taxes to pay for certain public facilities and services in and for the Community Facilities District under and pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982" (the "Act"), being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California, and calling a public hearing on the question of the establishment of such Community Facilities District and the Improvement Areas therein; and

WHEREAS, the City Council has heretofore on February 22, 1993, duly adopted Resolution No. 1993-07 declaring its intention to incur a bonded indebtedness with respect to each Improvement Area in the amounts set forth in Exhibit A to Resolution No. 1993-07 to finance certain public facilities as set forth in Exhibit B to Resolution No. 1993-06 (as more specifically enumerated herein, the "Facilities") which bonded indebtedness shall be secured by the levy of a special tax within the applicable Improvement Area; and

WHEREAS, prior to the time for such hearing, in accordance with said Resolution No. 1993-06, a report on such proposal entitled "Public Report for Community Facilities District No. 93-1" and dated April 12, 1993 was filed with the City Council and subsequent to April 12, 1993, said report has been revised to incorporate comments received in connection with the proceedings and a second report entitled "Public Report for Community Facilities District No. 93-1" and dated June 14, 1993 (said June 14, 1993 report being referred to herein as the "Public Report"), and such Public Report was filed with the City Clerk of the City and is incorporated herein and made a part of the record of the hearing on said Resolution No. 1993-06 and Resolution No. 1993-07; and

WHEREAS, pursuant to Resolution No. 1993-06 and Resolution No 1993-07, a public hearing was held by the City Council on April 12, 1993, at the hour of 6:00 P.M. or as soon thereafter as the matter could be heard, at the regular meeting place of the City Council, 550 East Sixth Street, Beaumont, California 92223, at which hearing the City Council considered the establishment of the Community Facilities District, the establishment of the Improvement Areas, the type and extent of the proposed Facilities and services (as enumerated in Resolution No. 1993-06, the "Services"), the proposed rate and method of apportionment of special tax in each Improvement Area therein, the proposed appropriations limit therefor, the necessity for incurring bonded indebtedness to finance Facilities and all other matters as set forth in Resolution No. 1993-06 and Resolution No. 1993-07, and at the above-mentioned time and place for such public hearing, all persons interested, including all taxpayers, property owners and registered voters within each Improvement Area within the Community Facilities District were given an opportunity to appear and be heard, and the testimony of all interested persons for or against the establishment of the Community Facilities District, the establishment of the Improvement Areas therein, the acquisition and construction of the Facilities, the provision of Services, the levy of the special tax within each respective Improvement Area, the extent of the Community Facilities District, the establishment of an appropriations limit for the Community Facilities District, the necessity for incurring bonded indebtedness to finance the Facilities, and any other matters set forth in said Resolution No. 1993-06 and Resolution No. 1993-07, were heard; and

WHEREAS, said public hearing was continued to May 17, 1993, and subsequently thereafter, the May 17, 1993 meeting was not held and the public hearing was reconvened on June 14, 1993 at which time all of the foregoing matters were considered and the City Council at the conclusion of said hearing was fully advised in the premises, and was authorized to proceed as hereinafter provided; and

WHEREAS, on April 26, 1993, the City Council by Resolution No. 1993-24 declared its intention to annex certain territory to the Community Facilities District, to levy a special tax to pay for certain public facilities and services in and for such Community Facilities District and declaring its intention to issue bonds secured by the special tax to finance certain facilities of such District and set June 14, 1993 at the regular meeting place of the City Council as the date, time and place for the public hearing relating to the annexation; and

WHEREAS, the City Council has received an amended map of the Community Facilities District and the Improvement Areas therein (the "Amended Map") in the form attached hereto as Exhibit B, which incorporates the territory to be included in the Community Facilities District, including the area encompassed by Improvement Area No. 6A and Improvement Area No. 6B as set forth in Resolution No. 1993-24, and does not increase the special tax to any remaining parcel within any Improvement Area; and

WHEREAS, the City Council has received an amended Rate and Method of Apportionment of Special Tax for each Improvement Area of the Community Facilities District (the "Amended Rate and Method of Apportionment of Special Taxes") in the form attached as Exhibit C to the revised Public Report presented on the date hereof, which reduces the special tax to be levied in certain categories and may result in some increases to the probable special tax to be paid by the owners of lots or parcels in Improvement Area Nos. 9, 10 and 11; and

WHEREAS, pursuant to Resolution No. 1993-24, a public hearing was held by the City Council on June 14, 1993, at the hour of 6:00 P.M. or as soon thereafter as the matter could be heard, at the regular meeting place of the City Council, 550 East Sixth Street, Beaumont, California 92223, at which hearing the City Council considered the inclusion of the parcels referenced in Resolution No. 1993-24 within the Community Facilities District, the necessity for incurring bonded indebtedness to finance Facilities and all other matters as set forth in Resolution No. 1993-24, and at the above-mentioned time and place for such public hearing, all persons interested, including all taxpayers, property owners and registered voters within each Improvement Area within the Community Facilities District and within the parcels to be included within the Community Facilities District were given an opportunity to appear and be heard, and the testimony of all interested persons for or against the inclusion of the parcels to Improvement Area No. 6B, the levy of the special tax in the parcels, the necessity to incur bonded indebtedness to finance the Facilities, and any other matters set forth in said Resolution No. 1993-24 were heard; and

WHEREAS, on the basis of all of the foregoing, the City Council has determined at this time to proceed with the establishment of the Community Facilities District and the Improvement Areas therein as provided by said Resolution No. 1993-06 and as provided by Resolution No. 1993-24 encompassing the land area shown on the Amended Map and to submit to the qualified electors of each Improvement Area the proposition in substantially the form attached hereto as Exhibit A, with appropriate changes to reflect the respective Improvement Areas therein, to authorize the levy of a special tax pursuant to the Amended Rate and Method of Apportionment of Special Tax for the respective Improvement Area and to pay for the Facilities proposed to be provided for the Community Facilities District as initially described in Exhibit B to Resolution No. 1993-06 and as further described in Exhibit D hereto to eliminate Services therefrom and to further clarify the Facilities which may be provided; and

WHEREAS, the City Council has determined, based on a Certificate of the Riverside County Registrar of Voters dated March 2, 1993, that there are two registered voters residing in the Community Facilities District and that the qualified electors in each respective Improvement Area are the owners of land within such Improvement Area; and

WHEREAS, the City Council has received the "Petition (including Consent and Waiver") or a Consent and Waiver of the owners of land within certain Improvement Areas waiving certain election requirements; and

WHEREAS, the City Council is fully advised in the premises;

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF BEAUMONT AS FOLLOWS:

Section 1. All of the above recitals are true and correct.

Section 2. The City Council, acting as the legislative body of the Community Facilities District, hereby approves and adopts said Resolution No. 1993-06, notice of which was published and mailed prior to the public hearing as required by law, and, except as otherwise provided herein, reconfirms all of its findings and determinations contained in said Resolution No. 1993-06, Resolution No. 1993-07 and Resolution No. 1993-24. The City Council hereby approves and adopts the respective Amended Rate and Method of Apportionment of Special Tax for each Improvement Area and the manner of collection of the special tax as set forth in Exhibit C to the Public Report. To the extent required by Section 53325.1(a) of the Act, all of the information contained in Resolution No. 1993-06 is incorporated herein and made a part hereof.

Section 3. The City Council hereby approves and ratifies the Map filed by the City Clerk in the Office of the County Recorder of the County of Riverside as the boundaries of each Improvement Area and the Community Facilities District, subject to modifications made at the time of adoption of this Resolution. In accordance with Section 3111 and 3113 of the California Streets and Highways Code, said map was recorded on March 9, 1993, in book 36, page 82 in the Book of Maps of Assessments and Community Facilities Districts in the County Recorder's Office of the County of Riverside and an amended map was recorded on May 6, 1993, in book 36, page 87 in the Book of Maps of Assessments and Community Facilities Districts in the County Recorder's Office of the County of Riverside. In accordance with Section 53325.5 of the Act, the City Council hereby approves the boundaries of the Community Facilities District as revised to incorporate parcel numbers 418-240-008, 418-250-005, and 419-260-004 as referenced in Resolution No. 1993-24 and as more particularly described in the Amended Map attached hereto as Exhibit B. The special tax in and for each Improvement Area shall be as set forth in the Amended Rate and Method of Apportionment of Special Tax and the boundaries of the Community Facilities District and each Improvement Area shall be as set forth in the Amended Map, both in the form incorporated herein and made a part hereof.

Section 4. The City Council finds and determines that written protests to the establishment of the Community Facilities District, each Improvement Area thereof (including the establishment of Improvement Area No. 6A and Improvement Area No. 6B as referenced in Resolution No. 1993-24), or the extent thereof, or to the acquisition, construction and installation of the Facilities, the type or extent of the Facilities or the Services, the levy of the special tax proposed to be levied in each Improvement Area are insufficient in number and in amount under the Act to require abandonment of these proceedings, and the City Council hereby further orders and determines that all protests to the establishment of the Community Facilities District, the Improvement Areas thereof, or the extent thereof, or the type and extent of the Facilities, or the establishment of the appropriations limit, and the levy of the special tax proposed to be levied within each Improvement Area are hereby overruled and denied. The proposed special tax to be levied in each Improvement Area has not been precluded by majority protest pursuant to Section 53324 of the Act.

Section 5. Consistent with Section 53325 of the Act, the City Council hereby finds that the complexity of the proposed District and the need for public participation required additional time necessitating the continuation of the public hearing from April 12, 1993 to the date hereof. Furthermore, the exhibits to the Public Report contain reports that include brief analyses of the impact of modifications to the Rate and Method of Apportionment of Special Tax for Improvement Area Nos. 9, 10 and 11 and the special tax to be paid by the owners of lots or parcels in such Improvement Areas, and the City Council has received and considered such reports before adopting this Resolution.

Section 6. Consistent with Section 53325.6 of the Act, the City Council finds and determines that the land within each Improvement Area, if any, devoted primarily to agricultural, timber or livestock uses and being used for the commercial production of agricultural, timber or livestock products will be benefitted by the Facilities proposed to be provided within the respective Improvement Areas.

Section 7. The City Council finds and determines that all prior proceedings had and taken by the City Council with respect to the formation of the Community Facilities District, including the designation of the Improvement Areas therein, are valid and in conformity with the requirements of the Act, and the City Council determines to proceed to establish the Community Facilities District and the respective Improvement Areas. Accordingly, the City Council finds,

determines and orders that, consistent with Resolution No. 1993-06, the Community Facilities District and the Improvement Areas therein are hereby formed under and pursuant to the terms and provisions of the Act, the boundaries of which are as set forth on the Amended Map, filed with the City Clerk and to be filed in the Office of the County Recorder of the County of Riverside pursuant to Section 13 hereof.

Section 8. A general description of the Facilities which the City Council is authorized by law to provide within each respective Improvement Area is set forth in Exhibit D hereto, and the City Council hereby finds and determines that such Facilities are necessary to meet present or increased demand placed upon the City as a result of existing or projected development within each Improvement Area. The City Council further finds and determines based on comments received in connection with the public hearing not to include Services within the authorization of these proceedings.

Section 9. Except where funds are otherwise available, a special tax sufficient to pay for all the Facilities, including the payment of interest on and principal of bonds proposed to be issued to finance the Facilities and including the repayment of funds advanced to or on behalf of an Improvement Area or the Community Facilities District, annual administration expenses of the City and the Community Facilities District in determining, apportioning, levying and collecting such taxes, secured by recordation of a continuing lien against all non-exempt real property in each respective Improvement Area, will be levied annually within the boundaries each respective Improvement Area. For particulars as to the Amended Rate and Method of Apportionment of the Special Tax and the manner of collection of the Special tax for each Improvement Area, reference is made to Exhibit C of the Public Report which sets forth the rate and method of apportionment and the manner of collection of such special tax in sufficient detail to allow each landowner or resident within each respective Improvement Area to estimate the maximum amount that such person will have to pay for the Facilities.

Section 10. The City Council hereby declares that the question of levying a special tax within each Improvement Area shall be submitted to the qualified electors within each such Improvement Area, in accordance with and subject to the Act and the waivers of the landowners, all the terms of which shall be applicable to such election; provided, however, that no election shall be called for any Improvement Area for which the City Clerk has not received waivers of certain election requirements as required by the Act.

Section 11. The office which will be responsible for preparing annually a current roll of special tax levy obligations by assessor's parcel number and which will be responsible for estimating future special tax levies pursuant to Section 53340.1 of the Act is the Office of the City Manager, 550 East Sixth Street, Beaumont, California 92223, 909/845-4321. The City Manager is further directed to establish procedures to promptly respond to inquires concerning current and future tax liability. The Office of the City Manager shall also prepare a form of Notice of Special Tax as set forth in Section 53340.2 of the Act and to prepare information required to be filed with the California Debt Advisory Commission by October 30 of each year as required by Section 53359.5 of the Act, and to notify the Commission within 10 days of the failure to pay principal and interest due on any scheduled payment date of any bonds if funds are withdrawn from a reserve fund to pay principal and interest on such bonds.

Section 12. Upon recordation of a notice of special tax lien in connection with each Improvement Area pursuant to Section 3114.5 of the California Streets and Highways Code, a continuing lien to secure each levy of the special tax within such Improvement Area shall attach to all non-exempt real property in each such Improvement Area, and this lien shall continue in force and effect until the special tax obligation is paid and permanently satisfied and the lien canceled in accordance with law or until collection of the tax by the City Council ceases in accordance with the rate and method of apportionment of special tax within the Community Facilities District.

Section 13. Pursuant to Section 53325.5 of the California Streets and Highways Code and Section 3111 of the Streets and Highways Code, the revised boundary map of the Community Facilities District has been recorded in the Book of Maps of Assessment and Community Facilities Districts in the County Recorder's Office of the County of Riverside as referenced in Section 3 hereof. Pursuant to Section 53325.5 of the Act and Section 3113 of the California Streets and Highways Code, to the extent the map attached as Exhibit B hereto differs from said amended map, the City Clerk is hereby authorized and directed to endorse the Certificate on the Amended Map evidencing the date and adoption of this Resolution and is further authorized and directed to file said map in accordance with the provisions of Section

3313.5 of the California Streets and Highways Code within 10 days after the approval of the Amended Map which shall be within 10 days of the adoption hereof.

Section 14. As the Registrar of Voters of the County of Riverside has notified the City Council that there are fewer than 12 registered voters within the Community Facilities District, the levy of the special tax and the establishment of the appropriations limitation shall be submitted to the owners of land within each respective Improvement Area as the qualified electors of each respective Improvement Area, with each acre or portion thereof within an ownership representing one (1) vote; provided, however, that such election shall not be called at this time for any Improvement Area for which the City Clerk has not received waivers of certain election requirements as provided by the Act. The requirements of Section 53326 of the Act pertaining to the shortening of time and the requirement for notice having been waived by each landowner in such Improvement Areas, upon the concurrence with such waiver by the election official as designated by the City Council in this Resolution, a special election shall be and is hereby called and ordered to be held on July 20, 1993, at which election there shall be submitted to the qualified electors within each such Improvement Area, the ballot proposition of levying a special tax which shall read as set forth in Exhibit A hereto, with appropriate changes with respect to each Improvement Area. The ballots for each special election shall be distribute by personal or mailed delivery to each of the landowners within each such Improvement Area. Pursuant to Section 53326(b) of the Act, with respect to elections by landowners, the City Council has determined that the Facilities to be financed by each respective Improvement Area within the Community Facilities District are necessary to meet increased demands placed upon local agencies as a result of development in each Improvement Area. The ballots for the special election shall be distributed by mail or personal delivery to each of the owners of land within each respective Improvement Area. Each landowner shall have one vote for each acre or portion thereof that he, she or it owns within the applicable Improvement Area, as provided in Section 53326 and Section 53351 of the Act.

Section 15. If the proposition for the levying of such special tax within an Improvement Area, receives the approval of more than two-thirds (2/3) of the votes cast on the proposition, the City Council, as legislative body for the District, may levy the special tax within the applicable Improvement Area.

Section 16. The City Clerk of the City of Beaumont is hereby designated as the election official for the purposes of conducting the election in each Improvement Area and is hereby requested to take all steps necessary to hold the election in accordance with the Act and these specifications; provided, however, that such specifications may be waived by the landowners if such waiver is concurred with by the election official.

Section 17. The City Council hereby further directs that the election at which the question of levying such special tax and the establishment of an appropriations limit is submitted to the qualified electors within each Improvement Area shall be consolidated with the election at which the question of incurring a bonded indebtedness in an amount as set forth in Exhibit A to Resolution No. 1993-07 for each such Improvement Area, as modified by Resolution No. 1993-24, is submitted to the qualified electors within each Improvement Area, and the question of levying such special tax shall be combined in one ballot proposition with the question of incurring such bonded indebtedness and the question of establishing an appropriations limit for the Community Facilities District, all as provided by the Act; and the City Council further directs that Resolution No. 1993-14 adopted declaring the necessity to incur such bonded indebtedness shall constitute the notice of the consolidated election on the combined proposition of authorizing the levy of such special tax, of establishing the appropriations limit and of incurring such bonded indebtedness.

Section 18. The City Clerk as the election official is authorized to canvass the returns of the election pursuant to Section 23306 of the Elections Code, and the City Council is thereafter authorized to certify the results of the election.

(a) Said special election shall be held and conducted, and the votes canvassed and the returns made, and the results thereof ascertained and determined, as herein and in Resolution No. 1993-14 provided; provided, however, that such specification may be waived by the landowners if such waiver is concurred with by the election official.

(b) The requirements of Section 53326 of the Act have been waived by each landowner within each Improvement Area; the ballots for each respective special election (which shall be separately prepared for each Improvement Area) shall be distributed by personal or mailed delivery to each of the landowners within the applicable Improvement

Area. Each landowner shall have one vote for each acre or portion thereof that he, she or it owns within the applicable Improvement Area, which number of votes to be voted shall be specified on the ballot provided to such landowner, as provided in Section 53326 of the Act.

(c) On the ballots to be used at said special elections, in addition to all other matters required by law to be printed thereon, shall appear the appropriate proposition described in Section 14 hereof for the related Improvement Area. Each voter to vote for said proposition and for levying said special tax, establishing such appropriations limit and incurring said bonded indebtedness shall mark the ballot card in the space opposite the word "YES" or to vote against said proposition and against levying said special tax, establishing such appropriations limit and incurring said bonded indebtedness shall mark the ballot card in the space opposite the word "NO."

(d) The ballots to be used at each respective special election must be received in the office of the City Clerk by 4:30 p.m. the date of the election at which time the election shall be closed.

(e) The City Clerk shall commence the canvass of the returns of each special election at 9:00 A.M. on the day following the date of such special election and at the conclusion thereof shall determine the results of the special election and shall certify said results to the City Council.

(f) The City Council shall declare the results of said special elections at the next regular meeting following the date of the elections, and shall cause to be spread upon its minutes a statement of the results of said special elections as ascertained by said canvass.

Section 19. The City Clerk as the election official is hereby directed to distribute to the owners of land within each Improvement Area copies of this Resolution, together with a description and map of the Community Facilities District in sufficient scale and clarity to show the boundaries thereof and the Assessor's parcel numbers for the land therein.

Section 20. If two-thirds (2/3) of the votes cast upon the question of levying such special tax within an Improvement Area are cast in favor of levying that tax, as determined by the City Council after the canvass of the returns of such election, the City Council may levy such special taxes within the territory of the applicable Improvement Area under the Act in the amounts and for the purposes as specified in this Resolution. Such special tax may be levied only at the respective rate and may be apportioned only in the manner specified in this Resolution, subject to the Act, except that such special tax may be levied at a rate lower than that specified herein. Such special tax may be levied only so long as it is needed to pay for the funding, financing, acquisition, construction and installation of the Facilities, or so long as it is needed to pay the principal of and interest on the bonded indebtedness, together with administrative expenses and other expenses of the Community Facilities District with respect to the applicable Improvement Area incurred by the City and the Community Facilities District.

Section 21. The officers of the City and their authorized representatives, are, and each of them acting alone is, hereby authorized to execute any and all documents and agreements and do and perform any and all acts and things, from time to time, consistent with this Resolution and necessary or appropriate to carry the same into effect and to carry out its purpose.

Section 22. This Resolution shall take effect immediately upon its adoption.

MOVED, PASSED AND ADOPTED this 29th day of June, 1993 by the following vote:

AYES: Council Member Brey, McLaughlin, Parrott, Russo and Mayor Leja.

NOES: None.

ABSTAIN: None.

ABSENT: None.

Mayor of the City of Beaumont

ATTEST:

CITY CLERK (Deputy)

CERTIFICATION

The foregoing is certified to be a true copy of Resolution No. 1993-13 duly adopted by the said City Council of the City of Beaumont on the date herein set forth.

CITY CLERK, CITY OF BEAUMONT

CITY OF BEAUMONT, CA. SEAL (SEAL) INCORPORATED NOV. 13, 1912

EXHIBIT A

Improvement District No. _
PROPOSITION XXX:

Shall City of Beaumont Community Facilities District No. 93-1 be authorized to finance all or a portion of the design, acquisition, construction and equipping of certain real and other tangible property with an estimated useful life of five years or longer, which is to be acquired or constructed for Community Facilities District No. 1993-1, including all facilities authorized by the Act, including sewage facilities, water facilities, school facilities, transportation facilities, flood control and drainage facilities, public utility facilities, parks and open space, civic facilities, other landscaping and erosion control facilities and financing costs and incidentals, all as more particularly described in Exhibit D to Resolution No. 1993-13 adopted by the City Council of the City of Beaumont on _____ __, 1993 by incurring a bonded indebtedness in the principal amount of $[insert applicable amount for the Improvement Area] and shall an appropriations limit in the amount of $10,000,000 per fiscal year in connection therewith be established for the Community Facilities District, and shall a special tax with a maximum rate and method of apportionment as provided with respect to such Improvement Area in Exhibit C to the Public Report presented in connection with the adoption of Resolution No. 1993-13 adopted by the City Council of the City of Beaumont on _____ __, 1993, which is incorporated by reference herein, be levied to pay for such facilities, including the payment of current and future principal of and interest on such bonds and the annual administration expenses of the City and the Community Facilities District in determining, apportioning, levying and collecting the special tax, and including the repayment of funds advance to or on behalf of the Community Facilities District?

AMENDED MAP OF

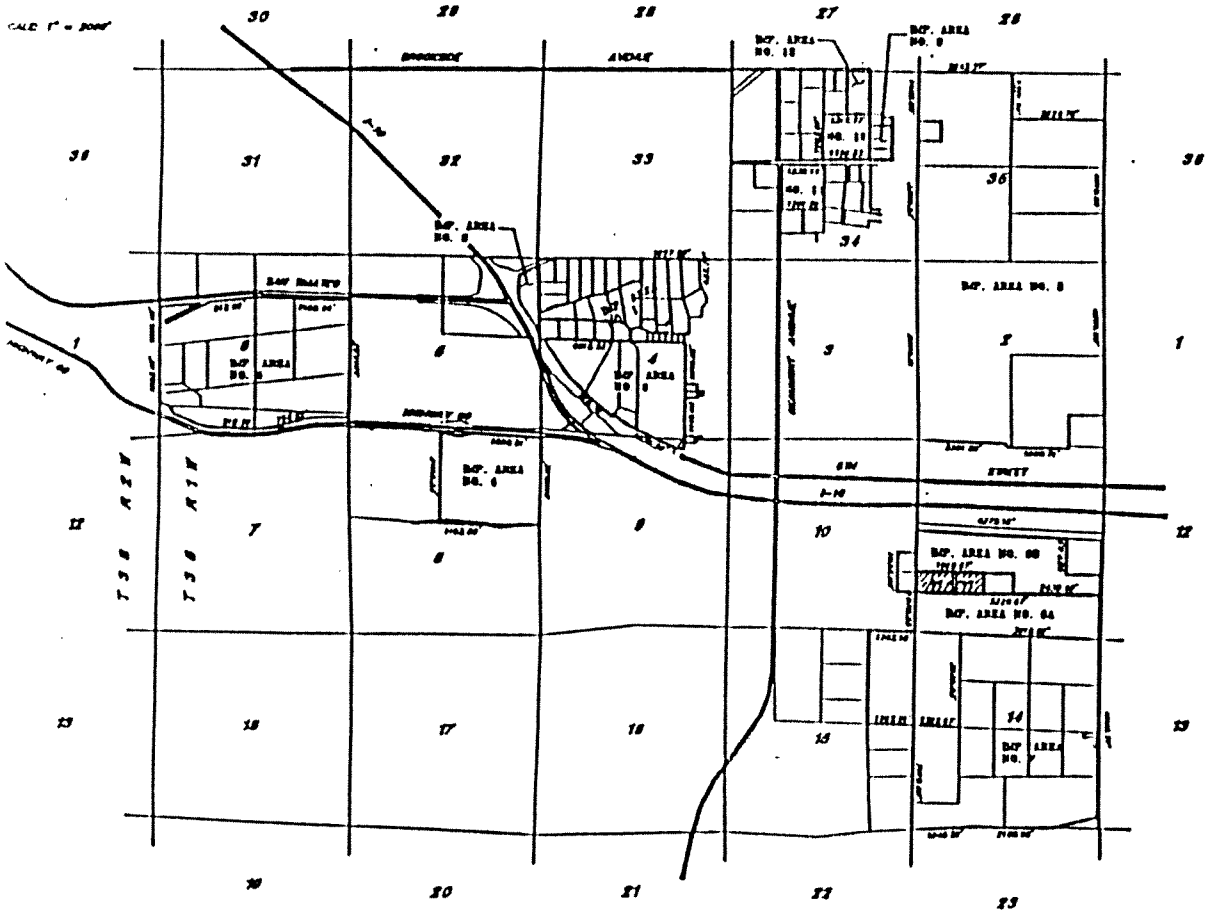
PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 93-1

CITY OF BEAUMONT, COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA.

TRANS-PACIFIC CONSULTANTS, INC. MARCH, 1993

SHEET 1 OF 1 SHEET

UPON RECORDATION, THIS MAP AMENDS THE BOUNDARY MAP FOR COMMUNITY FACILITIES DISTRICT NO. 93-1 FOR THE CITY OF BEAUMONT IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, PRIOR RECORDATION IN THE COUNTY OF RIVERSIDE IS IN BOOK 36, PAGE 83 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS IN THE OFFICE OF THE COUNTY RECORDER FOR THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.



FILED THIS 6th DAY OF MAY, 1993, AT THE HOUR OF 8:00 O'CLOCK A.M. IN BOOK 36 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE 87, AT THE OFFICE OF THE COUNTY RECORDER IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

BY: Beverly Logan DEPUTY
NO. 170333
FEE $6.00

WILLIAM E. CONERLY COUNTY RECORDER

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF COMMUNITIES FACILITIES DISTRICT NO. 93-1 IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF BEAUMONT AT A REGULAR MEETING THEREOF, HELD ON THE 4th DAY OF MAY, 1993, BY ITS RESOLUTION NO. 1993-16.

BY: Julie Wilds
DEPUTY CITY CLERK

FILED IN THE OFFICE OF THE CITY OF BEAUMONT THIS 5th DAY OF May, 1993.

BY: Julie Wilds
DEPUTY CITY CLERK

TPC
Trans-Pacific
27447 Enterprise Circle West
Temecula, Ca. 92590

EXHIBIT B

65098

EXHIBIT C

REFERENCE IS HEREBY MADE TO EXHIBIT C OF THE PUBLIC REPORT DATED JUNE 14, 1993 PRESENTED IN CONNECTION WITH RESOLUTION NO. 1993-13 FOR THE AMENDED RATE AND METHOD OF APPORTIONMENT FOR EACH IMPROVEMENT AREA

EXHIBIT D

DESCRIPTION OF FACILITIES

The proposed project involves creation of a Mello-Roos Community Facilities District to finance the design, acquisition and construction of public facilities relating thereto to benefit the areas of land proposed for development within the boundaries of the City, and include all facilities authorized by the Act. All facilities shall have a useful life in excess of five years. The improvements which can be acquired and constructed which may be provided include, but are not limited to, the following:

Sewage Facilities:

City treatment plant or plants designed to serve the needs of the City with an ultimate capacity up to approximately 6-8 million gallons per day, sewer improvements, industrial sewer improvements, trunk sewers, local sewage collection systems, sewer lift systems, sewer force mains, appurtenant bedding material, backfill, encasement, anchors, joint seals/bands, easements, rights-of-way, and sewer capacity and connection charges paid in connection with any of the foregoing facilities.

Water Facilities:

Water improvements for domestic, imported and reclaimed facilities, including water storage reservoirs and systems, reclamation systems, treatment systems, water mains, booster systems valves, fire hydrants, air vacuum release valves, blow-offs, pressure reducing facilities and appurtenant hardware, bedding material, backfill, encasement, thrust blocks, irrigation systems, water well rehabilitation, easements, rights-of-way, and applicable capital facilities fees or charges for imported water supplies, imported facilities, domestic facilities and Agency facilities paid in connection with facilities with a useful life in excess of five years.

School Facilities:

Elementary and secondary school sites and structures which meet the building area and cost standards established by the State Allocation Board and appurtenances.

Transportation Facilities:

Road improvements, access ramps, overcrossings, underpasses, bridges, traffic signal and control facilities, rail crossings, sidewalks, freeway interchanges, grading, paving, and base material, full or partial width paving, curb, gutter, sidewalk, landscape and irrigation in parkways, street signs, street lights, striping, easements and rights-of-way.

Flood Control and Drainage:

Storm drains, canal improvements, retention and detention basins or enhancement areas, easements, rights-of-way, inlet structures, outlet structures, junctions and reinforced concrete box structures in various streets.

Public Utilities:

Backbone power and natural gas lines, public utility facilities, pipelines, relocations, conversions, extensions, easements and rights-of-way.

Parks and Open Space:

RESOLUTION NO. 1993-14

RESOLUTION OF THE CITY OF BEAUMONT DECLARING THE NECESSITY TO INCUR BONDED INDEBTEDNESS WITH RESPECT TO IMPROVEMENT AREAS TO PAY FOR CERTAIN PUBLIC FACILITIES WITHIN COMMUNITY FACILITIES DISTRICT NO. 93-1, CALLING SPECIAL ELECTIONS WITHIN EACH SUCH IMPROVEMENT AREAS TO SUBMIT TO THE QUALIFIED ELECTORS OF SUCH IMPROVEMENT AREAS THE PROPOSITION OF INCURRING SUCH BONDED INDEBTEDNESS AND DESIGNATING THE CITY CLERK OF THE CITY AS THE ELECTION OFFICIAL

WHEREAS, the City Council (the "City Council") of the City of Beaumont, California ("the City") on February 22, 1993, duly adopted Resolution No. 1993-06 declaring its intention to establish "City of Beaumont Community Facilities District No. 93-1" (the "Community Facilities District"), including twelve separate improvement areas therein (each an "Improvement Area," and collectively, the "Improvement Areas") and to levy special taxes to pay for certain public facilities and services in and for the Community Facilities District under and pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982" (the "Act"), being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California, and calling a public hearing on the question of the establishment of such Community Facilities District and the Improvement Areas therein; and

WHEREAS, the City Council has heretofore on February 22, 1993, duly adopted Resolution No. 1993-07 declaring its intention to incur a bonded indebtedness with respect to each Improvement Area in the amounts set forth in Exhibit A to Resolution No. 1993-07 to finance certain public facilities and services as set forth in Exhibit B to Resolution No. 1993-06 (as such facilities are more specifically enumerated in Resolution No. 1993-13, the "Facilities") which bonded indebtedness shall be secured by the levy of a special tax within the applicable Improvement Area; and

WHEREAS, on April 26, 1993, the City Council by Resolution No. 1993-24 declared its intention to annex certain territory to the Community Facilities District, to levy a special tax to pay for certain public facilities and services in and for such Community Facilities District and declaring its intention to issue bonds secured by the special tax to finance certain facilities of such District and set June 14, 1993 at the regular meeting place of the City Council as the date, time and place for the public hearing relating to the annexation; and

WHEREAS, as described in Resolution No. 1993-13, prior to the time for the April 12, 1993 hearing, in accordance with said Resolution No. 1993-06, a report on such proposal entitled "Public Report for Community Facilities District No. 93-1" and dated April 12, 1993 was filed with the City Council and subsequent to April 12, 1993, said report has been revised to incorporate comments received in connection with the proceedings and a second report entitled "Public Report for Community Facilities District No. 93-1" and dated June 14, 1993 (said June 14, 1993 report being referred to herein as the "Public Report"), and such Public Report was filed with the City Clerk of the City and is incorporated herein and made a part of the record of the hearing on said Resolution No. 1993-06 and Resolution No. 1993-07; and

WHEREAS, as described in Resolution No. 1993-13 pursuant to Resolution No. 1993-06, Resolution No. 1993-07 and Resolution No. 1993-24, public hearings have been held in connection with the formation of Community Facilities District and the incorporation of the territory referenced in Resolution No. 1993-24 within the Community Facilities District, at which hearings the City Council considered the establishment of the Community Facilities District, the establishment of the Improvement Areas, the type and extent of the proposed Facilities and Services (as defined in Resolution No. 1993-06), the proposed rate and method of apportionment of special tax in each Improvement Area therein, the proposed appropriations limit therefor, the necessity for incurring bonded indebtedness to finance Facilities and all other matters as set forth in Resolution No. 1993-06, Resolution No. 1993-07 and Resolution No. 1993-24, and at the above-mentioned time and place for such public hearings, all persons interested, including all taxpayers, property owners and registered voters within each Improvement Area within the Community Facilities District were given an opportunity to appear and be heard, and the testimony of all interested persons for or against the establishment of the Community Facilities District, the establishment of the Improvement Areas therein, the acquisition and construction of the Facilities, the provision of the Services, the levy of the special tax within each respective Improvement Area, the extent of the Community Facilities District, the establishment of an appropriations limit for the Community Facilities District, the necessity for incurring bonded indebtedness to finance the Facilities, and any other matters set forth in said Resolution No.

Park and trail facilities, open space proposed for public dedication and public use, easements and rights-of-way.

Civic Facilities:

Civic facilities, police facilities, fire protection facilities, and other facilities for the purpose of providing administrative, justice, cultural, recreational and public safety services.

Other:

Landscaping, erosion control.

Financing Costs and Incidentals:

Costs and expenses necessary to form the district, authorized the special tax and the issuance of notes or bonds, including environmental proceedings, preliminary engineering, preliminary design, citywide planning, design surveys, soils engineering and testing, aerial photography, construction surveys, staking, insurance and bonding, city plan check and inspection fees, other public agency plan check or inspection fees, construction and project management, property owner and agency coordination, title reports, title insurance, appraisals, market absorption studies, special tax consultants, city administrative charges, legal costs, reserve funds, interest during construction, underwriter's discounts, underwriters counsel, rating agency, bond insurance, credit support, trustee fees and expenses, fiscal or paying agent fees and expenses, printing and mailing costs for disclosure statements, and note and bond printing.

1993-06, Resolution No. 1993-07 and Resolution No. 1993-24, were heard and considered and the City Council at the conclusion of said hearings was fully advised in the premises, and was authorized to proceed as hereinafter provided; and

WHEREAS, following such public hearings, the City Council duly adopted Resolution No. 1993-13 establishing the Community Facilities District, the Improvement Areas therein and the Rate and Method of Apportionment of Special Tax for each Improvement Area as set forth therein; and

WHEREAS, the City Council has determined, based on a Certificate of the Riverside County Registrar of Voters dated March 2, 1993, that there are two registered voters residing in the Community Facilities District and that the qualified electors in each respective Improvement Area are the owners of land within each such Improvement Area; and

WHEREAS, the City Council has received the "Petition (including Consent and Waiver") or a "Consent and Waiver" of the owners of land within certain of the Improvement Areas waiving certain election requirements; and

WHEREAS, the City Council is fully advised in the premises;

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF BEAUMONT AS FOLLOWS:

Section 1. All of the above recitals are true and correct.

Section 2. The City Council, acting as the legislative body of the Community Facilities District, hereby declares and deems that the public convenience and necessity require and it is necessary that bonded indebtedness with respect to each Improvement Area be incurred to finance all or a portion of the Facilities.

Section 3. The purpose for the proposed bonded indebtedness with respect to each Improvement Area is to finance the Facilities, including any capacity or connection fees representing such public facilities, with an estimated useful life of five (5) years or longer, which are public facilities that the City or a public agency is authorized by law to construct, own or operate, together with incidental expenses consisting of the costs of planning and designing such facilities, including the costs of environmental evaluations thereof, all costs associated with the establishment of the Community Facilities District and the Improvement Areas therein, the issuance of bonds with respect to each Improvement Area, the determination of the amount of any special taxes to be levied, the cost of collecting any special taxes, and costs otherwise incurred in order to carry out the authorized purposes of the Community Facilities District, together with any other expenses incidental to the acquisition, construction, completion and inspection of the Facilities.

Section 4. Pursuant to Section 53351(c) of the Act, the City Council hereby determines that each Improvement Area will pay for the bonded indebtedness to finance Facilities relating to such Improvement Area.

Section 5. The whole of the territory within each Improvement Area of the Community Facilities District, as indicated on the Amended Map approved by the City Council on this date, will be benefitted by such bonded indebtedness and will be subject to a special tax to pay for such bonded indebtedness, as set forth in the Resolution establishing the Community Facilities District.

Section 6. The amount of the proposed bonded indebtedness to be incurred with respect to each Improvement Area to finance all or a portion of the Facilities (including incidental expenses as authorized by the Act) is the respective amount set forth in Exhibit A to Resolution No. 1993-07, as modified by Resolution No. 1993-24.

Section 7. The maximum term of the bonds with respect to an Improvement Area shall not exceed forty (40) years from the date of the bonds, or the date of any series thereof.

Section 8. The maximum annual rate or rates of interest to be paid on the bonds with respect to each Improvement Area shall not exceed the maximum annual rate permitted by law at the time of the sale of the bonds, as determined at that time, payable semiannually commencing the first March 1 or September 1 following their date, or to the extent permitted by law as set forth in the fiscal agent agreement pursuant to which such bonds are issued.

Section 9. The City Council hereby declares that the proposition of incurring such bonded indebtedness in the respective amounts set forth in Exhibit A to Resolution 1993-07, as modified by Resolution No. 1993-24, shall be submitted to the qualified electors within the applicable Improvement Area of the Community Facilities District which have submitted either the Petition (including Consent and Waiver) or the Consent and Waiver and shall be combined in one ballot proposition with the question of levying a special tax within each such Improvement Area and the establishment of an appropriations limit for the entire Community Facilities District in the amount of $10,000,000 per fiscal year in connection therewith, all in accordance with and subject to the Act, all the terms of which shall be applicable to each such election, including terms permitting the waiver of certain election requirements by the landowners with the consent of the election official.

Section 10. A special election shall be and is hereby called and ordered to be held in each Improvement Area on Tuesday, July 20, 1993, at which elections there shall be submitted to the qualified electors within the applicable Improvement Area the combined ballot proposition of levying a special tax, of establishing an appropriations limit and of incurring such bonded indebtedness, such combined ballot proposition to read substantially as set forth in Exhibit A to Resolution No. 1993-13, with such changes therein as shall be appropriate to reflect the Improvement Area encompassed by such election and with such further changes therein as shall be requested by the City Clerk as the designated election official of the Community Facilities District.

Section 11. If the combined proposition for each Improvement Area receives the approval of more than two-thirds (2/3) of the votes cast on the proposition with respect to an Improvement Area, the bonds of such Improvement Area may be issued and sold for the purpose for which authorized, and such bonds (except where funds are otherwise available) shall be paid exclusively from the annual levy of such special tax within such Improvement Area and such bonds are not and shall not be secured by any other taxing power or funds of the City or other public agency or the Community Facilities District.

Section 12. The City Council does hereby submit to the qualified electors within each Improvement Area of the Community Facilities District at said special election the combined ballot proposition described in Section 10 of this Resolution, and designates and refers to said proposition in the form of ballot prescribed for use at said election.

Section 13. The officers of the City and their authorized representatives, are, and each of them acting alone is, hereby authorized to execute any and all documents and agreements and do and perform any and all acts and things, from time to time, consistent with this Resolution and necessary or appropriate to carry the same into effect and to carry out its purpose. The officers are directed to diligently pursue the issuance of the first series of bonds following a favorable election and to use their best efforts to issue such bonds subject to satisfaction of underwriting criteria and favorable market conditions.

EXHIBIT "F"

Sewer Service Facilities Construction Schedule

EXHIBIT "F"

Sewer Service Facilities Construction Schedule

Start of Construction Stage 1 Wastewater Treatment Plant	August 31, 1993
Sale of CFD 1993A Bonds	November 23, 1993
Completion of Stage 1 Wastewater Treatment Plant Capacity	June 1, 1995
Completion of any force mains, lift stations and gravity mains funded by Improvement Area which are necessary to serve the Development of the Property	June 1, 1995

430898

MEMORANDUM

RECEIVED
OCT 14 1993

TO: George McFarlin

FROM: Dave Dillon

DATE: October 13, 1993

SUBJECT: Development Agreements Exhibits, City of Beaumont

Please find the enclosed exhibit package for execution copies of the above referenced agreements.

cc: Dayle Keller

ORDINANCE NO. 726

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BEAUMONT, CALIFORNIA, ADOPTING THE DEVELOPMENT AGREEMENT BETWEEN THE CITY OF BEAUMONT AND HEARTLAND BEAUMONT CALIFORNIA L.T.D. (PURSUANT TO GOVERNMENT CODE SECTIONS 65864 - 65869.5)

WHEREAS, in order to strengthen the public planning process, to encourage private participation in comprehensive planning, and to reduce the economic risks of development, the Legislature of the State of California has adopted sections 65864 through 65869.5 of the Government Code which authorize the City of Beaumont (hereinafter referred to as the "City") to enter into a Development Agreement.

WHEREAS, the City, by adopting Resolution No. 1987-34, has adopted rules and regulations establishing procedures and requirements for the consideration of development agreements.

WHEREAS, on February 8, 1993, the City Council of the City, after duly complying with the California Environmental Quality Act and all statutes, ordinances and resolutions applicable to the adoption of the General Plan and General Plan Environmental Impact Report, adopted its Resolution No. 1993-04 certifying that the General Plan Environmental Impact Report had been completed in compliance with the California Environmental Quality Act and its Resolution No. 1993-05 approving the General Plan.

WHEREAS, the applicant proposed and submitted and City Staff has reviewed and negotiated the Development Agreement between the City and the Owner of Improvement Area No. 5 in the CFD to govern development of 420 acres, hereinafter referred to as the "Property".

WHEREAS, on June 29, 1993, the City Council approved the City of Beaumont Community Facilities District No. 93-1, hereinafter referred to as the "CFD", as part of the City Comprehensive Public Facilities Financing Program, hereinafter referred to as the "Program", pursuant to which the City determined that it was appropriate to provide for certain public facilities and services in order to implement the General Plan and, further, that such facilities and services could best be facilitated through the City issuing bonds secured by liens on the Property to be developed within the City.

WHEREAS, the Planning Commission of the City of Beaumont by its recommendation of approval of said Development Agreement adopted on August 17, 1993, has made the following findings relative to several proposed Development Agreements between the City and several Owners of Improvement Areas in the CFD:

1. The proposed agreements are consistent with the objectives, policies, general land uses and programs specified in the General Plan and the respective Specific Plans;

2. The proposed agreements facilitate land uses which are compatible with the uses authorized in, and the regulations prescribed for, the land use districts in which the real property is located;

3. The proposed agreements are in conformity with public convenience, general welfare and good land use practice;

4. The proposed agreements will not be detrimental to the health, safety and general welfare;

5. The proposed agreements will not adversely affect the orderly development of

property or the preservation of property values;

6. The proposed agreements will enhance the stability of CFD No. 93-1 and other City infrastructure financing programs;

7. The proposed agreements will facilitate quality master planned development which will aid in the economic development of the City; and

8. The proposed agreements will not have an adverse affect on the environment.

WHEREAS, the City Council of the City of Beaumont has reviewed the reasons for the recommendation of approval by the Planning Commission as included in the materials submitted by them to the City Council accompanying said recommendation; and

WHEREAS, a duly noticed public hearing as required by law was conducted by the Planning Commission of the City of Beaumont on September 21, 1993, and a duly noticed public hearing as required by law was conducted by the City Council of the City of Beaumont on September 27, 1993;

THEREFORE, THE CITY COUNCIL OF THE CITY OF BEAUMONT DOES ORDAIN AS FOLLOWS:

SECTION 1: It has been determined that:

A. The provisions of the Development Agreement between the City of Beaumont and the applicant are consistent with the General Plan; and

B. The Development Agreement complies with all applicable zoning, subdivision and building regulations and with the General Plan of the City of Beaumont; and

C. The Development Agreement states the duration of the Agreement to be a period not to exceed twenty-five (25) years, sets forth the uses of the property, and the density and intensity of use, and sets forth the maximum height and size of proposed buildings and provides for the reservation, dedication and improvement of land for public facility uses.

SECTION 2: The Development Agreement between the City of Beaumont and the applicant attached hereto as Exhibit "A" is approved and the Mayor of the City of Beaumont is authorized and directed to execute said Development Agreement on behalf of the City of Beaumont on or after the date when by law this Ordinance shall take effect.

SECTION 3: This Ordinance shall take effect thirty (30) days after its final passage and within fifteen (15) days after its passage the City Clerk shall cause a summary to be published in the Community Advisor, a newspaper of general circulation printed and published in the City of Beaumont in the manner prescribed by law for publishing of ordinances of said City.

MOVED, PASSED AND ADOPTED on this 11th day of October, 1993 upon the following roll call vote.

AYES: Council Member Brey, McLaughlin, Parrott, Russo and Mayor Leja.

NOES: None.

ABSTAIN: None.

ABSENT: None.

MAYOR OF THE CITY OF BEAUMONT

ATTEST:

Julia White
DEPUTY CITY CLERK

CERTIFICATION

I, Julia White, Deputy City Clerk of the City of Beaumont **DO HEREBY CERTIFY** that the foregoing Ordinance was introduced at a regular meeting of the City Council of said City held on the 27th day of September, 1993, and was duly adopted upon second reading on the 11th day of October, 1993, upon the following roll call vote:

AYES: Council Member Brey, McLaughlin, Parrott, Russo and Mayor Leja.

NOES: None.

ABSTAIN: None.

ABSENT: None.

CITY OF BEAUMONT SEAL INCORPORATED NOV. 18, 19

Julia White
DEPUTY CITY CLERK
CITY OF BEAUMONT

RECORDING REQUESTED BY
AND WHEN RECORDED, MAIL TO:

City Ventures, LLC
1900 Quail Street
Newport Beach, CA 92660
Attn: R. Mark Buckland

(Space Above For Recorder's Use)

ASSIGNMENT AND ASSUMPTION OF DEVELOPMENT AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION OF DEVELOPMENT AGREEMENT (this "Assignment") is made as of December 21, 2012 ("Effective Date"), by and between Sunny-Cal Egg & Poultry Company, a California corporation ("Assignor"), and CV Communities, LLC, a Delaware limited liability company ("Assignee").

RECITALS

A. Assignor is the owner of certain real property in Riverside County, California more particularly described on Exhibit "A" attached hereto ("Property").

B. Assignor is an "Owner" under that certain Pre-Annexation and Development Agreement No. 06-DA-01, entered into to be effective on September 18, 2007, between the City of Beaumont, a municipal corporation organized and existing under the laws of the State of California ("City"), Assignor and Manheim, Manheim & Berman, a California general partnership, recorded on October 18, 2012, as Document No. 2012-0497525, in the Official Records of the County Recorder of Riverside County, California (the "Development Agreement").

C. Assignor is selling the Property to Assignee and Assignor desires to assign to Assignee all of its rights and obligations under the Development Agreement relating to the Property, and Assignee wishes to accept such assignment as more particularly set forth below.

Agreement

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Assignment. Assignor does hereby transfer and assign to Assignee all of its right, title and interest in and to, and obligations under, the Development Agreement (and all documents and instruments relating to or implementing the Development Agreement) with respect to the Property.

2. Assumption. Assignee hereby accepts said assignment and agrees to keep, perform and be bound by all the terms, covenants and conditions contained in the Development Agreement (and all documents and instruments relating to or implementing the Development Agreement) relating to the Property on the part of the "Owner" therein, first arising on and after the Effective Date, as though Assignee were the original "Owner" under the Development Agreement.

3. Miscellaneous. This Assignment can only be amended only by an amendment in writing signed by all the parties, and any term herein can be waived only by a written waiver signed by the party against whom such waiver is to be asserted. This Assignment is intended to be the final expression of the parties' agreement and supersedes any and all prior restrictions, promises, representations, warranties, agreements, understandings and undertakings between the parties with respect to the within subject matter. There are no restrictions, promises, representations, warranties, agreements, understandings or undertakings with respect to such subject matter other than those set forth or referred to herein.

IN WITNESS WHEREOF, Assignor and Assignee have duly executed this Assignment as of the Effective Date.

"Assignor"

Sunny-Cal Egg & Poultry Company,
a California corporation

By: Kathi L Berman VP
Kathi L. Berman, Vice President

By: Michael G. Manheim pres-
Michael G. Manheim, President

"Assignee"

CV Communities, LLC,
a Delaware limited liability company

By: A Belmont
August Belmont, President

By: _____ R.
Mark Buckland
Chief Executive Officer

ACKNOWLEDGMENT BY SECOND OWNER

As the second "Owner" under the Development Agreement, but not the owner and seller of the Property, the undersigned hereby acknowledges and agrees to this Assignment to the extent such agreement is necessary for its effectiveness.

Manheim, Manheim & Berman, a California general partnership

By: Kathi Berman

Title: VP

CONSENT TO ASSIGNMENT

City hereby consents to and approves the Assignment, which consent is conditioned on the purchase of the Property by Assignee and shall be effective on the effective date of the Development Agreement.

"City"

The City of Beaumont, a municipal corporation organized and existing under the laws of the State of California

By: _____

Title: Mayor City Council

SIGNED AND CERTIFIED THAT A COPY OF THIS DOCUMENT HAS BEEN DELIVERED TO THE MAYOR AND THE CITY COUNCIL

By: _____
City Clerk

Exhibit "A"
to
Assignment and Assumption of Development Agreement

Description of the Property

That certain real property located in the unincorporated area of the County of Riverside, State of California, more particularly described as follows:

PARCEL ONE:

THE WESTERLY 208.71 FEET OF THE NORTHERLY 1,073.55 FEET OF THE SOUTH HALF OF SECTION 29, TOWNSHIP 2 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPTING THEREFROM THE NORTHERLY 30 FEET IN WOODLAND AVENUE, NOW CHERRY VALLEY BOULEVARD.

ALSO EXCEPTING THAT PORTION CONVEYED TO THE COUNTY OF RIVERSIDE BY DEED RECORDED NOVEMBER 14, 1974 AS INSTRUMENT NO. 146636.

PARCEL TWO:

THAT PORTION OF THE SOUTH HALF OF SECTION 29, TOWNSHIP 2 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID SOUTH HALF OF SECTION 29, SAID POINT BEING ALSO A POINT IN THE CENTER OF WOODLAND AVENUE;

THENCE NORTH 89° 33' 30" EAST ON THE CENTER LINE OF WOODLAND AVENUE, 786.12 FEET, MORE OR LESS, TO A POINT DISTANT SOUTH 89° 33' 30" WEST, 791 FEET, FROM THE NORTHWEST CORNER OF THAT CERTAIN PARCEL OF LAND CONVEYED TO J. VINCENT HANNON AND JEREMIAH C. HANNON BY DEED RECORDED JANUARY 28, 1909 IN BOOK 276, PAGE 324 OF DEEDS, RIVERSIDE COUNTY RECORDS;

THENCE SOUTH 0° 28' 50" WEST AND PARALLEL WITH THE WESTERLY LINE OF SAID PARCEL CONVEYED TO HANNON, 1975 FEET TO A POINT ON THE NORTHERLY LINE OF THAT CERTAIN PARCEL CONVEYED TO MELVIN F. KLAGUOS AND PAULINE M. KLAGUOS, HUSBAND AND WIFE BY DEED RECORDED AUGUST 4, 1959 AS INSTRUMENT NO. 67500;

THENCE WESTERLY ON THE NORTHERLY LINE OF SAID PARCEL CONVEYED TO KLAGUOS TO A POINT IN THE WEST LINE OF SAID SECTION 29;

THENCE NORTH 0° 07' 40" EAST ON THE WEST LINE OF SAID SECTION 29, TO THE POINT OF BEGINNING;

EXCEPTING THEREFROM THE WESTERLY 208.71 FEET OF THE NORTHERLY 1,073.55 FEET; ALSO EXCEPTING THEREFROM THE NORTHERLY 30 FEET IN WOODLAND AVENUE, NOW CHERRY VALLEY BOULEVARD.

ALSO EXCEPTING THAT PORTION CONVEYED TO THE COUNTY OF RIVERSIDE BY DEED RECORDED NOVEMBER 14, 1974 AS INSTRUMENT NO. 146646.

PARCEL TWO A:

THAT PORTION OF THE SOUTHWEST QUARTER OF SECTION 29, TOWNSHIP 2 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE NORTHERLY LINE OF SAID SOUTHWEST QUARTER DISTANT SOUTH 89° 33' 30" WEST, 791 FEET FROM THE NORTHWEST CORNER OF THAT CERTAIN PARCEL OF LAND CONVEYED TO J. VINCENT HANNAN BY DEED RECORDED JANUARY 28, 1909 IN BOOK 276, PAGE 324 OF DEEDS, RIVERSIDE COUNTY RECORDS; SAID POINT ALSO BEING DISTANT NORTH 89° 33' 30" EAST 786.12 FEET FROM THE NORTHWEST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION;

THENCE SOUTH 0° 28' 50" WEST, PARALLEL WITH THE WEST LINE OF THE PARCEL CONVEYED TO J. VINCENT HANNON 313.5 FEET TO THE TRUE POINT OF BEGINNING;

THENCE EASTERLY ON SAID SOUTHERLY LINE OF THE PARCEL CONVEYED TO GEORGEOUS GEORGE AND ELIZABETH B. GEORGE, BY DEED FILED FOR RECORD AUGUST 21, 1952 AS INSTRUMENT NO. 35786, IN BOOK 1394 PAGE 352 OFFICIAL RECORDS, 11 FEET;

THENCE SOUTHERLY 1, 221.5 FEET TO A POINT ON THE SOUTHERLY LINE OF THAT CERTAIN PARCEL CONVEYED TO FRANK J. FABIAN AND MARY R. FABIAN BY DEED RECORDED NOVEMBER 4, 1939 IN BOOK 434, PAGE 587 OF OFFICIAL RECORDS, RIVERSIDE COUNTY RECORDS, 20.5 FEET OF THE SOUTHWEST CORNER OF SAID PARCEL SO CONVEYED TO FRANK J. FABIAN AND WIFE;

THENCE WEST ON SAID SOUTH LINE 20.5 FEET;

THENCE NORTH 1,221.5 FEET TO THE POINT OF BEGINNING.

PARCEL TWO C:

THAT PORTION OF THE SOUTHWEST QUARTER OF SECTION 29, TOWNSHIP 2 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTH LINE OF SAID SOUTHWEST QUARTER DISTANT SOUTH 89° 33' 30" WEST, 791 FEET FROM THE NORTHWEST CORNER OF THAT CERTAIN PARCEL CONVEYED TO J. VINCENT HANNON BY DEED RECORDED JANUARY 28, 1909 IN BOOK 276, PAGE 324 OF DEEDS, RIVERSIDE COUNTY RECORDS; SAID POINT ALSO BEING DISTANT NORTH 89° 33' 30" EAST 786.12 FEET FROM THE NORTHWEST CORNER OF SAID SOUTHWEST QUARTER;

THENCE SOUTH 0° 28' 50" WEST, PARALLEL WITH THE WEST LINE OF THE PARCEL CONVEYED TO J. VINCENT HANNON 313.4 FEET;

THENCE NORTH 89° 33' 30" EAST, 30 FEET;

THENCE NORTH 0° 28' 50" EAST, 313.4 FEET, TO THE NORTH LINE OF SAID SOUTHWEST QUARTER;

THENCE SOUTH 89° 33' 30" WEST, 30 FEET TO THE POINT OF BEGINNING;

EXCEPTING THEREFROM THE NORTH 30 FEET IN WOODLAND AVENUE, NOW CHERRY VALLEY BOULEVARD.

ALSO EXCEPTING THAT PORTION CONVEYED TO THE COUNTY OF RIVERSIDE BY DEED RECORDED NOVEMBER 14, 1974 AS INSTRUMENT NO. 146646.

PARCEL THREE:

PARCELS 1 TO 5, INCLUSIVE, AND 7, AND LOTS A TO K, INCLUSIVE OF PARCEL MAP NO. 12218, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN PARCEL MAP BOOK 85, PAGE 66 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

State of California)
) ss.
County of Orange)

On December 17, 2012, before me, Michelle Bohannon, Notary Public, personally appeared August Belmonte & Mark Buckland who proved to me on the basis of satisfactory evidence to be the person(s) whose name(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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Michelle Bohannon (Seal)

MICHELLE BOHANNON
Commission # 1884092
Notary Public - California
Orange County
My Comm. Expires Mar 26, 2014

State of California)
) ss.
County of Riverside)

On December 18, 2012, before me, Jennifer D. Oberg, Notary Public, personally appeared Kathi L. Birman and Michael G. Mankin, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Jennifer D. Oberg (Seal)

JENNIFER D. OBERG
Commission # 1943265
Notary Public - California
Riverside County
My Comm. Expires Aug 2, 2015

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of Riverside

On 12/18/2012 before me, Chelsea Sinske,
(Here insert name and title of the officer)

personally appeared Roger Berg,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

(Notary Seal)

Chelsea Sinske
COMM. #1972220
NOTARY PUBLIC • CALIFORNIA
RIVERSIDE COUNTY
My Comm. Expires Mar. 16, 2016

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

Assignment + Assumption of Development Agreement
(Title or description of attached document)
(Title or description of attached document continued)

Number of Pages 7 Document Date 12/21/12

(Additional information)

CAPACITY CLAIMED BY THE SIGNER

- ☐ Individual (s)
- ☐ Corporate Officer
  (Title)
- ☐ Partner(s)
- ☐ Attorney-in-Fact
- ☐ Trustee(s)
- ☐ Other

INSTRUCTIONS FOR COMPLETING THIS FORM

Any acknowledgment completed in California must contain verbiage exactly as appears above in the notary section or a separate acknowledgment form must be properly completed and attached to that document. The only exception is if a document is to be recorded outside of California. In such instances, any alternative acknowledgment verbiage as may be printed on such a document so long as the verbiage does not require the notary to do something that is illegal for a notary in California (i.e. certifying the authorized capacity of the signer). Please check the document carefully for proper notarial wording and attach this form if required.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he~~/she/~~they,~~ is /~~are~~) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
  - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
  - ❖ Indicate title or type of attached document, number of pages and date.
  - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document

Agenda Item No.____

STAFF REPORT

To: Mayor and Council Members

From: Community and Economic Development Department

Date: December 18, 2012

Subject: Approval of Assignment and Assumption of the Sunny-Cal Pre-annexation and Development Agreement 06-DA-01.

Background and Analysis:

The Sunny-Cal Pre-annexation and Development Agreement requires the City approve any assignment or transfer of the rights, duties and obligation under the terms of the agreement. The Sunny-Cal property is being sold to CV Communities, LLC and therefore staff recommends approval of the assignment subject to the purchase of the Property by Assignee and shall be effective on the effective date of the Development Agreement.

Recommendation:

Staff recommends APPROVAL of the proposed Assignment and Assumption of Development Agreement 06-DA-01.

Respectfully submitted;
CITY OF BEAUMONT

Rebecca Deming,
Director of Planning

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Page 1 of 42
Recorded in Official Records
County of Riverside
Larry W. Ward
Assessor, County Clerk & Recorder

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City Clerk
City of Beaumont
550 East Sixth Street
Beaumont, California 92223

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PRE-ANNEXATION AND

DEVELOPMENT AGREEMENT

NO. 06-DA-01

BETWEEN

THE CITY OF BEAUMONT

AND

SUNNY-CAL EGG & POULTRY, INC. AND MANHEIM, MANHEIM & BERMAN

(Pursuant to California Government Code Sections 65864 - 65869.5 and City of Beaumont Resolution No. 1987-34)

September 18, 2007

ORIGINAL

PRE-ANNEXATION AND

DEVELOPMENT AGREEMENT

This **PRE-ANNEXATION AND DEVELOPMENT AGREEMENT** ("**Agreement**") is entered into to be effective on September 18, 2007, between **SUNNY-CAL EGG & POULTRY, INC., a California corporation** and **MANHEIM, MANHEIM & BERMAN, a California general partnership** (collectively the "**Owner**"), and the **CITY OF BEAUMONT**, a municipal corporation organized and existing under the laws of the State of California (the "**City**"). The Owner and the City are sometimes collectively referred to herein as the "**parties**."

RECITALS:

This Agreement is predicated upon the following facts:

A. These Recitals use certain capitalized terms which are defined in this Agreement.

B. Government Code Sections 65864 - 65869.5 authorize the City to enter into binding development agreements with persons having a legal or equitable interest in real property for the development of such property, all for the purpose of strengthening the public planning process, encouraging private participation and comprehensive planning and reducing the economic costs of such development. The City has implemented the law contained in such sections by adopting Resolution No. 1987-34, titled "Establishing Procedures and Requirements for Consideration of Development Agreements" (such Resolution, together with the aforementioned Government Code Sections, are being referred to herein as the "**Development Agreement Law**").

C. This Agreement is adopted pursuant to the Development Agreement Law.

D. The Owner is the owner of approximately 200 acres of land currently located in unincorporated Riverside County, California ("**County**"), but which the parties intend to be annexed to the City, all as more particularly described on Exhibit "A" attached hereto and shown on Exhibit "B" attached hereto (the "**Property**").

E. The Owner desires that the Property be developed in accordance with the Development Plan (as hereinafter defined) (the "**Project**"). The Project is highly capital intensive, especially in its initial phases, which, in order to make the Project economically and fiscally feasible, requires major commitment to and investment in public facilities and on-site and off-site improvements prior to the construction and sale or leasing of residential buildings. This Agreement is intended to facilitate the logical and orderly development of the Project in the City.

F. The City has determined that the Development Plan is consistent with the City General Plan and has approved the Development Plan in order to promote the health, safety

and welfare of its citizens and to protect the quality of the community and environment. The Development Plan includes The Sunny-Cal Specific Plan which was approved for the Property by the City on August 21, 2007, for which the City prepared and certified the Environmental Impact Report for the Sunny-Cal Specific Plan, Annexation, and Sphere of Influence Amendment (State Clearinghouse No. 2004121092"), adopted Findings of Fact, Statement of Overriding Considerations, and a Mitigation Monitoring and Reporting Program (collectively the "**EIR**"). As part of that process of approving the Development Plan, the City has prepared and reviewed the EIR, pursuant to the California Environmental Quality Act ("**CEQA**"), with respect to the potential significant impacts of the Project resulting from its annexation to the City. The City has determined, based on that review, that the EIR adequately addresses the potential significant impacts of the Project, and that accordingly neither a supplemental nor subsequent environmental impact report is required for the Development Plan and this Agreement.

G. All of the proceedings relating to the approval of this Agreement have been conducted in accordance with the Development Agreement Law.

H. On August 21, 2007, the City Council of the City adopted Ordinance No. 918 approving this Agreement with the Owner, as an inducement for the Owner to support annexation of the Property to the City.

I. The terms and conditions of this Agreement have undergone extensive review by the City and its City Council and have been found to be fair, just and reasonable, and the City has found and determined that the execution of this Agreement is in the best interest of the public health, safety and general welfare of the City and its residents and that adopting this Agreement constitutes a present exercise of its police power.

AGREEMENT

In light of the foregoing Recitals, which are an operative part of this Agreement, the parties agree as follows:

1 DEFINITIONS.

"**Agreement**" is this Pre-Annexation and Development Agreement.

"**Agreement Date**" is the date this Agreement is approved by the City Council.

"**Alternative Financing Mechanism**" has the meaning given that phrase in Section 10.8 below.

"**CEQA**" is the California Environmental Quality Act, Public Resources Code Section 21000, *et seq.*

"**CFD**" is a Community Facilities District formed pursuant to the Mello Roos Community Facilities Act of 1982, Government Code Section 53312, *et seq.*

"**City**" is the City of Beaumont, California

"**City's Discretion**" is discretion exercised by the City in accordance with the policies and principles set forth in the Development Plan, this Agreement and the procedures in effect as of the Effective Date such that the approvals given by the City to the Owner pursuant to the exercise of such discretion shall not be unreasonably withheld or delayed.

"**Development Agreement Law**" is Government Code Sections 65864, *et seq.*, and Resolution No. 1987-34, titled "Establishing Procedures and Requirements for Consideration of Development Agreements."

"**Development Plan**" is, collectively, the permits and approvals listed on Exhibit "C."

"**Effective Date**" is that date which is the later to occur of (a) the expiration of the time for filing a referendum petition relating to this Agreement if no such petition is filed within such period, and (b) the certification of the results of a referendum election are declared approving this Agreement if a referendum petition is filed within the applicable period, or (c) the date that the annexation of the Property to the City is completed.

"**EIR**" is, collectively, the Sunny-Cal Specific Plan, Annexation, and Sphere of Influence Amendment Environmental Impact Report (State Clearinghouse No. 2004121092) certified by the City on August 21, 2007, prepared for the Project and dated August 18, 2006, Findings of Fact, Statement of Overriding Considerations, and the Mitigation Monitoring and Reporting Program adopted by the City on August 21, 2007, copies of the EIR are on file with the City.

"**Owner**" is Sunny-Cal Egg & Poultry, Inc., a California corporation and Manheim, Manheim & Berman, a California general partnership, and their successors in interest to all or any part of the Property.

"**Project**" is the proposed development of the Property included within the Development Plan and associated amenities, including, without limitation, on-site and off-site improvements contemplated by the Development Plan, as the same may be further defined, enhanced or modified pursuant to the provisions of this Agreement.

"**Property**" is the real property on which the Project is, or will be, located as described on Exhibit "A" attached hereto and shown on Exhibit "B" attached hereto

2 **EXHIBITS.** The following documents are referred to in this Agreement, attached hereto and incorporated herein by this reference:

Exhibit Designation	Description
A	Legal Description of the Property
B	Map of the Property
C	List of Permits and Approvals
D	City Conditions of Approval
E	Statement of Benefits to the City

3 **MUTUAL BENEFITS.** This Agreement is entered into for the purpose of annexing the Property to the City and implementing the Development Plan for the Project in a manner that will secure certain assurances to the Owner that the Property may be developed in accordance with the Development Plan and this Agreement, and certain benefits to the City as set forth on Exhibit "E" as set forth in this section. The City and the Owner agree that, due to the size and duration of the Project, the Agreement is necessary to achieve those desired benefits.

4 **INTEREST OF THE OWNER.** The Owner represents that the Owner owns fee title to the Property.

5 **BINDING EFFECT OF AGREEMENT.** The terms and conditions of this Agreement shall be binding upon and inure to the benefit of the parties and their successors and assigns as set forth herein

6 **PROJECT AS A PRIVATE UNDERTAKING.** It is specifically understood and agreed that the development of the Project is a private and not a public sector development, that neither party is acting as the agent of the other in any respect hereunder, and that each party is an independent contracting entity with respect to the terms, covenants and conditions contained in this Agreement. No partnership, joint venture or other association of any kind is formed by this Agreement. The only relationship between the City and the Owner is that of a government entity regulating the development of private property by the owner of such Property

7 **TERM.** The term of this Agreement shall be twenty five (25) years following the Effective Date. Expiration of the term of this Agreement shall not in any manner affect rights which have otherwise vested under applicable law

8 **HOLD HARMLESS.** The Owner shall hold the City, its officers, agents, employees and representatives harmless from liability for damage or claims for damage for personal injury, including death and claims for property damage, arising on the Property from the wrongful or negligent activities of the Owner or those of the Owner's contractors, subcontractors, agents, employees or other persons acting on the Owner's behalf which relate to the Project. In the event any person not a party or a successor to a party to this Agreement institutes any type of action against the City with respect to this Agreement, City and Owner shall cooperate in defending against the action, provided that City may, in its sole discretion, elect to tender the defense of such action to the Owner. If the Owner accepts the tender, the Owner shall thereafter hold City harmless from and defend City from all costs and expenses incurred in the defense of such action, provided that City frilly cooperates with the Owner in the defense of such action. If the Owner declines the tender, then City shall have no further obligation or duty to defend the action.

9 **VESTED RIGHT.** By entering into this Agreement the City grants to the Owner a vested right to develop the Property in accordance with the Development Plan. The City shall not enact and enforce against the Project an ordinance, policy, rule, regulation or other measure which significantly alters the rate, type, manner, density, timing or sequencing of the Project. In addition to and not in limitation of the foregoing, it is the intent of the Owner and the City that no moratorium, whether relating to the rate, type, manner, density, timing or sequencing of the Project and whether or not enacted by initiative or otherwise, except a moratorium imposed by the City to implement State or Federal laws, statutes, regulations, policies or orders as provided in Section 11.2, affecting parcel or subdivision maps, building permits, plot plans, special use

permits, conditional use permits, occupancy certificates or other entitlements to use or permits approved, issued or granted within the City, or portions of the City, shall apply to the Project to the extent such moratorium or other limitation is in conflict with the Development Plan. Notwithstanding the foregoing, should an ordinance, general plan or zoning amendment, measure, moratorium, policy, rule, regulation or other limitation enacted by the citizens of the City through the initiative process be determined by a court of competent jurisdiction to invalidate or prevail over all or any part of the Development Plan, the Owner shall have no recourse against the City pursuant to this Agreement The foregoing shall not be deemed to limit the Owner's right to appeal any such determination of such ordinance, general plan or zoning amendment, measure, policy, rule, regulation, moratorium or other limitation which purports to invalidate or prevail over all or any part of this Agreement.

10 DEVELOPMENT OF THE PROJECT.

10.1 Annexation. The City and the Owner shall cooperate and use their best reasonable efforts to cause the Property to be annexed into the City, subject only to terms and conditions set forth in the Development Plan and Exhibit "D" hereto, and the mitigation measures set forth in the EIR.

10.2 Phasing and Timing of Development. When or the order in which Project phases will be developed, or whether it will be developed at all, depend upon numerous factors which are not within the control of the Owner or City, such as market orientation and demand, interest rates, availability of funding, competition and other similar factors. Accordingly, to the extent permitted by the Development Plan and this Agreement, the Owner shall have the right to develop the Project in phases in such order and at such times as the Owner, in its sole discretion, deems appropriate within the exercise of its subjective business judgment; provided, however, that the City reserves the right to review, condition and approve each phase through discretionary and ministerial approvals consistent with this Agreement.

10.3 Effect of Agreement on Land Use Regulations. The rules, regulations and policies governing permitted uses of property, the density and intensity of use of property, the maximum height and size of proposed buildings and the design, improvement, construction and development standards and specifications applicable to development of property are those rules, regulations and policies in force as of the date of the Agreement, and those rules, regulations and official policies which may hereinafter be adopted by the City in accordance with Section 11.1 hereof or State or Federal laws, statutes, regulations, policies or orders as provided in Section 11.2.

10.4 Application Processing. In connection with any approval which the City is permitted or has the right to make under this Agreement relating to the Project, or otherwise under its rules, regulations and official policies, the City shall excise the City's Discretion or take action in a manner which is as expeditious as reasonably possible.

10.5 Administrative Changes and Amendments. The parties acknowledge that further planning and development of the Project may demonstrate that refinements and changes are appropriate with respect to the details of the Project or interpretation of the Development Plan. If and when the parties find that minor changes or adjustments are necessary or appropriate to the Project or the Development Plan, they shall, unless otherwise required by law, effectuate such

changes or adjustments through administrative amendments approved by the Director of Planning, which, after execution, shall be attached hereto as addenda and become a part hereof, and may be further changed and amended from time to time as necessary, with approval by the Director of Planning as may be requested by the Owner. Minor changes or amendments shall be those which are consistent with the overall intent of the Development Plan and this Agreement and which do not materially alter the overall nature, scope, or design of the Project. Any such minor administrative changes or amendments shall not be deemed to be an amendment to this Agreement under Government Code Section 65868 and, unless otherwise required by law, no such administrative amendments shall require prior notice or hearing

10.6 Mello Roos Communities Facilities Districts; Other Assessment Districts or Financing Mechanisms. Pursuant to Chapter 2.5 (commencing with Section 53312) Part 1, Division 2, Title 5 of the Government Code of the State of California, commonly known as the "Mello Roos Community Facilities Act of 1982," the Owner may, at its sole election, petition the City Council of the City or a joint powers agency in which the City is a member to establish a Community Facilities District ("**CFD**"), in accordance with the City's policies in existence on the Effective Date. Alternatively, or in addition thereto, the Owner may request that the City initiate and complete proceedings under the Municipal Improvement Act of 1911, the Municipal Improvement Act of 1913, the Improvement Bond Act of 1915, the Landscaping and Lighting Act of 1972, or any and all other available public financing mechanisms, to provide public conduit financing for the construction of public infrastructure improvements on the Property ("**Alternative Financing Mechanisms**"). If so requested by the Owner, the City shall cooperate with the Owner (or, for matters beyond its control, shall use its best efforts) in taking all steps necessary to cause the CFD or Alternative Financing Mechanisms to issue bonds for such purposes. If the Property is included within a CFD or Alternative Funding Mechanism with other surrounding properties, the special taxes or special assessments burdening the various properties so included shall be apportioned on a fair share basis related to the benefit derived by each of such properties in accordance with City policies at the time such property is included.

10.7 Public Services and Facilities. The Development Plan requires an integrated roadway system, and other public facilities including parks, schools, storm drains, and water and sewer facilities. City will reasonably assist Owner in obtaining public facilities and services for the Project on a timely basis in keeping with the pace of development of the Property. To the extent that the Owner constructs, installs or provides financing for public facilities or other public infrastructure improvements that benefit lands outside of the Property, the City shall use best reasonable efforts to adopt such ordinances, mitigation fees, liens or assessments as are necessary to provide credits, reimbursements, or in kind funding to the Owner for the fair share of the benefits conferred upon such lands other than the Property by such public facilities or infrastructure improvements.

10.8 Other Governmental or Quasi Governmental Permits. The Owner shall apply for such other permits and approvals as may be required by other governmental or quasi governmental agencies having jurisdiction over the Project (such as public utilities or utility districts, or other federal or state agencies) to the extent required for the development of, or provision of services and facilities to the Project as set forth in the Development Plan The City shall cooperate with and assist the Owner in obtaining such permits and approvals, and, where

necessary in making application for such approvals or permits. The Owner shall be solely responsible for all costs and shall be responsible for the processing of all such permits.

10.9 Consistency Between This Agreement and Current Laws. The City represents that as of the date of the execution of this Agreement, there are no rules, regulations, ordinances or official policies of the City that would interfere with the development of the Project according to the Development Plan, provided the Property is annexed into the City.

10.10 Assessments, Fees, Mitigation and Exactions. The City shall not impose any future assessment, fee, mitigation measure or exaction on the Project or any portion thereof except (a) those existing and proposed assessments, fees, mitigation measures and exactions included in Exhibit "C", (b) such other fees, assessments and exactions as may be adopted or imposed by the City in conformance with the requirements of Article XIII D of the California Constitution, (c) such other development impact fees or categories of development impact fees which are adopted on a City or County wide basis or as required as a condition to obtaining County funding, such as the County of Riverside Traffic Uniform Mitigation Fee; and (d) such other development impact fees or categories of development impact fees which are imposed on other development projects in the City and are adopted and levied based on a benefit assessment. Fees payable to City shall be at rates applicable on the date the fee is paid. City shall recognize and apply a dollar for dollar in lieu credit against any and all fees, for and equal to the cost of improvements and/or dedications made in the development of the Project by the Owner, or funded by any CFD or Alternative Funding Mechanism including the Property, and for which the fees would otherwise be imposed. City further agrees to use any fees paid with respect to development of the Project to fund improvements which benefit the Project, to the fullest reasonable extent available and applicable under the law.

10.11 Reimbursement by the City. Pursuant to Government Code Section 65865.2, the City hereby agrees that as future development fees, assessments and exactions are imposed on future projects which have benefited from the fees, assessments and exactions paid by the Owner, the City shall promptly reimburse the Owner to the extent that such fees, assessments and exactions paid by Owner benefited lands outside of the Property, but only to the extent that the City actually receives or collects such fees, assessments or exactions for a period of ten years from the date the fee was paid.

11 RULES, REGULATIONS, REQUIREMENTS AND OFFICIAL POLICIES.

11.1 New Rules. This Agreement shall not prevent the City from applying the following new rules. regulations, requirements and policies, if applied on a City-wide or area of benefit basis:

11.1.1 Processing fees and charges imposed by the City which cover only the estimated actual costs to the City of processing applications for development approvals, for monitoring compliance with any development approvals or for monitoring compliance with environmental impact mitigation measures.

11.1.2 Procedural regulations relating to hearing bodies, petitions, applications, notices, findings, records, hearings, reports, recommendations, appeals and any other matter of procedure, provided that such changes in procedural regulations do not

have the effect of materially interfering with the benefits conferred by this Agreement.

11.1.3 Regulations governing construction standards and specifications including, without limitation, the City's Building Code, Plumbing Code, Mechanical Code, Electrical Code and Fire Code.

11.1.4 Regulations which are necessary to protect public health and safety, provided that to the maximum extent possible such regulations shall be designed, construed and applied in a manner to preserve the benefits of this Agreement.

11.1.5 New or increased fees or categories of fees imposed as a condition of development, for the purpose of defraying all or a portion of the cost of public facilities (as defined in Government Code Sections 66000, *et seq.*) related to development projects.

11.1.6 Regulations which are in conflict with the Development Plan or this Agreement if such regulations have been consented to in writing by the Owner.

11.2 State and Federal Laws. In the event that State or Federal laws or regulations enacted after this Agreement is executed prevent or preclude compliance with one or more of the provisions of this Agreement, such provisions of this Agreement shall be modified or suspended as may be necessary to comply with such State or Federal laws or regulations; provided, however, that this Agreement shall remain in full force and effect to the extent it is not inconsistent with such laws or regulations and to the extent such laws or regulations do not render such remaining provisions impractical to enforce.

12 AMENDMENT OR CANCELLATION OF AGREEMENT. This Agreement may be amended or canceled in whole or in part only by mutual consent of the parties in the manner provided for in Government Code Section 65868.

13 ENFORCEMENT. Unless amended or canceled as provided in Section 12 above, or modified or suspended pursuant to Government Code Section 65869.5, this Agreement is enforceable by either party hereto notwithstanding any change in any applicable general or specific plan, zoning, or subdivision regulation or standard adopted by the City (or by the voters of the City unless found by a court of competent and final jurisdiction to prevail over this Agreement) which alters or amends the Development Plan or is inconsistent with this Agreement.

14 PERIODIC REVIEW OF COMPLIANCE WITH AGREEMENT. The City shall review this Agreement at least once every year from the date this Agreement is executed. During each periodic review, each party is required to demonstrate good faith compliance with the terms of this Agreement. Such periodic review shall be conducted administratively by the City Manager and any appropriate department heads designated by the City Manager to perform such periodic review. If the City Manager finds that the Owner is not in good faith compliance with this Agreement, the Owner shall have the right to appeal such finding to the City Council. The City Council on appeal shall not hold a public hearing to review a finding that the Owner is not in good faith compliance with this Agreement unless so requested by the Owner in writing at the time of the submission of such appeal. The City shall notify the Owner in writing of the date

for review at least thirty (30) days prior thereto. The Owner shall pay or reimburse the City for the City's reasonable costs incurred in connection with such periodic reviews.

15 EVENTS OF DEFAULT.

15.1 Default by the Owner. If the City Council determines on the basis of substantial evidence upon appeal of the City Manager's decision pursuant to Section 14 hereof that the Owner has not complied in good faith with the terms and conditions of this Agreement, it shall, by written notice to the Owner, specify the manner in which the Owner has failed to so comply and state the steps the Owner must take to bring itself into compliance. If, within sixty (60) days after the effective date of notice from the City specifying the manner in which the Owner has failed to so comply, the Owner does not commence action reasonably necessary to bring itself into compliance as required and thereafter diligently pursue such steps to completion, then the Owner shall be deemed to be in default under the terms of this Agreement and the City may, if such failure persists after thirty (30) days' prior written notice, exercise its rights and remedies pursuant to Section 15.3.

15.2 Default by the City. If the Owner determines on the basis of substantial evidence that the City has not complied in good faith with the terms and conditions of this Agreement, the Owner shall, by written notice to the City, specify the manner in which the City has failed to so comply and state the steps the City must take to bring itself into compliance. If, within sixty (60) days after the effective date of notice from the Owner specifying the manner in which the City has failed to so comply, the City does not commence steps reasonably necessary to bring itself into compliance as required and thereafter diligently pursue such steps to completion, then the City shall be deemed to be in default under the terms of this Agreement and if such failure persists after thirty (30) days prior written notice, the Owner may terminate this Agreement or seek specific performance as set forth in Section 15.3.

15.3 Specific Performance Remedy. Due to the size, nature and scope of the Project, it will not be practical or possible to restore the Property to its natural condition following development of all or any portion of the Property. After such development, the Owner may be foreclosed from other choices it may have had to utilize the Property. The Owner has invested significant time and resources and performed extensive planning and processing of the Project in agreeing to the terms of this Agreement and will be investing substantially more time and resources in implementing the Project in reliance upon the terms of this Agreement. It would be difficult or impossible to accurately determine the sum of money which would adequately compensate the Owner for such efforts. For the above reasons, the City and the Owner agree that damages alone would not be an adequate remedy if the City fails to carry out its obligations under this Agreement. Similarly, if the Owner breaches certain of its obligations hereunder, monetary damages may not constitute an adequate remedy for the City. Therefore, the parties agree that specific performance of this Agreement is an appropriate remedy if either party defaults and fails to perform its non-monetary obligations under this Agreement. Similarly, if the Owner breaches certain of its obligations hereunder, monetary damages may not constitute an adequate remedy for the City. Therefore, the parties agree that specific performance of this Agreement is an appropriate remedy if either party defaults and fails to perform its non-monetary obligations under this Agreement. Notwithstanding the foregoing, nothing in this Agreement is intended to prevent either party from seeking recovery of appropriate damages in the event that the terms of this Agreement are breached. The City and the Owner acknowledge that if the Owner is in

default of its obligations under this Agreement, the City shall have the right to refuse to issue any permits or other approvals to which the Owner would not otherwise have been entitled but for this Agreement.

16 INSTITUTION OF LEGAL ACTION. In addition to any other rights or remedies, either party may institute legal action to cure, correct or remedy any default, to enforce any covenants or agreements herein, to enjoin any threatened or attempted violation hereof, to recover damages for any default or to obtain any other remedies consistent with the purpose of this Agreement. Any such legal action shall be brought in the Superior Court of the State of California for the County of Riverside. The parties hereto waive any right to trial by jury.

17 WAIVERS AND DELAYS.

17.1 Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by the other party, and failure by a party to exercise its rights upon a default by the other party hereto, shall not constitute a waiver of such party's right to demand strict compliance by such other party in the future.

17.2 Third Parties. Nonperformance shall not be excused because of a failure of a third person except as provided in Section 17.3 below.

17.3 Force Majeure. Neither party shall be deemed to be in default for failure or delay in performance of any of its obligations under this Agreement if caused by floods, earthquakes, other Acts of God, fires, wars, riots or similar hostilities, strikes, other labor difficulties, government regulations (other than actions by the City in violation of or not consistent with the terms and provisions of this Agreement) or other causes beyond either of the parties' control. If any such event shall occur, the term of this Agreement and the time for performance by the Owner of any of its obligations hereunder or pursuant to the Development Plan shall be extended by the period of time that such events prevent or delay development of the Project.

18 NOTICES. All notices required or provided for under this Agreement shall be in writing and delivered in person and deposited in the United States mail, postage prepaid and addressed as follows:

To the City:	The City of Beaumont 550 East Sixth Street Beaumont, California 92223 Attn: City Manager
With a copy to:	Mr. Joseph Aklufi, Esq. Aklufi & Wysocki 3403 Tenth Street, Suite 610 Riverside, CA 92501
To the Owner:	Sunny-Cal Egg & Poultry, Inc. 37251 Cherry Valley Boulevard Cherry Valley, CA 92223 Attn: Kathi L. Berman

With a copy to: Best Best & Krieger, LLP
3750 University Avenue, Suite 500
Riverside, CA 92502
Attn: Michael Grant, Esq.

Any party may change its address stated herein by giving notice, in writing, to the other parties.

19 ATTORNEYS' FEES. If legal action is brought by either party against the other for breach of this Agreement, or to compel performance under this Agreement, the prevailing party shall be entitled to an award of reasonable attorneys' fees and costs.

20 TRANSFERS AND ASSIGNMENTS.

20.1 Right to Assign. The Owner shall have the right to sell, assign or transfer this Agreement and any and all of its rights, duties and obligations hereunder, in whole or in part, to any person or entity at any time during the term of this Agreement; provided, however, in no event shall the rights, duties and obligations conferred upon the Owner pursuant to this Agreement be at any time so transferred or assigned except through a transfer of an interest of the Owner in the Property or a portion thereof. An assignment shall not be effective without the City's prior approval, which shall not be unreasonably withheld, to ensure that the assignment will not prevent the orderly development of the Project consistent with the Agreement or Development Plan. In the event of any such assignment, the transferee shall thereafter be solely liable for the performance of all obligations of the Owner relating to the portion of the Property, or interest therein, so transferred. Such transferee or the Owner shall notify the City, in advance, and in writing of their intent to transfer such obligations.

20.2 Release Upon Transfer. Upon the sale, transfer or assignment of the Owner's rights and interests under this Agreement as permitted pursuant to Section 20.1, the Owner shall be released from its obligations under this Agreement and all of the Owner's obligations pursuant to the Development Plan, or other agreements assumed by transferee with respect to the Property, or portion thereof so transferred, provided that (a) the Owner is not then in default under the Agreement, (b) the Owner or transferee has provided the City notice of such transfer and (c) the transferee executes and delivers to the City a written agreement in which (i) the name and address of the transferee is set forth and (ii) the transferee expressly and unconditionally assumes all of the obligations of the Owner under this Agreement with respect to the Property, or a portion thereof, so transferred. Regardless of whether such notice is given or such documents are executed by the transferee, no such sale, transfer or assignment shall relieve the City from any of its obligations hereunder.

21 COOPERATION IN THE EVENT OF LEGAL CHALLENGE. In the event of any legal action instituted by a third party or other governmental entity or official challenging the validity of this Agreement or any portion thereof the parties hereby agree to cooperate in defending such action, subject to the provisions of Section 8. In the event of any litigation challenging the effectiveness of this Agreement, or any portion hereof, this Agreement shall remain in full force and effect while such litigation, including any appellate review, is pending.

22 EMINENT DOMAIN. No provision of this Agreement shall be construed to limit or restrict the exercise by the City of its power of eminent domain.

23 AUTHORITY TO EXECUTE. The person or persons executing this Agreement on behalf of the Owner warrant and represent that they have the authority to execute this Agreement on behalf of the Owner and to bind the Owner to the performance of its obligations hereunder.

24 ESTOPPEL CERTIFICATES. The City shall at any time, upon not less than thirty (30) days' prior written notice from the Owner, execute, acknowledge and deliver to the Owner a statement in writing (i) certifying that this Agreement is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Agreement, as so modified, is in full force and effect); (ii) certifying the amounts of the fees, assessments and exactions that have been received from the Owner and what amounts, if any, remain outstanding; and (iii) acknowledging that there are not, to the City's knowledge, any defaults if any are claimed. Any such statement may be conclusively relied upon by any prospective purchaser, lender or joint venture partner.

25 RECORDATION. This Agreement and any amendment or cancellation hereto shall be recorded in the Official Records of the County of Riverside, by the City Clerk within the period required by Section 65868.5 of the Government Code.

26 PROTECTION OF MORTGAGE HOLDERS. The parties hereto agree that this Agreement shall not prevent or limit the Owner, in any manner, at the Owner's sole discretion, from encumbering the Property or any portion thereof or any improvement thereon by any mortgage, deed of trust or other security device securing financing with respect to the Property. The City acknowledges that the lenders providing such financing may require certain interpretations, estoppel certificates and modifications to this Agreement and agrees upon request, from time to time, to meet with the Owner and representatives of such lenders to negotiate in good faith any such request for interpretations, estoppel certificates or modifications. The City will not unreasonably withhold its consent to any such requested interpretation, estoppel certificate or modification provided the same is consistent with the intent and purposes of this Agreement. The holder(s) of any mortgage, deed of trust or other security instrument encumbering the Property (each, a "**Mortgagee**") shall have the following rights and privileges:

26.1.1 Neither entering into this Agreement nor a breach of this Agreement shall defeat, render invalid, diminish or impair the lien of any mortgage on the Property made in good faith and for value, unless otherwise required by law.

26.1.2 Any Mortgagee which has submitted a request in writing to the City in the manner specified herein for giving notices, shall be entitled to receive written notification from City of any default by the Owner in the performance of the Owner's obligations under this Agreement.

26.1.3 If the City timely receives a request from a Mortgagee requesting a copy of any notice of default given to the Owner under the terms of this Agreement, the City shall provide a copy of that notice to the Mortgagee within ten (10) days of sending the notice of default to the Owner. If the cure period for a default by the Owner set forth in Section 15.1 above has expired and such default has not been cured, the Mortgagee shall be provided with an additional thirty (30) day period after the expiration of such cure period in which to commence all steps reasonably necessary to bring the Owner in compliance as required under this Agreement and

thereafter diligently pursue such steps to completion. During such cure period, and if the default is ultimately cured, the City shall not terminate this Agreement.

26.1.4 Any Mortgagee who comes into possession of the Property, or any part thereof, pursuant to foreclosure of the mortgage or deed of trust, or deed in lieu of such foreclosure, shall take the Property, or part thereof subject to the terms of this Agreement. Notwithstanding any other provision of this Agreement to the contrary, no Mortgagee shall have an obligation or duty under this Agreement to perform any of tile Owner's obligations or other affirmative covenants of the Owner hereunder, or to guarantee such performance; provided, however, that to the extent that any covenant to be performed by the Owner is a condition precedent to the performance of a covenant by City, the performance thereof shall continue to be a condition precedent to City's performance hereunder, and further provided that any sale, transfer or assignment by any Mortgagee in possession shall be subject to the provisions of this Agreement.

27 SEVERABILITY OF TERMS. If any term, provision, covenant or condition of this Agreement shall be determined invalid, void or unenforceable, the remainder of this Agreement shall not be affected thereby to the extent such remaining provisions are not rendered impractical to enforce.

28 SUBSEQUENT AMENDMENT TO AUTHORIZING STATUTE. This Agreement has been entered into in reliance upon the provisions of the Development Agreement Law in effect as of the Agreement Date. Accordingly, subject to Section 11.2 above, to the extent a subsequent amendment to the Development Agreement Law would affect the provisions of this Agreement, such amendment shall not be applicable to the Agreement unless necessary for this Agreement to be enforceable or unless this Agreement is modified pursuant to the provisions set forth in the Agreement and Government Code Section 65868 in effect on the Agreement Date.

29 INTERPRETATION AND GOVERNING LAW. This Agreement and any dispute arising hereunder shall be governed and interpreted in accordance with the laws of the State of California. Unless otherwise provided, any ambiguity concerning the content or application of the Development Agreement, arising as a result of any apparent conflict between (a) the conditions, terms and requirements to be applied by City under the Development Agreement and (b) the conditions, terms and requirements previously imposed on the Project by the County of Riverside, shall be resolved by the City's Planning Director, subject to the appeal procedure set forth in the Development Code for appeals of staff determinations.

30 SECTION HEADINGS. All section headings and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

31 INCORPORATION OF RECITALS AND EXHIBITS. Recitals A through I and attached Exhibits "A" through "E" are hereby incorporated herein by this reference as though set forth in full.

32 RULES OF CONSTRUCTION AND MISCELLANEOUS TERMS.

32.1 Gender. The singular includes the plural; the masculine gender includes the feminine; "shall" is mandatory, "may" is permissive.

32.2 Time of Essence. Time is of the essence regarding each provision of this Agreement in which time is an element.

32.3 Cooperation. Each party covenants to take such reasonable actions and execute all documents that may be necessary to achieve the purposes and objectives of this Agreement.

The parties have executed this Development Agreement on the date and year first written above.

"City"

THE CITY OF BEAUMONT, a municipal corporation of the State of California

By: _____ 8-29-12
Mayor

"Owner"

SUNNY-CAL EGG & POULTRY, INC., a California corporation

By: _____

By: Gabriel Berman

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

32 RULES OF CONSTRUCTION AND MISCELLANEOUS TERMS.

32.1 Gender. The singular includes the plural; the masculine gender includes the feminine; "shall" is mandatory, "may" is permissive.

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"City"

THE CITY OF BEAUMONT, a municipal corporation of the State of California

By: _____ 8-29-12
Mayor

"Owner"

SUNNY-CAL EGG & POULTRY, INC., a California corporation

By: _____

By: _____

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

State of California

County of Riverside

On 8/29/2012 (Date) before me, Karee Trinidad, Notary Public (Here Insert Name and Title of the Officer),

personally appeared Jeff Fox (Name(s) of Signer(s)),

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(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.

KAREE TRINIDAD
Commission # 1930226
Notary Public - California
Riverside County
My Comm. Expires Apr 22, 2015

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: Karee Trinidad (Signature of Notary Public)

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Individual

☐ Partner — ☐ Limited ☐ General

☐ Attorney in Fact

☐ Trustee

☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Individual

☐ Partner — ☐ Limited ☐ General

☐ Attorney in Fact

☐ Trustee

☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

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MANHEIM, MANHEIM & BERMAN, a
California general partnership

By: ~~Michael Manheim~~

By: _____

SIGNED AND CERTIFIED THAT A COPY OF
THIS DOCUMENT HAS BEEN DELIVERED TO
THE MAYOR AND THE CITY COUNCIL

By: _____ (Deputy)
City Clerk

MANHEIM, MANHEIM & BERMAN, a
California general partnership

By: _____

By: Lahri Berman

SIGNED AND CERTIFIED THAT A COPY OF
THIS DOCUMENT HAS BEEN DELIVERED TO
THE MAYOR AND THE CITY COUNCIL

By: _____ (Deputy)
City Clerk

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

State of California

County of Riverside

On 8/29/2012 (Date) before me, Karee Trinidad, Notary Public, (Here Insert Name and Title of the Officer)

personally appeared Shelby Harvey (Name(s) of Signer(s))

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

KAREE TRINIDAD
Commission # 1930226
Notary Public - California
Riverside County
My Comm. Expires Apr 22, 2015

Place Notary Seal Above

Signature: Karee Trinidad
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Individual

☐ Partner — ☐ Limited ☐ General

☐ Attorney in Fact

☐ Trustee

☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Individual

☐ Partner — ☐ Limited ☐ General

☐ Attorney in Fact

☐ Trustee

☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

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STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On AUG. 15, 2012 before me, RANDOLPH EDELMAN (here insert name and title of the officer), personally appeared KATHY DELMAN, who proved to me on the basis of satisfactory evidence to be the person(~~s~~) whose name(~~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.

I certify under penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Randolph Edelman

(Seal)

RANDOLPH EDELMAN
Commission # 1863472
Notary Public - California
Los Angeles County
My Comm. Expires Sep 30, 2013

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On AUG 15, 2012 before me, RANDOLPH EDELMAN NOTARY PUBLIC (here insert name and title of the officer), personally appeared KATHY BERMAN, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(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.

I certify under penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Randolph Edelman

(Seal)

RANDOLPH EDELMAN
Commission # 1863472
Notary Public - California
Los Angeles County
My Comm. Expires Sep 30, 2013

EXHIBIT A-2
LEGAL DESCRIPTION OF THE PROPERTY

EXHIBIT A
LEGAL DESCRIPTION OF THE PROPERTY

PARCEL A:

THAT PORTION OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 29, TOWNSHIP 2 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE QUARTER SECTION LINE RUNNING EAST AND WEST THROUGH SECTIONS 29 AND 30 OF SAID TOWNSHIP AND RANGE, 23 CHAINS AND 90 LINKS EAST OF THE QUARTER SECTION CORNER OF SAID SECTIONS 29 AND 30;

THENCE EAST ON SAID QUARTER SECTION LINE, 10 CHAINS;

THENCE SOUTH 0° 8' EAST, 10 CHAINS; THENCE WEST 10 CHAINS;

THENCE NORTH 0° 8' WEST 10 CHAINS TO THE POINT OF BEGINNING;

EXCEPTING THEREFROM A RIGHT OF WAY OVER CHERRY VALLEY BOULEVARD;

ALSO EXCEPTING THEREFROM THAT PORTION DEEDED TO THE COUNTY OF RIVERSIDE BY DEEDS RECORDED MARCH 8, 1974 AS INSTRUMENT NO. 27055 AND 27056 RESPECTIVELY.

PARCEL B:

THAT PORTION OF THE SOUTHWEST QUARTER OF SECTION 29, TOWNSHIP 2 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THE LAND DESCRIBED IN THE DEED OF J. VINCENT HANNON, RECORDED JANUARY 281 1909 IN BOOK 276, PAGE 324 OF DEEDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY;

THENCE SOUTHERLY, 313.50 FEET ON THE WEST LINE OF SAID LAND;

THENCE WESTERLY, 395.50 FEET; PARALLEL WITH THE NORTH LINE OF SAID SOUTHWEST QUARTER;

THENCE NORTHERLY, 313.50 FEET, PARALLEL WITH SAID WEST LINE TO THE NORTH LINE OF SAID SOUTHWEST QUARTER;

THENCE EASTERLY 395.50 FEET ON SAID NORTH LINE TO THE POINT OF BEGINNING.

EXCEPT THE WEST 150.00 FEET OF THE NORTH 145.50 FEET THEREOF;

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE COUNTY OF RIVERSIDE BY INSTRUMENT RECORDED FEBRUARY 13, 1974 AS INSTRUMENT NO. 17483 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL C:

THE WESTERLY 150.00 FEET OF THE NORTHERLY 145.50 FEET OF THAT CERTAIN PARCEL OF LAND IN THE SOUTHWEST QUARTER OF SECTION 29, TOWNSHIP 2 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWESTERLY CORNER OF THAT CERTAIN TRACT OF LAND CONVEYED TO J. VINCENT HANNON BY JEREMIAH C. HANNON, BY DEED RECORDED JANUARY 28, 1909 IN BOOK 276, PAGE 324 OF DEEDS, RIVERSIDE COUNTY RECORDS;

THENCE SOUTHERLY ON THE WESTERLY LINE OF SAID TRACT OF LAND SO CONVEYED TO HANNON, 313 FEET, 6 INCHES;

THENCE WESTERLY, PARALLEL WITH THE NORTHERLY LINE OF SAID SOUTHWEST QUARTER, 395 FEET, 6 INCHES;

THENCE NORTHERLY, PARALLEL WITH THE WESTERLY LINE OF SAID TRACT SO CONVEYED TO HANNON, 313 FEET, 6 INCHES, TO THE NORTHERLY LINE OF THE SOUTHWEST QUARTER;

THENCE EASTERLY ON THE NORTHERLY LINE OF THE SOUTHWEST QUARTER, 395 FEET, 6 INCHES, TO THE POINT OF BEGINNING.

EXCEPT THAT PORTION CONVEYED TO THE COUNTY OF RIVERSIDE BY DEED RECORDED FEBRUARY 13, 1974 AS INSTRUMENT NO. 17484.

PARCEL D:

THAT PORTION OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF SECTION 29, TOWNSHIP 2 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION, A DISTANCE OF 395.50 FEET WEST OF THE NORTHWEST CORNER OF THAT CERTAIN PARCEL DESCRIBED IN DEED TO J. VINCENT HANNON, RECORDED JANUARY 28, 1909 IN BOOK 276, PAGE 324 OF DEEDS,

THENCE CONTINUING WEST, A DISTANCE OF 215.00 FEET ON SAID NORTH LINE TO THE NORTHEAST CORNER OF THAT CERTAIN PARCEL DESCRIBED IN DEED TO SEBASTIANO CONSALYO, ET UX, RECORDED MARCH 15, 1968 AS INSTRUMENT NO. 23714, OFFICIAL RECORDS;

THENCE SOUTH, A DISTANCE OF 313.58 FEET ON THE EAST LINE OF SAID PARCEL TO THE SOUTHEAST CORNER THEREOF;

THENCE EAST, A DISTANCE OF 215.00 FEET, PARALLEL WITH THE NORTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION;

THENCE NORTH, A DISTANCE OF 313.58 FEET, PARALLEL WITH THE WEST LINE OF SAID HANNON PARCEL, HEREIN ABOVE REFERRED TO, TO THE POINT OF BEGINNING;

EXCEPT THEREFROM THAT PORTION LYING NORTHERLY OF THE SOUTHERLY LINE OF CHERRY VALLEY BOULEVARD AS DESCRIBED IN THE DEED TO THE COUNTY OF RIVERSIDE, RECORDED FEBRUARY 13, 1974 AS INSTRUMENT NO. 17482 OF OFFICIAL RECORDS OF THE COUNTY OF RIVERSIDE.

PARCEL E:

THE WESTERLY 208.71 FEET OF THE NORTHERLY 1,073.55 FEET OF THE SOUTH HALF OF SECTION 29, TOWNSHIP 2 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPTING THEREFROM THE NORTHERLY 30 FEET IN WOODLAND AVENUE, NOW CHERRY VALLEY BOULEVARD.

ALSO EXCEPTING THAT PORTION CONVEYED TO THE COUNTY OF RIVERSIDE BY DEED RECORDED NOVEMBER 14, 1975 AS INSTRUMENT NO. 146636

PARCEL F-1:

THAT PORTION OF THE SOUTH HALF OF SECTION 29, TOWNSHIP 2 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID SOUTH HALF OF SECTION 29, SAID POINT BEING ALSO A POINT IN THE CENTER OF WOODLAND AVENUE;

THENCE NORTH 89° 33' 30" EAST ON THE CENTER LINE OF WOODLAND AVENUE, 786.12 FEET, MORE OR LESS, TO A POINT DISTANT SOUTH 89° 33' 30" WEST, 791 FEET, FROM THE NORTHWEST CORNER OF THAT CERTAIN PARCEL OF LAND CONVEYED TO J. VINCENT HANNON AND JEREMIAH C. HANNON BY DEED RECORDED JANUARY 28, 1909 IN BOOK 276, PAGE 324 OF DEEDS, RIVERSIDE COUNTY RECORDS;

THENCE SOUTH 0° 28' 50" WEST AND PARALLEL WITH THE WESTERLY LINE OF SAID PARCEL CONVEYED TO HANNON, 1975 FEET TO A POINT ON THE NORTHERLY LINE OF THAT CERTAIN PARCEL CONVEYED TO MELVIN F. KLAGUOS AND PAULINE M. KLAGUOS, HUSBAND AND WIFE BY DEED RECORDED AUGUST 4, 1959 AS INSTRUMENT NO. 67500;

THENCE WESTERLY ON THE NORTHERLY LINE OF SAID PARCEL CONVEYED TO KLAGUOS TO A POINT IN THE WEST LINE OF SAID SECTION 29;

THENCE NORTH 0° 07' 40" EAST ON THE WEST LINE OF SAID SECTION 29, TO THE POINT OF BEGINNING;

EXCEPTING THEREFROM THE WESTERLY 208.71 FEET OF THE NORTHERLY 1,073.55 FEET;

ALSO EXCEPTING THEREFROM THE NORTHERLY 30 FEET IN WOODLAND AVENUE, NOW CHERRY VALLEY BOULEVARD.

ALSO EXCEPTING THAT PORTION CONVEYED TO THE COUNTY OF RIVERSIDE BY DEED RECORDED NOVEMBER 14, 1974 AS INSTRUMENT NO. 146646.

PARCEL F-2:

THAT PORTION OF THE SOUTHWEST QUARTER OF SECTION 29, TOWNSHIP 2 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE NORTHERLY LINE OF SAID SOUTHWEST QUARTER DISTANT SOUTH 89° 33' 30" WEST, 791 FEET FROM THE NORTHWEST CORNER OF THAT CERTAIN PARCEL OF LAND CONVEYED TO J. VINCENT HANNON BY DEED RECORDED JANUARY 28, 1909 IN BOOK 276, PAGE 324 OF DEEDS, RIVERSIDE COUNTY RECORDS; SAID POINT ALSO BEING DISTANT NORTH 89° 33' 30" EAST 786.12 FEET FROM THE NORTHWEST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION;

THENCE SOUTH 0° 28' 50" WEST, PARALLEL WITH THE WEST LINE OF THE PARCEL CONVEYED TO J. VINCENT HANNON 313.5 FEET TO THE TRUE POINT OF BEGINNING;

THENCE EASTERLY ON SAID SOUTHERLY LINE OF THE PARCEL CONVEYED TO GEORGEOUS GEORGE AND ELIZABETH B. GEORGE, BY DEED FILED FOR RECORD AUGUST 21, 1952 AS INSTRUMENT NO. 35786, IN BOOK 1394 PAGE 352 OFFICIAL RECORDS, 11 FEET;

THENCE SOUTHERLY 1,221.5 FEET TO A POINT ON THE SOUTHERLY LINE OF THAT CERTAIN PARCEL CONVEYED TO FRANK J. FABIAN AND MARY R. FABIAN BY DEED RECORDED NOVEMBER 4, 1939 IN BOOK 434, PAGE 587 OF OFFICIAL RECORDS, RIVERSIDE COUNTY RECORDS, 20.5 FEET OF THE SOUTHWEST CORNER OF SAID PARCEL SO CONVEYED TO FRANK J. FABIAN AND WIFE;

THENCE WEST ON SAID SOUTH LINE 20.5 FEET;

THENCE NORTH 1,221.5 FEET TO THE POINT OF BEGINNING.

PARCEL F-3:

THAT PORTION OF THE SOUTHWEST QUARTER OF SECTION 29, TOWNSHIP 2 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTH LINE OF SAID SOUTHWEST QUARTER DISTANT SOUTH 89° 33' 30" WEST, 791 FEET FROM THE NORTHWEST CORNER OF THAT CERTAIN PARCEL CONVEYED TO J. VINCENT HANNON BY DEED RECORDED JANUARY 28, 1909 IN BOOK 276, PAGE 324 OF DEEDS, RIVERSIDE COUNTY RECORDS; SAID POINT ALSO BEING DISTANT NORTH 89° 33' 30" EAST 786.12 FEET FROM THE NORTHWEST CORNER OF SAID SOUTHWEST QUARTER;

THENCE SOUTH 0° 28' 50" WEST, PARALLEL WITH THE WEST LINE OF THE PARCEL CONVEYED TO J. VINCENT HANNON 313.4 FEET;

THENCE NORTH 89° 33' 30" EAST, 30 FEET;

THENCE NORTH 0° 28' 50" EAST, 313.4 FEET, TO THE NORTH LINE OF SAID SOUTHWEST QUARTER;

THENCE SOUTH 89° 33' 30" WEST, 30 FEET TO THE POINT OF BEGINNING;

EXCEPTING THEREFROM THE NORTH 30 FEET IN WOODLAND AVENUE, NOW CHERRY VALLEY BOULEVARD.

ALSO EXCEPTING THAT PORTION CONVEYED TO THE COUNTY OF RIVERSIDE BY DEED RECORDED NOVEMBER 14, 1974 AS INSTRUMENT NO. 146646.

PARCEL G:

THAT PORTION OF THE SOUTHWEST QUARTER OF SECTION 29, TOWNSHIP 2 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTHERLY LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 395.50 FEET WESTERLY FROM THE NORTHWEST CORNER OF THAT CERTAIN TRACT, DESCRIBED BY DEED TO J. VINCENT HANNON BY JEREMIAH C. HANNON, RECORDED JANUARY 28, 1909 IN BOOK 276, PAGE 324 OF DEEDS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

THENCE WESTERLY ON THE NORTHERLY LINE OF SAID SOUTHWEST QUARTER, 395.50 FEET;

THENCE SOUTHERLY, PARALLEL WITH THE WESTERLY LINE OF THE TRACT OF LAND SO DESCRIBED TO J. VINCENT HANNON, 313.50 FEET;

THENCE EASTERLY, PARALLEL WITH THE NORTHERLY LINE OF SAID SOUTHWEST QUARTER, 395.50 FEET;

THENCE NORTHERLY, PARALLEL WITH THE WESTERLY LINE OF TRACT OF LAND DESCRIBED TO J. VINCENT HANNON, 313.50 FEET TO THE POINT OF BEGINNING;

EXCEPT THAT PORTION DESCRIBED BY DEED TO GEORGEOUS GEORGE, ET UX RECORDED AUGUST 21, 1952 IN BOOK 1394, PAGE 352 AS INSTRUMENT NO. 35786 OF OFFICIAL RECORDS; SAID WESTERLY PORTION THEREOF BEING DESCRIBED IN SAID DEED TO GEORGEOUS GEORGE AS FOLLOWS:

THE PORTION OF THE SOUTH HALF OF SECTION 29, TOWNSHIP 2 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, AS SHOWN BY UNITED STATES GOVERNMENT SURVEY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTH LINE OF SAID SOUTH HALF OF SECTION 29, DISTANT SOUTH 89° 33' 30" WEST, 791.00 FEET FROM THE NORTHWEST CORNER OF THE LAND DESCRIBED BY DEED TO J. VINCENT HANNON BY JEREMIAH C. HANNON RECORDED JANUARY 28, 1909 IN BOOK 276, PAGE 324 OF DEEDS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, SAID POINT BEING DISTANT NORTH 89° 33' 30" EAST, 786.12 FEET, FROM THE NORTHWEST CORNER OF SAID <SOUTH HALF OF SECTION 29;

THENCE SOUTH 0° 28' 50" WEST, AND PARALLEL WITH THE WESTERLY LINE OF SAID PARCEL DESCRIBED TO J. VINCENT HANNON 313.50 FEET;

THENCE NORTH 89° 33' 30" EAST AND PARALLEL WITH SAID NORTH LINE OF THE SOUTH HALF OF SECTION 29, 30.00 FEET;

THENCE NORTH 0° 28' 50" EAST, 313.50 FEET TO SAID NORTH LINE;

THENCE SOUTH 89° 33' 30" WEST, 30.00 FEET TO THE POINT OF BEGINNING;

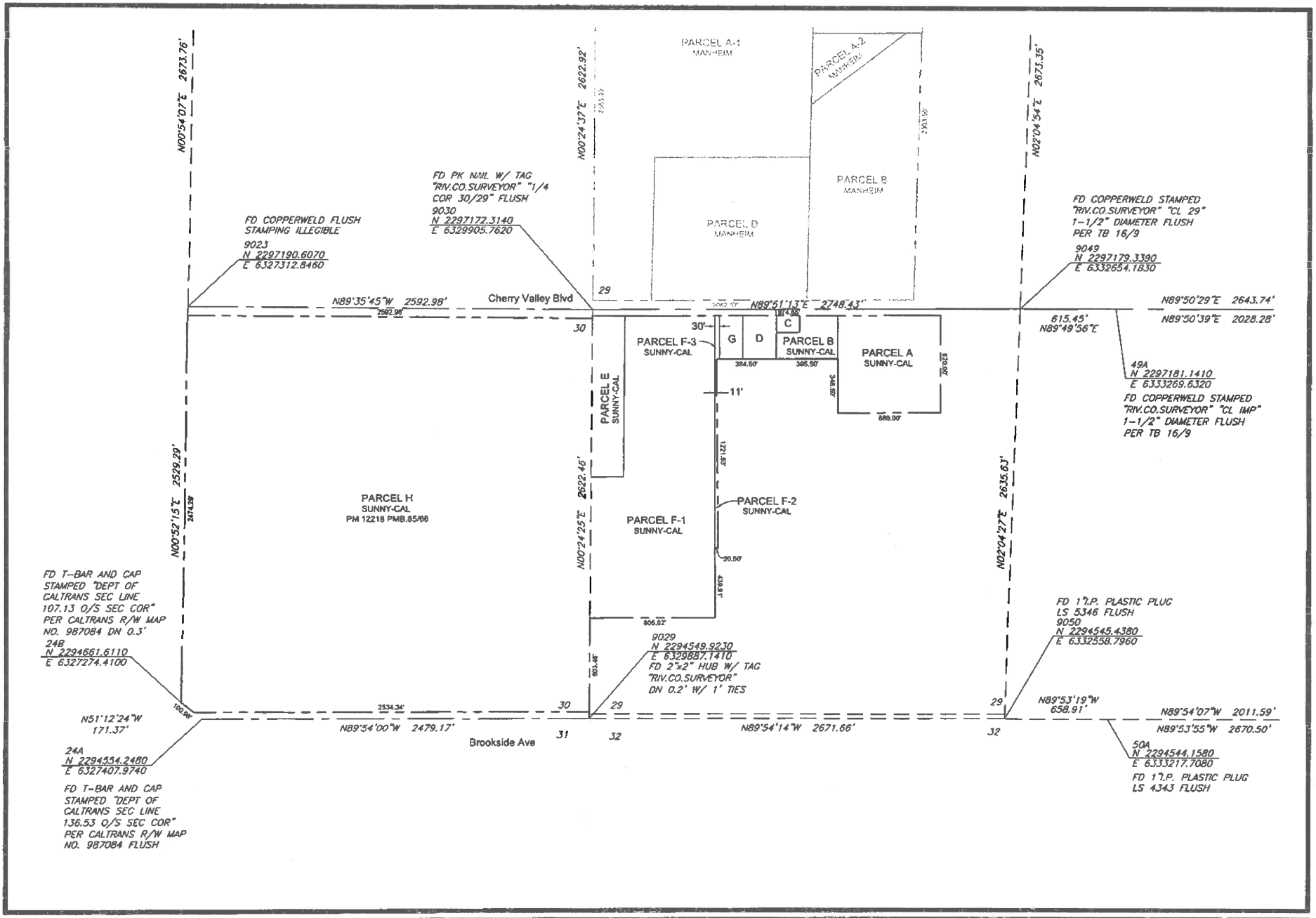
ALSO EXCEPT THE EASTERLY 215.00 FEET THEREOF;

ALSO EXCEPT THAT PORTION IN CHERRY VALLEY BOULEVARD FORMERLY KNOWN AS WOODLAND ROAD.

ALSO EXCEPT THAT PORTION DESCRIBED IN THE DEED TO THE COUNTY OF RIVERSIDE RECORDED JANUARY 20, 1975 AS INSTRUMENT NO. 6757 OF OFFICIAL RECORDS.

PARCEL H:

PARCELS 1 TO 7 INCLUSIVE, AND LOTS A TO K, INCLUSIVE OF PARCEL MAP NO. 12218, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN PARCEL MAP BOOK 85, PAGE 66 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.



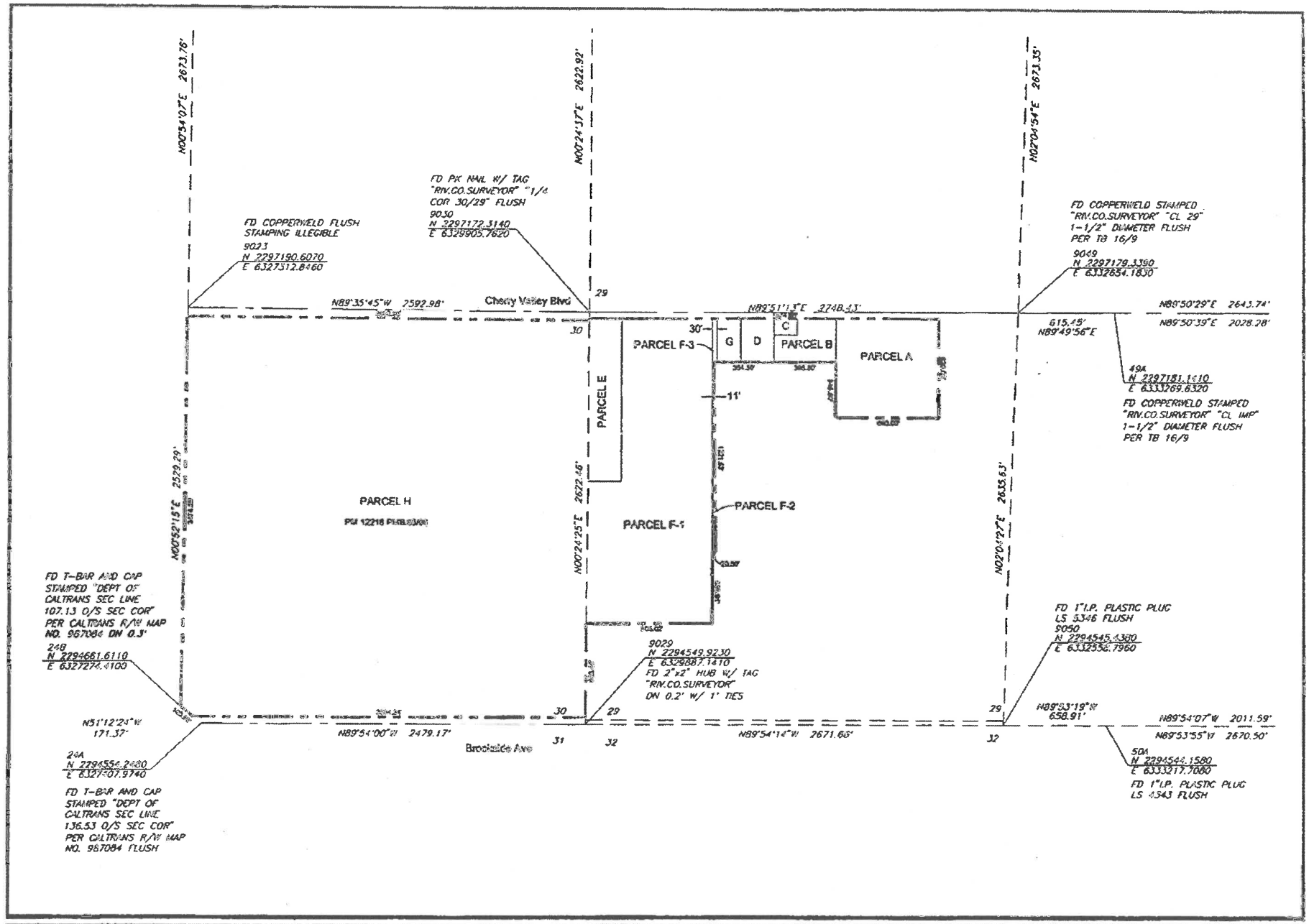
22690 CACTUS AVE. SUITE 300, MORENO VALLEY, CA 92553

Ownership Map for (Order No. 22035688-K26)

Exhibit B

Plotted: 3/25/2005 12:38:38 PM By: t_barger DWG: P:\31944.00\Dwg\prpx0034-ownership.dwg

SCALE: 1" = 800'



Stantec

22050 CACTUS AVE, SUITE 250, MORENO VALLEY CA 92553

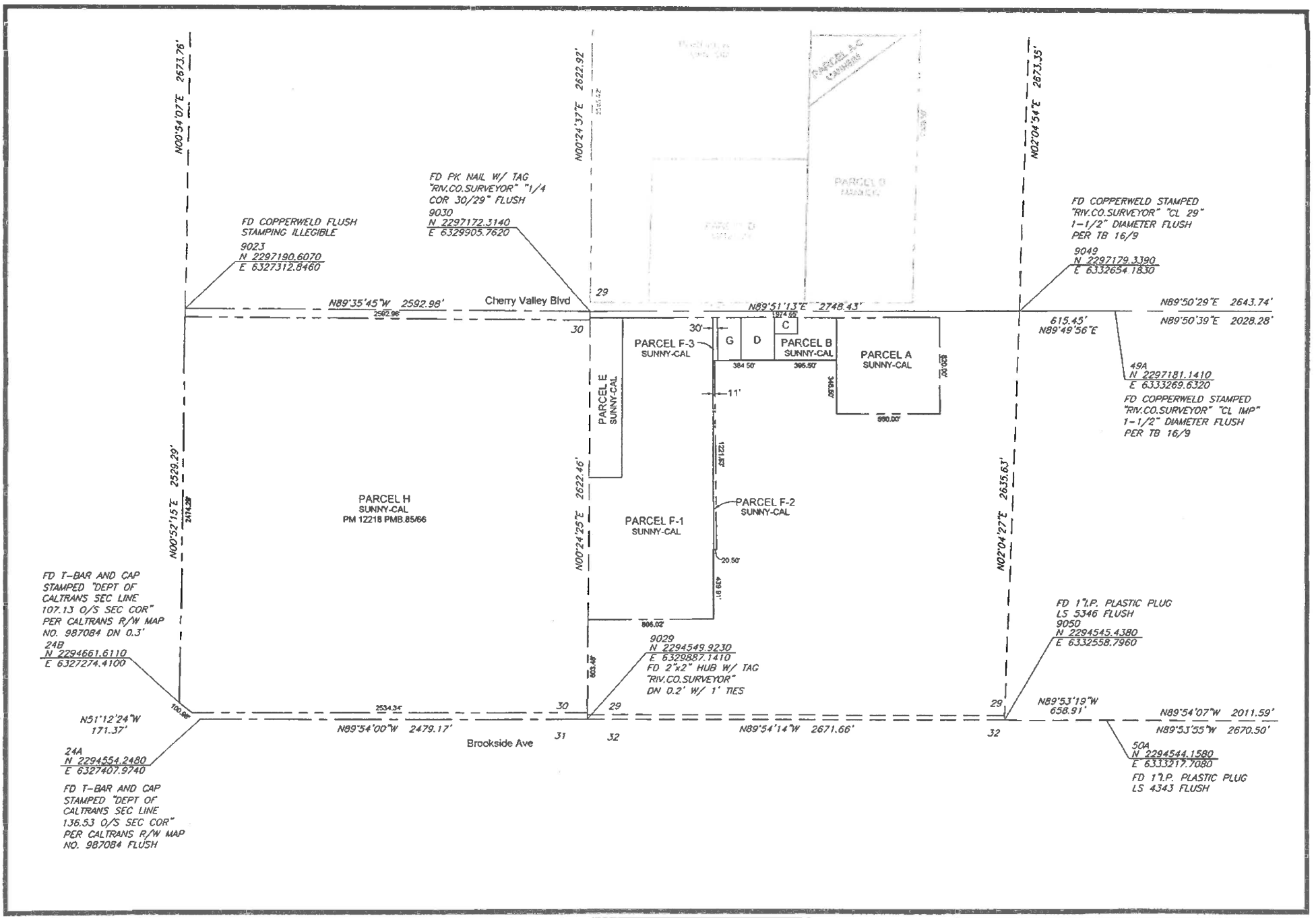
Specific Plan 05-01 (Sunny-Cal Specific Plan)

Plotted: Aug 10, 2007 - 3:57pm By: cochoa DWG: P:\31944.00\Dwg\prpx0071-ownership.dwg

Exhibit A

SCALE: 1" = 800'

EXHIBIT B
MAP OF THE PROPERTY



22690 CACTUS AVE. SUITE 300, MORENO VALLEY, CA 92553

Ownership Map for (Order No. 22035688-K26)

Exhibit B.2

Plotted: 3/25/2005 12:58 PM By: t_barger DWG: P:\31944.00\Dwg\prpx0034-ownership.dwg

SCALE: 1" = 600'

EXHIBIT C

LIST OF PERMITS AND APPROVALS

Actions and entitlements to implement the Specific Plan include:

- Amendment of the Sphere of Influence and Annexation to the City of Beaumont
- Annexation to Beaumont-Cherry Valley Water District
- Detachment from the Riverside County Waste Management Resources District
- City of Beaumont General Plan Amendment
- City of Beaumont Sunny-Cal Specific Plan
- Prezoning
- Parcel Map
- Tentative Tract Maps
- Environmental Impact Report, Findings of Fact, Statement of Overriding Considerations, and Mitigation Monitoring and Reporting Program
- Grading and Improvement Plans
- Final Map Review, Approval, and Recordation
- Discretionary Approvals

EXHIBIT "D"

SUNNY-CAL
SPECIFIC PLAN
CONDITIONS OF APPROVAL

GENERAL CONDITIONS

1. The following conditions of approval are for the **SUNNY-CAL SPECIFIC PLAN and consist of Conditions 1 through 34 inclusive.**

2. The Sunny-Cal Specific Plan shall consist of the following, components as approved through City of Beaumont City Council Resolution No. 2007-46.

   a. Approved Sunny-Cal Specific Plan Text (final document incorporating all changes made through public hearing process).

   b. Final Environmental Impact Report, Findings of Fact and Mitigation Monitoring Program

   c. Specific Plan Conditions of Approval

   All mitigation measures as contained in the Final EIR shall be conditions of approval for the project. Subsequent to the completion of the public hearing process, the Applicant shall finalize the Specific Plan to incorporate all changes and modifications, and provide the Director with five (5) bound and one reproducible copies of the Specific Plan text and exhibits, and the Final Environmental Impact Report. Twenty-five (25) compact disks with each of the aforementioned documents shall also be submitted.

3. If any of the following conditions of approval differ from the specific plan text or exhibits, the conditions enumerated herein shall take precedence.

4. Mitigation measures for impacts to the Beaumont Unified School District and any other districts which may ultimately serve the project shall be identified prior to the recordation of implementing tentative subdivision maps in accordance with the State laws and City Council policies in effect at the time of application submittal.

5. The development standards contained in the approved Specific Plan shall become the prevailing land use regulations for the areas contained within the Sunny-Cal Specific Plan. These regulations will have full force of the Zoning Ordinance of the Beaumont Municipal Code through application of the SPA (Specific Plan Area) Zone. Where conflicts exist between approved Specific Plan and the Beaumont Zoning Ordinance, the Specific Plan regulation shall prevail. Subject to the vesting effect of the Development Agreement, where

conflicts existing between the Specific Plan and the provisions of the Municipal Code, other than the Zoning Ordinance, the provisions of the Municipal Code shall prevail.

6. Development applications for development portions of the Specific Plan area which incorporate common areas shall be accompanied by design plans for the common area. Such plans shall specify the location and extent of landscaping and irrigation systems. Additionally, all circulation components (vehicular, pedestrian and/or equestrian) shall be indicated, and the approximate locations of structures or groups of structures shall be indicated.

7. A parcel map filed for the purposes of phasing or financing shall not be considered a development application for the purpose of these conditions.

8. The Planning Director may require special studies or reports in connection with implementing development applications for each planning area, if and to the extent reasonably necessary for appropriate review of a development application or as required under applicable law. Such reports may include, where appropriate:

	Study/Report
a.	Preliminary Soils and Geotechnical Report
b.	Erosion and Sedimentation Control Plan
c.	Streetscape, parkway and median landscape plan
d.	Fencing and wall plan
e.	Traffic and circulation assessment to document adequacy/function of proposed improvements
f.	Fuel modification plan
g.	Acoustical Study
h.	Cultural Resource Assessment

9. Common areas identified in the Specific Plan (i.e., parks, entry features, parkways, medians and open space features) shall be owned and maintained either through a Homeowners' Association or through the City's Community Facilities District (CFD), as approved by the Director of Planing, to ensure the long-term maintenance of such improvements.

10. Prior to issuance of a building permit for the construction of any use contemplated by this approval, any developer shall first obtain clearance from the Planning Department that all pertinent conditions of approval of the specific plan have been satisfied for the subject phase of development.

11. If and to the extent required by applicable law, an environmental assessment shall be conducted for each subsequent development applications including, but not limited to, parcel map, tract, change of zone, plot plan, use permit, variance or specific plan amendment. Said environmental assessment shall, to the greatest extent feasible under the California Environmental Quality Act (CEQA), utilize the evaluation of impacts addressed in the EIR prepared for the Sunny-Cal Specific Plan. The Sunny-Cal Specific Plan EIR shall be used as a Program EIR in evaluating subsequent discretionary entitlement actions.

12. The Sunny-Cal Specific Plan shall remain unmodified (except for modifications requested by the Applicant and approved by the City) for 25 years. Should the entire project not be built out in that period of time, the City shall be entitled to adopt specific plan amendments for any portion of the project which has not been constructed within 25 years.

13. The Applicants (or their successors-in-interest, as the case may be) shall defend, indemnify, and hold harmless the City of Beaumont, its agents, consultants, officers, and employees from any third-party claim, action or proceeding against the City of Beaumont or this agents, consultants, officers, or employees to attach, set aside, void or annul an approval of the City of Beaumont, its advisory agencies, appeal boards or legislative body concerning the Sunny-Cal Specific Plan. The City of Beaumont will promptly notify the Applicants or their successors of any such claim, action, or proceeding against the City of Beaumont and will cooperate fully in the defense.

14. The Applicants shall defend, indemnify and hold harmless the City of Beaumont and its employees, agents, consultants, officers and contractors from any third-party claim, action or proceeding related to the environmental documentation pursuant to the California Environmental Quality Act associated with the Sunny-Cal Specific Plan.

15. In accordance with Section 711.4 of the California Fish and Game Code, the Applicants/subdividers are obligated to pay a filing fee to defray cost incurred by the Department of Fish and Game in managing and protecting fish and wildlife trust resources. The Applicants/subdividers are also obligated to pay a documentary handling fee to defray costs incurred by the City of Beaumont in implementing the Department of Fish and Game filing fee program. These fees shall be paid to the County Clerk if the County of Riverside at the time of filing a notice of determination pursuant to Section 21152 of the Public Resources Code. Applicants shall not be entitled to exercise their rights under the Specific Plan or the Development Agreement until such fees have been paid. The amount of the fees

shall be in accordance with legally adopted fees at the time of the filing of the notice of determination.

LAND USE CONDITIONS

16. The Specific Plan may be developed up to a maximum yield of 597 dwelling units. Densities for each Planning Area shown the Specific Plan shall be determined through the appropriate development application, but not limited to, the following:

    a. Adequate availability of services;
    b. Adequate access and circulation;
    c. Sensitivity to land forms;
    d. Innovation in housing types, design, conservation, or opportunities; and
    e. Sensitivity to neighborhood design through appropriate lot and street layouts.

    Applicants shall, however, be permitted, through the density transfer provisions contained in the Specific Plan, to achieve the overall maximum densities for each Planning Area specified in the Specific Plan, as modified by these conditions of approval.

17. A multi-purpose trail, subject to the design approval of the Planning Director, shall be provided along the entire Brookside Avenue frontage.

18. Lots created pursuant to this specific plan shall be in conformance with the development standards of the SPA zone as established by this Specific Plan and the corresponding Planning Area standards for each Planning Area. The minimum lot size in the project shall be 7,000 square feet.

19. All grading within the specific plan shall be performed in accordance with the following conditions and development criteria:

    a. All grading shall take place in accordance with the City's adopted policies in effect at the time permits are issued and the grading criteria contained in the Specific Plan.

    b. Where cut and fill slopes are created in excess of three (3) feet in height, detailed landscaping and irrigation plans shall be submitted to the City prior to approval of grading plans. The plans will be reviewed for type and density of ground cover, seed mix, plant materials, staking details, and sizes and irrigation systems.

20. Applicants shall incorporate the following defensible space concepts into the design of projects which shall be included within all development plans and reviewed and approved by the City Police Department prior to approval of implementing projects:

a. Circulation for pedestrians, vehicles and police patrols.
b. Lighting of streets, walkways, bikeways, and commercial and industrial areas.
c. Visibility of doors and windows from the street and between buildings.
d. Fencing heights and materials.

21. In the event that, during or following grading of the project site or portions thereof, economic or other conditions prevent the Developer(s) from continuing with the project within a reasonable amount of time, as determined by the City, the City shall so notify the Developer(s) who shall contact the City Planning Department to identify necessary activities that the Developer must implement to protect public safety and minimize/prevent environmental degradation, particularly due to wind and water erosion. The Developer(s) shall be required to reimburse the City for the cost of activities to satisfy this condition.

22. Density transfer within the various components of the project and planning areas shall be subject to the limitations contained in the Administrative section of the Sunny-Cal Specific Plan. In conjunction with any request to transfer density, the Developer(s) shall submit a report outlining the status of the entire project in terms of (a) areas developed and undeveloped, (b) density previously transferred, and (c) quantitative impact on remaining development entitlement allocations.

23. Each developer shall use its best efforts to ensure that all construction contractors and subcontractors properly dispose of all wastes generated in permitted landfills or with a licensed recycling company. If any improper dumping of construction waste occurs, the developer of the portion of the Specific Plan area from which such wastes were taken shall guarantee reimbursement to the City of costs incurred by it associated with clean up, proper disposal, any necessary revegetation and legal penalties and remedies.

24. Construction areas shall be fenced as required by the City to preclude the creation of an attractive nuisance and to limit access to and disturbance of sensitive habitat areas.

25. In conjunction with the submittal of any tentative subdivision map, the applicant shall submit conceptual architectural and landscape architectural plans, as determined appropriate by the Planning Director, which illustrate and further develop the architecture and landscape elements suggested in the Specific Plan. The direction of the site design shall reflect the prevailing rural environment and the site's role as a land use transitional area between urban and rural areas.

PHASING CONDITIONS

26. Construction of the development permitted hereby, including recordation of final subdivision maps, may be conducted progressively in stages, provided adequate vehicular access,

infrastructure and public services are provided for all dwelling units and non-residential land uses in each stage of development, and further, provided that such phase of development conforms substantially with the intent and purpose of the Specific Plan Master Phasing Program and subsequent amendment as determined by the Planning Director.

27. Prior to the approval of any phase of development and/or approval of a tentative tract map, a focused traffic study shall be prepared for the respective phase of development. The purpose of the traffic study shall be to identify the specific traffic improvements necessary to achieve acceptable levels of service, as set forth in the Beaumont General Plan and Sunny Cal Environmental Impact Report. Identified improvements shall be made in conjunction with the respective development phase.

PARKS AND RECREATION CONDITIONS

28. Development of the property shall be accompanied by the concurrent phased dedication and improvement of not less than 10.45 acres of fully improved and usable park area. That phased dedication shall be to the City for maintenance by a Community Facilities District or other suitable maintenance entity as determined by the City.

29. Prior to recordation of the first implementing subdivision map, Applicants shall obtain City (and, if necessary, LAFCO) approval for the formation of a Community Facilities District or other appropriate financing mechanism, as determined by the City, to ensure the perpetual maintenance of dedicated lands for parks and recreational purposes, and for maintenance of other landscaped areas contained within public rights-of-way, or held in fee title by the City of Beaumont.

INFRASTRUCTURE CONDITIONS

30. Drainage and flood control facilities and improvements shall be provided in accordance with Riverside County Flood Control and Water Conservation District standards. A detailed engineered hydrology study shall be submitted for the approval of the Public Works Director prior to the recordation of any subdivision map.

31. An amendment to CEQA required the preparation of a program to ensure that all mitigation measures are fully and completely implemented. The Environmental Impact Report (EIR) prepared for the Sunny-Cal Specific Plan imposes certain mitigation measures on the project. Certain conditions of approval for the Sunny-Cal Specific Plan constitute self contained reporting/monitoring programs for certain mitigation measures. At the time of approval of subsequent development applications, further environmental reporting/monitoring programs may be established if additional mitigation is determined to be necessary through further

environmental review. The mitigation monitoring program for the Sunny-Cal Specific Plan EIR is hereby incorporated and performance of the mitigation measures set forth therein is a condition of approval of the Specific Plan.

32. Through Community Facilities District No. 93-1, an assessment district and/or through payment of development impact fees, the Developer shall be responsible for funding the project's fair share infrastructure and facility costs, as will be determined by the City of Beaumont Comprehensive Public Facilities Financing Plan.

33. Right-of-way shall be provided for and dedicated for the ultimate improvement of all roadways within or adjoining the project area in accordance with the City of Beaumont General Plan Circulation Element and the Sunny-Cal Specific Plan.

34. The City shall reserve the authority to determine the ultimate disposition and maintenance responsibility for any on- or off-site drainage facilities, water quality basins, and water quality or biological mitigation areas. Such features may, at the City's sole option, be accepted by the City of CFD 93-1 for maintenance, or shall, at the City's direction, be accepted and maintained by a Homeowners' Association or capable third party as approved by the City.

EXHIBIT E

STATEMENT OF BENEFITS TO THE CITY

The City will benefit from the high quality development, as well as the functional integrity, economic viability, environmental sensitivity, and positive aesthetic impact of the Project. As a master planned community the Sunny-Cal Specific Plan:

- Provides a high quality transition from facilities remaining on former egg ranch to suburban land uses consistent with recent development in the surrounding area
- Provides appropriate buffers with the surrounding development through the use of landscaped berms, and placement of large lots along Cherry Valley Boulevard.
- Is sensitive to the existing physical and other environmental and planning constraints of the site and surrounding area;
- Provides for the recreation and open space needs for the Project residents and surrounding community by incorporating a neighborhood park, two pocket parks, and a paseo system;
- Provides for connectivity between residential neighborhood and recreational areas through a network of pedestrian sidewalks paseos, and on- and off-street bicycle trails.
- Provides a land use plan that is sensitive to the environment, aesthetically pleasing, and places compatible land uses and facilities in an appropriate location;
- Establishes a circulation system that contributes to local and regional transportation needs and accommodates transit;
- Provides a system of infrastructure that includes public and private transportation, sewer, water, drainage, solid waste disposal energy, and other essential facilities to serve the needs of Project residents;
- Provide access patterns that minimize traffic conflicts;
- Develops community identity through the identification of project design elements such as architecture, landscaping, walls, fencing, signage, and entry treatments;
- Provides a comprehensive land use plan that designates the distribution, location, and extent of land uses;
- Provides housing opportunities that respond to market demands and provides a reasonable return on investment.
- Develops a project that promotes the public's health, safety and welfare.

DOC # 2019-0521786
12/17/2019 04:26 PM Fees: $0.00
Page 1 of 15
Recorded in Official Records
County of Riverside
Peter Aldana
Assessor-County Clerk-Recorder

This document was electronically submitted to the County of Riverside for recording
Receipted by: KAREN #277

RECORDING REQUESTED BY:

City of Beaumont

WHEN RECORDED MAIL TO:

City of Beaumont
550 E. 6th Street
Beaumont, CA 92223
Attention: City Manager's Office

(SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE)
Exempt from Recording Fees Pursuant to Government Code Section 27383
APN: 424-010-011 through 424-010-018

STATUTORY DEVELOPMENT AGREEMENT BY AND BETWEEN CITY OF BEAUMONT AND LASSEN DEVELOPMENT PARTNERS, LLLP

This Statutory Development Agreement ("Agreement") is entered into this 27TH day of NOVEMBER, 2019, by and between CITY OF BEAUMONT, a general law city and municipal corporation located in the County of Riverside, State of California ("City"), and LASSEN DEVELOPMENT PARTNERS, LLLP, a Delaware limited liability partnership ("Developer") pursuant to the authority of Sections 65864 et seq. of the California Government Code and Beaumont City Council Resolution No. 1987-34.

RECITALS:

WHEREAS, City is a general law city and a municipal corporation of the State of California; and;

WHEREAS, Developer owns approximately 198.38 acres of land the legal description of which is attached hereto and incorporated herein by reference in Exhibit "A" ("Subject Property") (Assessor Parcel Nos. 424-010-011 through 424-010-018, inclusive), subject to an existing specific plan known as the Hidden Canyon Specific Plan, located south of SR-60, west of Potrero Boulevard and east of Jack Rabbit Trail in the City of Beaumont; and

WHEREAS, Owner intends to convey the Subject Property to either (a) USAA Real Estate Company, a Delaware corporation, (b) an affiliate controlled by USAA Real Estate Company or having an interest therein, or (c) an affiliate known as MPLD II Inland Empire, LLC, a to-be-formed Delaware limited liability company ("Assignee"); and

WHEREAS, the Subject Property is subject to the following entitlements: General Plan Amendment 11-GPA-02, Hidden Canyon Specific Plan 11-SPA-01, Hidden Canyon EIR

and Addendum, Parcel Map 36426 and Plot Plan PP2018-0134 (as extended on October 8, 2019) ("Entitlements"); and

WHEREAS, the permitted uses of the Property are industrial uses being Trucking Terminal, Industrial Complex, Wholesale, Distribution and Storage, Administrative Offices and Other Uses determined to be substantially similar; the density and intensity of use is up to 2.89 million square feet of distribution warehouses, maximum allowable lot coverage 55%; the maximum height of the proposed buildings is 50 feet above building finish floor elevation, the current approved size of Building 1 is 1,867,040 sf and the current approved size of Building 2 is 1,015,280 sf, minor modifications to building size and design are allowed per the specific plan as long as the maximum square footage is not exceeded; the specific provisions for reservation or dedication of land for public purposes are that Lots A & B of Parcel Map dedicated for streets and public utilities, Parcel A is open space, Parcel B is a retention basin and Parcel C is an open space area (collectively, the "Project"); and

WHEREAS, the Project will provide jobs and industry in the City of Beaumont; and

WHEREAS, Developer is not requesting from the City, nor is the City providing, any form of financial assistance to locate, develop, construct and/or operate in the City of Beaumont, and Developer agrees to comply with all conditions of approval; and

WHEREAS, to strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California adopted Sections 65864 et seq. of the California Government Code, "Development Agreement Statute" which authorizes cities to enter into property development agreements with any person(s) or entity(ies) having a legal or equitable interest in real property for the development of such real property in order to establish certain development rights in the real property; and

WHEREAS, this Development Agreement is intended to provide assurances to Developer that an approved Project may proceed subject to the policies, rules, regulations, and conditions of approval applicable to the Project at the time of approval, regardless of any changes to City policies, rules, and regulations after project approval, and provide assurances that City cannot otherwise unilaterally impose conditions of approval of the Project outside the context of the negotiated development agreement; and

WHEREAS, this Agreement will eliminate uncertainty in planning for and securing orderly development of the Subject Property, assure installation of necessary improvements, and ensure attainment of the maximum effective utilization of resources within the City at the least economic cost to its citizens; and

WHEREAS, based on the foregoing recitals, City has determined that this Agreement is appropriate under the Development Agreement Statute and Beaumont City Council Resolution No. 1987-34; and

WHEREAS, this Agreement is voluntarily entered into in consideration of the benefits to and the rights created in favor of each of the parties hereto and in reliance upon the various representations and warranties contained herein; and

WHEREAS, City, as "Lead Agency" under the California Environmental Quality Act ("CEQA") and the CEQA Guidelines, has determined that the "Project," as more fully described in this Agreement, has been fully analyzed per CEQA Guidelines under the existing EIR and Addendum for the Project.

NOW, THEREFORE, pursuant to the authority contained in the Development Agreement Statute and Beaumont City Council Resolution No. 1987-34 and in consideration of the mutual covenants and promises of the parties contained herein, the Parties agree as follows:

AGREEMENT:

Section 1. Incorporation of Recitals and Exhibits

The foregoing Recitals and attached Exhibits are true and correct and are incorporated into this Agreement by this reference as though fully set forth herein.

Section 2. Effective Date

This Agreement shall become effective on the effective date ("Effective Date") of the ordinance enacting this Agreement ("Enacting Ordinance").

Section 3. Term

The parties agree that the Term of this Agreement shall be for a term of seven (7) years commencing on the Effective Date, subject to any termination provisions described in this Agreement ("Term").

Section 4. Project

The "Project" will include the development of up to 2.89 million square feet of industrial development with associated on and off-site improvements and landscaping on the Subject Property, which consist of approximately 198.38 acres of vacant land in the Hidden Canyon Specific Plan, subject to the following Entitlements: General Plan Amendment 11-GPA-02, Hidden Canyon Specific Plan 11-SPA-01, Hidden Canyon EIR and Addendum, Parcel Map 36426 and Plot Plan PP2018-0134 (as extended on October 8, 2019).

Section 5. Project Site

The "Project Site" is the same as the Subject Property, which consists of approximately 198.38 acres of vacant land in the Hidden Canyon Specific Plan, located south of SR-60, west of Potrero Boulevard and east of Jack Rabbit Trail, in the City of Beaumont, California.

Section 6. Termination

This Agreement shall be terminated and of no further effect upon the occurrence of any of the following events:

(a) The expiration of the Term of this Agreement; or

(b) Entry of final judgment or issuance of a final order by a court of competent jurisdiction directing City to set aside, withdraw, or abrogate City's approval of this Agreement or any material part of the Entitlements;

(c) The effective date of City's election to terminate this Agreement in response to an uncured default by Developer, pursuant to the terms of this Agreement; or

(d) The effective date of Developer's election to terminate this Agreement for any reason.

In the event of a termination of this Agreement with respect to any portion of the Project or Project Site, any then-existing rights and obligations of the parties under this Agreement with respect to such portion of the Project or Project Site shall automatically terminate and be of no further force, effect or operation. No termination of this Agreement with respect to any portion of the Project or Project Site shall affect in any way the parties' rights and obligations hereunder with respect to any other portion of the Project or Project Site. If City lawfully terminates this Agreement because of Developer's default, then City shall retain any and all benefits, including without limitation any money, improvements, structures, easements or dedications received by City pursuant to any term or condition of this Agreement.

Section 7. Cooperation by Developer

Developer shall, in a timely manner, provide City with all documents, applications, plans and other information necessary for City to carry out its obligations under this Agreement and cause its planners, engineers and other consultants to do the same. Developer also shall apply in a timely manner for such other permits and approvals from other governmental or quasi- governmental agencies having jurisdiction over the Project or Project Site as may be required for the development or operation of the Project or Project Site, as contemplated by this Agreement. For the avoidance of doubt, nothing in this Agreement shall be construed to require Developer to develop, construct, open or operate on the Project Site. Except as provided to the contrary in Sections 23 and 24 regarding Hold Harmless and Indemnity, Developer shall have no obligations under this Agreement for matters that occur or obligations that arise with respect to any portion of the Project Site after it has transferred such portion of the Project Site to another party so long as Developer has complied with Section 17 hereof by providing notice to the City or obtaining the City's approval to the extent required in Section 17.

Section 8. Processing Fees

Notwithstanding anything else herein, Developer shall pay all applicable fees pursuant to the Beaumont Municipal Code and established Fee Schedule in the amounts set forth in the

schedule of fees in effect at the time such fees are due and payable during the development process. Without limiting the forgoing such fees will include grading permit fees, building permit fees and other similar fees.

Section 9. Vested Rights and Applicable Rules, Regulations and Policies

(a) Except as otherwise provided in this' Agreement, Developer shall have the vested right to develop the Project and Project Site pursuant to the Entitlements and the rules, regulations, and policies governing use, density, design, improvement, construction, maximum height and size of proposed buildings in effect on the Effective Date of this Agreement (collectively, "Applicable Law"). It is the intent of City and Developer that the vesting of development rights of Developer shall include the permitted land uses, density and intensity of use of the Project Site, timing or phasing of development, zoning, and the location and size of public improvements and other terms and conditions of development of the Project or Project Site as set forth in the Entitlements and this Agreement. Except in the event of termination of this Agreement under Section 6, the Entitlements associated with the Project shall not expire prior to the end of the Term. In addition, pursuant to the City's policies, if, prior to the expiration of the Term of this Agreement, Developer has completed either Building 1 or Building 2, and all public and private improvements required in relation thereto and an unconditional Certificate of Occupancy has been issued by City, the Entitlements relative to such building shall have been deemed satisfied as it relates to this Agreement and the Entitlements for the remaining building to be constructed will continue in effect as otherwise provided in this Agreement.

(b) In accordance with Government Code Section 65866, nothing herein shall be construed to limit City's authority in subsequent actions applicable to the Property, to apply new rules, regulations and policies to the Project or Project Site which do not conflict with the Applicable Law or this Agreement, nor to limit City's police power to implement, based upon appropriate and adequate findings, specific emergency measures necessary to protect against real and actual threats to the health, safety and welfare of the general public. Nor shall this Development Agreement prevent the City from denying or conditionally approving any subsequent development project application on the basis of these existing or new rules, regulations, and policies.

(c) Notwithstanding anything to the contrary contained in this Agreement, City shall apply to the Project or Project Site, at any time during the term of this Agreement, the codes then in effect, as set forth in Title 15 of the Beaumont Municipal Code "Buildings and Construction".

(d) As provided in California Government Code Section 65869.5, this Agreement shall not preclude the application to the Project or Project Site of changes in laws, regulations, plans or policies, to the extent that such changes are specifically mandated and required by changes in state or federal laws or regulations ("Changes in the Law"). In the event Changes in the Law prevent or preclude compliance with one or more of the provisions of this Agreement, such provisions of this Agreement shall be modified or suspended, or performance thereof delayed, as may be necessary to comply with the Changes in the Law,

and City and Developer shall take such action as may be required pursuant to this Agreement.

Section 10. Assessments, Fees, Mitigation and Exactions.

The City shall not impose any future assessment, fee, mitigation measure or exaction on the Property, the Project or the Development Plan or any portion thereof, except (a) those existing and proposed assessments, fees, mitigation measures and exactions in existence on the date of this Agreement as they may be amended from time to time, (b) such other fees, assessments and exactions as may be adopted or imposed by the City in conformance with the requirements of Article XIII D of the California Constitution, (c) such other development impact fees or categories of development impact fees which are adopted on a City or County-wide basis or as required as a condition to obtaining County funding; and (d) such other development impact fees or categories of development impact fees which are imposed on other development projects in the City and are adopted and levied based on a benefit assessment. Fees payable to City shall be at rates applicable on the date the fee is paid.

Section 11. Revisions

Developer initiated revisions to the entitlements related to the Project or Project Site shall not require an amendment to this Agreement, provided that City finds and determines that the proposed change or modification is consistent with the development standards and guidelines set forth in this Agreement and Applicable Laws.

Section 12. Nexus/Reasonable Relationship Challenges

Developer consents to, and waives any rights it may have now or in the future to challenge the legal validity of, the conditions or requirements set forth in this Agreement including, without limitation, any claim that they constitute an abuse of the police power, violate substantive due process, deny equal protection of the laws, effect a taking of property without payment of just compensation, or impose an unlawful tax.

Covenant Not To Sue. The Parties to this Agreement, and each of them, agree that this Agreement and each term hereof is legal, valid, binding, and enforceable. The Parties to this Agreement, and each of them, hereby covenant and agree that each of them will not commence, maintain, or prosecute any claim, demand, cause of action, suit, or other proceeding against any other Party to this Agreement, in law or in equity, or based on an allegation, or assert in any such action, that this Agreement or any term hereof is void, invalid, or unenforceable

Section 13. Covenants Binding

All of the terms, provisions, and obligations contained in this Agreement shall be binding upon the City and Developer. Notwithstanding anything set forth in this Agreement to the contrary, during the term hereof, the Project and Project Site shall be subject to this

Agreement, and any development of any portion of the Project and Project Site shall be subject to and in accordance with the terms of this Agreement.

Section 14. Periodic Review

City shall conduct a review of this Agreement as set forth as follows:

(a) Annual Review. City will review the extent of good faith compliance by Developer with the terms of this Agreement annually commencing on the first anniversary of the Effective Date of this Agreement.

(b) Notice. City shall notify Developer in writing of the date of review at least thirty (30) days prior thereto.

(c) Cooperation. Developer agrees to reasonably cooperate with City's review process.

(d) Failure to Conduct Review. City's failure to conduct an annual review of this Agreement shall not constitute a breach of this Agreement.

(e) Certificate of Compliance. If, at the conclusion of a periodic or special review, Developer is found to be in compliance with this Agreement, City shall issue a Certificate of Compliance ("Certificate") to Developer stating that after the most recent periodic or special review, and based upon the information known or made known to City that: (i) this Agreement remains in effect and (ii) Developer is not in default. City shall not be bound by a Certificate if a default existed at the time of the periodic or. special review, but was concealed from or otherwise not known to City, regardless of whether or not the Certificate is relied upon by assignees or other transferees or Developer.

Section 15. Relationship of Parties

It is specifically understood and agreed by and among the parties hereto that the Project is a private development and that neither party is acting as the agent of the other in any respect hereunder. City and Developer also hereby renounce the existence of any form of joint venture or partnership among them, and agree that nothing contained herein or in any document executed in connection herewith shall be construed as making City and Developer joint venturers or partners.

Section 16. No Third Party Beneficiaries

The only parties to this Agreement are Developer and City. There are no third-party beneficiaries and this Agreement is not intended, and shall not be construed, to benefit, or be enforceable by any other person whatsoever.

Section 17. Assignment of Rights

Developer shall have the right to assign or delegate all or a portion of its rights, duties and obligations under this Agreement to subsequent fee owners of the Subject Property, (a) by giving prior written notice to City, to any entity in which Developer, or its principal shareholders, retain a majority ownership interest so long as such assignee expressly assumes the obligations of Developer hereunder, and (b) with the prior written consent of the City, which shall not be unreasonably withheld, to any other subsequent fee owner of the Project or portion thereof. Otherwise, Developer may not assign all or any portion of its rights hereunder nor delegate all or any portion of its duties and obligations hereunder. Notwithstanding the foregoing provisions of this Section 17, without further approval by the City, Developer may assign its rights and obligations hereunder, upon the conveyance of the Subject Property within one hundred twenty (120) days after the Effective Date, to the "Assignee" defined in the Recitals. Developer shall provide the City a copy of a written assignment of Development Agreement to such Assignee within ten (10) days after such conveyance of the Subject Property. When a permitted assignment has taken place pursuant to this Section 17, the assignor shall have no further duties, obligations or rights thereafter under this Agreement with respect to the portion of the Subject Property which is being transferred (except in relation to matters which occurred prior to the date of such transfer as provided in Sections 23 and 24).

Section 18. Singular and Plural; Gender; and Person

Except where the context requires otherwise, the singular of any word shall include the plural and vice versa; pronouns inferring the masculine gender shall include the feminine gender and neuter, and vice versa; and a reference to "person" shall include, in addition to a natural person, any governmental entity and any partnership, corporation, joint venture or any other form of business entity.

Section 19. Time Is of the Essence

Time is of the essence of this Agreement and of each and every term and condition hereof.

Section 20. Waiver

All waivers must be in writing to be effective or binding upon the waiving party, and no waiver shall be implied from any omission by a party to take any action with respect to an Event of Default as defined in this Agreement. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by the other party shall not constitute waiver of such party's right to demand strict compliance and specific performance by the other party in the future. In addition, no express written waiver of any Event of Default shall affect any other Event of Default, or cover any period of time other than as specified in such express waiver.

Section 21. Amendments

This Agreement may be amended from time to time by mutual consent of the original parties or their successors in interest, with City's costs payable by amendment applicants, in accordance with the provisions of Government Code Sections 65867 and 65868 and City's adopted procedures and requirements for the consideration of amendments to development agreements. Minor revisions, as described above, shall not require an amendment to this Agreement.

Section 22. Ambiguities or Uncertainties

The parties hereto have mutually negotiated the terms and conditions of this Agreement and each party received independent legal advice from its attorneys with respect to the advisability of executing this Agreement and the meaning of the provisions contained herein. As such, this Agreement is a product of the joint drafting efforts of both parties and neither party shall be deemed to have solely or independently prepared or framed this Agreement. Therefore, any ambiguities or uncertainties are not to be construed against or in favor of either party.

Section 23. Hold Harmless

Developer hereby agrees to, and shall defend, indemnify and hold harmless City, city council, commissions, boards, subcommittees and City's elected and appointed officials, commissioners, board members, officers, agents, consultants and employees ("City Parties") from, any and all claims, costs and liability for any damages, personal injury or death, which may arise, directly or indirectly, from Developer's or Developer's officers', agents', consultants', employees', contractors' or subcontractors' negligent, willful or reckless conduct performed under or with respect to this Agreement. Developer shall have no obligations under this Section 23 (except in relation to matters which occurred prior to the date of such transfer) with respect to any portion or all of the Subject Property after it has transferred and conveyed its fee interest in such portion or all of the Subject Property to a third party.

Section 24. Indemnification

Developer shall defend, indemnify and hold harmless City, city council, commissions, boards, subcommittees and City's elected and appointed officials, commissioners, board members, officers, agents, consultants and employees ("City Parties") from and against any and all liabilities, demands, claims, actions or proceedings and costs and expenses incidental thereto (including costs of defense, settlement and reasonable attorneys' fees), which any or all of them may suffer, incur, be responsible for or pay out as a result of or in connection with any challenge to the legality, validity or adequacy of any of the following items: (i) this Agreement and the concurrent and subsequent permits, licenses and entitlements approved by City; (ii) any environmental determination made by City in connection with the Project, Project Site or this Agreement; and (iii) any proceedings or other actions undertaken by City in connection with the adoption or approval of any of the above. In the event of any

administrative, legal, equitable action or other proceeding instituted by any third party (including without limitation a governmental entity or official) challenging the legality, validity or adequacy of any of the above items or any portion thereof, the Parties shall mutually cooperate with each other in defense of said action or proceeding. Notwithstanding the above, City, at its sole option, may tender the complete defense of any third-party challenge as described herein. In the event City elects to contract with special counsel to provide for such a defense, City shall meet and confer with Developer regarding the selection of counsel, and Developer shall pay all costs related to retention of such counsel by City. Developer shall have no obligations under this Section 24 (except in relation to matters which occurred prior to the date of such transfer) with respect to any portion or all of the Subject Property after it has transferred and conveyed its fee interest in such portion or all of the Subject Property to a third party.

Section 25. Delays in Performance

In addition to any other provisions of this Agreement with respect to delay, Developer and City shall be excused for performance of their obligations hereunder during any period of delay caused by acts of God or civil commotion; major acts of terrorism occurring in the United States of America, riots, strikes, picketing, or other labor disputes; shortage of materials or supplies; damage to or prevention of work in process by reason of fire, floods, earthquake, or other casualties; litigation, restrictions imposed or mandated by governmental or quasi-governmental entities; and/or enactment of conflicting provisions of the Constitution, laws of the United States of America, the State of California, or any codes, statutes, regulations or executive mandates promulgated thereunder. If written notice of such delay is given to either party within thirty (30) days after the commencement of such delay, an extension of time for such cause shall be granted in writing for the period of the delay, or longer as may be mutually agreed upon.

Section 26. Events of Default

A default under this Agreement shall be deemed to have occurred upon the happening of one or more of the following events or conditions: (i) a warranty, representation, or statement made or furnished by Developer expressly in this Agreement to City or by City to Developer is false or proves to have been false in any material respect when it was made, or (ii) a finding by City made following a periodic review of the Agreement under the procedure provided in this Agreement, based on substantial evidence, that Developer has not complied in good faith with one or more of the terms or conditions of this Agreement, or (iii) Developer's failure to perform any of its material obligations under this Agreement (each an "Event of Default"). Upon the occurrence of an Event of Default by Developer or City, the non-defaulting party shall provide the other party thirty (30) calendar days written notice specifying the nature of the alleged default and the manner in which said default may be satisfactorily cured ("Notice of Default"). Subject to any extensions of time by mutual consent of the parties in writing, and subject to the provisions of Sections 25 and 31 of this Agreement, the failure or unreasonable delay by either party to perform any material term or provision of this Agreement for a period of thirty (30) days after the receipt of a written notice of default from the other party

shall constitute a default under this Agreement. If the nature of the alleged default is such that it cannot reasonably be cured within such thirty (30) calendar day period, the commencement of the cure within such time period and the diligent prosecution to completion of the cure shall be deemed a cure within such period. Any Notice of Default given hereunder shall specify in detail the nature of the alleged Event of Default and the manner in which such Event of Default may be satisfactorily cured in accordance with the terms and conditions of this Agreement. During the time periods herein specified for cure of an Event of Default, the party charged therewith shall not be considered to be in default for purposes of termination of this Agreement, institution of legal proceedings with respect thereto, or whether any further building permits shall be issued with respect to the Project Site.

Section 27. No Ministerial Permits upon Developer Default

No ministerial permits, such as but not limited to building permits and grading permits, shall be issued nor shall any applications for such ministerial permits be accepted for any structure or improvement for the Project or on the Project Site during the course of any default proceedings initiated by City until after it has been determined Developer is not in default or until such default is cured by Developer or is waived by City.

Section 28. Applicable Law

This Agreement shall be construed and enforced in accordance with the laws of the State of California.

Section 29. Venue

In the event that suit is brought by either party to this Agreement, the parties agree that venue shall be exclusively vested in the State courts of the County of Riverside, California or where appropriate, in the United States District Court, Southern District of California, Riverside, California.

Section 30. No Damages Relief

Notwithstanding anything else in this Agreement to the contrary, the parties acknowledge that neither would have entered into this Agreement had either been exposed to damage claims for any breach hereof. As such, the parties agree that in no event shall either party be entitled to recover monetary damages of any kind whatsoever (other than the recovery of costs and attorney's fees pursuant to the terms of this Agreement or applicable law) against the other for breach of this Agreement.

Section 31. Legal Action; Attorneys' Fees

Either party may, in addition to any other rights or remedies, institute legal action to cure, correct or remedy a default, enforce any covenant or agreement herein, enjoin any

threatened or attempted violation hereof, or enforce by specific performance the obligations and rights of the parties hereto. The prevailing party in any such action shall be entitled to its reasonable attorneys' fees and costs to be paid by the losing party.

Section 32. Notices

Any notice or communication required hereunder among City and Developer shall be in writing, and may be given either personally or by registered mail, return-receipt requested. Notice, by personal delivery, shall be deemed to have been given and received on the actual receipt by any of the addressees designated below as the party to whom notices are to be sent. Notice by registered mail shall be deemed to have been received when delivered by the US Mail service to the recipient. Any party hereto may at any time, upon written notice to the other party hereto, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the parties at their addresses set forth below:

To City:

City of Beaumont
550 E. 6th Street
Beaumont, CA 92223
Attention: Community Development Director

To Developer:

Lassen Development Partners, LLLP,
a Delaware limited liability limited partnership
c/o Verdeam LLC
3900 S. Wadsworth Blvd, Suite 650
Denver, Colorado 90235
Attn: Carl G. de Rozario
E-mail: cderozario@verdeam.com

Section 33. Consistency of Entitlements with Agreement

The parties hereto acknowledge that it is their intention that all terms, conditions and obligations of any and all entitlements related to the Project Site and/or Project, or arising from this Agreement shall be consistent with, or at minimum, shall not conflict with, the terms, provisions and obligations of this Agreement.

Section 34. Partial Invalidity Due to Governmental Action

In the event state or federal laws or regulations enacted after the Effective Date, or formal action of any governmental entity other than City, prevent compliance with one or more provisions of this Agreement, or require changes in plans, maps or permits approved by City, the parties agree that the provisions of this Agreement shall be modified, extended or

suspended only to the minimum extent necessary to comply with such laws or regulations.

Section 35. Further Actions and Instruments

The parties agree to provide reasonable assistance to the other and cooperate to carry out the intent and fulfill the provisions of this Agreement. Each of the parties shall promptly execute and deliver all documents and perform all acts as necessary to carry out the matters contemplated by this Agreement.

Section 36. Entire Agreement

This Agreement and the exhibits attached hereto contain all the representations and the entire agreement between the parties with respect to the subject matter hereof. Except as otherwise specified in this Agreement and the exhibits attached hereto, any prior correspondence, memoranda, warranties, representations and agreements unless otherwise provided in this Agreement, are superseded in total by this Agreement and the exhibits attached hereto.

Section 37. Severability

If any term, provision, covenant or condition of this Agreement is repealed by referendum or is held by a court of competent jurisdiction or an authorized government enforcement agency to be invalid, void or unenforceable, the remaining provisions, if any, of this Agreement shall continue in full force and effect, unless enforcement of this Agreement as so invalidated would be unreasonable or grossly inequitable under all the circumstances or would frustrate the purposes of this Agreement.

Section 38. Authority to Execute Agreement

The person or persons executing this Agreement on behalf of Developer and City warrant and represent that they have the authority to execute this Agreement and the authority to bind Developer and City, as applicable, to the performance of their respective obligations hereunder.

Section 39. Counterparts

This Agreement may be executed in duplicate counterpart originals, each of which is deemed to be an original, and all of which when taken together shall constitute one and the same instrument.

Section 40. Recordation

In order to comply with Section 65868.5 of the Development Agreement Statute, the parties do hereby direct the City Clerk to cause a copy of this Agreement to be recorded with the Riverside County Recorder's Office within ten (10) days after the Enacting Ordinance takes effect.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the dates written above.

CITY OF BEAUMONT	**DEVELOPER**
APPROVED: By: Julio Martinez, Mayor **ATTEST:** By: _____ Steven Mehlman, City Clerk **APPROVED AS TO FORM:**	**APPROVED:** **Lassen Development Partners, LLLP, a Delaware limited liability limited partnership** By: Lassen Development Partners GP, LLC, a Delaware limited liability company, its General Partner By: _____ Name: STEVEN ST. CLAIR Title: MEMBER Date: 11.27.19

See attached acknowledgement dated NOV. 27, 2019.

5291.009.2093655.6

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of ***California***)

County of ***Orange***)

On NOV. 27, 2019 before me ***Mehdi Zahedi,*** notary public Personally appeared _____

STEVEN ST CLAIR

who proved to me on the basis of satisfactory evidence to be the person whose name(~~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 he / ~~she / they~~ signature(~~s~~) on the instrument the person(~~s~~), or the entity upon behalf of which the person(~~s~~) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____
Mehdi Zahedi, notary public

BCT3 MEHDI ZAHEDI COMM...2135028 NOTARY PUBLIC-CALIFORNIA ORANGE COUNTY My Term Exp. December 23, 2019 BCT3

Notary Seal

OPTIONAL

Though the information below is not required by law, it may prove valuable to person(s) relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Title or type of Document: , Statutory development agreement by and between City of Beaumont and Loesch development partnership LLC

Document Date NOV. 27, 2019 Number of pages: 15 PGS (including this page)

DOC # 2021-0431271
07/19/2021 12:17 PM Fees: $0.00
Page 1 of 20
Recorded in Official Records
County of Riverside
Peter Aldana
Assessor-County Clerk-Recorder

RECORDING REQUESTED BY:

City of Beaumont

This document was electronically submitted to the County of Riverside for recording
Receipted by: JACQUELINE #2386

WHEN RECORDED MAIL TO:

City of Beaumont
550 E. 6th Street
Beaumont, CA 92223
Attention: City Manager's Office

(SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE)
Exempt from Recording Fees Pursuant to Government Code Section 27383
APN: 424-050-016, 018, 020 & 022

STATUTORY DEVELOPMENT AGREEMENT BY AND BETWEEN CITY OF BEAUMONT AND USEF CROSSROADS I & II, LLC

This Statutory Development Agreement ("Agreement") is entered into this 1ST day of June 2021, by and between CITY OF BEAUMONT, a general law city and municipal corporation located in the County of Riverside, State of California ("City"), and USEF CROSSROADS I, LLC, a Delaware limited liability company. and USEF CROSSROADS II, LLC, a Delaware limited liability company (collectively, "Developer"), pursuant to the authority of Sections 65864 et seq. of the California Government Code and Beaumont City Council Resolution No. 1987-34.

RECITALS:

WHEREAS, City is a general law city and a municipal corporation of the State of California; and;

WHEREAS, Developer owns approximately 126 developable acres of land the legal description of which is attached hereto and incorporated herein by reference in Exhibit "A" ("Subject Property") (Assessor Parcel Nos. 424-050-016, 018, 020,& 022, inclusive), subject to an existing specific plan known as the Rolling Hills Ranch Industrial Park Specific Plan, located south of SR-60, east of Potrero Boulevard in the City of Beaumont; and

WHEREAS, the Subject Property is subject to the following entitlements: General Plan Amendment 04-GPA-03, Rolling Hills Ranch Industrial Park Specific Plan, EIR and Addendums, Parcel Map 34209 and Plot Plan 04-PP-18, all as may have been amended ("Entitlements"); and

WHEREAS, the developed portion of the site is constructed and occupied by Wolverine on Parcel 2 located at 1020 W. Prosperity Way and Amazon on Parcel 3 located at 1010 W. Fourth Street; and

WHEREAS, the permitted uses of the Property are contained in the Beaumont Municipal Zoning Code in section 17.50.200 ML Zone (Light Manufacturing) including industrial uses being Trucking Terminal, Industrial Complex, Wholesale, Distribution and Storage, Administrative Offices and Other Uses determined to be substantially similar; the density and intensity of use is up to approximately 3 million square feet of distribution warehouses; and

WHEREAS, the Project provides jobs and industry in the City of Beaumont; and

WHEREAS, Developer is not requesting from the City, nor is the City providing, any form of financial assistance to locate, develop, construct and/or operate in the City of Beaumont, and Developer agrees to comply with all conditions of approval; and

WHEREAS, to strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California adopted Sections 65864 et seq. of the California Government Code, "Development Agreement Statute" which authorizes cities to enter into property development agreements with any person(s) or entity(ies) having a legal or equitable interest in real property for the development of such real property in order to establish certain development rights in the real property; and

WHEREAS, this Development Agreement is intended to provide assurances to Developer that an approved Project may proceed subject to the policies, rules, regulations, and conditions of approval applicable to the Project at the time of approval, regardless of any changes to City policies, rules, and regulations after project approval, and provide assurances that City cannot otherwise unilaterally impose conditions of approval of the Project outside the context of the negotiated development agreement; and

WHEREAS, this Agreement will eliminate uncertainty in planning for and securing orderly development and occupancy of the Subject Property, assure installation of necessary improvements, and ensure attainment of the maximum effective utilization of resources within the City at the least economic cost to its citizens; and

WHEREAS, based on the foregoing recitals, City has determined that this Agreement is appropriate under the Development Agreement Statute and Beaumont City Council Resolution No. 1987-34; and

WHEREAS, this Agreement is voluntarily entered into in consideration of the benefits to and the rights created in favor of each of the parties hereto and in reliance upon the various representations and warranties contained herein; and

WHEREAS, City, as "Lead Agency" under the California Environmental Quality Act ("CEQA") and the CEQA Guidelines, has determined that the "Project," as more fully described in this Agreement, has been fully analyzed per CEQA Guidelines under the existing EIR and Addendum for the Project.

NOW, THEREFORE, pursuant to the authority contained in the Development Agreement Statute and Beaumont City Council Resolution No. 1987-34 and in consideration of the mutual covenants and promises of the parties contained herein, the Parties agree as follows:

AGREEMENT:

Section 1. Incorporation of Recitals and Exhibits

The foregoing Recitals and attached Exhibits are true and correct and are incorporated into this Agreement by this reference as though fully set forth herein.

Section 2. Effective Date

This Agreement shall become effective on the effective date ("Effective Date") of the ordinance enacting this Agreement ("Enacting Ordinance").

Section 3. Term

The parties agree that the Term of this Agreement shall continue until terminated by either party, commencing on the Effective Date, subject to any termination provisions described in this Agreement ("Term").

Section 4. Project

The "Project" includes the existing development of approximately 3 million square feet of industrial development with associated on and off-site improvements and landscaping on the Subject Property, which consist of approximately 126 developable acres in the Rolling Hills Ranch Specific Plan, subject to the following Entitlements: General Plan Amendment 04-GPA-03, Rolling Hills Ranch Specific Plan, EIR and Addendums, Parcel Map 34209 and Plot Plan 04-PP-18 ("Entitlements").

Section 5. Project Site

The "Project Site" is the same as the Subject Property, which consists of approximately 126 developable acres of vacant land in the Rolling Hills Specific Plan, located south of SR-60, east of Potrero Boulevard, in the City of Beaumont, California.

Section 6. Termination

This Agreement shall be terminated and of no further effect upon the occurrence of any of the following events:

(a) The expiration of the Term of this Agreement; or

(b) Entry of final judgment or issuance of a final order by a court of competent

jurisdiction directing City to set aside, withdraw, or abrogate City's approval of this Agreement or any material part of the Entitlements;

(c) The effective date of City's election to terminate this Agreement in response to an uncured default by Developer, pursuant to the terms of this Agreement.

In the event of a termination of this Agreement with respect to any portion of the Project or Project Site, any then-existing rights and obligations of the parties under this Agreement with respect to such portion of the Project or Project Site shall automatically terminate and be of no further force, effect or operation. No termination of this Agreement with respect to any portion of the Project or Project Site shall affect in any way the parties' rights and obligations hereunder with respect to any other portion of the Project or Project Site. If City lawfully terminates this Agreement because of Developer's default, then City shall retain any and all benefits, including without limitation any money, improvements, structures, easements or dedications received by City pursuant to any term or condition of this Agreement.

Section 7. Cooperation by Developer

Developer shall, in a timely manner, provide City with all documents, applications, plans and other information necessary for City to carry out its obligations under this Agreement and cause its planners, engineers and other consultants to do the same. Developer also shall apply in a timely manner for such other permits and approvals from other governmental or quasi- governmental agencies having jurisdiction over the Project or Project Site as may be required for the development or operation of the Project or Project Site, as contemplated by this Agreement. For the avoidance of doubt, nothing in this Agreement shall be construed to require Developer to develop, construct, open or operate on the Project Site. Except as provided to the contrary in Sections 23 and 24 regarding Hold Harmless and Indemnity, Developer shall have no obligations under this Agreement for matters that occur or obligations that arise with respect to any portion of the Project Site after it has transferred such portion of the Project Site to another party so long as Developer has complied with Section 17 hereof by providing notice to the City or obtaining the City's approval to the extent required in Section 17.

Section 8. Processing Fees

Notwithstanding anything else herein, Developer shall pay all applicable fees pursuant to the Beaumont Municipal Code and established Fee Schedule in the amounts set forth in the schedule of fees in effect at the time such fees are due and payable during the development process. Without limiting the forgoing such fees will include grading permit fees, building permit fees and other similar fees.

Section 9. Vested Rights and Applicable Rules, Regulations and Policies

(a) Except as otherwise provided in this' Agreement, Developer shall have the vested right to develop the Project and Project Site pursuant to the Entitlements and the rules, regulations, and policies governing use, density, design, improvement, construction, maximum height and size of proposed buildings in effect on the Effective Date of this Agreement (collectively, "Applicable Law"). It is the intent of City and Developer that the

vesting of development rights of Developer shall include the permitted land uses, density and intensity of use of the Project Site, timing or phasing of development, zoning, and the location and size of public improvements and other terms and conditions of development of the Project or Project Site as set forth in the Entitlements and this Agreement. Except in the event of termination of this Agreement under Section 6, the Entitlements associated with the Project shall not expire prior to the end of the Term. In addition, pursuant to the City's policies, if, prior to the expiration of the Term of this Agreement, Developer has completed either Building 1 or Building 2, and all public and private improvements required in relation thereto and an unconditional Certificate of Occupancy has been issued by City, the Entitlements relative to such building shall have been deemed satisfied as it relates to this Agreement and the Entitlements for the remaining building to be constructed will continue in effect as otherwise provided in this Agreement.

(b) In accordance with Government Code Section 65866, nothing herein shall be construed to limit City's authority in subsequent actions applicable to the Property, to apply new rules, regulations and policies to the Project or Project Site which do not conflict with the Applicable Law or this Agreement, nor to limit City's police power to implement, based upon appropriate and adequate findings, specific emergency measures necessary to protect against real and actual threats to the health, safety and welfare of the general public. Nor shall this Development Agreement prevent the City from denying or conditionally approving any subsequent development project application on the basis of these existing or new rules, regulations, and policies.

(c) Notwithstanding anything to the contrary contained in this Agreement, City shall apply to the Project or Project Site, at any time during the term of this Agreement, the codes then in effect, as set forth in Title 15 of the Beaumont Municipal Code "Buildings and Construction".

(d) As provided in California Government Code Section 65869.5, this Agreement shall not preclude the application to the Project or Project Site of changes in laws, regulations, plans or policies, to the extent that such changes are specifically mandated and required by changes in state or federal laws or regulations ("Changes in the Law"). In the event Changes in the Law prevent or preclude compliance with one or more of the provisions of this Agreement, such provisions of this Agreement shall be modified or suspended, or performance thereof delayed, as may be necessary to comply with the Changes in the Law, and City and Developer shall take such action as may be required pursuant to this Agreement.

(e) "Sewer flow from the Project shall be limited to the amount provided in the Sewer Study dated June 1, 2020, prepared by Thienes Engineering, titled "SEWER AREA STUDY AND PRELIMINARY LIFT STATION DESIGN FOR BEAUMONT CROSSROADS II LOGISTICS", which study has been accepted by the City. The maximum sewer flow from the Project shall not be greater than a projected cumulative 106,080 gallons per day (gpd) peak flow at any given time, based upon estimated flow from Wolverine (or any future occupant of the structure, including the planned Wolverine expansion Parcel 1, on APN 424-050-016 & 018) not to exceed 55,470gpd and estimated flow from Amazon (or any future occupant of the structure on APN 424-050-020&022) not to exceed 50,610gpd. Any actual or projected exceedance in

the projected maximum flow generated by the Project as determined by City shall be reassessed for sewer system impacts by City and mitigated by Developer accordingly. All sewer discharges from the Project shall comply with the applicable provisions of law, regulations, policies and orders including, but not limited to, those contained in the Beaumont Municipal Code". This allocation of the sewer capacity to the Project may not be allocated by the City or the Developer to other buildings or projects within the area and shall remain available to Developer for those buildings only contained within this Agreement even if not being fully utilized from time-to-time.

Section 10. Assessments, Fees, Mitigation and Exactions.

The City shall not impose any future assessment, fee, mitigation measure or exaction on the Property, the Project or the Development Plan or any portion thereof, except (a) those existing and proposed assessments, fees, mitigation measures and exactions in existence on the date of this Agreement as they may be amended from time to time, (b) such other fees, assessments and exactions as may be adopted or imposed by the City in conformance with the requirements of Article XIII D of the California Constitution, (c) such other development impact fees or categories of development impact fees which are adopted on a City or County-wide basis or as required as a condition to obtaining County funding; and (d) such other development impact fees or categories of development impact fees which are imposed on other development projects in the City and are adopted and levied based on a benefit assessment. Fees payable to City shall be at rates applicable on the date the fee is paid.

Section 11. Revisions

Developer initiated revisions to the entitlements related to the Project or Project Site shall not require an amendment to this Agreement, provided that City finds and determines that the proposed change or modification is consistent with the development standards and guidelines set forth in this Agreement and Applicable Laws.

Section 12. Nexus/Reasonable Relationship Challenges

Developer consents to, and waives any rights it may have now or in the future to challenge the legal validity of, the conditions or requirements set forth in this Agreement including, without limitation, any claim that they constitute an abuse of the police power, violate substantive due process, deny equal protection of the laws, effect a taking of property without payment of just compensation, or impose an unlawful tax.

Covenant Not To Sue. The Parties to this Agreement, and each of them, agree that this Agreement and each term hereof is legal, valid, binding, and enforceable. The Parties to this Agreement, and each of them, hereby covenant and agree that each of them will not commence, maintain, or prosecute any claim, demand, cause of action, suit, or other proceeding against any other Party to this Agreement, in law or in equity, or based on an allegation, or assert in any such action, that this Agreement or any term hereof is void, invalid,

or unenforceable.

Section 13. Covenants Binding

All of the terms, provisions, and obligations contained in this Agreement shall be binding upon the City and Developer. Notwithstanding anything set forth in this Agreement to the contrary, during the term hereof, the Project and Project Site shall be subject to this Agreement, and any development of any portion of the Project and Project Site shall be subject to and in accordance with the terms of this Agreement.

Section 14. Periodic Review

City shall conduct a review of this Agreement as set forth as follows:

(a) Annual Review. City will review the extent of good faith compliance by Developer with the terms of this Agreement annually commencing on the first anniversary of the Effective Date of this Agreement.

(b) Notice. City shall notify Developer in writing of the date of review at least thirty (30) days prior thereto.

(c) Cooperation. Developer agrees to reasonably cooperate with City's review process.

(d) Failure to Conduct Review. City's failure to conduct an annual review of this Agreement shall not constitute a breach of this Agreement.

(e) Certificate of Compliance. If, at the conclusion of a periodic or special review, Developer is found to be in compliance with this Agreement, City shall issue a Certificate of Compliance ("Certificate") to Developer stating that after the most recent periodic or special review, and based upon the information known or made known to City that: (i) this Agreement remains in effect and (ii) Developer is not in default. City shall not be bound by a Certificate if a default existed at the time of the periodic or. special review, but was concealed from or otherwise not known to City, regardless of whether or not the Certificate is relied upon by assignees or other transferees or Developer.

Section 15. Relationship of Parties

It is specifically understood and agreed by and among the parties hereto that the Project is a private development and that neither party is acting as the agent of the other in any respect hereunder. City and Developer also hereby renounce the existence of any form of joint venture or partnership among them, and agree that nothing contained herein or in any document executed in connection herewith shall be construed as making City and Developer joint venturers or partners.

Section 16. No Third Party Beneficiaries

The only parties to this Agreement are Developer and City. There are no third-party beneficiaries and this Agreement is not intended, and shall not be construed, to benefit, or be enforceable by any other person whatsoever.

Section 17. Assignment of Rights

Developer shall have the right to assign or delegate all or a portion of its rights, duties and obligations under this Agreement to subsequent fee owners of the Subject Property, (a) by giving prior written notice to City, to any entity in which Developer, or its principal shareholders, retain a majority ownership interest so long as such assignee expressly assumes the obligations of Developer hereunder, and (b) with the prior written consent of the City, which shall not be unreasonably withheld, to any other subsequent fee owner of the Project or portion thereof. Otherwise, Developer may not assign all or any portion of its rights hereunder nor delegate all or any portion of its duties and obligations hereunder. Notwithstanding the foregoing provisions of this Section 17, without further approval by the City, Developer may assign its rights and obligations hereunder, upon the conveyance of the Subject Property within one hundred twenty (120) days after the Effective Date, to the "Assignee" defined in the Recitals. Developer shall provide the City a copy of a written assignment of Development Agreement to such Assignee within ten (10) days after such conveyance of the Subject Property. When a permitted assignment has taken place pursuant to this Section 17, the assignor shall have no further duties, obligations or rights thereafter under this Agreement with respect to the portion of the Subject Property which is being transferred (except in relation to matters which occurred prior to the date of such transfer as provided in Sections 23 and 24).

Section 18. Singular and Plural; Gender; and Person

Except where the context requires otherwise, the singular of any word shall include the plural and vice versa; pronouns inferring the masculine gender shall include the feminine gender and neuter, and vice versa; and a reference to "person" shall include, in addition to a natural person, any governmental entity and any partnership, corporation, joint venture or any other form of business entity.

Section 19. Time Is of the Essence

Time is of the essence of this Agreement and of each and every term and condition hereof.

Section 20. Waiver

All waivers must be in writing to be effective or binding upon the waiving party, and no waiver shall be implied from any omission by a party to take any action with respect to an Event of Default as defined in this Agreement. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by the other party shall not constitute

waiver of such party's right to demand strict compliance and specific performance by the other party in the future. In addition, no express written waiver of any Event of Default shall affect any other Event of Default, or cover any period of time other than as specified in such express waiver.

Section 21. Amendments

This Agreement may be amended from time to time by mutual consent of the original parties or their successors in interest, with City's costs payable by amendment applicants, in accordance with the provisions of Government Code Sections 65867 and 65868 and City's adopted procedures and requirements for the consideration of amendments to development agreements. Minor revisions, as described above, shall not require an amendment to this Agreement.

Section 22. Ambiguities or Uncertainties

The parties hereto have mutually negotiated the terms and conditions of this Agreement and each party received independent legal advice from its attorneys with respect to the advisability of executing this Agreement and the meaning of the provisions contained herein. As such, this Agreement is a product of the joint drafting efforts of both parties and neither party shall be deemed to have solely or independently prepared or framed this Agreement. Therefore, any ambiguities or uncertainties are not to be construed against or in favor of either party.

Section 23. Hold Harmless

Developer hereby agrees to, and shall defend, indemnify and hold harmless City, city council, commissions, boards, subcommittees and City's elected and appointed officials, commissioners, board members, officers, agents, consultants and employees ("City Parties") from, any and all claims, costs and liability for any damages, personal injury or death, which may arise, directly or indirectly, from Developer's or Developer's officers', agents', consultants', employees', contractors' or subcontractors' negligent, willful or reckless conduct performed under or with respect to this Agreement. Developer shall have no obligations under this Section 23 (except in relation to matters which occurred prior to the date of such transfer) with respect to any portion or all of the Subject Property after it has transferred and conveyed its fee interest in such portion or all of the Subject Property to a third party.

Section 24. Indemnification

Developer shall defend, indemnify and hold harmless City, city council, commissions, boards, subcommittees and City's elected and appointed officials, commissioners, board members, officers, agents, consultants and employees ("City Parties") from and against any and all liabilities, demands, claims, actions or proceedings and costs and expenses incidental thereto (including costs of defense, settlement and reasonable attorneys' fees), which any or all of them may suffer, incur, be responsible for or pay out as a result of or in connection with any challenge to the legality, validity or adequacy of any of the following items: (i) this Agreement and the concurrent and subsequent permits, licenses and entitlements approved by City; (ii) any environmental determination made by City in connection with the Project, Project Site or this Agreement; and (iii) any proceedings or other actions undertaken by City in connection with the adoption or approval of any of the above. In the event of any administrative, legal, equitable action or other proceeding instituted by any third party (including without limitation a governmental entity or official) challenging the legality, validity or adequacy of any of the above items or any portion thereof, the Parties shall mutually cooperate with each other in defense of said action or proceeding. Notwithstanding the above, City, at its sole option, may tender the complete defense of any third-party challenge as described herein. In the event City elects to contract with special counsel to provide for such a defense, City shall meet and confer with Developer regarding the selection of counsel, and Developer shall pay all costs related to retention of such counsel by City. Developer shall have no obligations under this Section 24 (except in relation to matters which occurred prior to the date of such transfer) with respect to any portion or all of the Subject Property after it has transferred and conveyed its fee interest in such portion or all of the Subject Property to a third party.

Section 25. Delays in Performance

In addition to any other provisions of this Agreement with respect to delay, Developer and City shall be excused for performance of their obligations hereunder during any period of delay caused by acts of God or civil commotion; major acts of terrorism occurring in the United States of America, riots, strikes, picketing, or other labor disputes; shortage of materials or supplies; damage to or prevention of work in process by reason of fire, floods, earthquake, or other casualties; litigation, restrictions imposed or mandated by governmental or quasi-governmental entities; and/or enactment of conflicting provisions of the Constitution, laws of the United States of America, the State of California, or any codes, statutes, regulations or executive mandates promulgated thereunder. If written notice of such delay is given to either party within thirty (30) days after the commencement of such delay, an extension of time for such cause shall be granted in writing for the period of the delay, or longer as may be mutually agreed upon.

Section 26. Events of Default

A default under this Agreement shall be deemed to have occurred upon the happening of one or more of the following events or conditions: (i) a warranty, representation, or statement made or furnished by Developer expressly in this Agreement

to City or by City to Developer is false or proves to have been false in any material respect when it was made, or (ii) a finding by City made following a periodic review of the Agreement under the procedure provided in this Agreement, based on substantial evidence, that Developer has not complied in good faith with one or more of the terms or conditions of this Agreement, or (iii) Developer's failure to perform any of its material obligations under this Agreement (each an "Event of Default"). Upon the occurrence of an Event of Default by Developer or City, the non-defaulting party shall provide the other party thirty (30) calendar days written notice specifying the nature of the alleged default and the manner in which said default may be satisfactorily cured ("Notice of Default"). Subject to any extensions of time by mutual consent of the parties in writing, and subject to the provisions of Sections 25 and 31 of this Agreement, the failure or unreasonable delay by either party to perform any material term or provision of this Agreement for a period of thirty (30) days after the receipt of a written notice of default from the other party shall constitute a default under this Agreement. If the nature of the alleged default is such that it cannot reasonably be cured within such thirty (30) calendar day period, the commencement of the cure within such time period and the diligent prosecution to completion of the cure shall be deemed a cure within such period. Any Notice of Default given hereunder shall specify in detail the nature of the alleged Event of Default and the manner in which such Event of Default may be satisfactorily cured in accordance with the terms and conditions of this Agreement. During the time periods herein specified for cure of an Event of Default, the party charged therewith shall not be considered to be in default for purposes of termination of this Agreement, institution of legal proceedings with respect thereto, or whether any further building permits shall be issued with respect to the Project Site.

Section 27. No Ministerial Permits upon Developer Default

No ministerial permits, such as but not limited to building permits and grading permits, shall be issued nor shall any applications for such ministerial permits be accepted for any structure or improvement for the Project or on the Project Site during the course of any default proceedings initiated by City until after it has been determined Developer is not in default or until such default is cured by Developer or is waived by City.

Section 28. Applicable Law

This Agreement shall be construed and enforced in accordance with the laws of the State of California.

Section 29. Venue

In the event that suit is brought by either party to this Agreement, the parties agree that venue shall be exclusively vested in the State courts of the County of Riverside, California or where appropriate, in the United States District Court, Southern District of California, Riverside, California.

Section 30. No Damages Relief

Notwithstanding anything else in this Agreement to the contrary, the parties acknowledge that neither would have entered into this Agreement had either been exposed to damage claims for any breach hereof. As such, the parties agree that in no event shall either party be entitled to recover monetary damages of any kind whatsoever (other than the recovery of costs and attorney's fees pursuant to the terms of this Agreement or applicable law) against the other for breach of this Agreement.

Section 31. Legal Action; Attorneys' Fees

Either party may, in addition to any other rights or remedies, institute legal action to cure, correct or remedy a default, enforce any covenant or agreement herein, enjoin any threatened or attempted violation hereof, or enforce by specific performance the obligations and rights of the parties hereto. The prevailing party in any such action shall be entitled to its reasonable attorneys' fees and costs to be paid by the losing party.

Section 32. Notices

Any notice or communication required hereunder among City and Developer shall be in writing, and may be given either personally or by registered mail, return-receipt requested. Notice, by personal delivery, shall be deemed to have been given and received on the actual receipt by any of the addressees designated below as the party to whom notices are to be sent. Notice by registered mail shall be deemed to have been received when delivered by the US Mail service to the recipient. Any party hereto may at any time, upon written notice to the other party hereto, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the parties at their addresses set forth below:

To City:

City of Beaumont
550 E. 6th Street
Beaumont, CA 92223
Attention: Community Development Director

To Developer:

USEF Crossroads I & II, LLC
USAA Real Estate Company
9830 Colonnade Blvd., Suite 600
San Antonio, TX 78230
Attn: Lange Allen
E-mail: lange.allen@usrealco.com

Section 33. Consistency of Entitlements with Agreement

The parties hereto acknowledge that it is their intention that all terms, conditions and obligations of any and all entitlements related to the Project Site and/or Project, or arising from this Agreement shall be consistent with, or at minimum, shall not conflict with, the terms, provisions and obligations of this Agreement.

Section 34. Partial Invalidity Due to Governmental Action

In the event state or federal laws or regulations enacted after the Effective Date, or formal action of any governmental entity other than City, prevent compliance with one or more provisions of this Agreement, or require changes in plans, maps or permits approved by City, the parties agree that the provisions of this Agreement shall be modified, extended or suspended only to the minimum extent necessary to comply with such laws or regulations.

Section 35. Further Actions and Instruments

The parties agree to provide reasonable assistance to the other and cooperate to carry out the intent and fulfill the provisions of this Agreement. Each of the parties shall promptly execute and deliver all documents and perform all acts as necessary to carry out the matters contemplated by this Agreement.

Section 36. Entire Agreement

This Agreement and the exhibits attached hereto contain all the representations and the entire agreement between the parties with respect to the subject matter hereof. Except as otherwise specified in this Agreement and the exhibits attached hereto, any prior correspondence, memoranda, warranties, representations and agreements unless otherwise provided in this Agreement, are superseded in total by this Agreement and the exhibits attached hereto.

Section 37. Severability

If any term, provision, covenant or condition of this Agreement is repealed by referendum or is held by a court of competent jurisdiction or an authorized government enforcement agency to be invalid, void or unenforceable, the remaining provisions, if any, of this Agreement shall continue in full force and effect, unless enforcement of this Agreement as so invalidated would be unreasonable or grossly inequitable under all the circumstances or would frustrate the purposes of this Agreement.

Section 38. Authority to Execute Agreement

The person or persons executing this Agreement on behalf of Developer and City warrant and represent that they have the authority to execute this Agreement and the authority to bind Developer and City, as applicable, to the performance of their respective obligations hereunder.

Section 39. Counterparts

This Agreement may be executed in duplicate counterpart originals, each of which is deemed to be an original, and all of which when taken together shall constitute one and the same instrument.

Section 40. Recordation

In order to comply with Section 65868.5 of the Development Agreement Statute, the parties do hereby direct the City Clerk to cause a copy of this Agreement to be recorded with the Riverside County Recorder's Office within ten (10) days after the Enacting Ordinance takes effect.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the dates written above.

CITY OF BEAUMONT **APPROVED:** By: Mike Lara, Mayor **ATTEST:** By: Nicole Wheelwright, Deputy City Clerk **APPROVED AS TO FORM:** By: John Pinkney, City Attorney	**DEVELOPER** **APPROVED:** **(see following page)**

USEF CROSSROADS I, LLC, a Delaware limited liability company

BY: USAA EAGLE REAL ESTATE MULTI-SECTOR OPERATING PARTNERSHIP, LP, a Delaware limited partnership, its managing member

By: USAA Eagle OP GP, LLC, a Delaware limited liability company, its general partner

By: _____
Name: Bruce C. Petersen
Title: Executive Managing Director
Date Signed: _____

STATE OF TEXAS §
§
COUNTY OF BEXAR §

Personally appeared before me, Mary Ann Santiago, Notary Public, Bruce C. Petersen, with whom I am personally acquainted, and who acknowledged that he executed the within instrument for the purposes therein contained, and who further acknowledged that he is the Exec Managing Director of USAA Eagle OP GP, LLC, a Delaware limited liability company, general partner of USAA Eagle Real Estate Multi-Sector Operating Partnership, LP, a Delaware limited partnership, managing member of **USEF CROSSROADS I, LLC**, a Delaware limited liability company and is authorized to execute this instrument.

WITNESS my hand, at office, this 7 day of June, 2021.

MARY ANN SANTIAGO
Notary Public, State of Texas
My Comm. Exp. 11-04-2024
ID No. 13276396-3

_____
Notary Public
My Commission Expires: 11-4-2024

USEF CROSSROADS II, LLC,
a Delaware limited liability company

By: USAA Eagle Real Estate Multi-Sector Operating Partnership, LP,
a Delaware limited partnership, its managing member

By: USAA Eagle OP GP, LLC,
a Delaware limited liability company, its general partner

By: _____
Name: Bruce C. Petersen
Title: Executive Managing Director
Date Signed: _____

STATE OF TEXAS §
§
COUNTY OF BEXAR §

Personally appeared before me, Mary Ann Santiago, Notary Public, Bruce C. Petersen, with whom I am personally acquainted, and who acknowledged that he executed the within instrument for the purposes therein contained, and who further acknowledged that he is the Exec Managing Director of USAA Eagle OP GP, LLC, a Delaware limited liability company, general partner of USAA Eagle Real Estate Multi-Sector Operating Partnership, LP, a Delaware limited partnership, managing member of **USEF CROSSROADS II, LLC**, a Delaware limited liability company and is authorized to execute this instrument.

WITNESS my hand, at office, this 7 day of June, 2021.

MARY ANN SANTIAGO
Notary Public, State of Texas
My Comm. Exp. 11-04-2024
ID No. 13276396-3

_____
Notary Public
My Commission Expires: 11-4-2024

Exhibit "A"

Tract 1:

PARCEL "B" AS SHOWN ON EXHIBIT "B" TO LOT LINE ADJUSTMENT NO. 16-LLA-002, RECORDED MAY 31, 2016, AS INSTRUMENT NO. 2016-0221815 OF OFFICIAL RECORDS, MORE PARTICULARLY DESCRIBED AS FOLLOWS:
A PORTION OF PARCEL 2, OF PARCEL MAP NO. 34209, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 233, PAGES 81 THROUGH 85 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, LYING WITHIN THE NORTHEAST QUARTER OF SECTION 8, TOWNSHIP 3 SOUTH, RANGE 1 WEST, SAN BERNARDINO BASE AND MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:
BEGINNING AT THE INTERSECTION OF THE NORTHERLY LINE OF SAID PARCEL 2 WITH A LINE PARALLEL WITH AND DISTANT 229.97 FEET EASTERLY, MEASURED AT RIGHT ANGLES FROM THE WESTERLY LINE OF SAID PARCEL 2;
THENCE ALONG SAID PARALLEL LINE, SOUTH 02° 23' 07" WEST, 1065.16 FEET TO THE NORTHERLY RIGHT OF WAY LINE OF PROSPERITY WAY (78.00 FEET WIDE), AS SHOWN ON SAID PARCEL MAP NO. 34209;
THENCE ALONG LAST SAID NORTHERLY RIGHT OF WAY LINE, SOUTH 87° 36' 53" EAST, 1297.61 FEET TO THE BEGINNING OF A TANGENT CURVE IN LAST SAID NORTHERLY RIGHT OF WAY LINE, CONCAVE NORTHERLY AND HAVING A RADIUS 489.00 FEET;
THENCE EASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 07° 13' 38" AN ARC LENGTH OF 61.68 FEET;
THENCE TANGENT TO SAID CURVE ALONG LAST SAID NORTHERLY RIGHT OF WAY LINE, NORTH 85° 09' 29" EAST, 272.23 FEET TO THE EASTERLY LINE OF SAID PARCEL 2;
THENCE ALONG SAID EASTERLY LINE OF PARCEL 2, NORTH 00° 29' 47" WEST, 1004.85 FEET TO AN ANGLE POINT THEREIN;
THENCE CONTINUING ALONG SAID EASTERLY LINE, NORTH 86° 46' 09" WEST, 15.00 FEET TO AN ANGLE POINT THEREIN;
THENCE CONTINUING ALONG SAID EASTERLY LINE, NORTH 00° 29' 47" WEST, 23.26 FEET TO SAID NORTHERLY LINE OF PARCEL 2;
THENCE ALONG SAID NORTHERLY LINE OF PARCEL 2, NORTH 87° 36' 53" WEST, 1562.51 FEET TO THE POINT OF BEGINNING.

Tract 2:

PARCEL "A" OF NOTICE OF LOT LINE ADJUSTMENT NO. 16-LLA-002, AS EVIDENCED BY DOCUMENT RECORDED MAY 31, 2016 AS INSTRUMENT NO. 2016-0221815 OF OFFICIAL RECORDS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: PARCEL 1 AND A PORTION OF PARCEL 2, OF PARCEL MAP NO. 34209, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS

PER MAP FILED IN BOOK 233, PAGES 81 THROUGH 85 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, LYING WITHIN THE NORTHEAST QUARTER OF SECTION 8, TOWNSHIP 3 SOUTH, RANGE 1 WEST, SAN BERNARDINO BASE AND MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE INTERSECTION OF THE NORTHERLY LINE OF SAID PARCEL 2 WITH A LINE PARALLEL WITH AND DISTANT 229.97 FEET EASTERLY, MEASURED AT RIGHT ANGLES FROM THE WESTERLY LINE OF SAID PARCEL 2; THENCE ALONG SAID PARALLEL LINE, SOUTH 02° 23' 07" WEST, 1065.16 FEET TO THE NORTHERLY RIGHT OF WAY LINE OF PROSPERITY WAY (78.00 FEET WIDE), AS SHOWN ON SAID PARCEL MAP NO. 34209; THENCE ALONG LAST SAID NORTHERLY RIGHT OF WAY LINE, NORTH 87° 36' 53" WEST, 871.62 FEET TO THE BEGINNING OF A TANGENT CURVE IN LAST SAID NORTHERLY RIGHT OF WAY LINE, CONCAVE NORTHERLY AND HAVING A RADIUS 100.00 FEET; THENCE WESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 17° 12' 31" AN ARC LENGTH OF 30.03 FEET; THENCE TANGENT TO SAID CURVE ALONG LAST SAID NORTHERLY RIGHT OF WAY LINE, NORTH 70° 24' 22" WEST, 50.00 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE SOUTHERLY AND HAVING A RADIUS OF 61.00 FEET; THENCE WESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 67° 27' 57" AN ARC LENGTH OF 71.83 FEET TO THE NORTHERLY LINE OF LOT "G" AS SHOWN ON SAID PARCEL MAP NO. 34209; THENCE ALONG SAID NORTHERLY LINE OF LOT "G", NORTH 87° 36' 53" WEST, 100.62 FEET TO THE EASTERLY LINE OF LOT "I" AS SHOWN ON SAID PARCEL MAP NO. 34209; THENCE ALONG SAID EASTERLY LINE OF LOT "I", NORTH 01° 23' 48" WEST, 1002.52 FEET TO THE NORTHERLY LINE OF SAID PARCEL 1, SAID NORTHERLY LINE ALSO BEING ON THE SOUTHERLY LINE OF MORENO VALLEY FREEWAY, AS SHOWN ON SAID PARCEL MAP NO. 34209; THENCE ALONG SAID NORTHERLY LINE OF PARCEL 1, SOUTH 88° 06' 53" EAST, 116.17 FEET; THENCE CONTINUING ALONG SAID NORTHERLY LINE OF PARCEL 1, SOUTH 79° 09' 57" EAST, 279.43 FEET TO THE BEGINNING OF A TANGENT CURVE IN SAID NORTHERLY LINE OF PARCEL 1, CONCAVE NORTHERLY AND HAVING A RADIUS OF 425.00 FEET;
THENCE EASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 29° 30' 19" AN ARC LENGTH OF 218.86 FEET; THENCE TANGENT TO SAID CURVE ALONG SAID NORTHERLY LINE OF PARCEL 1, NORTH 71° 19' 44" EAST, 156.05 FEET TO THE BEGINNING OF A TANGENT CURVE IN SAID NORTHERLY LINE OF PARCEL 1, CONCAVE SOUTHERLY AND HAVING A RADIUS OF 375.00 FEET; THENCE EASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 21° 03' 23" AN ARC LENGTH OF 137.81 FEET; THENCE CONTINUING ALONG SAID NORTHERLY LINE OF PARCEL 1 AND SAID NORTHERLY LINE OF PARCEL 2, SOUTH 87° 36' 53" EAST, 292.60 FEET TO THE POINT OF BEGINNING. PARCEL 2: NON-EXCLUSIVE EASEMENTS FOR ROADWAYS, UTILITIES & OTHER PURPOSES AS CREATED BY THAT CERTAIN DOCUMENT ENTITLED "DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CROSSROADS LOGISTIC CENTER AN INDUSTRIAL COMMON INTEREST DEVELOPMENT" RECORDED JUNE 14, 2016 AS INSTRUMENT NO. 2016- 0243325 AND AMENDED BY THAT CERTAIN

"FIRST AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CROSSROADS LOGISTIC CENTER" RECORDED OCTOBER 19, 2018 AS INSTRUMENT NO. 2018- 0414545 BOTH OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA. PARCEL 3: NON-EXCLUSIVE EASEMENT FOR EMERGENCY ACCES, INGRESS AND EGRESS, AS SET FORTH IN THAT CERTAIN "EMERGENCY ACCESS EASEMENT GRANT AND AGREEMENT" RECORDED JUNE 15, 2016 AS INSTRUMENT NO. 2016- 0244428 OF OFFICIAL RECOORDS OF RIVERSIDE COUNTY, CALIFORNIA.

Tract 3:

PARCEL A AS SHOWN ON CERTIFICATE OF PARCEL MERGER NO. 19-M-005, AS EVIDENCED BY DOCUMENT RECORDED OCTOBER 07, 2019 AS INSTRUMENT NO. 2019-0401443 OF OFFICIAL RECORDS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCELS 3 AND 4 OF PARCEL MAP NO. 34209, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 233, PAGES 81 THROUGH 85 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, TOGETHER WITH LOT "C" OF SAID PARCEL MAP NO. 34209 VACATED BY RESOLUTION NO. 2018-30 - NOTICE OF STREET VACATION NO. 18-SV-004 BY THE CITY COUNCIL OF THE CITY OF BEAUMONT, RECORDED OCTOBER 19, 2018 AS DOCUMENT NO. 2018-0414547, OF OFFICIAL RECORDS OF SAID COUNTY, ALL LYING WITHIN THE NORTHEAST QUARTER OF SECTION 8, TOWNSHIP 3 SOUTH, RANGE 1 WEST, SAN BERNARDINO BASE AND MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID PARCEL 4; THENCE ALONG THE SOUTHERLY LINE OF SAID PARCEL 4, SOUTH 87° 36' 53" EAST, 726.11 FEET TO THE WESTERLY CURVED LINE OF SAID LOT "C", BEING THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE WESTERLY AND HAVING A RADIUS OF 961.00 FEET, A RADIAL LINE TO SAID BEGINNING OF NON-TANGENT CURVE BEARS SOUTH 85° 25' 24" EAST; THENCE ALONG THE WESTERLY LINE OF SAID LOT "C" THE FOLLOWING THREE (3) COURSES:
1) SOUTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 03° 00' 23", AN ARC LENGTH OF 50.43 FEET;
2) SOUTH 07° 34' 59" WEST, 81.37 FEET;
3) SOUTH 51° 04' 05" WEST, 23.55 FEET TO THE NORTHERLY CURVED LINE OF 4TH STREET (100.00 FEET WIDE) AS SHOWN ON SAID PARCEL MAP NO. 34209, BEING THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE SOUTHERLY AND HAVING A RADIUS OF 1,150.00 FEET; A RADIAL LINE TO SAID BEGINNING OF NON-TANGENT CURVE BEARS NORTH 04° 49' 54" EAST;
THENCE ALONG SAID NORTHERLY LINE OF 4TH STREET THE FOLLOWING FIVE (5) COURSES:

1) EASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 16° 46' 49", AN ARC LENGTH OF 336.80 FEET;
2) SOUTH 68° 23' 17" EAST, 589.00 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE NORTHERLY AND HAVING A RADIUS OF 1,050.00 FEET;
3) EASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 20° 50' 09", AN ARC LENGTH OF 381.84 FEET;
4) SOUTH 89° 13' 26" EAST, 499.45 FEET;
5) NORTH 46° 19' 53" EAST, 26.61 FEET TO THE WESTERLY LINE OF DISTRIBUTION WAY (78.00 FEET WIDE) AS SHOWN ON SAID PARCEL MAP NO. 32409;
THENCE ALONG SAID WESTERLY LINE OF DISTRIBUTION WAY THE FOLLOWING FIVE (5) COURSES:
1) NORTH 00° 29' 47" WEST, 625.48 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE EASTERLY AND HAVING A RADIUS OF 639.00 FEET;
2) NORTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 24° 02' 37", AN ARC LENGTH OF 268.15 FEET TO THE BEGINNING OF A TANGENT REVERSE CURVE, CONCAVE WESTERLY AND HAVING A RADIUS OF 561.00 FEET, A RADIAL LINE TO SAID BEGINNING OF TANGENT REVERSE CURVE BEARS SOUTH 66° 27' 10" EAST;
3) NORTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 28° 23' 21", AN ARC LENGTH OF 277.97 FEET;
4) NORTH 04° 50' 31" WEST, 60.21 FEET;
5) NORTH 51° 02' 01" WEST, 27.46 FEET TO THE SOUTHERLY LINE OF PROSPERITY WAY (78.00 FEET WIDE) AS SHOWN ON SAID PARCEL MAP NO. 34209;
THENCE ALONG SAID SOUTHERLY LINE OF PROSPERITY WAY THE FOLLOWING SIX (6) COURSES:
1) SOUTH 85° 09' 29" WEST, 65.88 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE NORTHERLY AND HAVING A RADIUS OF 567.00 FEET;
2) WESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 07° 13' 38", AN ARC LENGTH OF 71.52 FEET;
3) NORTH 87° 36' 53" WEST, 2,169.23 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE SOUTHERLY AND HAVING A RADIUS OF 100.00 FEET;
4) WESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 17° 12' 31", AN ARC LENGTH OF 30.03 FEET;
5) SOUTH 75° 10' 35" WEST, 50.00 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE NORTHERLY AND HAVING A RADIUS OF 61.00 FEET;
6) WESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 67° 27' 57", AN ARC LENGTH OF 71.83 FEET TO A POINT ON THE SOUTHERLY LINE OF LOT "F" OF SAID PARCEL MAP NO. 34209, A RADIAL LINE TO SAID POINT BEARS SOUTH 52° 38' 32" WEST;
THENCE ALONG SAID SOUTHERLY LINE OF LOT "F", NORTH 87° 36' 53" WEST, 95.47 FEET TO THE WESTERLY LINE OF SAID PARCEL 4; THENCE ALONG SAID WESTERLY LINE OF PARCEL 4, SOUTH 01° 23' 48" EAST, 796.71 FEET TO THE POINT OF BEGINNING.

Column

INTERIM AD DRAFT

This is the proof of your ad scheduled to run in **The Press-Enterprise** on the dates indicated below.
If changes are needed, please contact us prior to deadline at **(951) 368-9229**.

Notice ID: XypcgldV41Qse6Xwt942 | **Proof Updated: Jan. 23, 2025 at 03:37pm PST**
Notice Name: Development Annual Reviews 2024

FILER	FILING FOR
Katie Jenson kjenson@beaumontca.gov (951) 769-8520	The Press-Enterprise

Columns Wide: 4

Ad Class: Legals

01/26/2025: City Notices	268.00

Subtotal	$268.00
Tax %	0
Total	**$268.00**

See Proof on Next Page

LEGAL ADVERTISEMENT

NOTICE IS HEREBY GIVEN, that the City of Beaumont will conduct public hearings to consider the matter described below. The Planning Commission's public hearing will be held at 6:00 p.m. on Wednesday February 12 th , 2025 at 550 East Sixth Street, Beaumont, California.

DEVELOPMENT AGREEMENT ANNUAL REVEIWS, Per City of Beaumont Resolution 1987-34, the City of Beaumont Planning Commission will conduct a public hearing and review the status of the following development agreements active between a developer and the City of Beaumont:

Pardee Homes
SDC Fairway Canyon, LLC
LV Heartland LLC
Exeter Cherry Valley Land LLC
Mc Donald Property Group
USEF Crossroads LLC

Public comments can be made in person, using the public comment phone line or by written email. Phone-in comments will be accepted by calling the designated public comment phone line (951) 922-4845 prior to the corresponding item. Public comments shall not exceed three minutes unless otherwise authorized by City Council. Written comments can be emailed to NicoleW@BeaumontCa.gov Public comments accepted via email will be read aloud during the corresponding item of the meeting. Comments can be submitted any time prior to the meeting as well as during the meeting until the end of the corresponding item.

This meeting will be conducted in person and also and will be recorded for live streaming. All City of Beaumont public meetings will be made available via live streaming and made available on the City's official YouTube webpage. Please use the following link during the meeting for live stream access: BeaumontCa.gov/Livestream

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The Press-Enterprise
Published: 1/26/25