CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, JANE HALSTEAD, City Clerk of the City of Moreno Valley, California, do hereby certify and attest the foregoing to be a true and correct copy of the original Ordinance No. 901 on file in my office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Moreno Valley, this 3rd day of September, 2015.

Jane Halstead, CMC, City Clerk

(SEAL)

MORENO VALLEY WORKFORCE TRAINING INITIATIVE
EXHIBIT A

ORDINANCE NO. 901

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, APPROVING PA12-0011 (DEVELOPMENT AGREEMENT) FOR THE WORLD LOGISTICS CENTER PROJECT WHICH REAL ESTATE HIGHLAND FAIRVIEW HAS LEGAL OR EQUITABLE INTEREST IN, ON APPROXIMATELY 2,263 ACRES, WITHIN THE WORLD LOGISTICS SPECIFIC PLAN AREA (2,610 ACRES), INTENDED TO BE DEVELOPED AS HIGH CUBE LOGISTICS WAREHOUSE AND RELATED ANCILLARY USES GENERALLY EAST OF REDLANDS BOULEVARD, SOUTH OF STATE ROUTE 60, WEST OF GILMAN SPRINGS ROAD AND NORTH OF THE SAN JACINTO WILDLIFE AREA

The City Council of the City of Moreno Valley does ordain as follows:

SECTION 1: RECITALS

1.1 Pursuant to the provisions of law, public hearings were held before the City of Moreno Valley Planning Commission on June 11, 25, and 30, 2015 and the City Council on July 15, 2015.

1.2 The matter was fully discussed and the public and other agencies presented testimony and documentation.

1.3 The development agreement is attached hereto and incorporated herein as Exhibit A.

SECTION 2: FINDINGS

2.1 Based upon substantial evidence presented to this City Council during the above-referenced meeting on July 15, 2015, including written and oral staff reports, and the record from the public hearing, this City Council hereby specifically finds as follows:

1. **Conformance with General Plan Policies** – The development agreement is consistent with the General Plan, and its goals, objectives, policies and programs.

   FACT: The Development Agreement is tied to the development project known as the World Logistic Center Specific Plan located in eastern Moreno Valley, and is covered by the proposed General Plan Amendment that will designate 2,610 acres for primarily logistics development and 1,104 acres for permanent open space and approximately 104 acres within the project area will be used for off-site improvements to serve the World Logistics Center project. Within the total project area, 2,610 acres are included in the proposed World Logistics Center Specific Plan which will contain

approximately 2,420 acres (including Logistics Development and Light Logistics zoned areas) for proposed logistics and or industrial warehouse land uses, 74.3 acres of the Open Space and 115.8 acres designated for roadway rights of way. Within the Specific Plan area, up to 40.4 million square feet of future high-cube logistics uses are proposed in the LD "Logistics Development" designation, as well as 200,000 square feet of warehouse and related uses to be included in the "Light Logistics" designation.

2. **Conformance with Zoning Regulations/Land Use Districts –** The development agreement is compatible with the uses authorized in, and the regulations prescribed for, the land use district in which the real property is located.

   FACT: The Development Agreement is compatible with all applicable zoning regulations and conforms with modifications proposed for land use and zoning within the General Plan Amendments, Change of Zone and Specific Plan for the project known as the World Logistics Center Specific Plan. The proposed Specific Plan, General Plan Amendment and Change of Zone will change existing land uses in the project area to Logistics Development (LD), Light Logistics (LL), and Open Space (OS).

3. **Public Convenience, General Welfare and Good Land Use Practice –** The development agreement is in conformity with public convenience, general welfare and good land use practice.

   FACT: The World Logistics Center project and this associated Development Agreement are in conformance with public convenience, general welfare and overall good land use practice. The Development Agreement includes negotiated public benefits more specifically summarized as Exhibit A-3 of the Development Agreement (Exhibit A).

4. **Health, Safety and Welfare –** The development agreement will not be detrimental to the public health, safety or welfare or materially injurious to properties or improvements in the vicinity.

   FACT: An Environmental Impact report (EIR) has been prepared for the overall project and includes the Development Agreement. The EIR is a program document and subsequent project level environmental analysis will be performed, as required. A Statement of Overriding Considerations has been prepared and adopted by the City Council for the World Logistics Center project to address those impacts identified that cannot be reduced to less than significant levels. Said EIR has been certified. Said EIR includes a

Mitigation Monitoring Program, which will ensure the completion of required mitigation measures for the project.

Provisions have been included in the Development Agreement to ensure development of the requisite fire station, with equipment, in the project area. In addition, provisions have been included in the Development Agreement to provide air filtration equipment above and beyond the mitigation requirements of the project.

5. **Orderly Development and Preservation of Property Values** – The development agreement will not adversely affect the orderly development or the preservation of property values for the subject property or any other properties.

FACT: The Development Agreement for the project would not adversely affect development or preservation of property values for the subject project site. The proposed development and specific plan will allow future industrial development in phases and provide orderly development. The proposed land use of Business Park is consistent with a large portion of land included in the current Moreno Highlands Specific Plan, which provided for 361 acres of Business Park land use. The project, consistent with the City's current Economic Development Action Plan will assist with the jobs housing balance in the region, reduce residential zoned property and have the potential to provide for future jobs. Provisions in the Development Agreement have been included to ensure enhanced public benefits in promoting local hiring, training, and workforce development.

The WLC Specific Plan includes design standards such as a circulation system that limits truck traffic access in the Plan area to primarily Theodore Street (from Highway 60) and Gilman Springs Road and away from existing residential neighborhoods to the west of the project site. Additional passenger car access would be allowed from Cactus Avenue with trucks prohibited from that route. All motor vehicle access along Alessandro Boulevard from the west would be prohibited, with allowance for pedestrian and bicycle access only. The Specific Plan also provides special edge treatment areas surrounding the perimeter of the proposed World Logistics Center Specific Plan boundary that provides a 250 foot setbacks or greater between the Specific Plan development area and adjacent areas along Gilman Springs Road, Redlands Boulevard, and the San Jacinto Wildlife Area

SECTION 3: ADOPTION

Based on the foregoing recitals and findings, the City Council of the City of Moreno Valley does hereby adopt and approve the Development Agreement attached hereto as Exhibit A, and does hereby authorize the Mayor to sign the development agreement on behalf of the City.

SECTION 4: EFFECT OF ENACTMENT:

Except as specifically provided herein, nothing contained in this ordinance shall be deemed to modify or supersede any prior enactment of the City Council which addresses the same subject addressed herein.

SECTION 5: NOTICE OF ADOPTION:

Within fifteen days after the date of adoption hereof, the City Clerk shall certify to the adoption of this ordinance and cause it to be posted in three public places within the city.

SECTION 6: EFFECTIVE DATE:

This ordinance shall take effect thirty days after the date of its adoption.

APPROVED and ADDOPTED this 25th day of August, 2015.

Mayor of the City of Moreno Valley

ATTEST:

City Clerk

APPROVED AS TO FORM:

8-26-15

City Attorney

ORDINANCE JURAT

STATE OF CALIFORNIA)

COUNTY OF RIVERSIDE) ss.

CITY OF MORENO VALLEY)

I, Jane Halstead, City Clerk of the City of Moreno Valley, California, do hereby certify that Ordinance No. 901 had its first reading on August 19, 2015 and had its second reading on August 25, 2015 and was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 25th day of August, 2015 by the following vote:

AYES: Council Member Giba, Mayor Pro Tem Gutierrez, and Mayor Molina

NOES: Council Members Jempson and Price

ABSENT: None

ABSTAIN: None

CITY CLERK

(SEAL)

Recording Requested by And
When Recorded Return to:

City of Moreno Valley
14177 Frederick Street
Moreno Valley, CA 92552
Attn: City Clerk

2015-0396769
09/03/2015 03:31 PM
Customer Copy Label
The paper to which this label is affixed has not been compared with the filed/recorded document
Peter Aldana
County Of Riverside
Assessor-County Clerk-Recorder

[Exempt From Recording Fee Per Gov. Code § 27383]

DEVELOPMENT AGREEMENT

(World Logistics Center)

This DEVELOPMENT AGREEMENT ("Agreement") is entered into as of this 27th day of August, 2015, by and between the CITY OF MORENO VALLEY, a California general law municipal corporation ("City"), and HF PROPERTIES, a California general partnership, SUNNYMEAD PROPERTIES, a Delaware general partnership, THEODORE PROPERTIES PARTNERS, a Delaware general partnership, 13451 THEODORE, LLC, a California limited liability company, and HL PROPERTY PARTNERS, a Delaware general partnership (collectively "HF"). The City and HF hereafter are referred to collectively as the "Parties" and individually as a "Party."

RECITALS

A. Consistent with the City's economic development and general plan, the City and HF have agreed to enter into this Agreement because the World Logistics Center will be a master planned business park specifically designed to support large global companies and their business and logistics operations which will be a significant revenue generating, job creating and training/education project as further detailed in Exhibit A-3.

B. The City is authorized to enter into development agreements with persons having legal or equitable interests in real property for the development of such property pursuant to California State general laws: Article 2.5 of Chapter 4 of Division I of Title 7 of the California Government Code commencing with section 65864 (the "Development Agreement Law"), and Article XI, Section 7, of the California Constitution, together with City ordinances.

C. The City has enacted an ordinance, codified and set forth in the Moreno Valley Municipal Code as Title 9, Section 9.02.110 (the "Development Agreement Ordinance") that establishes the procedures and requirements for its consideration of such development agreements upon application by, or on behalf of, persons having legal or equitable interests in real property pursuant to the Development Agreement Law.

D. HF represents and hereby warrants that it has a legal and equitable interests in approximately two thousand, two hundred sixty three (2263) acres of real property located in the region commonly referenced as the Rancho Belago area of the City, as described in the legal

description set forth in Exhibit "A-1" and as illustrated in the depiction set forth in Exhibit "A-2" (the "Subject Property"). The City has been provided proof of the records HF relies upon for the representation and warranty by HF. City is relying upon this evidence and considers it to be an element of HF's consideration for this Agreement.

E. In clarification of the foregoing the Subject Property includes approximately 85 acres, as described on Exhibit "A-1" and depicted in Exhibit "A-2" that is currently located in an unincorporated area of Riverside County but is proposed by HF to be annexed to the City within five years, subject to the process and approval of the Riverside County Local Area Formation Commission (the "Annexation").

F. The World Logistics Center Specific Plan ("WLCSP") allows the development of approximately forty million, six hundred thousand (40,600,000) square feet of industrial, logistics, warehouse and support use on the land subject to the WLCSP. The Development, as hereinafter defined, includes both HF improvements to the subject property and City entitlements, including but not limited to, a General Plan Amendment, adoption of the WLCSP, a Zone Change, Tentative Parcel Map 36457 and annexation of an 85-acre parcel along Gilman Springs Road. The Development, including the Project, as defined herein, will also include subdivision maps and other approvals needed to construct the facilities proposed for the Subject Property. The permitted uses of the Subject Property, including a plan of development, the density and intensity of use, the maximum height and size of proposed buildings are set forth in the WLSCP, as it may be amended from time to time, and are hereby incorporated by reference. The City's certification of the Environmental Impact Report, approval of the General Plan Amendment, adoption of the WLCSP, adoption of the Zone Change, approval of the Tentative Parcel map are conditions precedent to this Agreement.

G. The development of the Subject Property will generate a variety of public benefits to the City, its residents, property owners, taxpayers and surrounding communities. The Project is believed to substantially advance the goals of the City's adopted Economic Development Action Plan, expand and improve the City's property and sales tax base, invest significant private capital into the local economy, generate extensive construction employment and new permanent employment opportunities for Moreno Valley and the region, and help to reduce the severe jobs to housing imbalance that currently exists in the City. Among the public benefits, the development of this Project pursuant to the WLCSP will implement goals, objectives and policies of the City's General Plan, and the WLCSP, which will provide logistics development, public utility and open space uses for the Subject Property and for the City. In exchange for the duties and obligations imposed by this Agreement, HF will receive the vested right to develop the Subject Property for the Term in accordance with the terms of this Agreement.

H. The City has previously adopted the Economic Development Action Plan ("EDAP"). The WLCSP responds to a portion of the EDAP. The eastern portion of Moreno Valley is deficient in the infrastructure necessary to support and implement the City's EDAP. To allow for the development of the World Logistics Center and the WLCSP, HF is willing to provide and assist the City in the development of infrastructure in support of the City's economic plan which may be in excess of HF's fair share and therefore may provide broader benefits. The City and HF desire to ensure that all beneficiaries of the Infrastructure Improvements will pay their fair share per the Municipal Code. Therefore this Agreement includes reference to the

City's usual method for reimbursement to an owner for the amount of the costs of such Infrastructure Improvements which exceeds the fair share of those costs and accrues to the benefit of other owners.

I. On June 30, 2015, the Planning Commission of the City, at a duly noticed public hearing, recommended, in Resolution 2015-12, that the City Council certify the Environmental Impact Report (SCH # 2012021045) (the "EIR"). The Planning Commission also recommended that the City Council approve General Plan Amendment PA12-0010, the WLCSP, the Annexation, Zone Change No. PA12-0012 and Tentative Parcel Map 36457.

J. On August 19, 2015, the City Council of the City, at a duly noticed public hearing held pursuant to all legal preconditions, adopted Resolution No. 2015-56 certifying the EIR for the Project and the related Mitigation Monitoring and Reporting Program and also (i) adopted Resolution 2015-57 approving General Plan Amendment No. PA12-0010, (ii) adopted Resolution 2015-58 approving Tentative Parcel Map 36457, (iii) adopted Resolution 2015-59 approving the Annexation, (iv) introduced for first reading Ordinance No. 900 approving the WLCSP, and (v) introduced, for first reading Ordinance No. 900 approving Zone Change No. PA12-0012. The WLCSP and Zone Change No. PA12-0012 were subsequently adopted on August 25, 2015 and effective on September 24, 2015.

K. The Planning Commission of the City, at a duly noticed public hearing held pursuant to the Development Agreement Law and the Development Agreement Ordinance, recommended that the City Council find and determine, among other things, that this Agreement is consistent with the goals, objectives, policies, general land uses and programs specified in the City General Plan, as amended by the Project Approvals; is compatible with the uses authorized in and the land use regulations prescribed by the City in its Zoning Code; and will promote and encourage the development of the Subject Property by providing a greater degree of certainty with respect thereto, while also providing specified public benefits to the City.

L. On August 19, 2015, after a duly noticed public hearing held pursuant to the Development Agreement Law and the Development Agreement Ordinance, the City Council of the City approved the introduction of Ordinance No. 901 (the "Enacting Ordinance") that would approve and adopt this Agreement and authorize its execution on behalf of the City. On August 25, 2015, the City Council of the City adopted the Enacting Ordinance.

M. The Parties intend that HF will proceed with the Development upon the Subject Property pursuant to this Agreement within the Term.

AGREEMENT

NOW, THEREFORE, in consideration of the above recitals which are incorporated herein and intended to assist with the interpretation of this Agreement, and of the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and HF agree as follows:

ARTICLE 1 DEFINITIONS.

The following terms when used in this Agreement shall, unless defined elsewhere in this Agreement, have the meanings set forth below:

1.1 "Agreement" shall mean this Development Agreement by and between the City and HF and any subsequent amendments.

1.2 "City" shall mean the City of Moreno Valley, a municipal corporation, organized and existing under the general laws of the State of California.

1.3 "City Council" shall mean the governing body of the City.

1.4 "Development" shall mean the improvement of the Subject Property for the purposes of completing the structures, improvements and facilities composing the Project, including but not limited to: grading; the construction of infrastructure related to the Project whether located within or outside the Subject Property; the construction of buildings and structures; construction of post-development storm drain related improvements and the installation of landscaping and public facilities and improvements. "Development" also includes the maintenance, repair, reconstruction, modification, or redevelopment of any building, structure, improvement, landscaping, or facility after the construction and completion thereof on the Subject Property. The Development shall at all times conform to the Agreement.

1.5 "Development Impact Fee," "Development Impact Fees" or "DIF" means for purposes of this Agreement only those fees imposed pursuant to Moreno Valley Municipal Code Sections 3.42.070 (police facilities), 3.42.080 (City hall facilities), 3.42.090 (corporate yard facilities) and 3.42.100 (maintenance equipment). The term "Development Impact Fees" (or "DIF") does not include those fees imposed by Moreno Valley Municipal Code Sections 3.42.030 (arterial streets), 3.42.040 (traffic signals), 3.42.050 (interchange improvements) and 3.42.060 (fire facilities).

1.6 "Development Plan" shall mean the plan for Development of the Subject Property pursuant to the Existing Regulations and including the Infrastructure Improvements.

1.7 "Development Requirement(s)" shall mean any fees or requirement(s) of the City imposed in connection with or pursuant to the Project Approvals such as the construction or improvement of public facilities or the payment of fees or assessments in order to lessen, offset, mitigate or compensate for the impacts of the Development.

1.8 "Effective Date" shall mean the date that is ninety (90) days after the date the City Council adopts the Enacting Ordinance unless litigation is commenced in which case the Effective Date shall mean the date on which the litigation is finally terminated, whether by dismissal which leaves all of the Project Approvals in place or by the entry of a final judgment, free from further appellate review, which upholds the Project Approvals. Notwithstanding the forgoing, Article 7 shall be immediately effective thirty one (31) days after the date the City Council adopts the enacting ordinance.

1.9 "Enacting Ordinance" shall mean the City Council adopted ordinance described in Recital K of this Agreement.

1.10 "Existing Regulations" shall mean the Project Approvals, Development Requirements, and all ordinances, resolutions, codes, rules, regulations and official policies of City, adopted and effective on the date of the adoption of the Enacting Ordinance governing Development and use of the Subject Property, including but not limited to the permitted use of land, the density or intensity of use, the maximum height and size of proposed building, and the architectural design, improvement and construction standards and specifications applicable to the Development of the Subject Property. The City shall compile two sets of the Existing Regulations. Once that compilation has been completed by the City, one set will be stored with the Agreement by the City Clerk for future use and certainty of requirements and the other set will be given to HF.

1.11 "HF" shall mean HF PROPERTIES, SUNNYMEAD PROPERTIES, THEODORE PROPERTIES PARTNERS, 13451 THEODORE, LLC and HL PROPERTY PARTNERS, and/or its successors or assigns to all or any portion of the Subject Property

1.12 "Infrastructure Improvements" shall mean all public infrastructure improvements on and off the Subject Property.

1.13 "Judgment(s)" shall mean one or more final or interim judgment(s) of a court of competent jurisdiction affecting the rights of the Parties hereunder.

1.14 "Moreno Valley Municipal Code" shall mean the City's Municipal Code in effect on the date of the adoption of the Enacting Ordinance.

1.15 "Mortgagee" shall mean a mortgagee of a mortgage, a beneficiary under a deed of trust or any other security device, a lender, or each of their respective successors and assigns.

1.16 "Parcel" shall mean any lot created by a recorded subdivision or parcel map.

1.17 "Project" shall mean the Development and operation of the Subject Property pursuant to and consistent with the Development Plan and the provisions of this Agreement.

1.18 "Project Approvals" shall mean, collectively, General Plan Amendment No. PA12-0010, the WLCSP, Zone Change No. PA12-0012, the Annexation and Tentative Parcel Map 36457.

1.19 "Subject Property" shall mean that certain real property consisting of the property more particularly described in Exhibit "A-1" attached hereto and depicted on Exhibit "A-2" attached hereto, any real property subject to the WLCSP acquired by HF after the date on which the Enacting Ordinance is adopted and all real property intended to be included by the Annexation. Until the Annexation is finally accomplished by HF at its sole cost and expense, nothing in this Agreement shall apply to the property to be annexed.

1.20 "Subsequent Development Approvals" shall mean any and all ministerial and/or discretionary permits, licenses, consents, rights and privileges, and other ministerial and/or

discretionary actions approved or issued by City in connection with Development of the Subject Property after the date of the adoption of the Enacting Ordinance, including all associated environmental documentation and mitigation measures pursuant to the California Environmental Quality Act.

1.21 "Subsequent Regulations" shall mean any ordinances, resolutions, codes, rules, regulations and official policies of the City adopted and effective after the date of the adoption of the Enacting Ordinance.

1.22 "Term" shall mean the period of time during which this Agreement shall be in effect, enforceable and bind the Parties, as set forth below in Section 3.5 of this Agreement.

ARTICLE 2 EXHIBITS.

The following documents are attached to, and by this reference made a part of, this Agreement:

Exhibit "A-1"	Legal Description of the Subject Property
Exhibit "A-2"	Depiction of the Subject Property
Exhibit "A-3"	Public Benefits

ARTICLE 3 GENERAL PROVISIONS.

3.1 Binding Effect of Agreement. From and following the Effective Date of this Agreement and throughout the Term, Development of the Subject Property and the City's actions on applications for Subsequent Development Approvals affecting the Subject Property and the Development of the Subject Property shall be governed by the terms and conditions of this Agreement, all Project Approvals and all Subsequent Development Approvals. Any matter not addressed in the foregoing documents shall be regulated pursuant to then applied routine City practices and ordinances.

3.2 Ownership of Subject Property. HF represents and warrants that it is the holder of legal and equitable interests to all of the property described and shown in Exhibits "A-1" and "A-2" and thus is qualified to enter into and to be a party to this Agreement in accordance with Government Code section 65865(b), as set forth in documentation HF provided to City and upon which City relies as part of the consideration for this Agreement.

3.3 Addition of Parcels to This Agreement. The terms of this Agreement shall apply to the 85 acre Parcel described in Recital E upon its annexation into the City which process is intended to be completed within five years by HF at HF's sole cost and to any real property subject to the WLCSP acquired by HF after the date on which the Enacting Ordinance is adopted.

3.4 Assignment Rights. From time to time HF may sell or otherwise transfer title to buildings or property in the WLC. HF shall have the right subject to City's prior written approval to sell, transfer, or assign the Subject Property, in whole or in part (provided that no such parcel

transfer shall violate the Subdivision Map Act, Government Code Section 66410, et seq.) to any person, partnership, joint venture, firm or corporation at any time during the Term of this Agreement; provided, however, that any such sale, transfer or assignment (collectively, "Assignment") shall include the assignment and assumption of the rights, duties and obligations arising under or from this Agreement be made in strict compliance with the following conditions:

(a) No assignment of any right or interest under this Agreement shall be made unless made together with the assignment of all or the concomitant part of the Subject Property.

(b) Prior to any such Assignment, HF shall provide City with an executed agreement, in a form reasonably acceptable to City, by the purchaser, transferee or assignee (collectively, "Assignee") and providing therein that the Assignee expressly and unconditionally assumes all the duties and obligations of HF under this Agreement with respect to the portion of the Subject Property being transferred. City shall have the sole power to allocate, prorate, or otherwise apportion any term, provision, fee, contribution, or similar duty or obligation of HF, so that City, HF, and assignee have a specific agreement as to the duties and obligations, of all Parties after the Transfer.

(c) Any Assignment of this Agreement will require the prior written consent of the City, which will not be unreasonably withheld or delayed. The City's approval will be based upon the City's reasonable determination, in accordance with the standard set forth in Section 3.4.1(d) as to whether or not such Assignee has the requisite ability to complete the portion of the Subject Property being transferred. Within thirty (30) days following receipt by the City of written notice regarding Assignment (such notice must include development experience information regarding the Assignee sufficient to allow the City to make the above determination) the City will notify HF regarding its approval or disapproval of such Assignment. Failure of the City to respond in writing within thirty (30) days of receipt of the notice of the Assignment shall constitute approval of the assignment.

Any Assignment not made in compliance with the foregoing conditions shall result in HF continuing to be responsible for all obligations under this Agreement. Notwithstanding the failure of any Assignee to receive City approval and/or execute the Agreement required by subparagraph (c) above, the burdens of this Agreement shall be binding upon such Assignee, but the benefits of this Agreement including but not limited to DIF, shall not inure to such Assignee until and unless such Assignment is approved by the City and executed.

3.4.1 Release of HF. Notwithstanding any Assignment, HF shall continue to be obligated under this Agreement unless HF is given a release in writing by City, which release shall be provided by City upon the full satisfaction by HF of the following conditions:

(d) HF no longer has a legal or equitable interest in the portion of the Subject Property being transferred other than a lien on the portion of the Subject Property being transferred to secure the payment of the purchase price to HF. HF shall provide the City written notice to the City of the party to which the lien is to be transferred, upon transfer of the lien, pursuant to this Article 3.

(e) HF is not then in default under this Agreement in City's sole reasonable determination, subject to procedure set forth in Section 5.2 of this Agreement.

(f) HF has provided City with the notice and executed agreement and other information required under subparagraphs (b) and (c) of Subsection 3.4 above.

(g) The City has reviewed and approved the Assignee and the Assignment, such approval to include a determination by the City that the Assignee has the requisite ability to complete the portion of the Subject Property being transferred.

(h) The Assignee provides City with security equivalent to any security previously provided by HF to secure performance of its obligations hereunder with respect to the portion of the Subject Property being transferred. The City shall cooperate with HF to effectuate the substitution of security provided by HF to that to be provided by the Assignee with respect to the portion of the Subject Property being transferred.

(i) HF has paid City all monies then due and owing to City under this Agreement.

3.4.2. Subsequent Assignment. Any subsequent Assignment after an initial Assignment shall be made only in accordance with and subject to the terms and conditions of this Article. All subsequent Assignors must deliver written acknowledgement of this Agreement, and the Assignees duties under the Agreement or the City may, in its sole discretion, terminate this Agreement as to that owner's parcel(s).

3.4.3. Termination of Agreement With Respect to Individual Parcels upon Sale and Completion of Construction. Notwithstanding any other provisions of this Agreement, this Agreement shall terminate with respect to any Parcel and such Parcel shall be released and no longer be subject to this Agreement without the execution or recordation of any further document upon satisfaction of the following conditions:

(a) The Parcel has been finally subdivided and sold or leased for a period longer than one year to a member of the public or other ultimate user; and,

(b) A Certificate of Occupancy has been issued for each structure on the Parcel shown on the plot plan required by Section 11.3.2 of the WLCSP, and the fees set forth under this Agreement have been paid.

(c) The Parcel has no duty to contribute monies or render performance under this Agreement.

3.5 Term. Unless earlier terminated as provided in this Agreement, this Agreement shall continue in full force and effect until the earlier of (i) the date of completion of the last portion of the Development, or (ii) the date that is fifteen (15) years from and after the Effective Date of this Agreement unless Certificates of Occupancy have been granted by the City for buildings on the Subject Property consistent with the Development Plan for not less than twelve-million (12,000,000) square feet (gross floor area as defined by Moreno Valley Municipal Code 9.15.030) in which event the Term shall be extended for an additional ten (10) years, subject to

extension pursuant to Section 11.9 below (the "Term"). Alternatively, if HF is, for any reason, unable to obtain Certificates of Occupancy for not less than eight (8) million square feet, and up to twelve million (12,000,000) square feet within the original fifteen (15) year Term, it shall be entitled to have this Agreement extended for an additional ten (10) years, subject to extension pursuant to Section 11.9 below, upon the payment to the City of one million dollars ($1,000,000) prior to the expiration of the original fifteen (15) year term.

3.6 City Cooperation.

(a) In anticipation of the effort necessary to facilitate the timely processing and permitting of project improvements, HF may request the City to designate a mutually agreeable individual (the "City's WLC Coordinator") who shall have the authority to facilitate and coordinate development services within the City and with HF for all actions to be taken by the City which are needed for the development of the Project, including, but not limited to, discretionary approvals, entitlements, site plans, grading, building and occupancy permit applications and inspections through the City's review and approval processes, all at the full cost of HF, which HF shall pay in advance and replenish upon City's request, from time to time. If any payments are not received by City when requested, the WLC coordinator shall cease acting until the funds are received and normal City protocols shall govern. All applications submitted to the City shall be evaluated for completeness within twelve (12) working days of receipt by the City. If not complete, the City shall immediately ensure that HF is notified of what additional information is required.

(b) Upon receipt of an application deemed complete pursuant to subsection 3.6(a) above for a site, grading, building, occupancy, or similar permit, the City shall process, review and approve or disapprove the application within ten (10) working days for the first submittal and within ten (10) working days of any subsequent submittals.

(c) It shall be the City's WLC Coordinator's responsibility to ensure that all of the time limits set forth above are met.

(d) The Project shall, pursuant to ordinary procedures, participate in the City's "Time and Materials Fee Program" which is designed to ensure that the City is reimbursed by HF for its actual costs of providing discretionary approvals, entitlements, planning, grading, and building permits and inspections and fire prevention services. For convenience this shall include the payments due under sub sections 3.6(a) and 3.6(e).

(e) The City shall, pursuant to City's standard contracting procedures, maintain on-call contracts with at least three qualified entities or persons, mutually acceptable to both the City and HF, who can be called upon to immediately provide the services set forth above when the City's WLC Coordinator determines that the City, utilizing typical city staff resources, is unlikely to be able to meet the time limits set forth above. HF shall be solely responsible for the cost of using the qualified private entities or persons. HF shall deposit with City a sum City then determines necessary for such consultants, immediately upon written request from City. HF shall replenish such funds, from time to time, upon written request from City. If any funds are not received per City's request, the consultants shall, without liability, cease work until such money is received.

(f) The City's WLC Coordinator shall cooperate with HF in obtaining any permits or approvals needed from any other agency at full cost to HF.

(g) The City, at HF's request, shall meet with HF to consider in good faith, economic incentives sought by HF similar to those approved for logistics projects in other areas of the City after the Effective Date.

3.7 Time of the Essence. The Parties expressly acknowledge and agree that time is of the essence in the performance of the provisions of this Agreement.

3.8 Mutual Waiver of Estoppel Defenses by Parties. Notwithstanding any legal authorities to the contrary concerning the doctrines of waiver and estoppel as applied to public entities and the actions or inactions of public agencies or public agency officers and officials, the Parties acknowledge and agree that each party and its successors and assigns to all or any interest in the Subject Property are relying upon the contents of this Agreement and the Parties' execution of this Agreement and the recordation hereof, and that in consideration of such material reliance, each party shall now be estopped from denying the underlying validity of this Agreement and each party knowingly and expressly waives any such claim or defense.

ARTICLE 4 DEVELOPMENT OF THE PROPERTY.

4.1 Vested Right to Develop. During the Term, HF or its Assignee, shall have a vested right to develop the Subject Property in accordance with the Existing Regulations, and as subject to the provisions of this Agreement.

4.2 Effect of Agreement on Land Use Regulations. Except as otherwise provided under the terms of this Agreement, the rules, regulations and official policies governing permitted uses of the Subject Property, the density and intensity of use of the Subject Property, the maximum height and size of proposed buildings, and the design, improvement, and construction standards and specifications applicable to Development of the Subject Property, shall be only the Existing Regulations and those contained in the Development Plan.

4.3 Subsequent Development Approvals. When required by the Moreno Valley Municipal Code, the City shall accept for processing, review and take action upon all properly filed applications for Subsequent Development Approvals. The City further agrees that, unless otherwise requested by HF, the City shall not amend or rescind any Subsequent Development Approvals after such approvals have been granted by the City except as otherwise provided for in Title 9 of the City Municipal Code, or as directed by court order, or as related to approvals not granted by the City. Any Subsequent Development Approval, when granted, shall be deemed to be part of the Existing Regulations from the date of approval except as mandated by court order, or as specified in approvals not granted by the City.

4.4 Timing of Development. HF represents that it intends to commence and complete the physical improvements specified in the Development Plan for the Project. HF cannot specify the specific timing of development. HF will use its best efforts to commence construction at the earliest possible date consistent with market conditions. Because the California Supreme Court held in *Pardee Construction Co. v. City of Camarillo* (1984) 37 Cal.3d 455, that the failure of the parties therein to provide for the timing of development resulted in a latter adopted initiative

restricting the timing of development to prevail over such parties' agreement, it is the Parties' intent to cure that deficiency by expressly acknowledging and providing that HF shall have the right to develop the Subject Property at its own timing. In addition, to the extent HF decides to proceed with the Development of the Subject Property, City shall cooperate with HF with respect to the improvement of the Development of the Subject Property. If HF determines, in its sole and absolute discretion, to develop portions or phases of the Project, the City shall allow the phasing of public improvements unless the City determines that generally applied City of Moreno Valley Municipal engineering or planning requirements demand that additional or complete public improvements be made. The public improvements to be provided would be only those needed to serve the portion or phase being developed consistent with the environmental analysis which shall demonstrate to the City that the public improvements to be provided would be only those needed to serve the portion or phase being developed.

4.5 Terms of Maps and Other Project Approvals. Pursuant to California Government Code Sections 66452.6(1) and 65863.9, the term of any subdivision or parcel map that may be processed on all or any portion of the Subject Property and the term of each of the development approvals, including Tentative Parcel Map 36457, and any Subsequent Development Approvals, shall be extended until the expiration of the Term.

4.6 Changes and Amendments. The Parties acknowledge that although Development of the Project may require Subsequent Development Approvals, such Development shall be in compliance with this Agreement including the Development Plan. The above notwithstanding, HF may determine that changes are appropriate and desirable in the existing Project Approvals or Development Plan. In the event HF finds that such a change is appropriate or desirable, HF may apply in writing for an amendment to the existing Project Approvals or the Development Plan to effectuate such change. The City shall review and process any request for an amendment in the same manner that it would review and process a similar request for an amendment from any other owner of commercial or industrial land in similar circumstances. Any amendment to the Project Approvals or the Development Plan, when granted, shall be deemed to be part of the Existing Regulations from the date of the grant. Such amendments shall not be unreasonably withheld.

4.7 Reservation of Authority.

4.7.1. Limitations, Reservations and Exceptions. Notwithstanding any other provision of this Agreement, the following Subsequent Regulations shall apply:

(a) Procedural regulations consistent with this Agreement relating to hearing bodies, petitions, applications, notices, findings, records, hearing, reports, recommendations, appeals and any other matter of procedure subject to the City's obligations under Section 3.6, and as may be the subject to future general law enactments by the State of California.

(b) Changes adopted by the International Code Council, or other similar body, as part of the then most current versions of the California Building Code, Uniform Fire Code, Uniform Plumbing Code, Uniform Mechanical Code, or National Electrical Code, and also adopted by the City as Subsequent Regulations.

(c) Subsequent Regulations, not otherwise specified under this Section 4.7.1, that are not in conflict with the Existing Regulations and the Development Plan.

(d) Subsequent Regulations, not otherwise specified under this Section 4.7.1, that are in conflict with the Existing Regulations or the Development Plan provided HF has given written consent to the application of such regulations to Development of the Subject Property at HF's sole and absolute discretion.

(e) Increased DIF, as defined in Section 1.5 of this Agreement, which shall be paid in the amount of the DIF in effect at the time that they are to be paid.

(f) Judgment(s) and/or federal, state and county laws and regulations which the City is required to enforce as against the Subject Property or the Development of the Subject Property.

4.7.2. Further Future Discretion of City. This Agreement shall not prevent the City, in acting on Subsequent Development Approvals, from applying Subsequent Regulations allowed under Section 4.7.1. Further, it is also understood and acknowledged by the Parties that the Project Approvals contemplate that the City may be required, in certain circumstances, to undertake further environmental review of Subsequent Development Approvals. If the circumstances set forth in CEQA Guideline Section 15162 occur in the context of the City considering Subsequent Development Approvals, or if otherwise required by the EIR, the City is required to, and shall, without being subject to claim, assertion of breach or other challenge by HF or Assignee exercise the maximum discretion authorized by law, consistent with the terms of CEQA and this Agreement.

4.7.3. Modification or Suspension by Federal or State, County, or Multi-Jurisdictional Law. In the event that any Judgment(s) or federal, state, county, or multi-jurisdictional 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 Judgment(s) or federal, state, county, or multi-jurisdictional laws or regulations, and 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 provision impractical to enforce.

4.8 Payment of, and Reimbursement for, the Cost of Improvements Paid for by HF Which Are in Excess of HF's Fair Share. HF shall satisfy the requirements imposed by Mitigation Measure 4.15.7.4.A, as set forth in the EIR, to ensure that all of the Development's impacts on the City's circulation system, including, but not limited to, improvements to arterial streets, traffic signals and interchanges, are mitigated. Because HF will be responsible for paying for or constructing all circulation-related improvements, it shall not pay the fees imposed by Moreno Valley Municipal Code Sections 3.42.030 (arterial streets), 3.42.040 (traffic signals) and 3.42.050 (interchange improvements). City will provide to HF the reimbursement agreement(s) in the form and type as specified in Chapter 9.14 of Title 9 of the Moreno Valley Municipal Code.

4.9 Provision of a "turnkey" Fire Station. HF shall, at its own cost, provide a fully constructed, fully equipped fire station and fire station site, including fire trucks, as specified by the City's Fire Chief. The fire station's furniture and fixtures shall be reasonably comparable to those of the most recently completed fire station within the City. The fire station, equipment and trucks shall be provided as and when directed by the Fire Chief. Because HF will be responsible for the provision of the fire station, fire station site, equipment, and trucks, it shall not pay the fee imposed by Moreno Valley Municipal Code Section 3.42. 060 (fire facilities). City will provide to HF the reimbursement agreement(s) in the form and type as specified in Chapter 9.14 of Title 9 of the Moreno Valley Municipal Code.

4.10 City's Provision of Public Infrastructure and Services. Except as otherwise prescribed in this Agreement and/or as required of the development through existing or future mitigation measures, development standards, and conditions of approval, the City shall provide the public infrastructure and services which are not HF's responsibility as determined by the City with timing at the sole and absolute discretion of the City.

4.11 Local Hiring Program. HF will establish a WLC Local Hiring Program, at HF's cost to identify, align, and facilitate educational interests and programs with workforce development programs that facilitate the hiring of Moreno Valley residents for job opportunities at the World Logistics Center, and associated jobs not directly at WLC, but in industries that support WLC. HF will require its contractors, suppliers and tenants to be active participants in Moreno Valley Employment Resource Center ("ERC") programs including, but not limited to, the job opportunity announcement program. World Logistics Center employers will be requested to submit all job announcements to the ERC at least one week prior to providing such announcements to other agencies or to the general public. Potential employers will be requested to provide information regarding job opportunities to the ERC including details regarding job titles, minimum qualifications, application processes, and employer contact information. HF shall request that subsequent users to make good faith efforts to hire Moreno Valley City residents. HF shall, upon City's request from time to time, provide to the City proof of its efforts under this section and the success of HFs' efforts. HF shall also participate with the Hire MoVal Incentive Program, which was adopted by the City Council on April 28, 2015, and as it may be amended from time to time.

4.12 Education/Innovation/Training/Library Funding.

The City and HF are especially interested in ensuring that the residents of Moreno Valley are provided education resources and obtain every opportunity to secure the jobs which will be created by the operation of the World Logistics Center. Toward that end, HF is willing to contribute six million, nine hundred and ninety three thousand dollars ($6,993,000), to be used by the City to provide and enhance educational and workforce development training in the supply chain and logistics industries, as follows:

(a) HF shall contribute no less than five million, two hundred sixty eight thousand dollars ($5,268,000), one million dollars ($1,000,000) to be contributed at the issuance of the first building permit for a logistics building on the Subject Property and $0.11/square foot to be paid at the time of the issuance of the building permit for each succeeding building, excluding the fire station;

(b) In addition to the foregoing, beginning on the Effective Date and on each anniversary of that date thereafter, HF shall contribute to the City one hundred thousand dollars ($100,000) per year for the next six (6) years; and

(c) In addition to the foregoing, beginning in the 7th year on the anniversary date of the Effective Date and continuing throughout the Term, HF shall contribute to the City one hundred twenty five thousand dollars ($125,000) per year, on the specified anniversary date of the Effective Date, so long as this Agreement is in effect.

4.13 State Route 60 Landscape, Signage, Bridge Design Program. City shall set up a joint City/HF committee to develop freeway related landscaping, bridge architectural concepts, engineering and freeway signage regulations for SR-60 between Redlands Boulevard and Gilman Springs Road. The guidelines, concepts and regulations shall be developed in an expeditious manner. The City shall contribute up to Fifty Thousand Dollars ($50,000) and HF shall match the City's contributions on a ten to one basis, up to Five-Hundred Thousand dollars ($500,000).

4.14 Air Filtration Systems for Seven Properties at Theodore Street and Dracaea Avenue. Notwithstanding the findings of the EIR, Owner agrees to fund the installation of air filtration systems meeting ASHRSE Standard 52.2 MERV-13 standards at the locations listed below, not to exceed $25,000 per property. Property owners shall be under no obligation to accept such offer. Prior to the issuance of the first construction permit within the WLCSP, Owner shall provide documentation to the City confirming that an offer has been extended to each of the owners of said properties, and $175,000 shall be deposited in a City account designated for this purpose and an agreement regarding the use and distribution of funds shall be executed between City and Owner. The affected property owners shall have until December 31, 2021 to accept the offer. Upon acceptance of each offer, Owner shall work with each owner to ensure the filtration system is properly installed in a timely fashion. Owner shall invoice City for reimbursement of payments up to $25,000 per property. This provision applies only to the following seven houses:

13100 Theodore Street, Moreno Valley, CA 92555 current APN: 422-070-029

13200 Theodore Street, Moreno Valley, CA 92555 current APN: 422-070-032

13241 Theodore Street, Moreno Valley, CA 92555 current APN: 478-220-014

29080 Dracaea Avenue, Moreno Valley, CA 92555 current APN: 478-220-030

29140 Dracaea Avenue, Moreno Valley, CA 92555 current APN: 478-220-009

30220 Dracaea Avenue, Moreno Valley, CA 92555 current APN: 422-070-035

30240 Dracaea Avenue, Moreno Valley, CA 92555 current APN: 422-070-037

ARTICLE 5 REVIEW FOR COMPLIANCE.

5.1 Periodic Review. The City shall review this Agreement annually, on or before the anniversary of the Effective Date, in order to ascertain the good faith compliance by HF with the terms of the Agreement. As part of that review, HF or its successor and assigns shall submit an annual monitoring review statement describing its actions in compliance with this Agreement, in a form acceptable to the Community Development Director or his/her authorized designee, within thirty (30) calendar days after written notice therefrom requesting such a statement. The statement shall be accompanied by an annual review and administration fee sufficient to defray the estimated costs of review and administration of the Agreement during the succeeding year. The amount of the annual review and administration fee shall be set by resolution of the City Council. No failure on part of the City to conduct or complete the review as provided herein shall have any impact on the validity of this Agreement. HF shall, for the first year, deposit $1,000.00 on the Effective Date for the first year of review.

5.2 Procedure. Each Party shall have a reasonable opportunity to assert matters which it believes have not been undertaken in accordance with the Agreement, to explain the basis for such assertion, and to receive from the other Party a justification of its position on such matters.

5.2.1. If on the basis of the Parties' review of any terms of the Agreement, either Party concludes that the other Party has not complied in good faith with the terms of the Agreement, then such Party may issue a written "Notice of Non-Compliance" specifying the grounds therefor and all facts demonstrating such non-compliance.

5.2.2. The Party receiving a Notice of Non-Compliance shall have thirty (30) calendar days to cure or remedy the non-compliance identified in the Notice of Non-Compliance, or if such cure or remedy is not reasonably capable of being cured or remedied within such thirty (30) days period, to commence to cure or remedy the non-compliance and to diligently and in good faith prosecute such cure or remedy to completion.

5.2.3. If the Party receiving the Notice of Non-Compliance does not believe it is out of compliance and contests the Notice, it shall do so by responding in writing to said Notice within thirty (30) calendar days after receipt of the Notice.

5.2.4. If a Notice of Non-Compliance is contested, the Parties shall, for a period of not less than fifteen (15) calendar days following receipt of the response, seek to arrive at a mutually acceptable resolution of the matter(s) occasioning the Notice. In the event that a cure or remedy is not timely effected or, if the Notice is contested and the Parties are not able to arrive at a mutually acceptable resolution of the matter(s) by the end of the fifteen (15) calendar day period, the party alleging the non-compliance may thereupon pursue the remedies provided in Article 6 of this Agreement.

5.2.5. Neither Party hereto shall be deemed in breach if the reason for non-compliance is due to a "force majeure" as defined in, and subject to the provisions of, Section 11.9 below or any other non performance authorized by this Agreement.

5.3 Certificate of Agreement Compliance. If, at the conclusion of an annual review, HF is found to be in compliance with this Agreement, City shall, upon request by HF, issue a Certificate of Agreement Compliance ("Certificate") to HF stating that after the most recent Periodic Review and based upon the information known or made known to the City that (1) this Agreement remains in effect and that (2) HF is in compliance. The Certificate, shall be in recordable form, shall contain information necessary to communicate constructive record notice of the finding of compliance, and shall state that the Certificate expires upon the earlier of (i) one (1) year from the date thereof, or (ii) the date of recordation of a Notice of Termination of Development Agreement. HF may record the Certificate with the County Recorder. Additionally, HF may at any time request from the City a Certificate stating, in addition to the foregoing, which obligations under this Agreement have been fully satisfied with respect to the Subject Property, or any lot or parcel within the Subject Property.

ARTICLE 6 DEFAULT AND REMEDIES.

6.1 Specific Performance; Waiver of Damages. The Parties acknowledge and agree that specific performance is the preferred remedy available for the enforcement of this Agreement. Accordingly, both parties hereby waive the right to obtain monetary damages from the other Party by reason of default of this Agreement. Subject to the procedure set forth in Section 5.2 above, any material default by HF or the City of the Agreement that is not timely cured by HF or the City shall be deemed a material default by HF or the City of this Agreement.

6.2 Termination of the Agreement.

6.2.1. Termination of Agreement for Default of HF. The City in its reasonable discretion may terminate this Agreement for any failure of HF to perform any material duty or obligation of HF hereunder or to comply in good faith with the terms of this Agreement (hereinafter referred to as "default" or "breach"); provided, however, the City may terminate this Agreement pursuant to this Section only after following the procedure set forth in Section 5.2 and HF and/or Assignee fail to remedy any issue. Further, if a mortgage of HF comes into possession of the Subject Property by default of HF, City may without liability, and in its sole and absolute discretion, terminate this Agreement. A bankruptcy filing by HF or general Partner of HF, or HF's successors and assigns, shall also be grounds by City for termination of this Agreement.

6.2.2. Termination of Agreement for Default of City. HF in its reasonable discretion may terminate this Agreement for any default by the City; provided, however, HF may terminate this Agreement pursuant to this Section only after following the procedure set forth in Section 5.2 and thereafter providing written notice by HF to the City of the default setting forth the nature of the default and the actions, if any, required by the City to cure such default and, where the default can be cured, the failure of the City to cure such default within thirty (30) days after the effective date of such notice or, in the event that such default cannot be cured within such thirty (30) day period, the failure of the City to commence to cure such default within such thirty (30) day period and to diligently proceed to complete such actions and to cure such default.

6.2.3. Rights and Duties Following Termination. Upon the termination of this Agreement, no Party shall have any further right or obligation hereunder and City shall treat HF

and the Subject Property pursuant to all ordinances, policies, and laws as uniformly applied in the City.

6.3 Institution of Legal Action. Subject to notice of default and opportunity to cure under Section 5.2, in addition to any other rights or remedies, any Party to this Agreement may institute an equitable action to cure, correct, or remedy any default, to enforce any covenants or agreements herein, to enjoin any threatened or attempted violation hereof, or to obtain any other equitable remedies consistent with this Agreement. Any action at law or in equity arising under this Agreement or brought by any 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, or such other appropriate court in said County, and the Parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court. Service of process on the City shall be made in accordance with California law. Service of process on HF shall be made in any manner permitted by California law and shall be effective whether served inside or outside California. If an action or proceeding is brought by any Party to this Agreement because of default, or to enforce a provision hereof, the prevailing Party shall be entitled to reimbursement of all costs and expenses, including attorneys' fees, incurred in prosecuting such legal action or proceeding. This provision is separate and severable, and shall survive the merger of this Agreement into any judgment on this Agreement. In all instances, the Parties agree that §6.1 also survives and controls the actions of the Parties, and further, that the Parties shall stipulate to the limitation on remedies imposed by §6.1.

ARTICLE 7 THIRD PARTY LITIGATION.

7.1 Notice, Defense and Indemnification of Third Party Litigation. The City shall promptly notify HF of any claim, action, or proceeding filed and served against the City to challenge, set aside, alter, void, annul, limit or restrict the approval and continued implementation and enforcement of this Agreement or any Existing Regulation, including but not limited to Project Approvals and CEQA challenges, as they may be filed from time to time by one or more third parties. HF agrees to fully defend, indemnify and hold the City harmless for all costs of defense and/or judgment(s) obtained in any such action or proceeding by reimbursing City, on a monthly basis, for any and all costs. The City shall notify HF within ten (10) calendar days after the City has selected the defense counsel(s). The City and HF agree to cooperate in the defense of such action(s), which includes HF being provided the opportunity to present City its views and recommendations regarding defense counsel or defense strategy. City shall use its best efforts to reasonably manage case costs and seek reasonable attorney rates.

7.2 Effect of Third Party Litigation on Implementation of Agreement. If any third party litigation referred to in Section 7.1 is filed, the City shall continue to comply with the terms of this Agreement unless prohibited from doing so by court order.

7.3 If third party litigation is filed and if HF decides, in its sole and absolute discretion, not to defend the litigation then upon providing written notice of that decision to the City not to defend the litigation this Agreement shall terminate and no Party shall thereafter have any rights or obligations under it. Nothing in this Agreement shall prevent the City, if it decides in its sole and absolute discretion, from defending the litigation at its own sole cost.

ARTICLE 8 MORTGAGEE AND LENDER PROTECTION.

8.1 The Parties hereto agree that this Agreement shall not prevent or limit HF, in any manner, at HF's sole discretion, from encumbering the Subject 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 Subject 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 HF and representatives of such lenders to negotiate in good faith any such request for interpretation or modification but City reserves the right to make the final decisions, pursuant to law of such requests. The City is not bound nor is there any predetermination as to matters requiring public hearing or any adjudicative proceeding. Subject to compliance with applicable laws, the City will not unreasonably withhold its consent to any such requested interpretation or modification provided the City determines such interpretation or modification is consistent with the intent and purposes of this Agreement and not harmful to City in any manner, in City's sole and absolute discretion. HF shall reimburse City for all costs incurred by City in connection with compliance with this Section 8.1. HF represents and warrants that there are presently no financing of any type or nature that encumber the Subject Property and further represents there are no covenants, financings or other burdens that impair City's rights under this Agreement, and further, no third party holds rights to the Subject Property superior to this Agreement as regards to City's rights.

8.2 Any Mortgagee of the Subject Property shall be entitled to the following rights and 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 Subject 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 Subject 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 HF in the performance of HF'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 HF under the terms of this Agreement, the City shall make a good faith effort to provide a copy of that notice to the Mortgagee within ten (10) days of sending the notice of default to HF. The Mortgagee shall have the right, but not the obligation, to cure the default during the period that is the longer of (i) the remaining cure period allowed such Party under this Agreement, or (ii) thirty (30) days.

(d) Any Mortgagee who comes into possession of the Subject 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 Subject 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 HF's obligations or other affirmative covenants of HF hereunder, or to guarantee such performance;

except that (i) to the extent that any covenant to be performed by HF is a condition precedent to the performance of a covenant by the City, the performance thereof shall continue to be a condition precedent to the City's performance hereunder, and (ii) in the event any Mortgagee seeks to develop or use any portion of the Subject Property acquired by such Mortgagee by foreclosure, deed of trust, or deed in lieu of foreclosure, such Mortgagee shall strictly comply with all of the terms, conditions and requirements of this Agreement and the Development Plan applicable to the Subject Property or such part thereof so acquired by the Mortgagee. The successor Mortgagee is hereby on notice that the event of taking possession of the Subject Property allows, but does not require City to terminate this Agreement without cost or liability to City.

8.3 The City shall, at HF's cost paid to City immediately upon City's request, provide publically available information requested by potential lenders in a timely fashion. City shall not be required, but may, provide any information exempt from disclosure under the California Public Records Act. (G.C. 6250 et. seq.)

ARTICLE 9 INSURANCE.

9.1 Liability Insurance. HF shall maintain an insurance policy protecting against death or injury to person or property for claims arising out of activities on the Subject Property in the amount of at least five million dollars ($5,000,000) with the City, is officers, officials, employees, agents and representatives named as additional insured. This requirement is in addition to any liability insurance requirement which the City routinely imposes as a condition to the issuance of a building or grading permit. In addition, all such insurance:

(a) shall be primary insurance and not contributory with any other insurance the City or its officers, officials, employees, agents, and representatives may have;

(b) shall contain no special limitations on the scope of protection affordable to the City and its officers, officials, employees, agents, and representatives;

(c) shall be claims made and not dates of occurrence insurance;

(d) shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability;

(e) shall provide that the policy shall not be canceled by the insurer or Owner unless there is a minimum of thirty (30) days prior written notice to the City;

(f) shall be endorsed to include a waiver of subrogation rights against the City or its officers, officials, employees, agents, and representatives; and

(g) shall not require Owner to meet a deductible of more than One Hundred Thousand Dollars ($100,000) unless approved in writing by the City's Community Development Director in his/her sole and absolute discretion.

9.2 Workers Compensation Insurance. HF shall ensure that any consultant or contractor hired by HF for work on or related to the Subject Property shall carry workers

compensation insurance as required by the State of California. This requirement is in addition to any workers compensation insurance requirement which the City routinely imposes as a condition to the issuance of a building or grading permit.

ARTICLE 10 INDEMNITY FOR INJURY TO PERSON OR PROPERTY.

HF agrees to and shall indemnify, defend, and hold harmless the City and the City's officers, officials, members, employees, agents, and representatives, from and against any and all claims, liabilities, awards, settlements, agreements, damages, and losses, including without limitation reasonable attorneys' fees and litigation expenses, including court and expert witness fees (collectively, "Claims"), with respect to any action brought due to the death or personal injury of any person, or physical damage to any person's real or personal property, caused by the construction of improvements by, or construction-related activities of, HF or HF's employees, agents, representatives, servants, invitees, consultants, contractors, or subcontractors (collectively, "HF's Representatives") on the Subject Property, or for any construction defects in any improvements constructed by HF or HF's Representatives on the Subject Property or for any other work related to this Agreement.. The foregoing indemnification provision shall survive the termination of this Agreement.

Notwithstanding the above, HF agrees to and shall indemnify, defend, and hold harmless the City and the City's officers, officials, members, employees, agents and representatives, from and against any and all claims, liabilities, damages, and losses, including without limitation reasonable attorneys' fees and litigation expenses, including court and expert witness with respect to any action brought to challenge the Project's entitlement approvals and/or the EIR.

ARTICLE 11 MISCELLANEOUS PROVISIONS.

11.1 Recordation of Agreement. The City Clerk shall have this Agreement recorded with the County Recorder within the period required by Government Code section 65868.5. Any amendments to this Agreement approved by the Parties, and any cancellation hereof, shall be similarly recorded. A failure to record this Agreement in a timely fashion shall not affect its validity in any manner.

11.2 Entire Agreement. This Agreement sets forth and contains the entire understanding and agreement of the Parties with respect to the subject matter set forth herein, 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 except as to future and further agreements and the exercise of the Existing Regulations.

11.3 Severability. If any term, provision, covenant or condition of this Agreement shall be determined invalid, void or unenforceable, the invalid provision shall be deemed to be severable from the remaining provisions contained within the Agreement. The Parties hereby state and acknowledge they would have adopted each provision contained within this Agreement notwithstanding the presence of an invalid provision.

11.4 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, and the rule of construction to the effect that ambiguities are to be resolved against both the drafting parties or in favor of the City or HF shall not be employed in interpreting this Agreement, all Parties having been represented by counsel in the negotiation and preparation, adoption, application and execution hereof.

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

11.6 Singular and Plural. As used herein, the singular of any word includes the plural.

11.7 Waiver. Failure of 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 and demand strict compliance by the other Party with the terms of this Agreement thereafter.

11.8 No Third Party Beneficiaries. This Agreement is made and entered into for the sole protection and benefit for the Parties and their successors and assigns. No other person shall have any right of action based upon any provision of this Agreement.

11.9 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 earthquakes, 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), economic or environmental/physical conditions (such as lack of utilities) beyond HF's control which make Development uneconomic or infeasible, other causes beyond the Party's reasonable control or court actions (such as restraining orders or injunctions). If any such events shall occur, the Term of this Agreement and the time for performance shall be extended for the duration of each such event, provided that the Term shall not be extended under any circumstances for more than three (3) years regardless of the number or length of individual extensions and further, in no instance, shall be for a duration longer than the circumstance serving to cause the delay. Notwithstanding the foregoing, if construction ceases after commencement, but prior to the issuance of Certificates of Occupancy, HF, at its sole cost, shall secure, preserve and prevent any nuisance conditions from occurring on the Subject Property.

11.10 Mutual Covenants. The covenants contained herein are mutual covenants and also constitute conditions to the concurrent or subsequent performance by the Party benefited thereby of the covenants to be performed hereunder by such benefited Party.

11.11 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.

11.12 Covenant Not To Sue Each Other Regarding the Construction of the Agreement. The Parties to this Agreement, and each of them, agree that this Agreement and each term hereof

are 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.

11.13 Project as a Private Undertaking. It is specifically understood and agreed by and between the Parties that the Development of the Subject Project is a private 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 HF is that of a government entity regulating the Development of private property, on the one hand, and the holder of legal or equitable title to such property, on the other hand.

11.14 Further Actions and Instruments. Each of the Parties shall cooperate in good faith with and provide reasonable assistance to the other to the extent contemplated 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 or 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.

11.15 Amendments in Writing/Cooperation. This Agreement may be amended only by written consent of both Parties specifically approving the amendment and in accordance with the Government Code section 65868. The Parties shall cooperate in good faith with respect to any amendment proposed in order to clarify the intent and application of this Agreement, and shall treat any such proposal on its own merits, and not as a basis for the introduction of unrelated matters. Subject to the provisions of Moreno Valley Municipal Code Section 9.02.110E, minor, non-material modifications which are clerical or strictly technical corrections which do not affect the substantive terms and conditions of the Agreement may be approved by the Community Development Director in consultation with the City Attorney as an operating Memorandum. City, upon its request, may be compensated for its costs reasonably incurred in reviewing and processing any request under this section, including costs arising from third parties engaged by the City in furtherance of any request.

11.16 Operating Memoranda. The Parties acknowledge and agree that the provisions of this Agreement require a close degree of cooperation between the City and HF, and Development of the Subject Property hereunder may demonstrate that refinements or clarifications are appropriate with respect to the details of performance of the City and HF. If and when, from time to time, during the Term of this Agreement, the City and HF agree that such refinements or clarifications are necessary or appropriate, they will effectuate such refinements or clarifications through operating memoranda approved by the City and HF, which, after execution, will be attached to this Agreement as addenda and become a part hereof, and may be further refined or clarified from time to time as necessary with future approval by the City and HF. The Community Development Director, in consultation with the City Attorney,

will be authorized to make the determination whether a requested refinement or clarification and corresponding operating memoranda may require a public hearing and approval by the City Council. Notwithstanding the foregoing, the City staff or contract staff may decline to execute any operating Memoranda and may instead submit the matter to the City Council for its consideration and action.

11.17 Corporate Authority. The person(s) executing this Agreement on behalf of each of the Parties hereto represent and warrant that (i) such Party are duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said Party, (iii) without representing and warranting whether or not the Agreement is lawful by so executing this Agreement, such Party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other agreement to which such Party is bound.

11.18 Notices. All notices under this Agreement shall be effective upon any of the following: personal delivery, via e-mail, via facsimile so long as the sender receives confirmation of successful transmission from the sending machine, or three (3) business days after deposit in the United States mail, registered, certified, postage fully prepaid and addressed to the respective Parties as set forth below or as to such other address as the Parties may from time to time designate in writing:

To City: City of Moreno Valley
14177 Frederick Street
Moreno Valley, California 92552
Attn: City Manager
Telephone: (951) 413-3000
Facsimile: (951) 413-3210
E-mail address: cmoffice@moval.org

Copies to: City Attorney
_____
_____, California
Telephone: (951)413-3036
Facsimile: (413) 413-3034
E-mail address: cityclerk@moval.org

To HF: Iddo Benzeevi
President and Chief Executive Officer
Highland Fairview Operating Co.
14225 Corporate Way
Moreno Valley, CA 92553
Telephone: (951) 867-5327
Facsimile: (951) 867-5328
E-mail Address: ibenzeevi@highlandfairview.com

Copy to: Kenneth B. Bley, Esq.
Cox, Castle & Nicholson LLP

2029 Century Park East, Suite 2100
Los Angeles, CA 90067
Telephone: (310) 284-2231
Facsimile: (310) 284-2100
E-mail address: kbley@coxcastle.com

11.19 Nonliability of City Officials. No officer, official, member, employee, contractor, attorney, agent, or representatives of the City shall be liable for any amounts due hereunder, and no judgment or execution thereon entered in any action hereon shall be personally enforced against any such officer, official, member, employee, agent, or representative.

11.20 No Brokers. The City and HF represent and warrant to the other that neither has employed any broker and/or finder to represent its interest in this transaction. Each Party agrees to indemnify and hold the other free and harmless from and against any and all liability, loss, cost, or expense (including court costs and reasonable attorney's fees) in any manner connected with a claim asserted by any individual or entity for any commission or finder's fee in connection with this Agreement arising out of agreements by the indemnifying Party to pay any commission or finder's fee.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the day and year first set forth above.

City:

CITY OF MORENO VALLEY

By _____
Mayor, City of Moreno Valley

ATTEST:

By _____
City Clerk

APPROVED AS TO FORM:

By _____ 8-26-15
City Attorney

HF:
HF PROPERTIES,
a California general partnership

By: _____

Name: Iddo Benzeevi

Its: President

SUNNYMEAD PROPERTIES,
a Delaware general partnership

By: _____

Name: Iddo Benzeevi

Its: President

THEODORE PROPERTIES PARTNERS,
a Delaware general partnership

By: _____

Name: Iddo Benzeevi

Its: President

13451 THEODORE, LLC,
a California limited liability company

By: _____

Name: Iddo Benzeevi

Its: Sole member

HL PROPERTY PARTNERS,
a Delaware general partnership

By: _____

Name: Iddo Benzeevi

Its: President

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 Riverside

On Sept 3, 2015 before me, Mitzi Turner, Notary Public,
(here insert name and title of the officer)

personally appeared Ido Benzeevi

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 Mitzi Turner

(Seal)

MITZI TURNER
COMM. #2051918
Notary Public - California
Riverside County
My Comm. Expires Jan. 11, 2018

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 Riverside

On Sept 3, 2015 before me, Mitzi Turner, Notary Public,
(here insert name and title of the officer)

personally appeared Iddo Benzeevi

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 Mitzi Turner

(Seal)

MITZI TURNER
COMM. #2051918
Notary Public - California
Riverside County
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State of California
County of Riverside

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(here insert name and title of the officer)

personally appeared Iddo Benzeevi

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 Mitzi Turner

(Seal)

MITZI TURNER
COMM. #2051918
Notary Public - California
Riverside County
My Comm. Expires Jan. 11, 2018

ACKNOWLEDGMENT

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State of California
County of Riverside

On Sept 3, 2015 before me, Mitzi Turner, Notary Public,
(here insert name and title of the officer)

personally appeared Iddo Benzeevi

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 Mitzi Turner

(Seal)

MITZI TURNER
COMM. #2051918
Notary Public - California
Riverside County
My Comm. Expires Jan. 11, 2018

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 Riverside

On Sept 3, 2015 before me, Mitzi Turner, Notary Public,
(here insert name and title of the officer)

personally appeared Ido Benzeevi

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 Mitzi Turner

(Seal)

MITZI TURNER
COMM. #2051918
Notary Public - California
Riverside County
My Comm. Expires Jan. 11, 2018

EXHIBIT "A-1"
LEGAL DESCRIPTION

THOSE CERTAIN PARCELS OF LAND IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORINA, DESCRIBED AS FOLLOWS:

(APN: 478-220-01)
LOTS 1, 2 AND 7 IN BLOCK 59 OF BEAR VALLEY AND ALESSANDRO DEVELOPMENT COMPANY, AS SHOWN BY MAP NO. 1, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 11, PAGE 10 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY.

TOGETHER WITH:

(APN: 488-350-3, 4)
LOTS 5 AND 6 IN BLOCK 55 OF BEAR VALLEY AND ALESSANDRO DEVELOPMENT COMPANY, AS SHOWN BY MAP NO. 1, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 11, PAGE(S) 10, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY.

TOGETHER WITH:

(APN: 478-220-7)
LOT 4 IN BLOCK 60 OF BEAR VALLEY AND ALESSANDRO DEVELOPMENT COMPANY, AS SHOWN BY MAP NO. 1, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 11, PAGE 10 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

TOGETHER WITH:

(APN: 423-250-2, 7, 10, 11, 18)
PARCELS 1, 2 AND 10 OF PARCEL MAP 17905, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 114, PAGES 70 THROUGH 83, INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

TOGETHER WITH:

(APN: 422-070-18, 20, 22)
THAT PORTION OF THE NORTH HALF OF THE NORTH HALF OF FRACTION 7, TOWNSHIP 3 SOUTH, RANGE 2 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO OFFICIAL PLAT THEREOF, WHICH LIES NORTH OF THE SOUTH LINE OF LOTS 1, 2, 3 AND 4 IN BLOCK 57 AND WHICH LIES NORTH OF THE SOUTH LINE OF LOT 1 AND ITS EASTERLY EXTENSION AND LOT 2 IN BLOCK 58 AS LOTS AND BLOCKS ARE SHOWN ON MAP 1, BEAR VALLEY AND ALESSANDRO DEVELOPMENT COMPANY RECORDED IN BOOK 11, PAGE 10 OF MAPS, SAN BERNARDINO RECORDS.

EXCEPT THAT PORTION LYING WEST OF THE EAST LINE OF PARCELS 2 AND 3 OF PARCEL MAP NO. 8113, ON FILE IN BOOK 28, PAGE 38 OF PARCEL MAPS, RIVERSIDE COUNTY RECORDS.

ALSO EXCEPT THAT PORTION WHICH LIES NORTHEAST OF THE WESTERLY LINE OF STATE HIGHWAY ROUTE 194, 100.00 FEET IN WIDTH AS DESCRIBED IN THE DEEDS RECORDED OCTOBER 27, 1936 AS FILE NOS. 1498 AND 1499 IN BOOK 300, PAGES 344 AND 345 OF OFFICIAL RECORDS, RIVERSIDE COUNTY RECORDS.

ALSO EXCEPT ONE-HALF OF ALL GAS, OIL AND MINERAL RIGHTS 500.00 FEET BELOW THE SURFACE AS RESERVED IN THE DEEDS RECORDED SEPTEMBER 01, 1960 AS FILE NOS. 77097, 77098, 77099 AND 77100 ALL OF OFFICIAL RECORDS.

TOGETHER WITH:

(APN: 478-220-17, 18, 19, 20, 21, 22, 23, 24)
LOTS 1 THROUGH 8, INCLUSIVE, IN BLOCK 81 OF BEAR VALLEY AND ALESSANDRO DEVELOPMENT COMPANY, AS SHOWN BY MAP NO. 1, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 11, PAGE(S) 10, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY.

TOGETHER WITH:

(APN: 478-220-15, 16, 25, 26, ,28)
LOTS 1, 2, 3, 4, 5, 6, AND 8 IN BLOCK 82 OF BEAR VALLEY AND ALESSANDRO DEVELOPMENT COMPANY, AS SHOWN BY MAP NO. 1, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 11, PAGE(S) 10, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY.

EXCEPTING FROM LOT 7, ONE HALF OF ALL OIL, GAS, MINERAL AND SUBSURFACE RIGHTS 500 FEET OR MORE BELOW THE SURFACE, BUT WITHOUT ANY RIGHTS WHATSOEVER TO THE USE OF THE SURFACE OR THE SUBSURFACE AREA OF SAID LAND TO A DEPTH OF 500 FEET FROM SAID SURFACE FOR ANY PURPOSE INCIDENTAL TO THE OWNERSHIP OF SAID SUBSTANCES, AS RESERVED TO MARY B. TRAUTWEIN, A WIDOW, ET AL. BY DEED RECORDED MARCH 6, 1964 AS INSTRUMENT NO. 28654 OF OFFICIAL RECORDS

TOGETHER WITH:

(APN: 478-230-7)
LOTS 1 THROUGH 8 IN BLOCK 87 OF BEAR VALLEY AND ALESSANDRO DEVELOPMENT COMPANY, AS SHOWN BY MAP NO. 1, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 11 PAGE 10 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY.

TOGETHER WITH:

(APN: 478-230-1, 2, 3, 4, 5, 6)
LOTS 1 THROUGH 4, 7 AND 8 IN BLOCK 88 OF BEAR VALLEY AND ALESSANDRO DEVELOPMENT COMPANY AS SHOWN BY MAP NO. 1, IN THE CITY OF MORENO VALLEY COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 11,

PAGE(S) 10, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY.

TOGETHER WITH:

(APN: 478-230-19-0, 20)
LOTS 2 AND 7 IN BLOCK 109 OF BEAR VALLEY AND ALESSANDRO DEVELOPMENT COMPANY, AS SHOWN BY MAP NO. 1, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 11, PAGE(S) 10, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY.

EXCEPT FROM SAID LOT 7 BLOCK 109 THAT PORTION CONVEYED TO THE COUNTY OF RIVERSIDE IN DEED RECORDED JULY 24, 1973 AS FILE NO. 97183 OF OFFICIAL RECORDS.

TOGETHER WITH:

(APN: 478-230-11, 14)
LOTS 1 AND 8 IN BLOCK 109 OF BEAR VALLEY AND ALESSANDRO DEVELOPMENT COMPANY, AS SHOWN BY MAP NO. 1, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 11, PAGE 10 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY.

TOGETHER WITH:

(APN: 478-230-9, 10)
LOTS 3 AND 4 IN BLOCK 110 OF BEAR VALLEY AND ALESSANDRO DEVELOPMENT COMPANY, AS SHOWN BY MAP NO. 1, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA AS PER MAP RECORDED IN BOOK 11 PAGE 10 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY.

TOGETHER WITH:

(APN: 478-210-54-9)
LOTS 1 THROUGH 4, BLOCK 1 OF THE TOWN OF MORENO, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 11, PAGE(S) 19, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY.

TOGETHER WITH THE NORTHERLY 10 FEET OF THAT PORTION OF BAY AVENUE, VACATED BY RESOLUTION RECORDED JANUARY 10, 1974 AS FILE NO. 4002 OF OFFICIAL RECORDS, LYING BETWEEN THE SOUTHERLY PROLONGATION OF THE EAST LINE OF RUSSELL STREET AND THE SOUTHERLY PROLONGATION OF EAST LINE OF LOT 4 IN BOOK 1 AS SHOWN ON AS MAP OF TOWN OF MORENO.

TOGETHER WITH:

(APN: 478-210-55-0)
LOTS 1 THROUGH 4, BLOCK 2 OF TOWN OF MORENO, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN

BOOK 11, PAGE(S) 19, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY.

TOGETHER WITH THE NORTHERLY 10 FEET OF THAT PORTION OF BAY AVENUE, VACATED BY RESOLUTION RECORDED JANUARY 10, 1974 AS FILE NO. 4002 OF OFFICIAL RECORDS, LYING BETWEEN THE SOUTHERLY PROLONGATION OF THE EAST LINE OF REDLANDS BOULEVARD AND THE SOUTHERLY PROLONGATION OF THE WEST LINE OF RUSSEL STREET AS SHOWN ON SAID MAP OF TOWN OF MORENO.

TOGETHER WITH:

(APN: 478-220-4, 5, 6, 10, 11)
LOTS 1, 2, 3, 7 AND 8 IN BLOCK 60 OF BEAR VALLEY AND ALESSANDRO DEVELOPMENT COMPANY, AS SHOWN BY MAP NO. 1, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 11, PAGE(S) 10 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY.

TOGETHER WITH:

(APN: 488-350-8, 9, 10)
LOTS 6, 7 AND 8 IN BLOCK 56 OF BEAR VALLEY AND ALESSANDRO DEVELOPMENT COMPANY, AS SHOWN BY MAP NO. 1, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 11, PAGE(S) 10 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY.

TOGETHER WITH:

(APN: 478-220-2, 3, 12, 13)
LOTS 3, 4, 5 AND 6 IN BLOCK 59 AS SHOWN BY MAP NO. 1 OF BEAR VALLEY AND ALESSANDRO DEVELOPMENT COMPANY, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 11, PAGE 10 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY.

TOGETHER WITH:

(APN: 488-350-5)
LOT 7 IN BLOCK 55 OF MAP NO. 1, OF BEAR VALLEY AND ALESSANDRO DEVELOPMENT COMPANY, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 11, PAGE 10 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, TOGETHER WITH THAT PORTION OF EUCALYPTUS AVENUE, WITHIN SAID BLOCK LYING SOUTHERLY AND ADJACENT TO SAID LOT 7.

TOGETHER WITH:

(APN: 488-350-6)
LOT 8 IN BLOCK 55 OF MAP NO. 1 OF BEAR VALLEY AND ALESSANDRO DEVELOPMENT COMPANY, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE. STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 11, PAGE 10 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, TOGETHER WITH THOSE PORTIONS

OF EUCALYPTUS AVENUE AND SINCLAIR STREET, WITH SAID BLOCK LYING SOUTHERLY, EASTERLY AND ADJACENT TO SAID LOT 8.

TOGETHER WITH:

(APN: 488-350-7)
LOT 5 IN BLOCK 56 OF MAP NO. 1 OF BEAR VALLEY AND ALESSANDRO DEVELOPMENT CO., IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 11, PAGE 10 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY.

TOGETHER WITH:

(APN: 423-250-8, 9, 12 AND 423-260-10)
PARCELS 3 THROUGH 5, AND 11 OF PARCEL MAP 17905, IN THE CITY OF, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 114, PAGE(S) 70 THROUGH 83, INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

TOGETHER WITH:

(APN: 423-260-3, 4, 5, 7, 8, 9 AND 423-310-1, 2)
PARCELS 6 THROUGH 9 AND 14 THROUGH 17 OF PARCEL MAP 17905, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 114, PAGE(S) 70 THROUGH 83, INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

TOGETHER WITH:

(APN: PORTION 488-350-15)
ALL THOSE PORTIONS OF LOTS 1, 2, 3 AND 4 OF BLOCK 55, MAP NO. 1, BEAR VALLEY AND ALESSANDRO DEVELOPMENT COMPANY, AS SHOWN BY MAP ON FILE IN BOOK 11 PAGE 10 OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA LYING SOUTHERLY OF PARCEL MAP 35629, FILED IN MAP BOOK 231 PAGES 77 THROUGH 82 OF PARCEL MAPS.

EXCEPTING THEREFROM THAT PORTIONS OF LOTS 3 AND 4 OF BLOCK 34 CONVEYED TO THE STATE OF CALIFORNIA IN DEED RECORDED MAY 25, 1962 AS INSTRUMENT NO. 48967 IN BOOK 3147 PAGE 181 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

ALSO EXCEPTING THEREFROM ONE HALF OF ALL OIL, GAS, MINERAL AND SUBSURFACE RIGHTS 500 FEET OR MORE BELOW THE SURFACE, BUT WITHOUT ANY RIGHTS WHATSOEVER TO THE USE OF THE SURFACE OR THE SUBSURFACE AREA OF SAID LAND TO A DEPTH OF 500 FEET FROM SAID SURFACE FOR ANY PURPOSE INCIDENTAL TO THE OWNERSHIP OF SAID SUBSTANCES, AS RESERVED IN DEED RECORDED JULY 12, 1961 AS INSTRUMENT NO. 59232 IN BOOK 2942 PAGE 318 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY. CALIFORNIA. SAID EXCEPTION AFFECTS LOTS 1, 2 AND 4 OF SAID BLOCK 55.

TOGETHER WITH:

(APN 478-240-011-3, 017-9, 026-7, 027-8, 030-0)
LOT(S) 3, 4, 5, 6 AND 7 IN BLOCK 136, MAP NO. 1, BEAR VALLEY AND ALESSANDRO DEVELOPMENT CO., IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 11, PAGE(S) 10, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY.

TOGETHER WITH THOSE PORTIONS OF BRODIAEA AVENUE, SINCLAIRE STREET AND CACTUS AVENUE, WITHIN SAID BLOCK, LYING WESTERLY OF THE EAST LINE OF SAID LOTS PROLONGED NORTHERLY AND SOUTHERLY, THAT WOULD PASS WITH A CONVEYANCE OF SAID LOTS.

TOGETHER WITH:

(APN 478-240-028-9)
LOT 1 IN BLOCK 136 OF MAP NO. 1, BEAR VALLEY AND ALESSANDRO DEVELOPMENT COMPANY, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 11, PAGE(S) 10, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY, TOGETHER WITH THOSE PORTIONS OF BRODIAEA AVENUE AND THEODORE STREET, WITHIN SAID BLOCK, LYING NORTHERLY OF THE SOUTH LINE OF SAID LOT PROLONGED EASTERLY AND EASTERLY OF THE EAST WEST LINE OF SAID LOT PROLONGED NORTHERLY.

TOGETHER WITH:

(APN 478-240-019-1)
LOT 8 IN BLOCK 136 OF MAP NO. 1, BEAR VALLEY AND ALESSANDRO DEVELOPMENT COMPANY, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 11, PAGE(S) 10, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY, TOGETHER WITH THOSE PORTIONS OF CACTUS AVENUE AND THEODORE STREET, WITHIN SAID BLOCK, LYING EASTERLY OF THE WEST LINE OF SAID LOT PROLONGED SOUTHERLY AND SOUTHERLY OF THE NORTH LINE OF SAID LOT PROLONGED EASTERLY.

TOGETHER WITH:

(APN 478-240-025-6)
LOT 8 IN BLOCK 113 OF MAP NO. 1, BEAR VALLEY AND ALESSANDRO DEVELOPMENT COMPANY, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 11, PAGE(S) 10, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY, TOGETHER WITH THOSE PORTIONS OF BRODIAEA AVENUE AND THEODORE STREET, WITHIN SAID BLOCK, LYING EASTERLY OF THE WEST LINE OF SAID LOT PROLONGED SOUTHERLY AND SOUTHERLY OF THE NORTH LINE OF SAID LOT PROLONGED EASTERLY.

TOGETHER WITH:

(APN 478-240-29-0)
LOT 2 IN BLOCK 136 OF MAP NO.1, BEAR VALLEY AND ALESSANDRO DEVELOPMENT COMPANY, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 11, PAGE(S) 10, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY, CALIFORNIA, TOGETHER WITH THOSE PORTIONS OF BRODIAEA AVENUE, THEODORE STREET, CACTUS AVENUE, AND SINCLAIR STREET WHICH WOULD PASS BY OPERATION OF LAW.

TOGETHER WITH:

(APN 478-240-24-5)
LOT 7 IN BLOCK 113 OF MAP NO. 1, BEAR VALLEY AND ALESSANDRO DEVELOPMENT COMPANY, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 11, PAGE(S) 10, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY, TOGETHER WITH THOSE PORTIONS OF BRODIAEA AVENUE AND THEODORE STREET WHICH WOULD PASS BY OPERATION OF LAW.

TOGETHER WITH:

(APN 478-240-005-8, 008-1)
LOTS 3 AND 6, BLOCK 113, MAP NO. 1 BEAR VALLEY & ALESSANDRO DEVELOPMENT COMPANY., IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 11, PAGE(S) 10, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY, CALIFORNIA.

TOGETHER WITH:

(APN 422-070-033-1)
PARCEL 4 OF PARCEL MAP 8113, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 28, PAGE 38 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

TOGETHER WITH:

(APN 422-130-002-8, 003-9)
THE EASTERLY 80 ACRES OF THAT PORTION OF FRACTION SECTION 8, TOWNSHIP 3 SOUTH, RANGE 2 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY UNITED STATES GOVERNMENT SURVEY, LOCATED SOUTHWESTERLY OF THE SOUTHWESTERLY LINE OF THE PORTION OF SAID SECTION GRANTED TO THE STATE OF CALIFORNIA FOR HIGHWAY PURPOSES BY DEED RECORDED MARCH 17, 1937 IN BOOK 318, PAGE 57 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

EXCEPT FROM GOVERNMENT LOTS 3, 4, 5, 6 AND 9, THE SOUTH 30 FEET THEREOF, AS GRANTED TO RIVERSIDE COUNTY FOR ROAD PURPOSES BY DEED RECORDED JUNE 23, 1916 IN BOOK 433, PAGE 192 OF DEEDS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, AND AS SHOWN ON LICENSED SURVEYOR'S MAP ON FILE IN BOOK 5, PAGE 44 OF RECORDS OF SURVEY, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

THE WESTERLY LINE OF SAID 80 ACRES BEING PARALLEL WITH THE WESTERLY LINE OF SAID SECTION 8. (TO BE ANNEXED)

TOGETHER WITH:

(APN 422-130-001, 422-110-001)
THAT PORTION OF FRACTION SECTION 8, TOWNSHIP 3 SOUTH, RANGE 2 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHWESTERLY OF THE SOUTHWESTERLY LINE OF THE PORTION OF SAID LAND DESCRIBED IN DEED TO THE STATE OF CALIFORNIA RECORDED MARCH 17, 1937 IN BOOK 318, PAGE 57 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

EXCEPT THE EASTERLY 80 ACRES THEREOF, THE WESTERLY LINE OF SAID 80 ACRES BEING PARALLEL WITH THE WESTERLY LINE OF SAID SECTION.

ALSO EXCEPT THE SOUTH 30.00 FEET AS DESCREIBED IN DEED TO THE COUNTY OF RIVERSIDE RECORDED JUNE 23, 1916 IN BOOK 433, PAGE 192 OF DEEDS.

ALSO EXCEPTING THEREFROM ANY PORTION THAT LIES WITHIN PARCEL 3 OF PARCEL MAP 16950 AS PER MAP ON FILE IN BOOK 99 OF PARCEL MAPS, AT PAGES 34 THROUGH 42, RIVERSIDE COUNTY RECORDS.

ALSO EXCEPT ONE HALF OF ALL GAS, OIL, AND MINERAL RIGHTS 500.00 FEET FROM BELOW THE SURFACE AS RESERVED BY MARIE B. ERRAMUSPE, A WIDOW, BY DEED RECORDED SEPTEMER 01, 1960 AS INSTRUMENT NO. 77098, OFFICIAL RECORDS.

TOGETHER WITH:

(APN 422-070-6, 10, 17, 19, 21, AND 422-080-01, 02, 03, 04)
L0TS 1 THROUGH 4 BOTH INCLUSIVE, IN BLOCK 111; LOTS 1 THROUGH 8 BOTH INCLUSIVE, IN BLOCK 83; LOTS 1 THROUGH 8 BOTH INCLUSIVE, IN BLOCK 84; LOTS 1 THROUGH 8 BOTH INCLUSIVE, IN BLOCK 85; LOTS 1 THROUGH 8 BOTH INCLUSIVE, IN BLOCK 86; LOTS 5 THROUGH 8 BOTH INCLUSIVE, IN BLOCK 57; LOTS 5, 6, 7 AND 8 IN BLOCK 58 AND LOTS 1THROUGH 4 BOTH INCLUSIVE, IN BLOCK 112, Of MAP NO. 1 OF BEAR VALLEY AND ALESSANDRO DEVELOPMENT COMPANY, IN THE COUNTY OF RIVERSIDE, STATE OF CAUFORNIA, AS PER MAP RECORDED IN BOOK 11, PAGE 10 OF MAPS, SAN BERNARDINO COUNTY RECORDER, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

TOGETHER WITH THOSE PORTIONS OF THEODORE STREET, ULYSSES STREET, VIRGINIA STREET, DRACAEA AVENUE, COTTONWOOD AVENUE, BAY AVENUE AND ALESSANDRO BOULEVARD ADJOINING SAID LOTS WITHIN SAID BLOCKS.

TOGETHER WITH THAT PORTION OF SECTION 7, TOWNSHIP 3 SOUTH, RANGE 2 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT 'THEREOF, WHICH LIES EAST OF THE EAST LINE OF SAID BLOCKS 57, 84, 85 AND 112.

EXCEPT THAT PORTION OF BLOCK 58 LYING WITHIN PARCEL MAP 8113 AS PER MAP RECORDED IN BOOK 28, PAGE 38 OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY.

ALSO EXCEPT THAT PORTION LYING NORTHEAST OF THE SOUTHWEST LINE OF THE LAND DESCRIBED IN DEEDS TO THE COUNTY OF RIVERSIDE RECORDED OCTOBER 27, 1936 IN BOOK 300, PAGES 344 AND 345 OF OFFICIAL RECORDS, RECORDED JULY 09, 1936 IN BOOK 287, PAGE 315 AND AUGUST 07, 1936 IN BOOK 292, PAGE 85, AND MARCH 17, 1937 IN BOOK 318, PAGE 57, ALL OF OFFICIAL RECORDS.

ALSO EXCEPT PORTION LYING SOUTHERLY OF THE NORTH LINE OF THE LAND DESCRIBED IN DEED TO THE COUNTY OF RIVERSIDE RECORDED DECEMBER 13,1915 IN BOOK 432, PAGE 254 OF DEEDS.

ALSO EXCEPT THAT PORTION DESCRIBED IN DEED RECORDED NOVEMBER 27, 1934 IN BOOK 205, PAGE 29 OF OFFICIAL RECORDS AND OCTOBER 23, 1934 IN BOOK 199, PAGE 97 OF OFFICIAL RECORDS.

ALSO EXCEPT ONE-HALF OF ALL GAS, OIL AND MINERALS 500.00 FEET FROM BELOW THE SURFACE AS RESERVED IN DEED RECORDED SEPTEMBER 01,1960 AS INSTRUMENT NOS. 77097, 77098, 77099, 77100 AND 77101, All OF OFFICIAL RECORDS.

TOGETHER WITH:

(APN 478-220-029-8)
PARCEL(S) 1 OF PARCEL MAP NO. 9880, AS PER PLAT RECORDED IN BOOK 47 OF PARCEL MAPS, PAGE(S) 25, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

TOGETHER WITH:

(APN 488-350-019)
LOT 1 IN BLOCK 56 OF MAP NO. 1 OF BEAR VALLEY AND ALESSANDRO DEVELOPMENT CO., AS SHOWN BY MAP RECORDED IN BOOK 11, PAGE 10 OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA, LYING SOUTHERLY OF PARCEL MAP 35629, FILED IN MAP BOOK 231 PAGES 77 THROUGH 82 OF PARCEL MAPS.

TOGETHER WITH THOSE PORTIONS OF FIR AVENUE AND THEODORE STREET WITHIN SAID BLOCK LYING EAST OF THE WEST LINE OF SAID LOT PROLONGED NORTHERLY AND NORTH OF THE SOUTH LINE OF SAID LOT PROLONGED EASTERLY.

TOGETHER WITH:

(APN 488-350-021)
LOT 2 IN BLOCK 56 OF MAP NO. 1 OF BEAR VALLEY AND ALESSANDRO DEVELOPMENT COMPANY, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 11, PAGE 10 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY, LYING SOUTHERLY OF PARCEL MAP 35629, FILED IN MAP BOOK 231 PAGES 77 THROUGH 82 OF PARCEL MAPS.

TOGETHER WITH:

(APN 488-350-023)
LOT 3 IN BLOCK 56 OF MAP NO. 1 OF BEAR VALLEY AND ALESSANDRO DEVELOPMENT COMPANY, IN THE COUNTY OF RIVERSIDE, SATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 11, PAGE 10 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY, LYING SOUTHERLY OF PARCEL MAP 35629, FILED IN MAP BOOK 231 PAGES 77 THROUGH 82 OF PARCEL MAPS.

TOGETHER WITH:

(APN 488-350-025)
LOT 4 IN BLOCK 56 OF MAP NO. 1 OF BEAR VALLEY AND ALESSANDRO DEVELOPMENT COMPANY, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 11, PAGE 10 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY, LYING SOUTHERLY OF PARCEL MAP 35629, FILED IN MAP BOOK 231 PAGES 77 THROUGH 82 OF PARCEL MAPS.

TOGETHER WITH THOSE PORTIONS OF SINCLAIR STREET WITHIN SAID BLOCK LYING WESTERLY AND NORTHERLY AND ADJACENT TO SAID LOT 4.

TOGETHER WITH:

(APN 478-240-006,007)
LOTS 1 AND 2 IN BLOCK 113 OF MAP NO. 1 OF BEAR VALLEY AND ALESSANDRO DEVELOPMENT COMPANY, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 11, PAGE 10 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY.

TOGETHER WITH:

(APN: 478-220-014)
LOT 8 IN BLOCK 59 OF BEAR VALLEY AND ALESSANDRO DEVELOPMENT COMPANY, AS SHOWN BY MAP NO. 1, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 11, PAGE 10 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY.

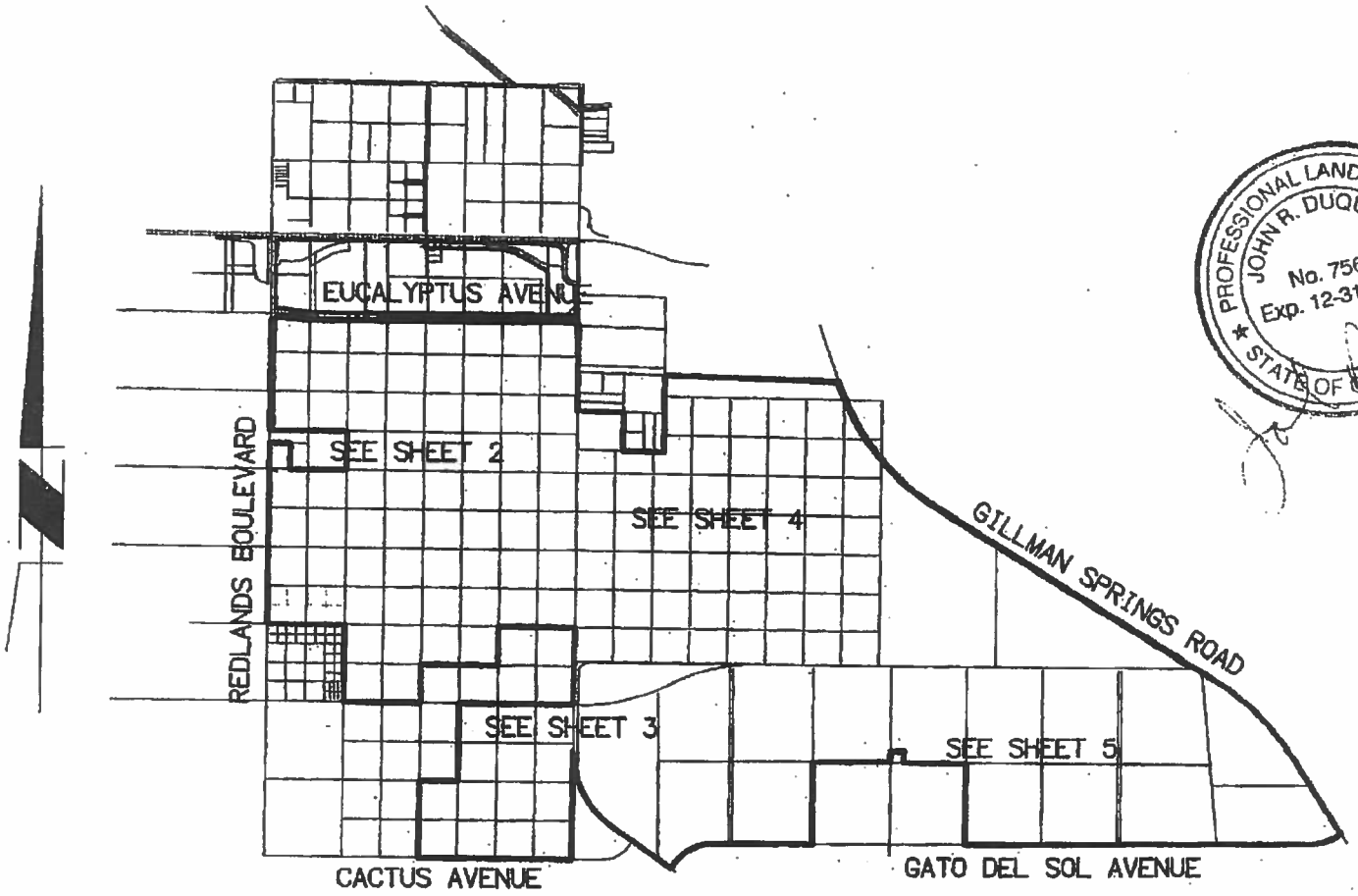
TOGETHER WITH:

(APN: 478-220-27)
LOT 7 IN BLOCK 82 OF BEAR VALLEY AND ALESSANDRO DEVELOPMENT COMPANY, AS SHOWN BY MAP NO. 1, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 11, PAGE(S) 10, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY.

THIS DESCRIPTION WAS PREPARED
BY ME OR UNDER MY DIRECTION.

JOHN R. DUQUETTE, PLS 7566 DATE: 5/21/15

PROFESSIONAL LAND SURVEYOR
JOHN R. DUQUETTE
No. 7566
Exp. 12-31-15
STATE OF CALIFORNIA



PROFESSIONAL LAND SURVEYOR
JOHN R. DUQUETTE
No. 7566
Exp. 12-31-15
STATE OF CALIFORNIA

EXHIBIT "A-2"

SHEET 1 OF 5 SHEETS

DATE	SCALE	JOB NO.
MAY 27, 2015	1"=3000'	10-105750

RBF CONSULTING
PLANNING ■ DESIGN ■ CONSTRUCTION
40810 COUNTY CENTER DRIVE, SUITE 100
TEMECULA, CALIFORNIA 92591-6022
951.676.8042 • FAX 951.676.7240 • www.RBF.com

H:\PDATA\10105750\CADD\MAPPING\EXHIBITS\57502EH037 SH1 WORLD LOGISTICS.DWG JDUQUETTE 5/27/15 10:33 am

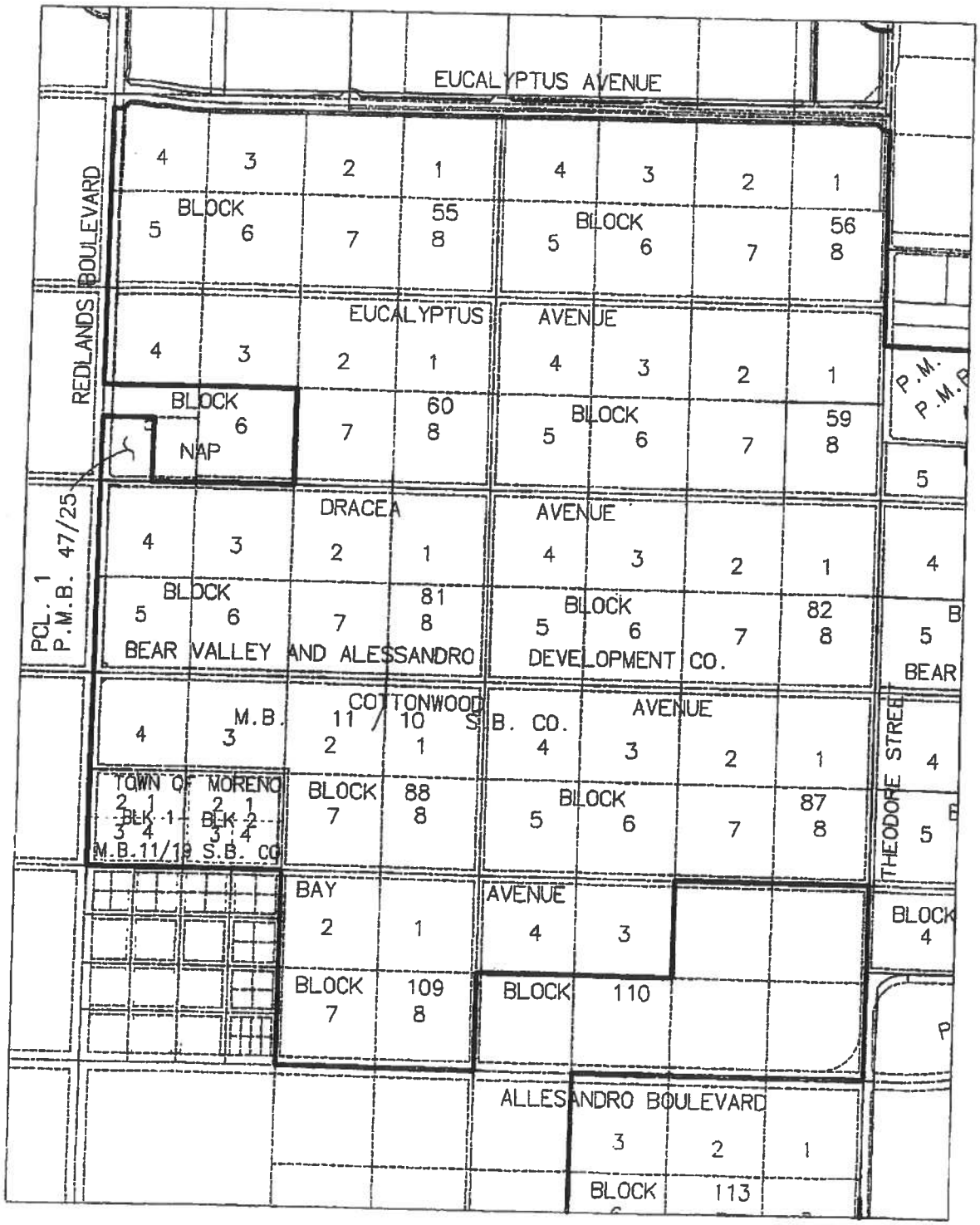


EXHIBIT "A-2"

SHEET 2 OF 5 SHEETS

DATE	SCALE	JOB NO.
MAY 27, 2015	1"=1000'	10-105750

RBF CONSULTING
PLANNING ■ DESIGN ■ CONSTRUCTION
41870 COUNTY CENTER DRIVE, SUITE 100
TEMECULA, CALIFORNIA 92591-5022
951.676.8042 • FAX 951.676.7240 • www.RBFcon

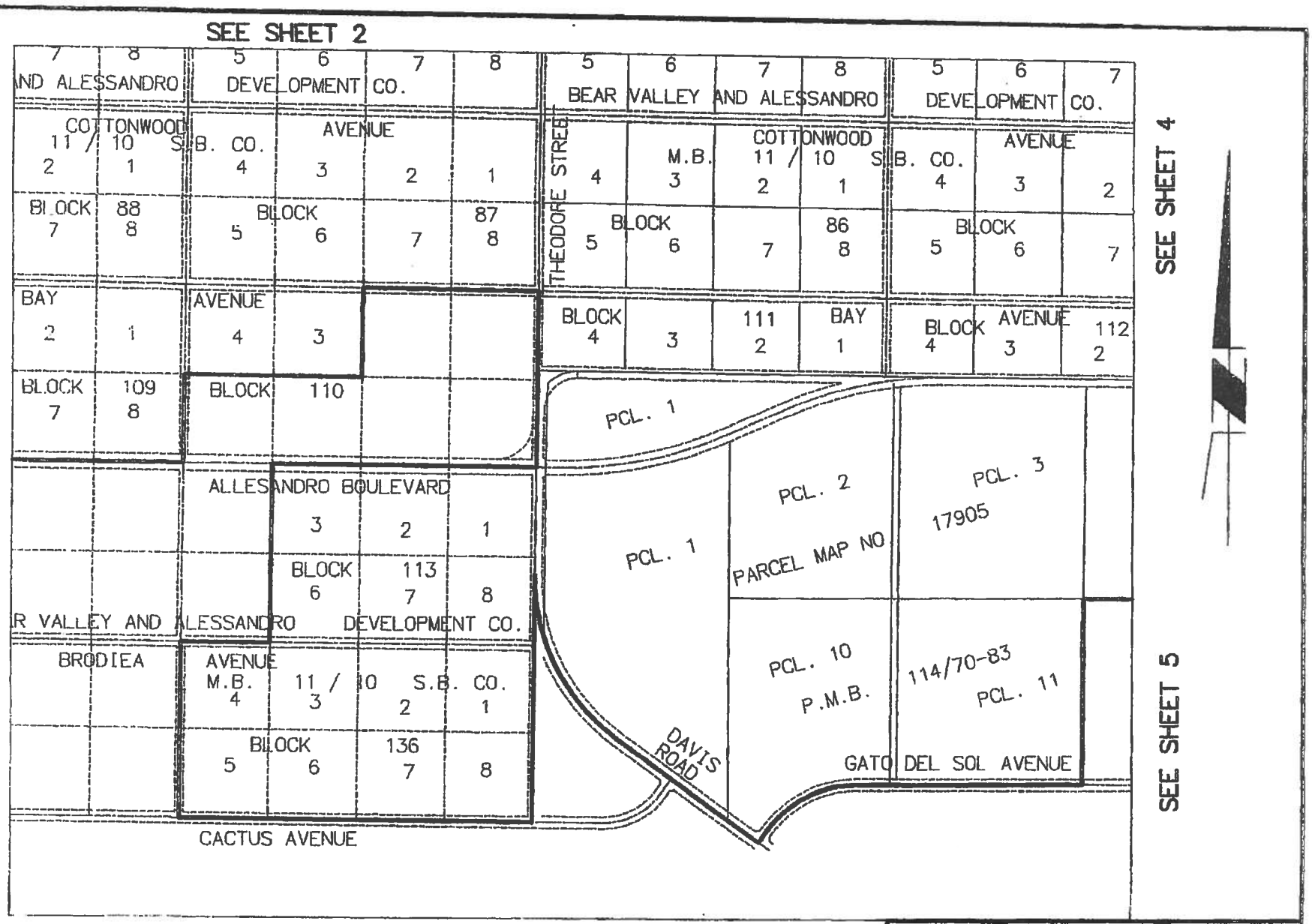


EXHIBIT "A-2"

SHEET 3 OF 5 SHEETS

DATE	SCALE	JOB NO.
MAY 27, 2015	1"=1000'	10-105750

RBF CONSULTING
PLANNING ■ DESIGN ■ CONSTRUCTION
41810 COUNTY CENTER DRIVE, SUITE 100
TEMECULA, CALIFORNIA 92591-6022
951.676.5042 • FAX 951.676.7240 • www.RBF.com

H:\PDATA\10105750\CADD\MAPPING\EXHIBITS\0750EXH039 WORLD LOGISTICS.DWG JDUQUETTE 6/27/15 10:31 am

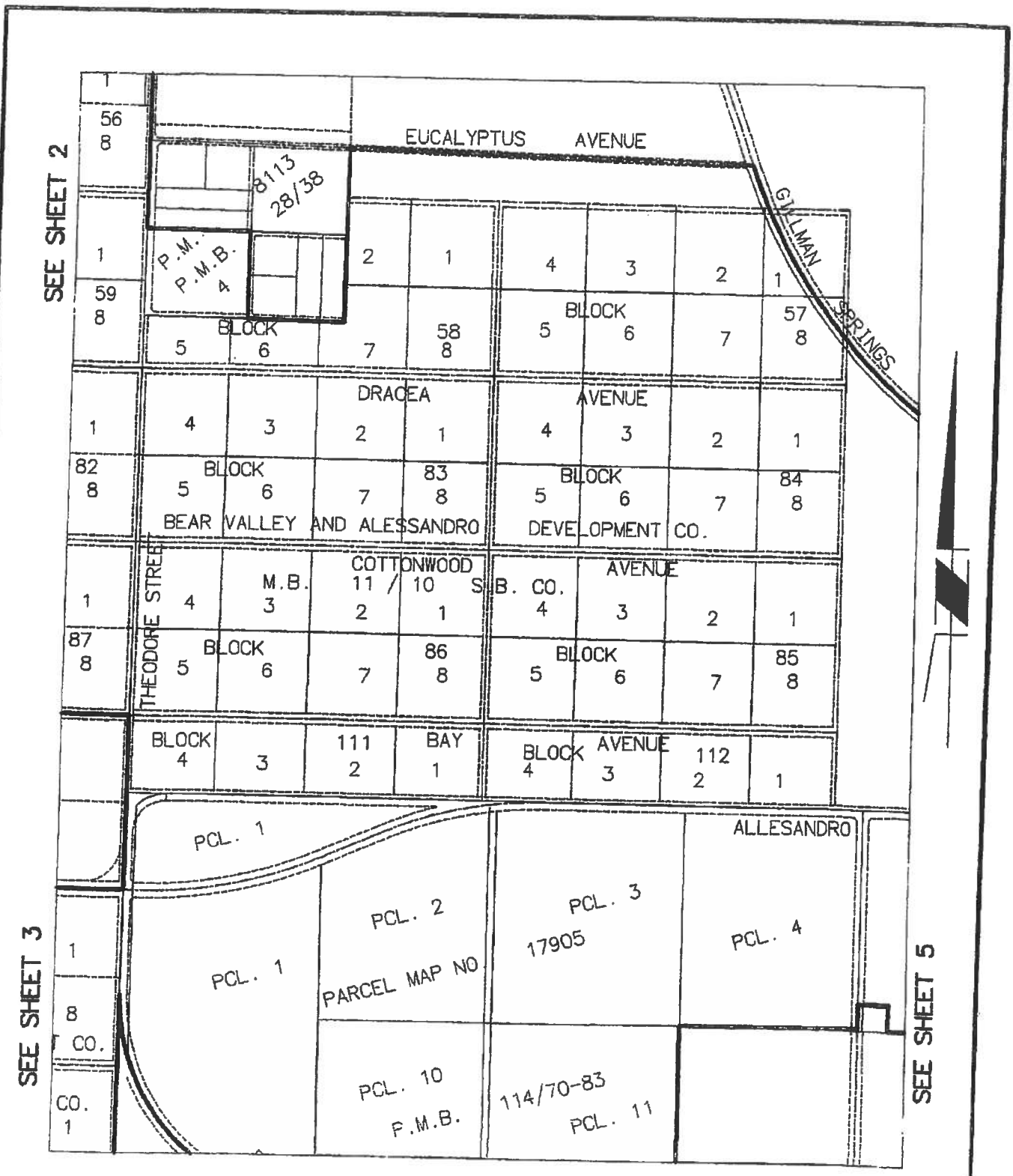
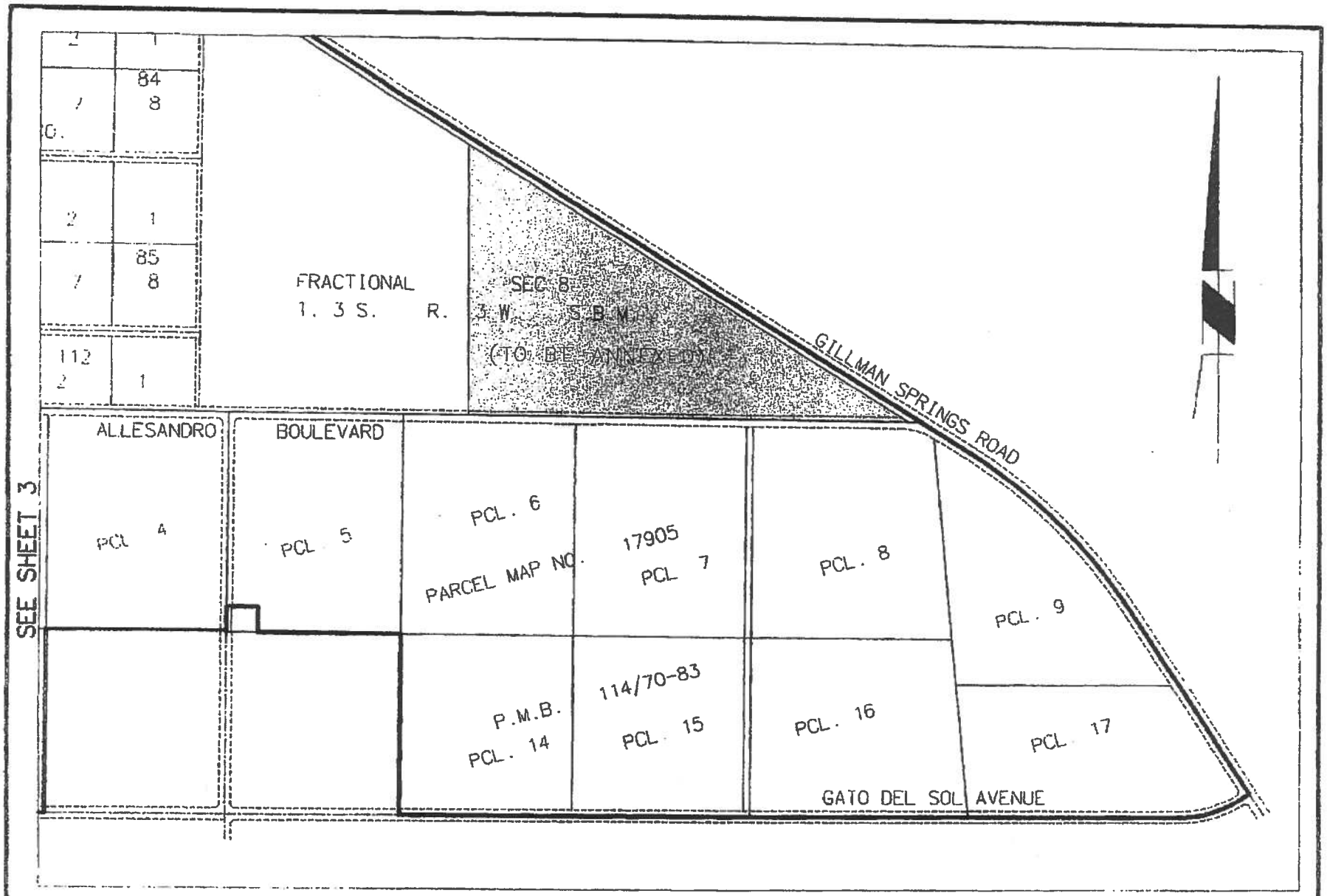


EXHIBIT "A-2"

SHEET 4 OF 5 SHEETS

DATE	SCALE	JOB NO.
MAY 27, 2015	1"=1000'	10-105750

RBF CONSULTING
PLANNING ■ DESIGN ■ CONSTRUCTION
41810 COUNTY CENTER DRIVE, SUITE 100
TEMECULA, CALIFORNIA 92591-6022
951.676.6042 • FAX 951.676.7240 • www.RBF.com



SHEET 5 OF 5 SHEETS

EXHIBIT "A-2"

DATE	SCALE	JOB NO.
MAY 27, 2015	1"=1000'	10-105750

RBF CONSULTING — PLANNING ■ DESIGN ■ CONSTRUCTION

41810 COUNTY CENTER DRIVE SUITE 100
TEMECULA CALIFORNIA 92591-6022
951.676.8042 • FAX 951.676.7240 • www.RBF.com

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EXHIBIT NO. A-3

Public Benefits: all are viewed as material consideration for this Agreement, by the City and its Council (not listed in priority).

1. Representation and Warranty in support of HF's legal or equitable interest in the land composing the area subject to this Agreement. (Recital E and 3.2)

2. DIF fees, public improvements, or both will be paid to the City to further public improvements. (1.5, 4.8, 4.9)

3. City has oversight over transfer of land or buildings within the area covered by the Agreement. (3.4)

4. HF pays for special staff and consultants. (3.6)

5. Education/Library/Job training/funding to City/Job opportunities. (4.11, 4.12)

6. Fire station: "turn key" fire station will be built on HF provided land and will be fully funded and equipped by HF. (4.8)

7. Land owners are bound, contractually, to provide City benefits beyond those available via a nexus condition.

8. City advances its General Plan's goals, policies and objectives as anticipated when it was adopted.

9. City controls when HF has qualified to release itself, in whole or part, from the Development Agreement. (3.4, 3.5)

10. City preserves its right to impose the enhanced development standards on the Project outlined in the specific plan. (4.2)

11. City has set performance criteria for the Terms of the Agreement. (3.5, 4.4)

12. City preserves the right to update standards and, as required and lawful, require further CEQA reviews. (4.7.1)

13. City Code Standards are imposed for any reimbursements to HF for oversizing any infrastructure. (4.8)

14. City required and is able to hold HF accountable for a local hiring program for City residents. (4.11)

15. City obtains Education, Library, Training, and Innovation funding for residents in the amount up to $6,993,000, during the Term of the Development Agreement, with One

Million Dollars ($1,000,000) of that being provided in a single lump sum payment upon issuance of the first building permit.

16. HF will contribute $500,000 toward the City's development of SR 60 landscape, signage, bridge design enhancement. (4.13)

17. Specified homes are to be offered air filtration systems at no charge. (4.14)

18. City will annually review and enforce its benefits, and ensure performance of its duties. (Article 5)

19. Defaults and issues in dispute have a specified resolution process. (Article 6)

20. City is covered by HF funded liability insurance (9.1) and from tort claims. (Article 10)

21. City is protected as to ensuring HF performance, despite external causation. (11.9)