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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF RIVERSIDE**

COUNTY OF RIVERSIDE, a political
subdivision of the State of California,

Petitioner/Plaintiff,

vs.

CITY OF MORENO VALLEY, a municipal
corporation, et al.,

Respondents/Defendants.

CASE NO. RIC 1511180

RIVERSIDE COUNTY TRANSPORTATION
COMMISSION, a public agency,

Petitioner/Plaintiff,

vs.

CITY OF MORENO VALLEY, a municipal
corporation; et al,

Respondents/Defendants.

CASE NO. RIC 1511130

[PROPOSED] STIPULATED JUDGMENT

Assigned to the Hon. Sharon J. Waters

HIGHLAND FAIRVIEW, et al.,

Real Parties in Interest.

1 **STIPULATED JUDGMENT**

2 This Stipulated Judgment and Stipulation for Entry of Final Judgment (“Judgment”) is
3 hereby stipulated and agreed to by, between, and among, petitioners the County of Riverside
4 (the “County”) and the Riverside County Transportation Commission (“RCTC”), respondents
5 City of Moreno Valley and the Moreno Valley Community Services District (collectively the
6 “City”), and real parties in interest HF Properties, Sunnymead Properties, Theodore Properties
7 Partners, 13451 Theodore, LLC, and HL Property Partners (collectively “Highland Fairview”),
8 each of whom shall be referred to individually as a “Party” or collectively as the “Parties,” to
9 resolve all claims and actions raised, or that could have been raised, in the above-captioned
10 litigation, as follows:

11 **I. RECITALS**

12 **A.** In August, 2015, the City certified an environmental impact report (the “EIR”)
13 and immediately thereafter granted a number of land use approvals for the World Logistics
14 Center, which included several legislative actions and one administrative action.

15 **B.** Subsequent to the City’s approval, a referendum petition seeking to overturn the
16 City’s approval of the World Logistics Center was circulated, but it failed to obtain the
17 required number of valid signatures and was subsequently dropped.

18 **C.** In response to the referendum petition to overturn the City’s approval, residents
19 of the City circulated initiative petitions to support and reaffirm the City’s approval of the
20 World Logistics Center. The initiatives’ sponsors obtained more than the required number of
21 valid signatures.

22 **D.** In September, 2015, the County and RCTC filed lawsuits in the Riverside
23 Superior Court, Case Nos. RIC 1511180 and RIC 1511130, related to the EIR’s compliance
24 with the California Environmental Quality Act (collectively the “CEQA Lawsuits”).

25 **E.** The CEQA Lawsuits are in addition to seven other lawsuits questioning the
26 validity of the approvals granted by the City (the “other CEQA Lawsuits”).

27 **F.** In November, 2015, the City adopted three resident-sponsored initiatives which
28 vacated the legislative approvals for the World Logistics Center approved in August, 2015,

1 and then adopted them pursuant to the citizens' initiative power, as set forth in Elections Code
2 §§ 9214 and 9215, as an adoption in the first instance.

3 G. In February, 2016, RCTC filed a lawsuit in the Riverside Superior Court, Case
4 No. RIC 1602030, questioning the validity of the initiatives adopted by the City in November,
5 2015 (the "Initiative Lawsuit").

6 H. The Initiative Lawsuit is in addition to three other lawsuits questioning the
7 validity of the resident-sponsored initiatives adopted by the City (the "other Initiative
8 Lawsuits").

9 I. The County, RCTC and the City share a mutual desire to advance economic
10 development, encourage sustainable development, support the creation of local jobs, and
11 increase economic opportunities in the County and the City. The Parties collectively agree
12 that settling the ongoing and potential litigation will create an opportunity to fund and make a
13 major investment in transportation infrastructure, which in combination with the development,
14 will advance the previously stated objective of creating jobs and economic opportunity.
15 Therefore, the County, RCTC, and the City have determined that implementation of the
16 provisions of a mutually agreed upon settlement agreement will provide a resolution in a
17 manner which is consistent with their collective goals ("Settlement Agreement").

18 J. The Parties agree that this Judgment is a full and complete resolution of all
19 claims that have been asserted or that could have been asserted, in the CEQA Lawsuits and the
20 Initiative Lawsuit.

21 K. The Parties agree that this Judgment is entered into with the goal of achieving
22 global settlement of any and all claims in the CEQA Lawsuits and the Initiative Lawsuit
23 regarding the Project.

24 **II. JURISDICTION**

25 The Parties agree that the Superior Court of California, County of Riverside, has
26 subject matter jurisdiction over the matters alleged in this litigation and personal jurisdiction
27 over the Parties to this Judgment.

28

1 **III. TERMS**

2 **NOW THEREFORE**, in consideration of the mutual covenants, agreements,
3 representations, and warranties contained in this Judgment, and other good and valuable
4 consideration, the Parties hereby stipulate and agree to entry of this Judgment, and agree to the
5 terms as set forth below.

6 **A. Exhibit A.**

7 1. All Parties agree to comply with the terms of the Settlement Agreement, set forth
8 in Exhibit A, attached hereto and incorporated herein by reference.

9 **B. The Parties' Obligations.**

10 1. Highland Fairview and the City will each contribute, directly or indirectly,
11 \$100,000, a total of \$200,000, for logistics-related studies. Of this funding, \$100,000 is to be
12 used for truck and logistics-related studies by the Center for Environmental Research and
13 Technology. The remainder (\$100,000) will be used by the Community Translational Research
14 Institute for public health research and programs. The \$200,000 in total contributions will be
15 made no later than 60 calendar days after a final judgment, free from further appellate review,
16 determining that the EIR, as it is or may be revised as a result of the other CEQA Lawsuits,
17 fully complies with CEQA and that the World Logistics Center Project may legally proceed.
18 Highland Fairview and the City shall be acknowledged as having contributed financial support
19 for the studies and shall be provided electronic and hardcopy copies of all reports upon their
20 release. The contributions shall be submitted to RCTC and shall be managed according to its
21 regular accounting practices.

22 2. Highland Fairview, the City, the County and RCTC will each contribute, directly
23 or indirectly, \$250,000, for a total of \$1,000,000, to be used for an RCTC-conducted regional
24 transportation study to evaluate a logistics-related regional fee. The contributions shall be
25 submitted to RCTC and shall be managed according to its regular accounting practices. The
26 contributions will be made no later than 60 calendar days after a final judgment, free from
27 further appellate review, determining that the EIR, as it is or may be revised as a result of the
28 other CEQA Lawsuits, fully complies with CEQA and that the World Logistics Center Project

1 may otherwise legally proceed. If RCTC fails to award a contract for preparation of the subject
2 regional transportation study within six months of the date the contributions are made by
3 Highland Fairview and the City, both shall be refunded the full amount of their respective
4 contributions and this obligation shall terminate as of the date of the refund. Highland Fairview
5 and the City will have the right to advance these funds at any time.

6 3. The development of the World Logistics Center currently contemplates
7 Highland Fairview widening Gilman Springs Road from one to three southbound lanes
8 between SR-60 and Alessandro Boulevard during phase 2 of the World Logistics Center's
9 construction. See EIR Fig. 4.15.5 on page 4.15-41. The City, the County and Highland
10 Fairview shall cooperate to determine the best alignment and configuration for Gilman
11 Springs Road. The money spent by Highland Fairview to improve Gilman Springs Road shall
12 be entitled to Transportation Uniform Mitigation Fee ("TUMF") credit to the extent eligible
13 per the TUMF Program Nexus Study and subject to approval by the Western Riverside
14 Council of Governments (the "WRCOG") in accordance with its policies and practices. In no
15 event shall either the County or RCTC oppose or object to the WRCOG's granting Highland
16 Fairview TUMF credits for the work to be performed on Gilman Springs Road, provided such
17 credits are granted in accordance with WRCOG's policies and practices.

18 4. Highland Fairview shall contribute \$3,000,000 to be used for safety-related
19 improvements to Gilman Springs Road within 10 days of issuance of the certificate of
20 occupancy for the first warehouse within the World Logistic Center. The contribution shall be
21 submitted to the County and shall be managed according to its regular accounting practices.
22 The contribution shall be credited against the in-lieu fee described in paragraph 6, and RCTC
23 shall manage all fee, contribution or funding according its regular accounting practices.

24 5. Highland Fairview shall contribute \$3,000,000; \$2,000,000 to be used for
25 engineering studies and project development for SR-60 between the I-215 and Gilman Springs
26 Road and \$1,000,000 for the Theodore Street interchange at SR-60, within 10 days of issuance
27 of the certificate of occupancy for the 4,000,000th square foot of warehouse space within the
28 World Logistics Center. The contribution shall be submitted to RCTC and managed according

1 to RCTC's regular accounting practices. The parties shall work together to determine how the
2 contribution is to be spent. The contribution shall be credited against the in-lieu fee described
3 in paragraph 6. Highland Fairview shall have the right to advance these funds at any time.

4 6. Highland Fairview shall pay a 65¢ per sq.ft in-lieu fee within 10 days of the time
5 of the issuance of each certificate of occupancy for a warehouse within the World Logistics
6 Center. If no logistic-related regional fee has been adopted by the County or at least 75% of
7 RCTC's member cities within 24 months of the contributions by the City and Highland
8 Fairview referred to in paragraph 2, the in-lieu fee shall be reduced to 50¢ per sq.ft. The in-lieu
9 fee shall be submitted to RCTC and shall be managed according to RCTC's regular accounting
10 practices. The in-lieu fee, whether 65¢ or 50¢ per sq.ft, shall be in-lieu of any new logistic-
11 related regional fee or additional fee imposed for transportation purposes, (excluding any
12 TUMF increases) whether imposed by the City or the County and whether the fee imposed is
13 less than, or greater than, 65¢ or 50¢ per sq.ft and shall be reduced by the amount of the
14 contributions described in paragraphs 4 and 5. The proceeds of the in-lieu fee shall be used for
15 the projects set forth in paragraphs 4 and 5 and/or on SR-60 between I-215 and Gilman
16 Springs Road. If a logistic-related regional fee is adopted by the County and/or the cities, such
17 fee shall not be added to the then existing TUMF fee but shall be imposed as a separate fee.

18 7. Each party shall bear its own costs, including, but not limited to, attorneys'
19 fees and costs incurred in, or related to, the CEQA Lawsuits and Initiative Lawsuit and
20 the negotiations leading up to the Settlement Agreement.

21 8. The City and Highland Fairview shall fully comply with all provisions of
22 the EIR, all CEQA mitigation measures and all conditions of approval imposed on the
23 World Logistics Center in the August 2015 approval process. The County and RCTC
24 shall not file any lawsuits challenging any approvals granted in the future for the World
25 Logistics Center, provided there are no revisions to the World Logistics Center project
26 which would change the World Logistics Center project description, the EIR, any CEQA
27 mitigation measure or any condition of approval imposed on the World Logistics Center
28 in the August 2015 approval process. Should any future approval revise the World

1 Logistics Center resulting in a change to the project description, the EIR, any CEQA
2 mitigation measure or any condition of approval imposed in the August 2015 approval
3 process, the County and RCTC may file a lawsuit challenging any such approval.

4 9. In the event of any failure by the City and Highland Fairview to comply
5 with the provisions of the Settlement Agreement, any provision in the EIR, any CEQA
6 mitigation measure or any condition of approval imposed on the World Logistics Center
7 in the August 2015 approval, the County and RCTC shall be limited to filing a lawsuit for
8 breach of the Settlement Agreement. In order to verify compliance with the August 2015
9 approval of the World Logistics Center, the City and Highland Fairview shall submit
10 annual reports commencing on or before January 1, 2017 and each year thereafter to the
11 County and RCTC describing the current status of construction of the World Logistics
12 Center and compliance with the EIR, all CEQA mitigation measures and all conditions of
13 approval.

14 10. In accordance with section 664.6 of the Code of Civil Procedure, the Court will
15 retain jurisdiction over the parties to enforce the terms of the Settlement Agreement, provided
16 to the Court as Exhibit A hereto, until all of the terms of the Settlement Agreement have been
17 performed.

18 11. The parties agree that pursuant to Evidence Code section 1123, this Judgment
19 may be used in any subsequent proceedings to prove the terms of the Settlement Agreement.

20 12. The Parties jointly request that the Court enter this Judgment as a final judgment
21 in the above-captioned action.

22 13. The Parties acknowledge that this Judgment is signed and executed without
23 reliance upon any actual or implied promises, warranties or representations made by any of
24 the Parties or by any representative of any of the Parties, other than those which are expressly
25 contained within this Judgment. This Judgment, including Exhibit A and the Recitals above,
26 constitutes the entire Judgment and understanding among and between the Parties and
27 supersedes any and all other agreements whether oral or written between the Parties.

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Dated: July 19, 2016

COUNTY OF RIVERSIDE

By: 

Name: JUAN C. PEREZ
Title: DIRECTOR, COUNTY OF RIVERSIDE,
TRANSPORTATION AND LAND
MANAGEMENT AGENCY

Approved as to form:

GREGORY P. PRIAMOS
COUNTY COUNSEL

By: 

Name: KARIN WATTS-BAZAN
Title: ASSISTANT COUNTY COUNSEL

Dated: July __, 2016

RIVERSIDE COUNTY TRANSPORTATION
COMMISSION

By: _____

Name: ANNE MAYER
Title: EXECUTIVE DIRECTOR

Approved as to form:

By: _____

Name: MICHELLE OUELLETTE
BEST BEST & KRIEGER LLP
Title: COUNSEL FOR RIVERSIDE COUNTY
TRANSPORTATION COMMISSION

Dated: July __, 2016

CITY OF MORENO VALLEY AND MORENO
VALLEY COMMUNITY SERVICES DISTRICT

By: _____

Name: Dr. YXSTIAN A. GUTIERREZ
Title: MAYOR AND CHAIR

1 Dated: July __, 2016

COUNTY OF RIVERSIDE

2

3

By: _____
Name: JUAN C. PEREZ
Title: DIRECTOR, COUNTY OF RIVERSIDE,
TRANSPORTATION AND LAND
MANAGEMENT AGENCY

4

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Approved as to form:

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GREGORY P. PRIAMOS
COUNTY COUNSEL

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By: _____
Name: KARIN WATTS-BAZAN
Title: ASSISTANT COUNTY COUNSEL

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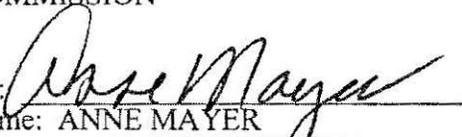
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Dated: July 9, 2016

RIVERSIDE COUNTY TRANSPORTATION
COMMISSION

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By: 
Name: ANNE MAYER
Title: EXECUTIVE DIRECTOR

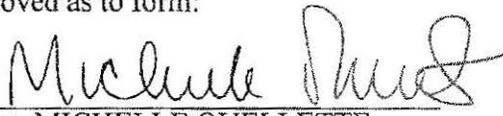
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Approved as to form:

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By: 
Name: MICHELLE OUELLETTE
BEST BEST & KRIEGER LLP
Title: COUNSEL FOR RIVERSIDE COUNTY
TRANSPORTATION COMMISSION

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Dated: July __, 2016

CITY OF MORENO VALLEY AND MORENO
VALLEY COMMUNITY SERVICES DISTRICT

21

22

By: _____
Name: Dr. YXSTIAN A. GUTIERREZ
Title: MAYOR AND CHAIR

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Dated: July __, 2016

COUNTY OF RIVERSIDE

By: _____
Name: JUAN C. PEREZ
Title: DIRECTOR, COUNTY OF RIVERSIDE,
TRANSPORTATION AND LAND
MANAGEMENT AGENCY

Approved as to form:

GREGORY P. PRIAMOS
COUNTY COUNSEL

By: _____
Name: KARIN WATTS-BAZAN
Title: ASSISTANT COUNTY COUNSEL

Dated: July __, 2016

RIVERSIDE COUNTY TRANSPORTATION
COMMISSION

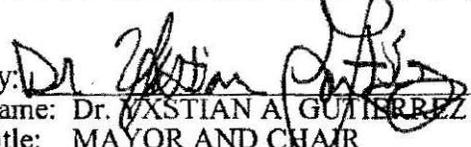
By: _____
Name: ANNE MAYER
Title: EXECUTIVE DIRECTOR

Approved as to form:

By: _____
Name: MICHELLE OUELLETTE
BEST BEST & KRIEGER LLP
Title: COUNSEL FOR RIVERSIDE COUNTY
TRANSPORTATION COMMISSION

Dated: July __, 2016

CITY OF MORENO VALLEY AND MORENO
VALLEY COMMUNITY SERVICES DISTRICT

By: 
Name: Dr. CRISTIAN A. GUTIERREZ
Title: MAYOR AND CHAIR

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Approved as to form:

By: PAUL EARLY FOR
Name: STEVEN B. QUINTANILLA
THE LAW OFFICES OF QUINTANILLA
& ASSOCIATES
Title: COUNSEL FOR CITY OF MORENO
VALLEY AND MORENO VALLEY
COMMUNITY SERVICES DISTRICT

Dated: July ____, 2016

HF PROPERTIES, SUNNYMEAD PROPERTIES,
THEODORE PROPERTIES PARTNERS, 13451
THEODORE, LLC, and HL PROPERTY
PARTNERS

By: _____
Name: IDDO BENZEEVI
Title: PRESIDENT

Approved as to form:

By: _____
Name: KENNETH B. BLEY
COX, CASTLE & NICHOLSON LLP
Title: COUNSEL FOR HF PROPERTIES,
SUNNYMEAD PROPERTIES,
THEODORE PROPERTIES PARTNERS,
13451 THEODORE, LLC, AND HL
PROPERTY PARTNERS

IT IS SO ORDERED, ADJUDGED AND DECREED.

Dated: _____, 2016

HONORABLE JUDGE SHARON J.
WATERS
JUDGE OF THE SUPERIOR COURT

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Approved as to form:

By: _____
Name: STEVEN B. QUINTANILLA
THE LAW OFFICES OF QUINTANILLA
& ASSOCIATES
Title: COUNSEL FOR CITY OF MORENO
VALLEY AND MORENO VALLEY
COMMUNITY SERVICES DISTRICT

Dated: July 27, 2016

HF PROPERTIES, SUNNYMEAD PROPERTIES,
THEODORE PROPERTIES PARTNERS, 13451
THEODORE, LLC, and HL PROPERTY
PARTNERS

By: 
Name: IDDO BENZEEVI
Title: PRESIDENT and CEO

Approved as to form:

By: 
Name: KENNETH B. BLEY
COX, CASTLE & NICHOLSON LLP
Title: COUNSEL FOR HF PROPERTIES,
SUNNYMEAD PROPERTIES,
THEODORE PROPERTIES PARTNERS,
13451 THEODORE, LLC, AND HL
PROPERTY PARTNERS

IT IS SO ORDERED, ADJUDGED AND DECREED.

Dated: _____, 2016

HONORABLE JUDGE SHARON J.
WATERS
JUDGE OF THE SUPERIOR COURT

EXHIBIT A

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SETTLEMENT AGREEMENT

This settlement agreement (“Agreement”) is made at Riverside, California, as of July 2, 2016, between THE COUNTY OF RIVERSIDE (the “County”) and the RIVERSIDE COUNTY TRANSPORTATION COMMISSION (the “RCTC”), on the one hand, and the CITY OF MORENO VALLEY and the MORENO VALLEY COMMUNITY SERVICES DISTRICT (collectively the “City”), HF PROPERTIES, SUNNYMEAD PROPERTIES, THEODORE PROPERTIES PARTNERS, 13451 THEODORE, LLC, and HL PROPERTY PARTNERS (collectively “Highland Fairview”), on the other hand, with respect to the following facts:

- A. Highland Fairview was the applicant for, and is now the developer of, the World Logistics Center.
- B. In August, 2015, the City certified an environmental impact report (the “EIR”) and immediately thereafter granted a number of land use approvals for the World Logistics Center, which included several legislative and one administrative actions.
- C. Subsequent to the City’s approval, a referendum petition seeking to overturn the City’s approval of the World Logistics Center was circulated but failed to obtain the required number of valid signatures and was subsequently dropped.
- D. In response to the referendum petition to overturn the City’s approval, residents of the City circulated initiative petitions to support and reaffirm the City’s approval of the World Logistics Center. The initiatives’ sponsors obtained more than the required number of valid signatures.
- E. In September, 2015, the County and the RCTC filed lawsuits in the Riverside Superior Court, Case Nos. RIC 1511180 and RIC 1511130, related to the EIR’s compliance with the California Environmental Quality Act (collectively the “CEQA Lawsuits”).
- F. The CEQA Lawsuits are in addition to seven other lawsuits questioning the validity of the approvals granted by the City (the “other CEQA Lawsuits”).
- G. In November, 2015, the City adopted three resident-sponsored initiatives which vacated the legislative approvals for the World Logistics Center approved in August, 2015, and then adopted them pursuant to the citizens’ initiative power, as set forth in Election Code §§ 9214 and 9215, as an adoption in the first instance.
- H. A referendum petition was circulated following the City’s adoption of the resident-sponsored initiatives in November, 2015. The referendum’s sponsors failed to obtain the required number of valid signatures.

- I. In February, 2016, the RCTC filed a lawsuit in the Riverside Superior Court, Case No. RIC 1602030, questioning the validity of the initiatives adopted by the City in November, 2015 (the "Initiative Lawsuit").
- J. The Initiative Lawsuit is in addition to three other lawsuits questioning the validity of the resident-sponsored initiatives adopted by the City (the "other Initiative Lawsuits").
- K. The County, the RCTC and the City share a mutual desire to advance economic development, encourage sustainable development, support the creation of local jobs, and increase economic opportunities in the County and the City. The parties collectively agree that this settlement will create an opportunity to fund and make a major investment in transportation infrastructure, which in combination with the development, will advance the previously stated objective of creating jobs and economic opportunity. Therefore, the County and the RCTC have determined that the implementation of the provisions of this agreement will provide a resolution in a manner which is consistent with their collective goals.

IN LIGHT OF THE FOREGOING FACTS, IT IS MUTUALLY AGREED THAT:

1. Highland Fairview and the City will each contribute, directly or indirectly, \$100,000, a total of \$200,000, for logistics-related studies. Of this funding, \$100,000 is to be used for truck and logistics-related studies by the Center for Environmental Research and Technology. The remainder (\$100,000) will be used by the Community Translational Research Institute for public health research and programs. The \$200,000 in total contributions will be made no later than 60 calendar days after a final judgment, free from further appellate review, determining that the EIR, as it is or may be revised as a result of the other CEQA Lawsuits, fully complies with CEQA and that the World Logistics Center Project may legally proceed. Highland Fairview and the City shall be acknowledged as having contributed financial support for the studies and shall be provided electronic and hardcopy copies of all reports upon their release. The contributions shall be submitted to the RCTC and shall be managed according to its regular accounting practices.

2. Highland Fairview, the City, the County and the RCTC will each contribute, directly or indirectly, \$250,000, for a total of \$1,000,000, to be used for an RCTC-conducted regional transportation study to evaluate a logistics-related regional fee. The contributions shall be submitted to the RCTC and shall be managed according to its regular accounting practices. The contributions will be made no later than 60 calendar days after a final judgment, free from further appellate review, determining that the EIR, as it is or may be revised as a result of the other CEQA Lawsuits, fully complies with CEQA and that the World Logistics Center Project may otherwise legally proceed. If the RCTC fails to award a contract for preparation of the subject regional transportation study within six months of the date the contributions are made by Highland Fairview and the City, both shall be refunded the full amount of their respective contributions and this obligation shall terminate as of the date of the refund. Highland Fairview and the City will have the right to advance these funds at any time.

3. The development of the World Logistics Center currently contemplates Highland Fairview widening Gilman Springs Road from one to three southbound lanes between SR-60 and Alessandro Boulevard during phase 2 of the WLC's construction. See EIR Fig. 4.15.5 on page 4.15-41. The City, the County and Highland Fairview will cooperate to determine the best alignment and configuration for Gilman Springs Road. The money spent by Highland Fairview to improve Gilman Springs Road will be entitled to Transportation Uniform Mitigation Fee ("TUMF") credit to the extent eligible per the TUMF Program Nexus Study and subject to approval by the Western Riverside Council of Governments ("WRCOG") in accordance with its policies and practices. In no event will either the County or the RCTC oppose or object to the WRCOG's granting Highland Fairview TUMF credits for the work to be performed on Gilman Springs Road, provided such credits are granted in accordance with WRCOG's policies and practices.

4. Highland Fairview will contribute \$3,000,000 to be used for safety-related improvements to Gilman Springs Road within 10 days of issuance of the certificate of occupancy for the first warehouse within the World Logistic Center. The contribution shall be submitted to the County and shall be managed according to its regular accounting practices. The contribution will be credited against the in-lieu fee described in paragraph 6 and the RCTC shall manage all fee, contribution or funding according to its regular accounting practices.

5. Highland Fairview will contribute \$3,000,000; \$2,000,000 to be used for engineering studies and project development for SR-60 between the I-215 and Gilman Springs Road and \$1,000,000 for the Theodore Street interchange at SR-60, within 10 days of issuance of the certificate of occupancy for the 4,000,000th square foot of warehouse space within the World Logistics Center. The contribution shall be submitted to the RCTC and shall be managed according to its regular accounting practices. The parties will work together to determine how the contribution is to be spent. The contribution will be credited against the in-lieu fee described in paragraph 6. Highland Fairview will have the right to advance these funds at any time.

6. Highland Fairview will pay a 65¢ per sq.ft in-lieu fee within 10 days of the time of the issuance of each certificate of occupancy for a warehouse within the World Logistics Center. If no logistic-related regional fee has been adopted by the County or at least 75% of the RCTC's member cities within 24 months of the contributions by the City and Highland Fairview referred to in paragraph 2, the in-lieu fee shall be reduced to 50¢ per sq.ft. The in-lieu fee shall be submitted to the RCTC and shall be managed according to its regular accounting practices. The in-lieu fee, whether 65¢ or 50¢ per sq.ft, will be in-lieu of any new logistic-related regional fee or additional fee imposed for transportation purposes, (excluding any TUMF increases) whether imposed by the City or the County and whether the fee imposed is less than, or greater than, 65¢ or 50¢ per sq.ft and will be reduced by the amount of the contributions described in paragraphs 4 and 5. The proceeds of the in-lieu fee will be used for the projects set forth in paragraphs 4 and 5 and/or on SR-60 between I-215 and Gilman Springs Road. If a logistic-related regional fee is adopted by the County and/or the cities, such fee shall not be added to the then existing TUMF fee but will be imposed as a separate fee.

7. Each party will bear its own costs, including, but not limited to, attorneys' fees and costs incurred in, or related to, the CEQA Lawsuits and Initiative Lawsuit and the negotiations leading up to this Agreement.

8. The terms of this Agreement will be embodied in a stipulated judgment in the CEQA Lawsuits in the form of Exhibit A.

9. The RCTC will dismiss the Initiative Lawsuit, with prejudice, and the County will not file any lawsuit regarding the initiatives adopted by the City in November, 2015.

10. The City and Highland Fairview shall fully comply with all provisions of the Final Certified EIR, all CEQA mitigation measures and all conditions of approval imposed on the World Logistics Center in the August 2015 approval process. The County and the RCTC shall not file any lawsuits challenging any approvals granted in the future for the World Logistics Center, provided there are no revisions to the World Logistics Center project which would change the World Logistic Center project description, the Final Certified EIR, any CEQA mitigation measure or any condition of approval imposed on the World Logistics Center in the August 2015 approval process. Should any future approval revise the World Logistics Center resulting in a change to the project description, the Final Certified EIR, any CEQA mitigation measure or any condition of approval imposed in the August 2015 approval process, the County and the RCTC may file a lawsuit challenging any such approval.

In the event of any failure by City and Highland Fairview to comply with the provisions of this Settlement Agreement, any provision of the Final Certified EIR, any CEQA mitigation measure or any condition of approval imposed on the World Logistics Center in the August 2015 approval, County and the RCTC shall be limited to filing a lawsuit for breach of this Settlement Agreement. In order to verify compliance with the August 2015 approval of the World Logistics Center, the City and Highland Fairview shall submit annual reports commencing on or before January 1, 2017 and each year thereafter to the County and the RCTC describing the current status of construction of the World Logistic Center and compliance with the Final Certified EIR, all CEQA mitigation measures and all conditions of approval.

11. The parties will express their positive support of the terms of this Agreement.

12. This Agreement is entered into solely for the benefit of the parties hereto and their successors (including by law, contract or title), transferees and assigns. Other than the parties hereto, their successors, transferees and assigns, no third party shall be entitled, directly or indirectly, to base any claim, or to have any right arising from, or related to, this Agreement.

13. The parties shall execute all further and additional documents as shall be reasonable, convenient, necessary or desirable to carry out the provisions of this Agreement. The parties shall act in good faith and shall take all further actions reasonably necessary to effectuate the letter and the spirit of this Agreement.

14. This Agreement shall in all respects be interpreted, enforced and governed by and under the laws of the State of California applicable to instruments, persons, transactions and subject matter which have legal context and relationship solely within the State. The language of this Agreement and all other documents referred to herein shall be construed as a whole according to their fair meaning. Venue and jurisdiction with respect to any action arising under or in relation to this Agreement shall be exclusively within the Riverside County Superior Court. To the extent permitted by law, this Agreement is intended as a valid Settlement Agreement pursuant to Evidence Code § 1123 and shall be admissible and enforceable pursuant to Code of Civil Procedure § 664.6.

15. The prevailing party in any litigation brought to enforce or interpret this Agreement shall be entitled to recover its attorneys' fees and all costs of litigation including, but not limited to, expert witness fees, in addition to any other relief to which it may be entitled. Fees and costs not included within those allowed by Code of Civil Procedure § 1033.5 shall be set forth in the parties' pleadings and shall be proved to the trial judge, the right to trial by jury being hereby waived for all purposes. All of the other terms of this Agreement shall remain in effect if the jury waiver set forth in this paragraph 14 is held to be unenforceable.

16. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given on the date of service if served personally, by reliable overnight courier, or by facsimile transmission for receipt during the receiving parties' normal business hours to the party to whom notice is to be given, or on the third (3rd) day after mailing if mailed to the party to whom notice is to be given, by first class mail, registered or certified, return receipt requested, postage prepaid, and properly addressed as follows:

County of Riverside: County of Riverside, Transportation and Land Management Agency
4080 Lemon Street, 14th Floor
Riverside, California 92502
Attn: Juan C. Perez, Director
Telephone: (951) 955-6742
Facsimile: (951) 955-6879

Copy to: County of Riverside, Office of County Counsel
3960 Orange Street, Suite 500
Riverside, California 92501
Attn: Gregory P. Priamos, County Counsel
Telephone: (951) 955-6300
Facsimile: (951) 955 6322

RCTC: Riverside County Transportation Commission
4080 Lemon Street, 3rd Floor
Riverside, California 92501
Attn: Anne Mayer, Executive Director
Telephone: (951) 787-7141
Facsimile: (951) 787-7920

Copy to: Michelle Ouellette, Esq.
Best Best & Krieger LLP
3390 University Avenue, 5th Floor
Riverside, California 92501
Telephone: (951) 686-1450
Facsimile: (951) 686-3083

City of Moreno Valley: City of Moreno Valley
14177 Frederick Street
Moreno Valley, California 92552
Attn: Michelle Dawson, City Manager
Telephone: (951) 413-3000
Facsimile: (951) 413-3210

Copy to: Steven B. Quintanilla, Esq.
The Law Offices of Quintanilla & Associates
P.O. Box 176
Rancho Mirage, California 92270
Telephone: (760) 883-1848

Highland Fairview: Iddo Benzeevi
President and Chief Executive Officer
Highland Fairview Operating Co.
14225 Corporate Way
Moreno Valley, California 92553
Telephone: (951) 867-5327
Facsimile: (951) 867-5328

Copy to: Kenneth B. Bley, Esq.
Cox Castle & Nicholson LLP
2029 Century Park East, Suite 2100
Los Angeles, California 90067
Telephone: (310) 284-2231
Facsimile: (310) 284-2100

17. This Agreement contains the entire agreement and understanding concerning the CEQA Lawsuits and the Initiative Lawsuit and supersedes and replaces all prior negotiations or proposed agreements, written or oral. Each of the parties hereto acknowledges that no other party, nor the agents nor the attorneys for any party, has made any promise, representation or warranty whatsoever, express or implied, not contained herein, to induce the execution of this Agreement and acknowledges that this Agreement has not been executed in reliance upon any promise, representation or warranty not contained herein. Each party has participated, cooperated or contributed to the drafting and preparation of this Agreement. This Agreement shall not be construed for or against any Party but shall be construed fairly according to its plain meaning, and shall be unconditionally supported by all Parties, in all forums.

18. This Agreement may not be amended except in a writing signed by all the parties hereto.

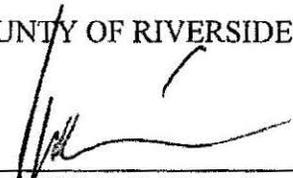
19. The parties to this Agreement hereby acknowledge that they have undertaken an independent investigation of the facts concerning the approvals of the World Logistics Center and the CEQA Lawsuits and Initiative Lawsuit and that they have been advised by their own attorneys. The parties expressly assume the risk that the true facts concerning the foregoing may differ from those currently understood by them.

20. Each party signing this Agreement warrants and represents that he or she has been duly authorized to do so by the party he or she represents.

21. This Agreement may be signed in one or more counterparts and, when all parties have signed the original or a counterpart, such counterparts, whether originals, facsimiles or e-mail attachments, together shall constitute one original document.

Dated: July 29, 2016

COUNTY OF RIVERSIDE

By: 

Name: JUAN C. PEREZ

Title: DIRECTOR, COUNTY OF RIVERSIDE, TRANSPORTATION AND LAND MANAGEMENT AGENCY

Approved as to form:

GREGORY P. PRIAMOS
COUNTY COUNSEL

By: 

Name: KARIN WATTS-BAZAN

Title: ASSISTANT COUNTY COUNSEL

Dated: July 7, 2016

RIVERSIDE COUNTY TRANSPORTATION
COMMISSION

By: 
Name: ANNE MAYER
Title: EXECUTIVE DIRECTOR

Approved as to form:

By: 
Name: MICHELLE OUELLETTE
BEST BEST & KRIEGER LLP
Title: COUNSEL FOR RIVERSIDE
COUNTY TRANSPORTATION
COMMISSION

Dated: July __, 2016

CITY OF MORENO VALLEY AND
MORENO VALLEY COMMUNITY
SERVICES DISTRICT

By: _____
Name: DR. YXSTIAN A. GUTIERREZ
Title: MAYOR AND CHAIR

Approved as to form:

By: _____
Name: STEVEN B. QUINTANILLA
THE LAW OFFICES OF
QUINTANILLA & ASSOCIATES
Title: COUNSEL FOR CITY OF MORENO
VALLEY AND MORENO VALLEY
COMMUNITY SERVICES DISTRICT

Dated: July __, 2016

RIVERSIDE COUNTY TRANSPORTATION
COMMISSION

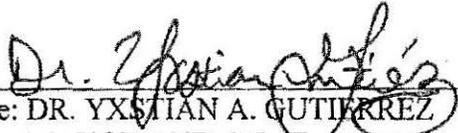
By: _____
Name: ANNE MAYER
Title: EXECUTIVE DIRECTOR

Approved as to form:

By: _____
Name: MICHELLE OUELLETTE
BEST BEST & KRIEGER LLP
Title: COUNSEL FOR RIVERSIDE
COUNTY TRANSPORTATION
COMMISSION

Dated: July __, 2016

CITY OF MORENO VALLEY AND
MORENO VALLEY COMMUNITY
SERVICES DISTRICT

By: 
Name: DR. YXSTIAN A. GUTIERREZ
Title: MAYOR AND CHAIR

Approved as to form:

By: 
Name: STEVEN B. QUINTANILLA
THE LAW OFFICES OF
QUINTANILLA & ASSOCIATES
Title: COUNSEL FOR CITY OF MORENO
VALLEY AND MORENO VALLEY
COMMUNITY SERVICES DISTRICT

Dated: July 27 2016

HF PROPERTIES, SUNNYMEAD
PROPERTIES, THEODORE PROPERTIES
PARTNERS, 13451 THEODORE, LLC, AND
HL PROPERTY PARTNERS

By: Iddo Benzeevi

Name: IDDO BENZEEVI

Title: PRESIDENT and CEO

Approved as to form:

By: Kenneth B. Bley

Name: KENNETH B. BLEY

COX, CASTLE & NICHOLSON LLP.
Title: COUNSEL FOR HF PROPERTIES,
SUNNYMEAD PROPERTIES,
THEODORE PROPERTIES
PARTNERS, 13451 THEODORE,
LLC, and HL PROPERTY
PARTNERS

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PROOF OF SERVICE

At the time of service I was over 18 years of age and not a party to this action. My business address is 3390 University Avenue, 5th Floor, P.O. Box 1028, Riverside, California 92502. On August 1, 2016, I served the following document(s):

[PROPOSED] STIPULATED JUDGMENT

By fax transmission. Based on an agreement of the parties to accept service by fax transmission, I faxed the documents to the persons at the fax numbers listed below. No error was reported by the fax machine that I used. A copy of the record of the fax transmission, which I printed out, is attached.

By United States mail. I enclosed the documents in a sealed envelope or package addressed to the persons at the addresses listed below (specify one):

Deposited the sealed envelope with the United States Postal Service, with the postage fully prepaid.

Placed the envelope for collection and mailing, following our ordinary business practices. I am readily familiar with this business's practice for collecting and processing correspondence for mailing. On the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service, in a sealed envelope with postage fully prepaid.

I am a resident or employed in the county where the mailing occurred. The envelope or package was placed in the mail at Riverside, California.

By personal service. At ___ a.m./p.m., I personally delivered the documents to the persons at the addresses listed below. (1) For a party represented by an attorney, delivery was made to the attorney or at the attorney's office by leaving the documents in an envelope or package clearly labeled to identify the attorney being served with a receptionist or an Individual in charge of the office. (2) For a party, delivery was made to the party or by leaving the documents at the party's residence with some person not less than 18 years of age between the hours of eight in the morning and six in the evening.

By messenger service. I served the documents by placing them in an envelope or package addressed to the persons at the addresses listed below and providing them to a professional messenger service for service. A Declaration of Messenger is attached.

By overnight delivery. I enclosed the documents in an envelope or package provided by an overnight delivery carrier and addressed to the persons at the addresses listed below. I placed the envelope or package for collection and overnight delivery at an office or a regularly utilized drop box of the overnight delivery carrier.

1 **By e-mail or electronic transmission.** Based on a court order or an agreement of
2 the parties to accept service by e-mail or electronic transmission, I caused the
3 documents to be sent to the persons at the e-mail addresses listed below. I did not
4 receive, within a reasonable time after the transmission, any electronic message or
5 other indication that the transmission was unsuccessful.

6 William P. Curley III
7 Mark Waterman
8 Lozano Smith Attorneys at Law
9 515 South Figueroa Street, Suite 750
10 Los Angeles, CA 90071
11 wcurley@lozanosmith.com
12 mwaterman@lozanosmith.com

13 *Attorneys for Respondents/Defendants City
14 of Moreno Valley and Moreno Valley
15 Community Services District*

16 Gregory P. Priamos
17 Karin Watts-Bazan
18 Melissa R. Cushman
19 County of Riverside
20 Office of County Counsel
21 3960 Orange Street, Suite 500
22 Riverside, CA 92501
23 KWattsba@co.riverside.ca.us
24 MCushman@co.riverside.ca.us

25 *Attorneys for County of Riverside*

26 Paul J. Early
27 City of Moreno Valley
28 14177 Frederick Street
Moreno Valley, CA 92552
paule@moval.org

*Attorney for Respondent, City of Moreno
Valley*

Raymond W. Johnson
Abigail A. Smith
Kimberly Foy
Kendall Holbrook
Johnson & Sedlack
26785 Camino Seco
Temecula, CA 92590
Rav@socalceqa.com

*Attorneys for Petitioner/Plaintiff Residents
for A Livable Moreno Valley*

Kenneth B. Bley
Cox, Castle & Nicholson LLP
2029 Century Park East, Suite 2100
Los Angeles, CA 90067
kbley@coxcastle.com

*Attorneys for Real Parties in Interest
HF Properties; Sunnymead Properties;
Theodore Properties Partners; 13451
Theodore, LLP, and HL Property
Partners*

Steven B. Quintanilla
Jacquetta Bardacos
Joseph A. Meeks
Benjamin R. Jones
Law Offices of Quintanilla &
Associates
P.O. Box 176
Rancho Mirage, CA 92270
steveq@qalawyers.com

*Attorneys for Respondent, City of
Moreno Valley*

Michael R. Lozeau
Richard T. Drury
Lozeau Drury LLP
410 12th Street, Suite 250
Oakland, CA 94607
Michael@lozeaudrury.com
Richard@lozeaudrury.com

*Attorneys for Petitioner/Plaintiffs,
Laborers International Union*

Susan Nash
Law Offices of Susan Nash
P.O. Box 4036
Idyllwild, CA 92549
Snash22@earthlink.net

*Attorneys for Petitioner/Plaintiff Albert
Thomas Paulek and Friends of the
Northern San Jacinto Valley*

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Craig M. Collins
Gary Ho
Blum Collins, LLP
707 Wilshire Boulevard, Suite 4880
Los Angeles, CA 90017
Collins@blumcollins.com
Ho@blumcollins.com

*Attorneys for Petitioner/Plaintiff SoCal
Environmental Justice Alliance*

Eugene S. Wilson
Law Offices of Eugene Wilson
3502 Tanager Avenue
Davis, CA 95616

*Attorneys for Petitioner California Clean
Energy Committee*

Adriano Martinez
Oscar Espino-Padron
Earthjustice
800 Wilshire Boulevard, Suite 1000
Los Angeles, CA 90017
amartinez@earthjustice.org
oespino-padron@earthjustice.org

*Attorneys for Petitioners, Center for
Community Action and Environmental
Justice, Center for Biological Diversity,
Coalition for Clean Air, Sierra Club and
San Bernardino Valley Audubon Society*

Kurt R. Wiese, General Counsel
Barbara Baird, Chief Deputy Counsel
Veera Tyagi, Senior Deputy District
Counsel
South Coast Air Quality Management
District
21865 Copley Drive
Diamond Bar, CA 91765
kwiese@aqmd.gov
bbaird@aqmd.gov
vttyagi@aqmd.gov

*Attorneys for Petitioner South Coast Air
Quality Management District*

Bradley R. Hogin
Ricia R. Hager
Woodruff, Spradlin & Smart
555 Anton Boulevard, Suite 1200
Costa Mesa, CA 92626
bhogin@wss-law.com
rhager@wss-law.com

*Attorneys for Petitioner, South Coast
Air Quality Management*

Stacey P. Geis
A. Yana Garcia
Earthjustice
50 California Street, Suite 500
San Francisco, CA 94111
sgeis@earthjustice.org
vgarcia@earthjustice.org

*Attorneys for Petitioners, Center for
Community Action and Environmental
Justice, Center for Biological Diversity,
Coalition for Clean Air, Sierra Club
and San Bernardino Valley Audubon
Society*

I declare under penalty of perjury under the laws of the State of California that the
above is true and correct.

Executed on August 1, 2016, at Riverside, California.


MONICA CASTANON