

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO

City of Jurupa Valley
8930 Limonite Avenue
Jurupa Valley CA 92509

Attn: City Clerk

2016-0320558

07/29/2016 09:10 AM Fee: \$ 0.00

Page 1 of 40

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County of Riverside
Peter Aldana
Assessor-County Clerk-Recorder



309

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**DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF
JURUPA VALLEY PARADISE JURUPA, LLC, A CALIFORNIA
LIMITED LIABILITY COMPANY, AND EQUITY THREE PROPERTIES,
LLC, A CALIFORNIA LIMITED LIABILITY COMPANY (PARADISE
KNOLLS PROJECT)¹**

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (this "Agreement") is entered into as of June 16, 2016 (the "Reference Date"), by and between the CITY OF JURUPA VALLEY, a California municipal corporation and general law city existing under the Constitution of the State of the California ("City"), Paradise Jurupa, LLC, a California limited liability company ("Paradise Jurupa"), and Equity Three Properties, LLC, a California limited liability company ("Equity Three"). Paradise Jurupa and Equity Three shall be collectively referred to in this Agreement as "Developer" pursuant to Paragraph 2.H. and 3.D. of this Agreement. The City, Paradise Jurupa, and Equity Three are occasionally referred to herein collectively as the "Parties." In consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. RECITALS:

This Agreement is entered into for the following purposes and based on the following facts that the parties hereto agree to be true and correct:

A. California Government Code Sections 65864-65869.5 (the “Development Agreement Act”) authorize City to enter into a binding development agreement for the development of real property within its jurisdiction with persons having legal or equitable interest in such real property.

1. Ensuring high quality development in accordance with comprehensive plans;

2. Reducing uncertainty in the development approval process that might otherwise result in a waste of resources, discourage investment, and escalate the cost of development to the consumer;

3. Strengthening the City’s comprehensive planning process to provide for the most efficient use of public and private resources by encouraging private participation in the comprehensive planning process;

4. Assuring Developers of land that upon approval, they may proceed with their projects in accordance with defined policies, rules, regulations, and conditions of approval; and

5. Providing for the financing and/or construction of necessary public facilities.

6. Maintaining the equestrian lifestyle in the Pedley Village Area of Jurupa Valley.

B. In addition to the general purposes stated above, the following are among the considerations supporting this Agreement:

1. This Agreement authorizes Developer to develop an approximately 107 acre property located within the City of Jurupa Valley, the County of Riverside, State of California, as described in Exhibit “A” and depicted on Exhibit “B” (the “Property”), with a potential mixture of commercial, residential and public institutional facility uses, as further defined in this Agreement.

2. This Agreement will provide for both parties: (a) a high quality development on the Property subject to this Agreement; (b) certainty in the type of development to be undertaken on the Property; and (c) the assurance of adequate public and private facilities to ensure the good of the community regardless of the City’s legal authority to impose such requirements under constitutional or statutory authority.

3. For the City, this Agreement serves to provide for: (a) employment growth anticipated to result from the Development of the Property, both during construction and use; (b) an increase in tax revenues anticipated to result from the Development of the Property; and (c) the achievement of the goals and directives of its General Plan.

4. The development of new commercial facilities and offices is an integral part of Developer's development plans for the Property. Such facilities are expected to bring employment and generate sales tax revenue for the City.

C. The Property is subject to the Development Approvals and Land Use Regulations defined in Section 2.E. and 2.J. of this Agreement.

D. City and Developer desire to enter into a binding agreement for purposes of: (i) identifying the terms, conditions, and regulations for the development of the Property; (ii) identifying Developer's obligations to make certain Community Benefit Contribution (defined herein below) on the terms and conditions set forth herein.

E. Developer desires to develop the Property in accordance with the provisions of this Agreement, the Land Use Regulations, and those other agencies exercising jurisdiction over the Property.

F. Developer has applied for, and the City has approved, this Agreement in order to create beneficial development of the Property and a physical environment that will conform to and complement the City's goals, create development sensitive to human needs and values, facilitate efficient traffic circulation, and otherwise provide for the development of the Property in accordance with the best interests of the City

G. The development of new commercial and residential uses is an integral part of Developer's development plans for the Property. Such facilities are expected to bring employment and generate sales tax revenue for the City.

H. The City has reviewed the potential impacts of this Development Agreement and the various potential benefits to the City of the Development Agreement and has concluded that this Development Agreement is in the best interests of the City.

I. The City Council has determined that this Agreement is consistent with City's General Plan including the goals and objectives thereof.

J. The following actions have been taken with respect to this Agreement and the Development:

1. On February 10, 2016, following a duly noticed and conducted public hearing on the Agreement, Land Use Approvals and the proposed Environmental Impact Report, the Planning Commission recommended that the Council approve this Agreement;

2. On April 21, 2016 after a duly noticed public hearing and pursuant to the California Environmental Quality Act of 1970, as amended, ("CEQA") the City Council adopted Resolution 2016-15 certifying the Environmental Impact Report and for the Development and this Agreement.

3. On May 19, 2016, following a duly noticed public hearing held on April 21, 2016, the City Council introduced Ordinance No. 2016-08 and on June 16, 2016 held the second reading and adopted Ordinance No. 2016-08 approving this Agreement, a copy of which

is on file in the City Clerk's Office at the City Hall, which ordinance includes the findings pertaining thereto, including those relating to the CEQA documentation for the Development and this Agreement's consistency with the City's General Plan and each element thereof and any specific plans relating to the property.

4. All actions taken by City have been duly taken in accordance with all applicable legal requirements, including the California Environmental Quality Act (California Public Resources Code Sections 21000, et seq.) ("CEQA"), and all other requirements for notice, public hearings, findings, votes and other procedural matters.

K. Pursuant to Section 65867.5 of the Development Agreement Legislation, the City Council has found and determined that: (i) this Agreement implements the goals and policies of the City's General Plan, provides balanced and diversified land uses, and imposes appropriate standards and requirements with respect to land development and usage in order to maintain the overall quality of life and the environment within the City; (ii) this Agreement is in the best interests of and not detrimental to the public health, safety and general welfare of the City and its residents; (iii) adopting this Agreement is consistent with the City's General Plan, and each element thereof and any applicable specific plan, and constitutes a present exercise of the City's police power; and (iv) this Agreement is being entered into pursuant to and in compliance with the requirements of Government Code Section 65867 of the Development Agreement Legislation.

2. DEFINITIONS. This Agreement uses a number of terms having specific meanings, as defined below. These specially defined terms are distinguished by having the initial letter capitalized when used in this Agreement. The defined terms include the following:

- A. "*Agreement*" means this Development Agreement.
- B. "*City*" means the City of Jurupa Valley, a California general law city and municipal corporation.
- C. "*City Council*" means the City Council of City.
- D. "*Site Map*" means the drawing of the site in its condition as of the Effective Date, attached hereto as Exhibit B.
- E. "*Development*" means the improvement of the Property for the purposes of constructing structures, improvements and facilities on the Property. "Development" also includes the maintenance, repair and replacement of any building, structure, improvement, landscaping or facility after the construction and completion thereof on the Property.
- F. "*Development Approvals*" means any and all permits, licenses, consents, rights and privileges, and other actions approved or issued by City on or before the Effective Date, including but not limited to:

1. General Plan Amendment No. GPA 1406, adopted by Resolution No. 2016-15 of the City Council of the City of Jurupa Valley;

2. Specific Plan No. SP 1402, adopted by Resolution No. 2016-15 of the City Council of the City of Jurupa Valley

3. Zone Change No. ZCA 1496, adopted by Ordinance No. 2016-07 of the City Council of the City of Jurupa Valley;

4. Tentative Subdivision Map No TTM36822, adopted by Resolution No. 2016-15 of the City Council of the City of Jurupa Valley; and

5. Tentative Subdivision Map No TTM36823, adopted by Resolution No. 2016-15 of the City Council of the City of Jurupa Valley.

6. Neighborhood Development Plan 1601, adopted by Resolution No. 2016-15 of the City Council of the City of Jurupa Valley.

All of the Development Approvals are on file in the Office of the City Clerk of the City of Jurupa Valley.

G. “*Development Requirement*” means any requirement of City in connection with or pursuant to any Development Approval for the dedication of land, the construction or improvement of public facilities, the payment of fees or assessments in order to lessen, offset, mitigate or compensate for the impacts of the Development on the environment, or the advancement of the public interest.

H. “*Developer*” means Paradise Jurupa, LLC, a California limited liability company (“Paradise Jurupa”), and Equity Three Properties, LLC, a California limited liability company (“Equity Three”) and, where authorized in this Agreement, their respective successors in interest to all or any part of the Property.

I. “*Effective Date*” means the date that this Agreement shall take effect as defined in Section 3.B of this Agreement.

J. “*Land Use Regulations*” means all ordinances, resolutions, codes, rules, regulations and official written policies of City adopted and effective on or before the Effective Date governing the Development and use of the Property, including, without limitation, the permitted use of land, the density or intensity of use, the rate of development of land, subdivision requirements, the maximum height and size of proposed buildings, the provisions for reservation or dedication of land for public purposes, and the design, improvement and construction standards and specifications applicable to the Development, including, but not limited to, the Development Approvals. Land Use Regulations does not mean and excludes Development Fees. Land Use Regulations are listed on Exhibit E.

K. “*Property*” means the real property described in Exhibit A and depicted on Exhibit B, the Site Map.

L. “*Reservation of Authority*” means the rights and authority excepted from the assurances and rights provided to Developer under this Agreement and reserved to City under Section 4.A(f).

M. “*Subsequent Development Approvals*” means all Development Approvals issued subsequent to the Effective Date in connection with the Development.

N. “*Subsequent Land Use Regulations*” means any Land Use Regulations adopted and effective after the Effective Date governing development and use of the Property.

3. GENERAL TERMS OF THE DEVELOPMENT AGREEMENT.

A. Term. The term of this Agreement shall commence on the Effective Date and shall continue for ten (10) years thereafter (the “Term”), unless said term is otherwise terminated, modified, or extended by circumstances set forth in this Agreement or by mutual consent of the Parties hereto after the satisfaction of all applicable public hearing and related procedural requirements.

B. Effective Date. This Agreement shall be effective, and the obligations of the Parties hereunder shall be effective on the date that Ordinance No. 2016-08 approving this Agreement becomes effective (the “Effective Date”). The parties shall approve an Operating Memorandum pursuant to Section 3.E.4. confirming the Effective Date of the Agreement.

C. Binding Effect of Agreement. From and following the Effective Date, the Development, and City actions on applications for Subsequent Development Approvals affecting the Property, shall be subject to the terms and provisions of this Agreement. The provisions of this Agreement, to the extent permitted by law, constitute covenants that shall run with the Property for the benefit thereof, and the benefits and burdens of this Agreement shall bind and inure to the benefit of the parties and all successors in interest to the parties hereto.

D. Ownership of Property; Joint and Several Obligations of Owners.

1. City, Paradise Jurupa, LLC, and Equity Three Properties, LLC, each acknowledge and agree that Paradise Jurupa, LLC, and Equity Three Properties, LLC, each have legal or equitable interest in the Property and thus Paradise Jurupa, LLC, and Equity Three Properties, LLC, are qualified to enter into and be a party to this Agreement under the Development Agreement Law.

2. Paradise Jurupa, LLC, and Equity Three Properties, LLC, shall be jointly and severally liable for the design, construction, installation and maintenance of all public and private improvements required by the Development Approvals and this Agreement and shall be jointly and severally liable for the payment of all assessments, development impact fees, and regional fees required by the Development Approvals, Land Use Regulations and this Agreement.

3. Paradise Jurupa, LLC, and Equity Three Properties, LLC, shall allocate responsibility between themselves for these obligations. City shall have no obligation to acknowledge or recognized such allocation between Paradise Jurupa, LLC, and Equity Three Properties, LLC.

4. Paradise Jurupa, LLC, and Equity Three Properties, LLC, each acknowledge and agree that City shall have no obligation or duty to issue such building permits

as provided for in the Development Approvals, Land Use Regulations and this Agreement unless and until all public and private improvements are completed and all fees paid to the City as required by the Development Approvals, Land Use Regulations and this Agreement as a condition for the issuance of such building permits, regardless of whether Paradise Jurupa, LLC, or Equity Three Properties, LLC, may be responsible for the fulfillment of such conditions.

E. Amendment of Development Agreement.

1. Initiation of Amendment. Any party may propose an amendment to this Agreement and both parties agree that it may be beneficial to enter into additional agreements or modifications of this Agreement in connection with the implementation of the separate components of the Development.

2. Procedure. Except as set forth in Section 3.E.4. below, the procedure for proposing and adopting an amendment to this Agreement shall be the same as the procedure required for entering into this Agreement in the first instance.

3. Consent. Except as expressly provided in this Agreement, any amendment to this Agreement shall require the written consent of both parties. No amendment to all or any provision of this Agreement shall be effective unless set forth in writing and signed by duly authorized representatives of each of the parties.

4. Operating Memoranda. The parties acknowledge that refinements and further development of the Development may demonstrate that changes are appropriate with respect to the details and performance of the parties under this Agreement. The parties desire to retain a certain degree of flexibility with respect to those items covered in general terms under this Agreement. If and when the parties mutually find that changes, adjustments, or clarifications are appropriate to further the intended purposes of this Agreement, they may, unless otherwise required by law, effectuate such changes, adjustments, or clarifications without amendment to this Agreement through one or more operating memoranda mutually approved by the parties. The Operating Memoranda may be approved on behalf of the City by the City Manager of the City, or such person designated in writing by the City Manager, and by any corporate officer or other person designated for such purpose in a writing signed by a corporate officer on behalf of Developer. After execution of an Operating Memoranda it shall be attached hereto as addenda and become a part hereof. Unless otherwise required by law or by this Agreement, no such changes, adjustments, or clarifications shall require prior notice or hearing, public or otherwise.

F. Termination. Unless terminated earlier, pursuant to the terms hereof, this Agreement shall automatically terminate and be of no further effect upon the expiration of the Term. Termination of this Agreement, for any reason, shall not, by itself, affect any right or duty arising from entitlements or approvals set forth under the Development Approvals.

4. DEVELOPER'S RIGHTS AND LIMITATIONS REGARDING DEVELOPMENT OF THE PROPERTY.

A. Right to Develop.

1. Right to Develop. Developer shall have a vested right to develop the Property during the term of this Agreement in accordance with, and to the extent of, the Development Approvals and this Agreement.

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 Property, the density and intensity of use of the Property, the rate or timing of development, the maximum height and size of proposed buildings, and the design, improvement and construction standards and specifications applicable to the Development, shall be those contained in the Development Approvals and those Land Use Regulations not inconsistent with the Development Approvals which were in full force and effect as of the Effective Date of this Agreement.

3. Subsequent Development Approvals. City shall accept for processing, review and action all applications for Subsequent Development Approvals, and City staff shall use their reasonable efforts to process such applications in an expeditious manner, taking into account the City's staffing levels, and all requisite development fees shall be calculated and paid at such time as payment for such fees is due and payable, for all or a portion of the Property. City further agrees that, unless otherwise requested by Developer, it shall not, without good cause, amend or rescind any Subsequent Development Approvals respecting the Property after City has granted the same.

4. Development In Accordance With Agreement and Applicable Law; Timing of Development. Developer shall commence and complete the Development in accordance with this Agreement (including, without limitation, the Land Use Regulations and the Development Approvals) and in compliance with all laws, regulations, rules, and requirements of all non-City governing entities with jurisdiction over the Property. Time is of the essence for this Agreement and for each and every term and provision hereof.

5. Changes and Amendments. The Parties acknowledge that although the Development will likely require Subsequent Development Approvals, the Development shall be in strict compliance with the Development Approvals. The above notwithstanding, Developer may determine that changes are appropriate and desirable in the existing Development Approvals. In the event Developer finds that such a change is appropriate or desirable, Developer may apply in writing for an amendment to prior Development Approvals to effectuate such change. The Parties acknowledge that City shall be permitted to use its sole and absolute discretion in deciding whether to approve or deny any such amendment request; provided, however, that in exercising the foregoing sole and absolute discretion, City shall not apply a standard different than used in evaluating requests of other developers.

B. Reservation of Authority by City.

1. *Limitations, Reservations and Exceptions.* Notwithstanding any other provision of this Agreement, the following Subsequent Land Use Regulations shall apply to the Development:

a. Processing fees and charges of every kind and nature imposed by City generally to cover the estimated actual costs to City of processing applications for Development Approvals.

b. Procedural regulations consistent with this Agreement relating to hearing bodies, petitions, applications, notices, findings, records, hearings, reports, recommendations, appeals and any other matters of procedure.

c. Changes adopted by the City Council in the Uniform Building Code, Uniform Fire Code, Uniform Plumbing Code, Uniform Mechanical Code, or National Electrical Code, Uniform Housing Code, Uniform Administrative Code and Uniform Code for the Abatement of Dangerous Buildings and similar uniform codes as required by and in accordance with the authority granted to the City under State law.

d. Regulations that are not in conflict with the Development Approvals and this Agreement.

e. Regulations that are in conflict with the Development Approvals provided Developer has given written consent to the application of such regulations to the Development.

f. Federal, State, County, and multi-jurisdictional laws and regulations which City is required to enforce as against the Property or the Development.

g. Notwithstanding anything to the contrary in this Agreement, the City shall have the right to apply the City regulations (including amendments to the Land Use Regulations) adopted by the City after the Effective Date, in connection with any Future Development Approvals, or deny, or impose conditions of approval on any Future Development Approvals if City determines that the failure of City to make such application or to deny, or impose conditions of approval on any future Development Approvals would place the residents or occupants of the Property or the residents of the City, or both, in a condition adverse to their safety, health, or both.

2. *Future Discretion of City.* Notwithstanding any other provision of this Section, this Agreement shall not prevent City, in acting on Subsequent Development Approvals, from applying Subsequent Land Use Regulations which do not conflict with the Development Approvals, nor shall this Agreement prevent City from denying or conditionally approving any Subsequent Development Approval on the basis of the existing Land Use Regulations or any Subsequent Land Use Regulation not in conflict with the Development Approvals.

3. *Modification or Suspension by Federal, State, County, or Multi-Jurisdictional Law.* In the event that Federal, State, County, or multi-jurisdictional laws or regulations, enacted after the Effective Date, 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 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. *Intent.* City acknowledges that Developer has reasonably entered into this Agreement and will proceed with the Development of the Property on the assumption that City has adequately provided for the public health, safety and welfare through the Land Use Regulations. In the event that any future, unforeseen public health or safety emergency arises, City agrees that it shall attempt to address such emergency in such a way as not to impact the Development in accordance with the Development Approvals, and if that is not possible, to select that option for addressing the emergency which has the least adverse impact on the Development in accordance with the Development Approvals.

C. *Regulation by Other Public Agencies.* It is acknowledged by the Parties that other public agencies not subject to control by City may possess authority to regulate aspects of the Development, and this Agreement does not limit the authority of such other public agencies.

D. *Timing of Development.* Except as set forth in Agreement, regardless of any future enactment, by initiative, or otherwise, Developer shall have the discretion to develop the Property in one phase or in multiple phases at such times as Developer deems appropriate within the exercise of its subjective business judgment. Specifically, the City agrees that Developer shall be entitled to apply for and receive permits, maps, occupancy certificates, and other entitlements to develop and use the Property at any time, provided that such application is made in accordance with this Agreement and the Land Use Regulations. The parties hereto expressly reject the holding of *Pardee Construction Company v. City of Camarillo*, 37 Cal. 3d 465 (1984), as regards any authority regulating the phasing of Development and construction on the Property.

E. *Vested Rights.* By entering into this Agreement and relying thereon, Developer is obtaining the vested rights to proceed with the Development of the Property in accordance with the terms and conditions of this Agreement. By entering into this Agreement and relying thereon, the City is securing certain public benefits which enhance the public health, safety and welfare, a partial listing of which benefits is set forth in Section 1 above.

F. *No Conflicting Enactments.* Except as otherwise provided by this Agreement, neither the City Council nor any other agency of the City shall enact a rule, regulation, ordinance, or other measure applicable to the Property that is inconsistent or conflicts with the terms of this Agreement.

1. *Moratorium.* It is the intent of Developer and the City that no moratorium or other limitation (whether relating to the Development of all or any part of the Development and whether enacted by initiative or otherwise) affecting parcel or subdivision maps (whether tentative, vesting tentative, or final), site development permits, precise plans, site development plans, building permits, occupancy certificates, or other entitlements to use approved, issued, or granted within the City, or portions of the City, shall apply to the Development to the extent such moratorium or other limitation would restrict Developer's right to develop the Property as provided by this Agreement in such order and at such rate as Developer deems appropriate as limited or regulated by this Agreement. The City agrees to reasonably cooperate with Developer in order to keep this Agreement in full force and effect. In the event of any legal action instituted by a third party or other governmental entity or official challenging the validity of any provision of this Agreement, the parties hereby agree to reasonably cooperate in defending such action. In the event of any litigation challenging the effectiveness of this Agreement, or any portion hereof,

this Agreement shall remain in full force and effect while such litigation, including any appellate review, is pending. The filing of any third party lawsuit(s) against City or Developer relating to this Agreement, the Development Approvals or to other development issues affecting the Property shall not delay or stop the Development, processing, or construction of the Development, unless the third party obtains a court order preventing the activity.

2. Consistency Between this Agreement and Current Laws. The City represents that at the Effective Date there are no rules, regulations, ordinances, policies, or other measures of the City in force that would interfere with the Development and use of all or any part of the Property according this Agreement. In the event of any inconsistency between any Applicable Regulation, Development Approval, and this Agreement, the provisions of this Agreement shall control.

G. Term of Map(s) and Other Development Approvals. Pursuant to California Government Code Sections 66452.6(a) and 65863.9, the term of any subdivision or parcel map that has been or in the future may be processed for all or any portion of the Property and the term of the term of all Development Approvals shall be deemed extended without further required action for a period of time through the scheduled termination date of this Agreement as set forth in Section 3.A. above if such map or Development Approval would otherwise have expired prior thereto.

H. Amendments to Development Approvals. It is contemplated by City and Developer that Developer may, from time to time, seek amendments to one or more of the Development Approvals. Any such amendments are contemplated by City and Developer as being within the scope of this Agreement as long as they are consistent with the Land Use Regulations and shall, upon approval by City, continue to constitute the Development Approvals as referenced herein. The parties agree that any such amendments shall not constitute an amendment to this Agreement nor require an amendment to this Agreement.

5. DEVELOPMENT FEES.

A. City Development Impact Fees.

1. The presently adopted Development Impact Fees Ordinance of the City of Jurupa Valley is set forth in Chapter 4.60 of the Riverside County Code as adopted by the City of Jurupa Valley through Chapter 1.35 of Jurupa Valley Municipal Code (Ordinance No. 2011-10) (the "DIF"), and the rates of the DIF as set forth in Sections 4.60.070 and 4.60.080 of the Riverside County Code as adopted by the City of Jurupa Valley through Chapter 1.35 of Jurupa Valley Municipal Code (Ordinance No. 2011-10). The Parties acknowledge that in the future, the City will be adopting a new DIF program.

2. Developer therefore agrees to pay the DIF Rates attached hereto as Exhibit C to this Agreement until December 31, 2017. After December 31, 2017, Developer agrees to pay the DIF Rates then in effect. If new DIF Rates have not been adopted by the City prior to December 31, 2017, Developer shall pay the DIF Rates attached hereto as Exhibit C. Beginning in the eight (8th) year after the Effective Date of this Agreement, Developer shall pay the DIF Rates then in effect for the duration of the term of this Agreement.

3. Developer shall be entitled to such credits as might be available pursuant to the terms of the DIF ordinance or other provisions of the Land Use Regulations and this Agreement.

4. All persons or entities holding title or interest in any portion of the Property, including any, each, and all successors and assigns of Developer shall be separately responsible for payment of any and all DIF for that portion of the property developed by such person or entity.

5. The DIF and the DIF Rates shall apply only to the City's development impact fees and not to the TUMF, any similarly regional impact fees described in Section 4.B.1. of this Agreement or to any other development impact fees imposed by another governmental agency not under the control, directly or indirectly, of the City.

B. TUMF Fees. The presently adopted Transportation Uniform Mitigation Fee, as defined in Chapter 4.56 of the Riverside County Code as adopted by the City of Jurupa Valley through Chapter 1.35 of Jurupa Valley Municipal Code (Ordinance No. 2011-10) (the "TUMF"), any future similar regional development impact fee, or any other development impact fees imposed by another governmental agency shall be imposed upon Development within the Property at the rate in effect as of the date of issuance of each building permit for the Property. Developer shall be entitled to such credits as might be available pursuant to the terms of TUMF or the terms of the future allowable fees and City will cooperate with Developer in obtaining such credits to the extent allowed by law and the terms of this Agreement. Developer understands and acknowledges that the Western Riverside County Council of Governments ("WRCOG") is in the processes of updating the TUMF Fees and upon completion of that update that the City Council will consider adopting the new fees in accordance with the joint powers agreement establishing WRCOG.

C. Application/Processing Fees. Developer shall pay the application and processing fees customarily imposed on the type of entitlement and/or permit sought at the rate, and in the amount, imposed by City pursuant to the fee schedule, resolution or ordinance in effect at the time the application is deemed complete and accepted by City for action, which fees are designed to reimburse City's expenses attributable to processing such applications for entitlements, permits, or both.

D. Community Benefit Payments. In further consideration of the benefits received by Developer pursuant to the terms of this Agreement, Developer shall pay to the City Community Payments as follows.

1. Developer shall pay to the City a Per Unit Community Benefit Payment in the amount of one thousand five hundred dollars (\$1,500.00) for each residential unit to be paid as each Tentative Tract Map or each residential development plan (for which no tract map is proposed) is approved. City shall use the funds from the Community Benefit Payments for municipal purposes. The Community Benefit Payments shall be paid to the City as follows:

a. For residential Tentative Tract Maps:

(1) Thirty-five percent (35%) of the Per Unit Community Benefit Payment (\$525 per unit) shall be paid to the City within ten (10) business days after approval of each Tentative Tract Map;

(2) Thirty-five percent (35%) of the Per Unit Community Benefit Payment (\$525 per unit) shall be paid to the City within ten (10) business days after upon approval of the Final Subdivision Map by the City Council; and

(3) Thirty percent (30%) of the Per Unit Community Benefit Payment (\$450 per unit) shall be paid to the City within ten (10) business days after issuance of the related grading permit for the Final Map.

b. For residential development plan for which no tract map is proposed:

(1) Thirty-five percent (35%) of the Per Unit Community Benefit Payment (\$525 per unit) shall be paid to the City within ten (10) business days after each Neighborhood Development Plan is approved;

(2) Thirty percent (30%) of the Per Unit Community Benefit Payment (\$450 per unit) shall be paid to the City within ten (10) business days after issuance of the related grading plan for that Neighborhood Development Plan; and

(3) Thirty-five percent (35%) of the Per Unit Community Benefit Payment (\$525 per unit) shall be paid to the City within ten (10) business days after issuance of the first building permit is issued for that Neighborhood Development Plan.

2. Developer shall pay to the City a General Community Benefit Payment in the amount of five hundred thousand dollars (\$500,000.00).

a. The General Community Benefit Payment shall be used by the City for the general community benefits as determined by the City Council in its sole and absolute discretion.

b. Payment of General Community Benefit Payment shall be paid to the City in five (5) installments as follows:

(1) Developer shall pay one hundred thousand dollars (\$100,000.00) of the General Community Benefit Payment to the City within ten (10) business days after the Effective Date of this Agreement and all third-party litigation, if any, challenging this Agreement or the Development Approvals described in Section 2. have been finally resolved and no further appeal is available;

(2) Developer shall pay one hundred thousand dollars (\$100,000.00) of the General Community Benefit Payment to the City within ninety (90) days after the payment described in Subsection b.(1);

(3) Developer shall pay one hundred thousand dollars (\$100,000.00) of the General Community Benefit Payment to the City within ninety (90) days after the payment described in Subsection b.(2);

(4) Developer shall pay one hundred thousand dollars (\$100,000.00) of the General Community Benefit Payment to the City within ninety (90) days after the payment described in Subsection b.(3); and

(5) Developer shall pay one hundred thousand dollars (\$100,000.00) of the General Community Benefit Payment to the City within ninety (90) days after the payment described in Subsection b.(4).

c. A maximum of two hundred fifty thousand dollars (\$250,000.00) of the General Community Benefit Payment shall be applied as a credit to fifty percent (50%) of each Per Unit Community Benefit Payment described in Subsection D.1.

E. Administrative Fee. Developer shall pay to the City an administrative fee in the amount of fifteen thousand dollars (\$15,000.00) which shall compensate City for its costs incurred in drafting and processing this Agreement, including but not limited to, staff time and attorney fees and costs. The Administrative Fee shall be paid within ten (10) days of the Effective Date of this Agreement.

6. DEVELOPERS OBLIGATIONS TO CONSTRUCT ON-SITE AND OFF-SITE IMPROVEMENTS

A. Developer's Obligations to Construct Improvements. Developer shall, at its sole cost and expense, design, construct, install, and finally complete all on-site and off-site improvements as described in the Development Approvals and this Agreement. The design, construction, installation, and final completion of the on-site and off-site improvements shall be in conformance with the City standards in effect as of the date of this Agreement and Improvement Plans approved by the City Engineer. Except as otherwise provided in this Agreement, the on-site and off-site improvements shall be completed at such time as set forth in the conditions of approval for Development on the Property or this Agreement. City and Developer shall enter into the City's standard subdivision improvement agreement, or an applicable modification thereof, for the completion of the Public Improvements.

B. In further consideration of the community benefits the Developer will provide to the City for the development of the Property, the Developer agrees to the following:

1. Developer agrees to dedicate to the City its full right of way along Limonite and Downey streets as part of each subdivision map approved for the Development.

2. Developer agrees to save all the existing trees along Limonite Avenue (except for Beach Street and "A" Street alignment into Development) and plant one new tree with a trunk diameter of not less than two and one half inches caliper (2 ½) for every forty (40) linear feet on center in the future right of way along Limonite Avenue on or before issuance of the one hundred (100th) building permit for the Development, unless an extension of time is authorized in writing by the City Manager or his or her authorized representative.

3. Developer agrees to dedicate to the City not less than fifteen (15) acres of land for green space and passive open space and recreational uses as provided in this Agreement, along the Santa Ana River at the location described in Exhibit D on or before issuance of the one hundred (100th) building permit for the Development, unless an extension of time is authorized in writing by the City Manager or his or her authorized representative.

4. Developer agrees to build not less than 7,000 linear feet of equestrian-multi-purpose trail per city standards starting at the intersection of Limonite and Downey going south on Downey Street to the equestrian center at the Development's south-eastern boundary and an equestrian-multi-purpose trail through the fifteen (15) acre green space along the Santa Ana River described on Exhibit D on or before issuance of the one hundred (100th) building permit for the Development, unless an extension of time is authorized in writing by the City Manager or his or her authorized representative.

5. Developer agrees to build a boarding stable to help preserve the equestrian heritage within the Pedley Village Area in accordance with the following requirements:

a. The boarding stable shall include up to one hundred seventy five (175) equestrian stalls in accordance with this Section.

b. The equestrian stalls shall measure not less than twelve (12) feet by twelve (12) feet with covers and tack storage with the design customary used for equestrian stalls and a Site Development Permit shall be approved by the City in order to implement the purposes of this of this Section.

c. The boarding stables shall include amenities and facilities customarily found in boarding stables including, but not limited to, covers, tack storage, hot walkers, exercise rings, caretaker's quarters and horse trailer parking.

d. The stables shall be owned, maintained, and managed by the Development's Homeowners' Association and shall not be located within the fifteen (15) acre passive open space area described in subparagraph B.3., above.

e. At least twenty-five percent (25%) of the equestrian stalls in the stables shall be available for rent by the residents of the City of Jurupa valley not living in the Paradise Knolls Community.

f. The equestrian stalls shall be built in increments proportional to the percentage of dwelling units occupied at a minimum of ten (10) stalls completed at a time as the Project builds out and demand for stalls is determined by the Developer, in its sole and absolute discretion. As an example, if 20% of the Project's 650 units have been built and occupied, forty (40) equestrian stalls will be built. Developer's obligation to commence construction of any stables herein is conditioned upon the rental of stalls reaching a minimum of 90% occupancy for six consecutive months, at which time additional stalls will be built by Developer as set forth above in minimum increments of 10 stalls until all 175 stalls are built, so long as the above-referenced 90% occupancy level is maintained from month-to-month. Should the aforementioned occupancy level fall below 90% at any time during construction activities, Developer's obligation to construct the additional stalls shall cease until such time as the

required 90% occupancy level has been maintained for six consecutive months. Following the formula above, two years after all the Project's units are built and occupied, the Developer's obligation to build up to 175 stalls will be reduced to the amount of the existing stalls already then built, leaving any remaining space previously allocated to the construction of additional stalls as property of the Homeowner's Association to be developed by the Developer for a common area use to be determined in the Association's reasonable discretion. If the Developer's obligation to build all 175 stalls is reduced as provided in this Section, Developer shall pay to the Homeowner's Association an amount equal to the difference between the cost of constructing the stalls actually built and the cost of constructing the boarding stables with all 175 stalls.

g. Except as provided in Subsection f., the equestrian stables shall be completed on or before to the issuance of the first (1st) building permit for Phase II of the Development. Nonetheless, upon completion of the Project, the Developer shall have constructed the equestrian facility on not less than two and seventy-five one hundredths (2.75) acres such that it includes caretaker quarters, tack storage, hot walkers, exercise rings, horse trailer parking and other typical amenities, and not less than thirty five (35) covered horse stalls, as provided in this Agreement.

h. Until Developer no longer controls the boarding stable property or a majority of the Homeowner's Association Board of Directors, boarding stable fees shall not exceed the prevailing rates for such facilities within a twenty five (25) mile radius.

6. The Developer shall build two (2) equestrian open-air riding arenas in the southeastern portion of the 15-acre property described on Exhibit D;

a. The arenas and supporting facilities shall include adjacent parking for fifty (50) parking spaces of adequate size for cars, trucks using trailers for horses or as otherwise determined by the City Manager.

b. One equestrian open air arena shall be no less than 36,400 square feet and the other shall be no less than 10,800 square feet and include customary and typical amenities for equestrian open-air arenas.

c. The design of the two equestrian open air arenas and supporting facilities, shall be approved by the City Manager in order to implement the purposes of this Section.

d. The Developer shall fund the cost of ongoing maintenance of the fifteen (15) acre Public Open Space (the Property) to be dedicated to the City and identified in Section B.3 of the Development Agreement and within Planning Area 6 in the Specific Plan. The Developer may fulfill this obligation by cooperating with the City in the formation of a Community Facilities District (CFD) for funding the ongoing maintenance and agrees to vote in favor of such CFD. Once the CFD is formed, the actual level of funding for maintenance and the levy of the CFD for this purpose shall be established prior to the fiscal year in which the transfer of the Property to the City occurs.

e. The equestrian open-air arenas shall be completed prior to the completion and issuance of a certificate of occupancy for twenty five percent (25%) of the six hundred fifty residential units approved for the Development.

7. Developer agrees to include the Property in a future community facilities district or other appropriate services funding mechanism for a Public Safety District.

8. Developer shall provide fiber optic conduit in the streets it builds in the Development to allow future fiber optics installation for Development residents. City Manager shall approve the fiber optic conduit to be installed in order to implement the purposes of this of this Section.

9. City agrees to provide Developer a TUMF credit for the actual costs of right of way and construction of the improvements to Limonite Avenue required by the Specific Plan and Tract Maps for the Development, subject to approval of Western Riverside County Council of Governments. In consideration of such TUMF credit, Developer shall pay to the City the difference between the costs to construct the ultimate build-out of Limonite Avenue as provided in the City's General Plan as of the date the payment is made, including right of way, and the costs of the actual costs of right of way and construction of the improvements to Limonite Avenue required by the Specific Plan and Tract Maps for the Development. This payment shall be made on or before seven (7) years from the Effective Date of this Agreement or upon construction plans for the project, whichever comes first, and shall be calculated such that the Developer does not pay for TUMF improvements more than once.

C. Maintenance of Improvements. Responsibility for the ongoing maintenance of improvements provided by Developer pursuant to this Agreement shall be apportioned between the parties in accordance with the terms of this Section.

1. City Maintenance of Dedicated Public Improvements. City shall maintain all dedicated and accepted Public Improvements, including but not limited to, public streets and related walls, streetlights, and public storm drainage facilities.

2. Developer Maintenance of Other Improvements. Developer shall maintain or cause to be maintained, in accordance with City maintenance standards, all improvements required by this Agreement to be constructed by the Developer. The maintenance obligations of this Agreement shall survive the termination or expiration of this Agreement.'

D. Easements. City shall grant such easements over City property as are reasonably needed for the Development of the Property provided such easements do not impede or interfere with public services provided on such properties. Developer agrees to grant to the City such easements over its property as are reasonably needed for the construction and maintenance of public improvements, except to the extent such easements would have a material adverse economic effect on the Development. Such grants shall be at no additional cost to the Developer or City.

E. Public Financing of Improvements. Developer may, from time to time, request City to establish one or more assessment and/or community facilities districts or other appropriate financing mechanisms to finance infrastructure, public facilities, public services

and/or fees that may be required in connection with the Development of the Development and City agrees to use its best efforts to implement such requests subject to applicable State and Federal law and to the Land Use Regulations.

F. Withholding of Building Permits. In the event the Developer fails to complete an improvement prior to the issuance of the designated building permit, Developer acknowledges and agrees that the City is authorized and shall have full authority to withhold the issuance of further building permits until the required improvements are completed.

7. CITY'S OBLIGATIONS.

A. Property Approvals Independent. All approvals required for the Property which may be or have been granted, and all land use entitlements or approvals generally which have been issued or will be issued by City with respect to the Property, constitute independent actions and approvals by City. If any provision of this Agreement or the application of any provision of this Agreement to a particular situation is held by a court of competent jurisdiction to be invalid or unenforceable, or if this Agreement terminates for any reason, then such invalidity, unenforceability or termination of this Agreement or any part hereof shall not affect the validity or effectiveness of any such Property approvals or other land use approvals and entitlements. In such cases, such approvals and entitlements will remain in effect pursuant to their own terms, provisions, and the Conditions of Approval. It is understood by the Parties to this Agreement that pursuant to existing law, if this Agreement terminates or is held invalid or unenforceable as described above, such approvals and entitlements shall not remain valid for the Term, but shall remain valid for the term(s) of such approvals and entitlements.

B. City Cooperation. City staff shall work cooperatively with Developer to assist in coordinating the expeditious processing and consideration of all necessary permits, entitlements and approvals. To the extent the City or the City's designee is unable to process and consider permits, entitlements and approvals in an expeditious manner, Developer may at Developer's expense fund the hiring of an outside contractor to assist the City or the City's designee in the expeditious processing and consideration of all necessary permits, entitlements and approvals, and City shall contract for those services.

8. INDEMNIFICATION.

A. Developer agrees to indemnify and hold harmless the City and its agents, officers, contractors, attorneys, and employees ("Indemnified Parties") from and against any claims or proceeding against the Indemnified Parties to set aside, void or annul the approval of this Agreement or any Development Approvals or Subsequent Development Approvals pursuant to this Agreement. Notwithstanding the provisions of this Agreement, Developer's obligation pursuant to this Section is not a benefit or burden running with the land and shall not be assigned to any person without the prior, express written consent of the City. Developer's duties under this Section are solely subject to and conditioned upon the Indemnified Parties written request to Developer to indemnify the Indemnified Parties. Developer shall deposit the expected costs of defense, as reasonably determined by the City Attorney, with the City within five (5) business days of notice from the City of the claim and shall add to the deposit within five (5) business days from the request of City. Without in any way limiting the provisions of this Section, the

parties hereto agree that this Section shall be interpreted in accordance with the provisions of California Civil Code Section 2778 in effect as of the Effective Date.

B. Notwithstanding Subsection A. of this Section, and as a separate and distinct obligation of Developer, Developer agrees to indemnify and hold harmless the Indemnified Parties from and against each and every claim, action, proceeding, cost, fee, legal cost, damage, award or liability of any nature arising from alleged damages caused to third parties and alleging that the Indemnified Parties is or are liable therefor as a direct or indirect result of the City's approval of this Agreement or any Development Approvals or Subsequent Development Approvals pursuant to this Agreement. Developer's duties under this Section are solely subject to and conditioned upon the Indemnified Parties written request to Developer to indemnify the Indemnified Parties. Developer shall deposit the expected costs of defense, as reasonably determined by the City Attorney, with the City within five (5) business days of notice from the City of the claim and shall add to the deposit within five (5) business days from the request of City. Without in any way limiting the provisions of this Section, the parties hereto agree that this Section shall be interpreted in accordance with the provisions of California Civil Code Section 2778 in effect as of the Effective Date.

C. As provided in Section 3.D. of this Agreement, the obligations of Paradise Jurupa, LLC, and Equity Three Properties, LLC, under this Section shall be joint and severable.

9. PERIODIC REVIEW OF COMPLIANCE WITH AGREEMENT.

A. Periodic Review. The City and Developer shall review this Agreement at least once every 12-month period from the date this Agreement is executed. The City shall notify Developer in writing of the date for review at least thirty (30) days prior thereto. Such periodic review shall be conducted in accordance with Government Code Section 65865.1.

B. Good Faith Compliance. During each periodic review, Developer shall be required to demonstrate good faith compliance with the terms of this Agreement. Developer agrees to furnish such reasonable evidence of good faith compliance as the City, in the exercise of its reasonable discretion, may require. If requested by Developer, the City agrees to provide to Developer, a certificate that Developer or a duly authorized Transferee is in compliance with the terms of this Agreement, provided Developer reimburses the City for all reasonable and direct costs and fees incurred by the City with respect thereto.

C. Failure to Conduct Annual Review. The failure of the City to conduct the annual review shall not be a Developer default. Further, Developer shall not be entitled to any remedy for the City's failure to conduct this annual review.

D. Initiation of Review by City Council. In addition to the annual review, the City Council may at any time initiate a review of this Agreement by giving written notice to Developer. Within thirty (30) days following receipt of such notice, Developer shall submit evidence to the City Council of Developer's good faith compliance with this Agreement and such review and determination shall proceed in the same manner as provided for the annual review. The City Council shall initiate its review pursuant to this Section only if it has probable

cause to believe the City's general health, safety, or welfare is at risk as a result of specific acts or failures to act by Developer.

E. Administration of Agreement. Any final decision by the City staff concerning the interpretation and administration of this Agreement and Development of the Property in accordance herewith may be appealed by Developer to the City Council, provided that any such appeal shall be filed with the City Clerk within ten (10) business days after Developer receives written notice that the staff decision is final. The City Council shall render its decision to affirm, reverse, or modify the staff decision within thirty (30) days after the appeal was filed. The decision of the City Council as to the administration of this Agreement shall be final and is not appealable. The foregoing notwithstanding, breaches of this Agreement are subject to judicial relief as provided in this Agreement.

F. Availability of Documents. If requested by Developer, the City agrees to provide to Developer copies of any documents, reports or other items reviewed, accumulated or prepared by or for the City in connection with any periodic compliance review by the City, provided Developer reimburses the City for all reasonable and direct costs and fees incurred by the City with respect thereto. The City shall respond to Developer's request on or before ten (10) business days have elapsed from the City's receipt of such request.

10. DEFAULT; REMEDIES; DISPUTE RESOLUTION.

A. Notice of Default. In the event of failure by a party substantially to perform any material term or provision of this Agreement, the non-defaulting party shall have those rights and remedies provided herein, provided that such non-defaulting party has first provided to the defaulting party a written notice of default in the manner required by this Section identifying with specificity the nature of the alleged default and the manner in which said default may satisfactorily be cured.

B. Cure of Default. Upon the receipt of the notice of default, the alleged defaulting party shall promptly commence to cure, correct, or remedy the identified default at the earliest reasonable time after receipt of the notice of default and shall complete the cure, correction or remedy of such default not later than ten (10) days after receipt of notice thereof if the breach of this Agreement involves the payment of money, or not later than thirty (30) days after receipt of notice thereof if the breach of this Agreement does not involve the payment of money; provided, however, that if such breach may not reasonably be cured within such thirty (30) day period, then a default shall exist only if the cure of such breach is not commenced within such thirty (30) day period or thereafter is not diligently prosecuted to completion.

C. Developer's Remedies. Due to the size, nature, and scope of the Property and its development, it will not be practical or possible to restore the Property to its natural condition once implementation of this Agreement has begun. After such implementation, Developer may be foreclosed from other choices it may have had to utilize the Property and provide for other benefits. Developer has invested significant time and resources and performed extensive planning and processing of the Development of the Property in agreeing to the terms of this Agreement and will be investing even more significant time and resources in implementing the Development in reliance upon the terms of this Agreement, and it is not possible to determine

the sum of money which would adequately compensate Developer for such efforts. For the above reasons, the City and Developer agree that damages would not be an adequate remedy if the City fails to carry out its obligations under this Agreement and that Developer shall have the right to seek and obtain specific performance as a remedy for any breach of this Agreement. Moreover, the City would not have consented to this Agreement if it were to be subject to damages for breach of this Agreement. Therefore, Developer specifically agrees that it has no authority under this Agreement or otherwise to seek monetary damages against the City for any breach of this Agreement by the City, and agrees not to seek monetary damages against the City for breach of this Agreement.

D. City Remedies. In the event of an uncured default by Developer of the terms of this Agreement, City, at its option, may institute legal action in law or in equity to cure, correct, or remedy such default, enjoin any threatened or attempted violation, or enforce the terms of this Agreement by specific performance as its sole and exclusive remedy. Furthermore, City, in addition to or as an alternative to exercising the remedies set forth in this Section, in the event of a material default by Developer, may give notice of its intent to terminate or modify this Agreement pursuant to this Agreement and/or the Development Agreement Act, in which event the matter shall be scheduled for consideration and review by the City Council in the manner set forth in the Agreement or the Development Agreement Act.

E. Judicial Review. Based on the foregoing, in the event Developer judicially (including by way of a reference proceeding) challenges the application of a future land use regulation as being in violation of this Agreement and as not being a land use regulation adopted pursuant to the Reserved Authority, Developer shall bear the burden of proof in establishing that such rule, regulation, or policy is inconsistent with the Land Use Regulations, the Development Approvals, or both and the City shall thereafter bear the burden of proof in establishing that such regulation was adopted pursuant to and in accordance with the Reserved Authority and was not applied by the City in violation of this Agreement

F. Local, State And Federal Laws. Developer and its contractors shall carry out the design and construction of all private improvements on the Property and all Public Improvements in conformity with all applicable laws, including, without limitation, all applicable federal, state and local occupation, employment, prevailing wage, safety and health laws, rules, regulations and standards. Developer agrees to indemnify, defend and hold the Indemnified Parties (as defined in Section 8) harmless from and against any cost, expense, claim, charge or liability relating to or arising directly or indirectly from any breach by or failure of Developer or its contractor(s) or agents to comply with such laws, rules or regulations. Developer's indemnity obligations set forth in this Section shall survive the termination or expiration of this Agreement.

11. MORTGAGEE PROTECTION; CERTAIN RIGHTS TO CURE.

A. Encumbrances on the Property. This Agreement shall not prevent or limit Developer from encumbering the Property or any portion thereof or any improvements thereon with any mortgage, deed of trust, sale and leaseback arrangement, or any other form of conveyance ("Mortgage") in which the Property, or a portion thereof or interest therein, is

pledged as security, and contracted for in good faith and fair value in order to secure financing with respect to the construction, development, use or operation of the Property.

B. **Mortgagee Protection.** This Agreement shall be superior and senior to the lien of any Mortgage. Notwithstanding the foregoing, no breach of this Agreement shall defeat, render invalid, diminish, or impair the lien of any Mortgage made in good faith and for value, and any acquisition or acceptance of title or any right or interest in or with respect to the Property or any portion thereof by a holder of a beneficial interest under a Mortgage, or any successor or assignee to said holder (“Mortgagee”), whether pursuant to foreclosure, trustee’s sale, deed in lieu of foreclosure, lease termination or otherwise, shall be subject to all of the terms and conditions of this Agreement.

C. **Mortgagee Not Obligated.** No Mortgagee will have any obligation or duty under this Agreement to perform the obligations of Developer or other affirmative covenants of Developer hereunder, or to guarantee such performance. In addition, the Mortgagee shall have no right to develop or operate the Property without fully complying with the terms of this Agreement, and to the extent that any covenant to be performed by Developer is a condition to the performance of a covenant by City, the performance thereof shall continue to be a condition precedent to City’s performance hereunder.

D. **Notice of Default to Mortgagee; Right of Mortgagee to Cure.** City shall, upon written request to City, deliver to each Mortgagee a copy of any notice of default given to Developer under the terms of this Agreement, at the same time such notice of default is provided to Developer. The Mortgagee shall have the right, but not the obligation, to cure, correct, or remedy the default, within sixty (60) days after the receipt of such notice from City for monetary defaults, or within sixty (60) days after Developer’s cure period has expired for non-monetary defaults, or, for such defaults that cannot reasonably be cured, corrected, or remedied within such period, the Mortgagee may cure, correct, or remedy the default if the Mortgagee commences to cure, correct, or remedy such default within such sixty (60) day period, and continuously and diligently prosecutes such cure to completion. If the default is of a nature which can only be remedied or cured by such Mortgagee upon obtaining possession of the Property, such Mortgagee shall have the right to seek to obtain possession with diligence and continuity through foreclosure, a receiver or otherwise, and shall be permitted thereafter to remedy or cure the default within such time as is reasonably necessary to cure or remedy said default but in no event more than ninety (90) days after obtaining possession. If any such default cannot, with diligence, be remedied or cured within such thirty (30) day period, then such period shall be extended to permit the Mortgagee to effect a cure or remedy so long as Mortgagee commences said cure or remedy during such ninety (90) day period, and thereafter diligently pursues such cure to completion.

12. TRANSFERS OF INTEREST IN PROPERTY OR AGREEMENT.

A. Transfers and Assignments.

1. **Restrictions on Transfers.** Developer shall not sell, assign, or otherwise transfer all or any portion of its interests in the Property together with all its right, title and interest in this Agreement, or the portion thereof which is subject to the transferred portion of the

Property, to any Transferee until such time as the public and private improvements required by the Development Approvals and this Agreement have been accepted by the City unless the City has approved the transfer prior to its completion. City shall not unreasonably withhold or unreasonably delay consent to the transfer provided that: (1) the Transferee has specifically assumed in writing the obligations, or a portion of the obligations of the Developer, to design, construct, install and finally complete the public and private improvements required by the Development Approvals and this Agreement; (2) the Transferee has the experience and financial capacity to complete the public and private improvements required by the Development Approvals and this Agreement; and (3) the Transferee has obtained replacement bonds, accepted by the City for the public and private improvements required by the Development Approvals and this Agreement (in which event, the City shall release the Developer's corresponding Public Improvement bonds). In the event of any sale, assignment, or other transfer pursuant to this Section, (i) Developer shall notify the City within twenty (20) days prior to the transfer of the name of the Transferee, together with the corresponding entitlements being transferred to such Transferee and (ii) the agreement between Developer and Transferee pertaining to such transfer shall provide that the Transferee shall be liable for the performance of those obligations of Developer under this Agreement which relate to the Transferred Property, if any, or shall confirm that the Developer and all Transferees shall remain jointly liable for the design and construction of public and private improvements required by the Development Approvals and this Agreement.

2. Rights and Duties of Successors and Assigns. Any, each and all successors and assigns of Developer shall have all of the same rights, benefits, duties and obligations of Developer under this Agreement. All entities holding title to a portion of the Property shall be jointly liable for the design and construction of the Public Improvements for that portion of the Property as set forth in this Agreement, except as provided in this Agreement or as may be modified in an Operating Memorandum pursuant to Section 3.E.4.

B. Estoppel Certificates.

1. Written Request. Either party may at any time deliver written notice to the other party requesting an estoppel certificate (the "Estoppel Certificate") stating: (1) this Agreement is in full force and effect and is a binding obligation of the parties; (2) this Agreement has not been amended or modified either orally or in writing or, if so amended, identifying the amendments; and (3) no default in the performance of the requesting party's obligations under this Agreement exists or, if a default does exist, the nature and amount of any default.

2. Thirty (30) Days to Respond. A party receiving a request for an Estoppel Certificate shall provide a signed certificate to the requesting party within thirty (30) days after receipt of the request.

3. Authorized Signatories. The City Manager or any person designated by the City Manager may sign the Estoppel Certificates on behalf of the City. Any officer of Developer may sign on behalf of Developer.

4. Reliance. An Estoppel Certificate may be relied on by assignees and mortgagees.

5. Reimbursement. In the event that one party requests an Estoppel Certificate from the other, the requesting party shall reimburse the other party for all reasonable and direct costs and fees incurred by such party with respect thereto.

6. Failure to Provide Estoppel Certificate. Failure by a party to provide an Estoppel Certificate within thirty (30) days after receipt of the request therefor shall be deemed confirmation that this Agreement is in full force and effect, has not been amended or modified either orally or in writing and that no defaults in the performance of the requesting party's obligations under this Agreement exist.

13. MISCELLANEOUS.

A. Notices. All notices permitted or required hereunder must be in writing and shall be effected by: (i) personal delivery; (ii) first class mail, registered or certified, postage fully prepaid; or (iii) reputable same-day or overnight delivery service that provides a receipt showing date and time of delivery, addressed to the following Parties, or to such other address as any party may from time to time designate in writing in the manner as provided herein:

To City: City of Jurupa Valley
8930 Limonite Avenue
Jurupa Valley CA 92509
Attn: City Manager

With a copy to: Richards, Watson & Gershon
355 South Grand Avenue, 40th Floor
Los Angeles, CA 90071
Attn: Peter M. Thorson, Esq.

To Developer: Paradise Jurupa LLC
12671 High Bluff Drive, Suite 150
San Diego, CA 92130

Equity Three Properties, LLC
2655 Camino Del Rio N., Suite 350
San Diego, CA 92108

Any written notice, demand or communication shall be deemed received immediately if personally delivered or delivered by delivery service, and shall be deemed received on the third day from the date it is postmarked if delivered by registered or certified mail.

B. Force Majeure. In addition to specific provisions of this Agreement, performance by either party hereunder shall not be deemed to be in default where delays or failures to perform are due to the elements, fire, earthquakes or other acts of God, strikes, labor disputes, lockouts,

acts of the public enemy, riots, insurrections, or governmental restrictions imposed or mandated by other governmental entities. City and Developer may also extend times of performance under this Agreement in writing. Notwithstanding the foregoing, Developer is not entitled pursuant to this Section to an extension of time to perform because of past, present, or future difficulty in obtaining suitable construction financing or permanent financing for the Development, or because of economic or market conditions. In the event Developer desires to invoke these Force Majeure provisions, Developer shall notify the City of a Force Majeure event within thirty (30) days of the event and include a detailed description of the Force Majeure event and how it affects Developer's compliance with the terms of this Agreement.

C. **Binding Effect.** This Agreement, and all of the terms and conditions hereof, shall be binding upon and inure to the benefit of the Parties, any subsequent Developer of all or any portion of the Property or the Property, and their respective assigns, heirs or successors in interest, whether or not any reference to this Agreement is contained in the instrument by which such person acquired an interest in the Property. The provisions of this Agreement shall constitute mutual covenants which shall run with the land comprising the Property for the benefit thereof, and the burdens and benefits hereof shall bind and inure to the benefit of each of the Parties hereto and all successors in interest to the Parties hereto for the term of this Agreement.

D. **Independent Entity.** The Parties acknowledge that, in entering into and performing this Agreement, Developer and City are each acting as an independent entity and not as an agent of the other in any respect.

E. **Agreement Not to Benefit Third Parties.** This Agreement is made for the sole benefit of the Parties, and no other person shall be deemed to have any privity of contract under this Agreement nor any right to rely on this Agreement to any extent for any purpose whatsoever, nor have any right of action of any kind on this Agreement nor be deemed to be a third party beneficiary under this Agreement.

F. **Nonliability of City Officers and Employees.** No official, officer, employee, agent or representative of City, acting in his/her official capacity, shall be personally liable to Developer, or any successor or assign, for any loss, costs, damage, claim, liability, or judgment, arising out of or connection with this Agreement, or for any act or omission on the part of City.

G. **Covenant Against Discrimination.** Developer and City covenant and agree, for themselves and their respective successors and assigns, that there shall be no discrimination against, or segregation of, any person or group or persons on account of race, color, creed, religion, sex, marital status, national origin or ancestry, or any other impermissible classification, in the performance of this Agreement. Developer shall comply with the Americans with Disabilities Act of 1990, as amended (42 U.S.C. Sections 12101, et seq.).

H. **No Waiver.** No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought and referring expressly to this Section H. No delay or omission by either party in exercising any right or power accruing upon non-compliance or failure to perform by the other party under any of the provisions of this Agreement shall impair any such right or power or be construed to be a waiver thereof, except as expressly provided

herein. No waiver by either party of any of the covenants or conditions to be performed by the other party shall be construed or deemed a waiver of any succeeding breach or nonperformance of the same or other covenants and conditions hereof.

I. Severability. If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement shall continue in full force and effect, to the extent that the invalidity or unenforceability does not impair the application of this Agreement as intended by the Parties.

J. Construction. This terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction that might otherwise apply. As used in this Agreement, and as the context may require, the singular includes the plural and vice versa, and the masculine gender includes the feminine and vice versa.

K. Recordation. This Agreement shall be recorded by City with the County Recorder of Riverside County within the period required by California Government Code Section 65868.5. Amendments approved by the Parties, and any cancellation or termination of this Agreement, shall be similarly recorded.

L. Captions and References. The captions of the sections of this Agreement are solely for convenience of reference, and shall be disregarded in the construction and interpretation of this Agreement. Reference herein to a section or exhibit are the sections and exhibits of this Agreement.

M. Time. Time is of the essence in the performance of this Agreement and for each and every term and condition hereof as to which time is an element.

N. Entire Agreement. This Agreement, including all exhibits attached hereto, constitutes the entire agreement between the Parties with respect to the subject matter of this Agreement, and this Agreement supersedes all previous negotiations, discussions and agreements between the Parties, and no parole evidence of any prior or other agreement shall be permitted to contradict or vary the terms hereof.

O. Exhibits. Exhibits A – E, identified as follows, are attached to this Agreement and are incorporated herein as though set forth in full:

- A Legal Description of Property
- B Site Map
- C List of Development Fees
- D Description and Depiction of 15 Acres of Land to be Dedicated Along the Santa Ana River
- E List of Land Use Regulations

P. Counterpart Signature Pages. For convenience the Parties may execute and acknowledge this Agreement in counterparts and when the separate signature pages are attached hereto, shall constitute one and the same complete Agreement.

Q. Authority to Execute; No Liens; No Litigation.

1. Paradise Jurupa, LLC, warrants and represents that: (i) it is duly organized and existing; (ii) it is duly authorized to execute and deliver this Agreement; (iii) by so executing this Agreement, Paradise Jurupa, LLC, is formally bound to the provisions of this Agreement; (iv) Paradise Jurupa, LLC's entering into and performance of its obligations set forth in this Agreement do not violate any provision of any other agreement to which Paradise Jurupa, LLC is bound; (v) there are no liens, deeds of trust or other encumbrances of any kind on the Property or on Paradise Jurupa, LLC's interests in the Property; and (vi) there is no existing or threatened litigation or legal proceedings of which Paradise Jurupa, LLC, is aware which could prevent Paradise Jurupa, LLC, or Equity Three Properties, LLC, from entering into or performing their obligations set forth in this Agreement.

2. Equity Three Properties, LLC, warrants and represents that: (i) it is duly organized and existing; (ii) it is duly authorized to execute and deliver this Agreement; (iii) by so executing this Agreement, Equity Three Properties, LLC, is formally bound to the provisions of this Agreement; (iv) Equity Three Properties, LLC's entering into and performance of its obligations set forth in this Agreement do not violate any provision of any other agreement to which Equity Three Properties, LLC, is bound; (v) there are no liens, deeds of trust or other encumbrances of any kind on the Property or on Equity Three Properties, LLC's interests in the Property; and (vi) there is no existing or threatened litigation or legal proceedings of which Equity Three Properties, LLC, is aware which could prevent Paradise Jurupa, LLC, or Equity Three Properties, LLC, from entering into or performing their obligations set forth in this Agreement.

R. No Brokers. Each of City and Developer represents to the other party that it has not engaged the services of any finder or broker and that it is not liable for any real estate commissions, broker's fees, or finder's fees which may accrue by means of this Agreement, and agrees to hold harmless the other party from such commissions or fees as are alleged to be due from the party making such representations.

S. Subsequent Amendment to Authorizing Statute. This Agreement has been entered into in reliance upon the provisions of the Development Agreement Legislation in effect as of the Effective Date. Accordingly, subject to Section 4 above, to the extent that subsequent amendments to the Government Code would affect the provisions of this Agreement, such amendments shall not be applicable to this Agreement unless necessary for this Agreement to be enforceable or required by law or unless this Agreement is modified pursuant to the provisions set forth in this Agreement and Government Code Section 65868 as in effect on the Effective Date.

T. Interpretation and Governing Law. The language in all parts of this Agreement shall, in all cases, be construed as a whole and in accordance with its fair meaning. This Agreement and any dispute arising hereunder shall be governed and interpreted in accordance

with the laws of the State of California. The parties understand and agree that this Agreement is not intended to constitute, nor shall be construed to constitute, an impermissible attempt to contract away the legislative and governmental functions of the City, and in particular, the City's police powers. In this regard, the parties understand and agree that this Agreement shall not be deemed to constitute the surrender or abnegation of the City's governmental powers over the Property.

[INTENTIONALLY LEFT BLANK; SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, Developer and City have executed this Agreement as of the Reference Date.

“DEVELOPER”

Paradise Jurupa, LLC,
a California limited liability company

By: 
Gregory P. Lansing, Manager

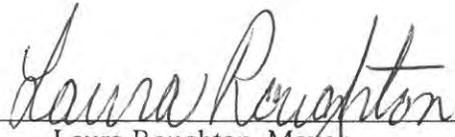
Equity Three Properties, LLC,
a California limited liability company

By: 
Gregg C. Seaman, Manager

[A resolution of signatory authority is required.]

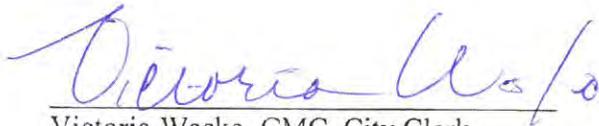
“CITY”

**CITY OF JURUPA VALLEY, a California
municipal corporation**



Laura Roughton, Mayor

ATTEST:



Victoria Wasko, CMC, City Clerk

APPROVED AS TO FORM:

RICHARDS WATSON & GERSHON



Peter M. Thorson, City Attorney

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

LEGAL DESCRIPTION

PARCEL 1: APN 162-230-001, 162-230-005 AND 162-230-006

LOTS 226 TO 235 INCLUSIVE OF FAIRHAVEN FARMS, AS SHOWN BY MAP ON FILE IN BOOK 6, PAGE 2 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

EXCEPT THE EAST 20 FEET OF LOTS 227 AND 228.

PARCEL 2: APN 162-240-005

THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER, AND THE NORTH HALF OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 27, TOWNSHIP 2 SOUTH, RANGE 6 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP SUBDIVISION OF A PORTION OF THE JURUPA RANCHO, RECORDED IN BOOK 9, PAGE 33 OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA.

EXCEPTING THEREFROM THAT PORTION THEREOF AS CONVEYED TO THE COUNTY OF RIVERSIDE BY DEED RECORDED MARCH 1, 1955 IN BOOK 1700, PAGE 415 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID SOUTHEAST QUARTER OF THE NORTHEAST QUARTER;

THENCE WEST ALONG THE NORTH LINE A DISTANCE OF 20 FEET;

THENCE SOUTH, PARALLEL WITH THE EAST LINE OF SAID SOUTHEAST QUARTER OF THE NORTHEAST QUARTER, A DISTANCE OF 42.49 FEET; THENCE EAST, PARALLEL WITH THE NORTH LINE OF SAID SOUTHEAST QUARTER OF THE NORTHEAST QUARTER, A DISTANCE OF 20 FEET TO THE EAST LINE;

THENCE NORTH ALONG THE EAST LINE OF SAID SOUTHEAST QUARTER OF THE NORTHEAST QUARTER, A DISTANCE OF 42.49 FEET TO THE POINT OF BEGINNING.

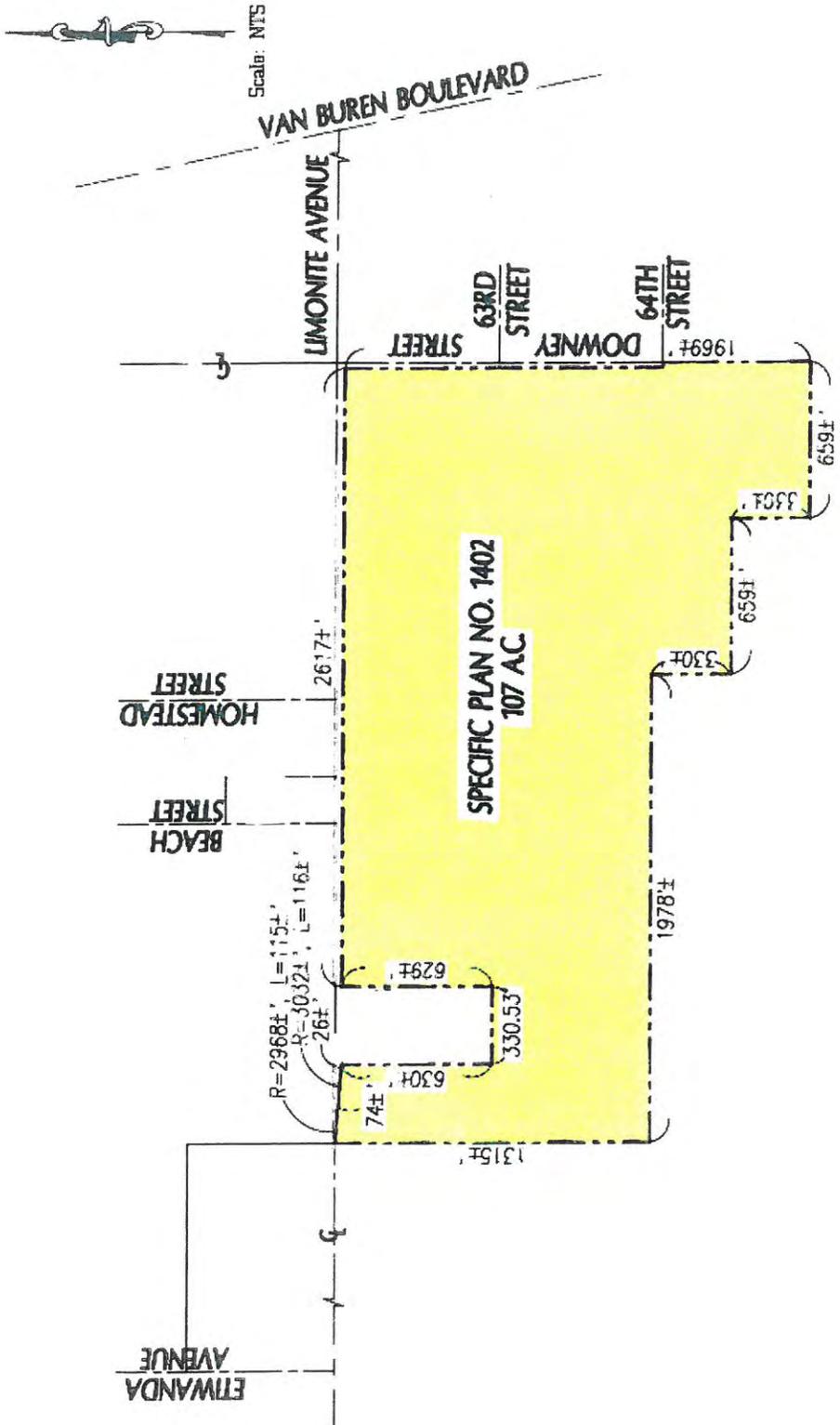
PARCEL 3: APN 162-220-011 AND 162-220-013; 162-230-002 AND 162-230-003

THE WEST 1/2 OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4; THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4; THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4; AND THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 27, TOWNSHIP 2 SOUTH, RANGE 6 WEST, AS SHOWN BY SECTIONIZED SURVEY OF THE JURUPA OF THE JURUPA RANCHO ON FILE IN BOOK 9, PAGE 33 OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA.

END OF LEGAL DESCRIPTION

EXHIBIT B

SITE MAP



PROPOSED ZONING DESIGNATIONS

EXHIBIT C
LIST OF DEVELOPMENT FEES

Fee Schedule

Development Impact Fee Schedule (Effective 2010)

	Area Plan 1- Jurupa (See Map)				
	<u>SFR</u> <u>per unit</u>	<u>MFR</u> <u>per unit</u>	<u>Com</u> <u>per acre</u>	<u>Ind</u> <u>per acre</u>	<u>Surface</u> <u>Mining</u> <u>per acre</u>
Public Facilities	\$1,207	\$1,011	\$5,163	\$2,112	\$211
Fire Facilities	\$705	\$590	\$4,879	\$2,035	\$203
Transportation- Roads, Bridges	\$1,001	\$791	\$3,726	\$1,946	\$1,713
Transportation- Signals	\$420	\$378	\$6,971	\$4,878	\$4,293
Conservation/Land Bank	\$0	\$0	\$0	\$0	\$0
Regional Parks	\$563	\$472	\$2,259	\$942	\$94
Community Centers/Parks	\$0	\$0	\$0	\$0	\$0
Regional Trails	\$316	\$264	\$1,266	\$528	\$53
Flood Control	\$0	\$0	\$0	\$0	\$0
Library Books	\$341	\$286	\$0	\$0	\$0
Fee Program Administration	\$60	\$50	\$253	\$111	\$33

	Area Plan 5- Eastvale (See Map)				
	<u>SFR</u> <u>per unit</u>	<u>MFR</u> <u>per unit</u>	<u>Com</u> <u>per acre</u>	<u>Ind</u> <u>per acre</u>	<u>Surface</u> <u>Mining</u> <u>per acre</u>
	\$1,207	\$1,011	\$5,163	\$2,112	\$211
	\$705	\$590	\$4,879	\$2,035	\$203
	\$223	\$176	\$830	\$433	\$381
	\$420	\$378	\$6,971	\$4,878	\$4,293
	\$0	\$0	\$0	\$0	\$0
	\$563	\$472	\$2,259	\$942	\$94
	\$230	\$192	\$0	\$0	\$0
	\$316	\$264	\$1,266	\$528	\$53
	\$0	\$0	\$0	\$0	\$0
	\$341	\$286	\$0	\$0	\$0
	\$52	\$44	\$211	\$89	\$14

Note- For Senior Single Family- fees are reduced by 33%

TUMF Fee Schedule (Effective 2009)

- \$8,873 per single family residential unit
- \$6,231 per multi-family residential unit
- \$1.73 per square foot of an Industrial project
- \$10.49 per square foot of a retail commercial project
- \$4.19 per square foot of a service commercial project
- \$2.19 per square foot of a service Class A and B Office

WRC MSHCP Fee Schedule (Effective FY 11/12)

- \$1,938 per residential unit- density less than 8.0 dwelling units per acre
- \$1,241 per residential unit- density between 8.0 and 14.0 dwelling units per acre
- \$1,008 per residential unit- density greater than 14.0 dwelling units per acre
- \$6,597 Commercial- per acre
- \$6,597 Industrial- per acre

Mira Loma RBBB (Effective 2006) (See Map)

<u>TYPE</u>	<u>ZONE A</u>	<u>ZONE B</u>	<u>ZONE D</u>	<u>ZONE E</u>	
Residential	\$1,667	\$884	\$2,681	\$1,644	All fees per residential unit
Multi-Family*	\$417	\$612	\$1,857	\$1,139	All fees per residential unit
Commercial***	**\$5,000	\$2,652	\$9,117	\$5,591	All fees per acre
Industrial/Manufacturing	**\$5,000	\$2,652	\$9,117	\$5,591	All fees per acre

Note:

(*) Multi-Family is defined as 12 or more du/ac that meet the definition of Ord. 348, Sect. 21.30.

(**) Zone "A" based on gross acres. All other zones based on net acres.

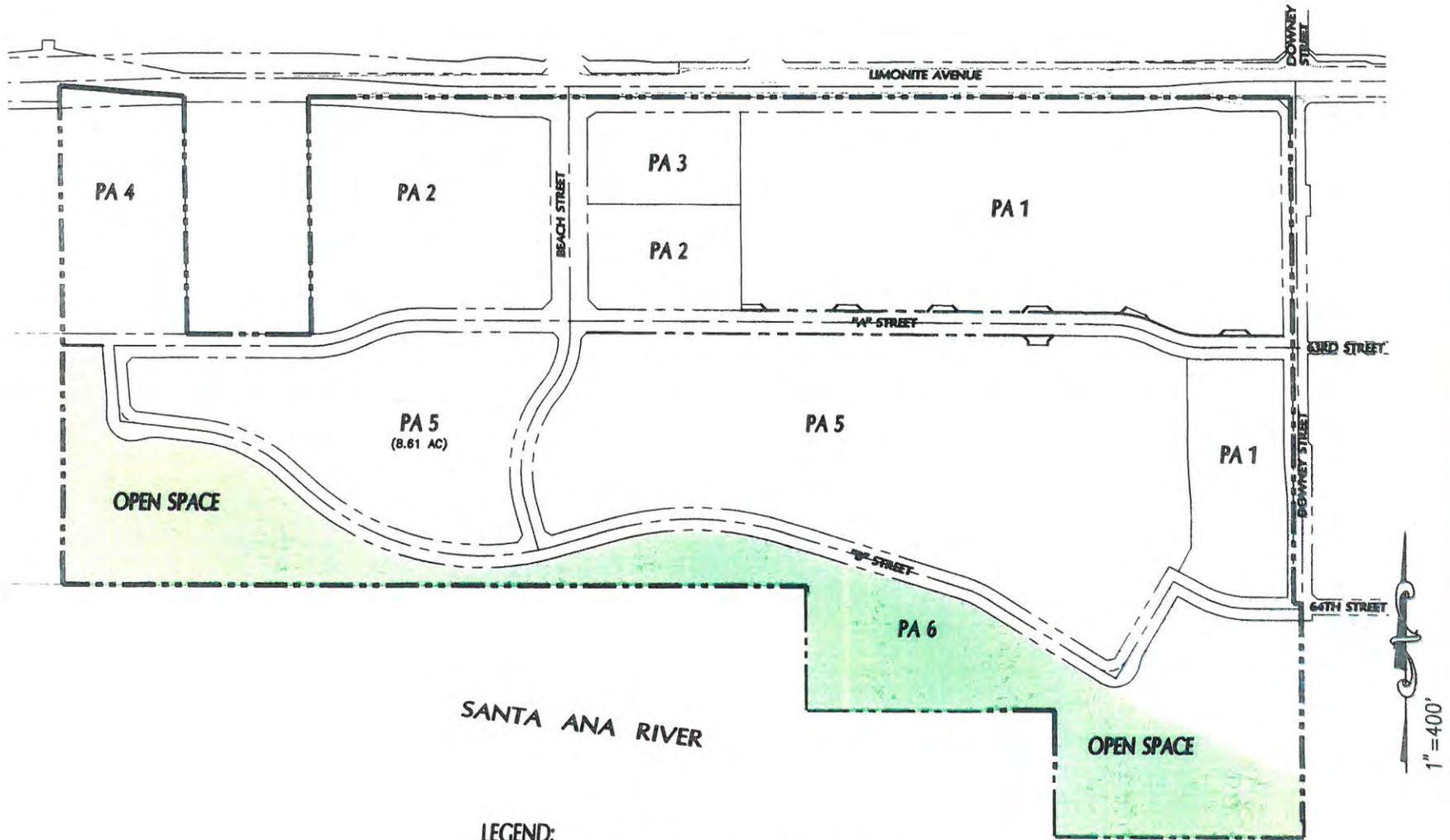
(***) Acreage subject to credit must be determined by Transportation for each non-residential Building Permit

EXHIBIT D

**DESCRIPTION AND DEPICTION OF 15 ACRES OF LAND TO BE DEDICATED
ALONG THE SANTA ANA RIVER**

EXHIBIT D - PARADISE KNOLLS - SPECIFIC PLAN 1402

DEPICTION OF 15 ACRES OF LAND TO BE DEDICATED TO THE CITY OF JURUPA VALLEY



LEGEND:

-  PASSIVE OPEN SPACE - 15 ACRES TO BE DEDICATED TO THE CITY
-  PROJECT BOUNDARY
-  "B" STREET



ALLARD ENGINEERING



Prepared For:
LANSING COMPANIES
 12671 HIGH BLUFF DRIVE, SUITE 150
 SAN DIEGO, CA 92130
 (858) 523-0719

EXHIBIT E

LIST OF LAND USE REGULATIONS

1. Land use regulations of the County of Riverside, including Riverside County Ordinance Nos. 460, Subdivisions, and 348, Zoning Ordinance, adopted pursuant to Ordinance No. 2011-10:

AN ORDINANCE OF THE CITY OF JURUPA VALLEY, CALIFORNIA, ADDING CHAPTER 1.35, COUNTY ORDINANCES ADOPTED, TO THE JURUPA VALLEY MUNICIPAL CODE ADOPTING ALL ORDINANCES AND RESOLUTIONS OF THE COUNTY OF RIVERSIDE (INCLUDING LAND USE ORDINANCES AND RESOLUTIONS) TO REMAIN IN FULL FORCE AND EFFECT AS CITY ORDINANCES UNTIL SUPERSEDED BY CITY ORDINANCES

2. All Ordinances adopted by the City of Jurupa Valley on or before the Effective Date of this Agreement pertaining to zoning and land use.

3. General Plan of the County of Riverside as adopted by the City of Jurupa Valley through Ordinance No. 2011-10, entitled

“AN ORDINANCE OF THE CITY OF JURUPA VALLEY, CALIFORNIA, ADDING CHAPTER 1.35, COUNTY ORDINANCES ADOPTED, TO THE JURUPA VALLEY MUNICIPAL CODE ADOPTING ALL ORDINANCES AND RESOLUTIONS OF THE COUNTY OF RIVERSIDE (INCLUDING LAND USE ORDINANCES AND RESOLUTIONS) TO REMAIN IN FULL FORCE AND EFFECT AS CITY ORDINANCES UNTIL SUPERSEDED BY CITY ORDINANCES”

4. The “Mira Loma Warehouse Policy Area”, dated as of October 2003 adopted as part of the County of Riverside General Plan and adopted by the City of Jurupa Valley by Ordinance No. 2011-10 as the City’s Interim General Plan

5. Paragraphs 1 and 2 of Exhibit A to that certain “Consent Judgment” filed on February 14, 2013 in the case of *Center for Community Action and Environmental Justice etc. v. County of Riverside, City of Jurupa Valley et al.*, Riverside Superior Court Case No. RIC1112063, which Paragraphs read as follows:

“1. EJ Element in General Plan: Within the timeframes for adopting or updating general plans as required by law, as part of the proceedings of the City of Jurupa Valley (City) to adopt or update its General Plan, City agrees to use its best efforts to prepare an environmental justice element that includes specific policies, analyze any impacts of that element in any CEQA document prepared for the General Plan, and hold hearings or conduct other proceedings to consider the adoption of that environmental justice element. The environmental justice element prepared by the City shall be consistent with the California Office of Planning & Research (“OPR”) General Plan Guidelines concerning environmental justice as they now exist or may hereafter be amended, and the Office of

the Attorney General's guidance entitled, Environmental Justice at the Local and Regional Level – Legal Background (dated July 10, 2012), a copy of which is attached to the Consent Judgment as Exhibit B. The Real Parties in Interest (RPIs) shall contribute a total of \$20,000 toward the preparation and consideration of the general plan element by the City.

“The Parties understand and agree that, in the context of the City's processing its General Plan, including any Environmental Justice element, the City cannot guarantee the ultimate outcome of any public hearings before the City's Planning Commission or City Council, nor prevent any opposition thereto by members of the public affected by or interested in the General Plan. The Parties recognize that the adoption or amendment of the General Plan is a discretionary act and that nothing in this Consent Judgment limits, in any manner, the City's exercise of its police power under the California Constitution. Nothing in this Consent Judgment limits the City's discretion to determine what policies and provisions should be included in the environmental justice element. Subject to the foregoing, the City, to the extent allowed by law, shall facilitate and promote the proceedings necessary to complete processing of its General Plan and consideration of an Environmental Justice Element in the General Plan.

“2. CEQA Analysis for Particular Future Developments to Address Impacts to Overburdened and Sensitive Communities: To further environmental justice, as defined to include the fair treatment of people of all races, cultures, and incomes with respect to the development, adoption, implementation, and enforcement of environmental laws, the City agrees to use its best efforts to analyze, as part of CEQA review, whether projects may impact certain overburdened communities and sensitive populations, including low income communities and communities of color. This analysis shall incorporate outreach to, and encourage the participation of, overburdened communities and sensitive populations, and shall be consistent with specific standards, including CEQA and the CEQA Guidelines, (Cal. Code Regs., tit. 14, § 15000 et seq.), and the Office of the Attorney General's guidance entitled, Environmental Justice at the Local and Regional Level – Legal Background (dated July 10, 2012), a copy of which is attached to the Consent Judgment as Exhibit B. The requirement to analyze impacts to overburdened and sensitive communities as part of CEQA review shall be included as a policy/action in any EJ element that the City may adopt for its General Plan.”

6. The Environmental Justice Element of the Jurupa Valley General Plan as adopted by the City Council on November 6, 2014.

City of Jurupa Valley

Verne Lauritzen, Mayor . Micheal Goodland, Mayor Pro Tem .
Brian Berkson, Council Member . Anthony Kelly Jr., Council Member . Laura Roughton, Council Member

March 22, 2017

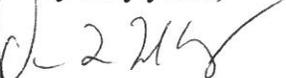
Mr. James M. Kozak, Vice President
Paradise Jurupa, LLC
12671 High Bluff Drive Suite 150
San Diego, CA 92130

Dear Mr. Kozak:

Re: First Operating Memorandum to the Paradise Knolls Agreement

Attached are two (2) original copies of the agreement for your files.

Very truly yours,



Debra L. McNay, MMC
Deputy City Clerk

Enclosure(s)

FIRST OPERATING MEMORANDUM TO THE “DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF JURUPA VALLEY, PARADISE JURUPA, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, AND EQUITY THREE PROPERTIES, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY (PARADISE KNOLLS PROJECT)”

THIS FIRST OPERATING MEMORANDUM to the recorded “Development Agreement by and Between the City of Jurupa Valley, Paradise Jurupa, LLC, a California limited liability company, and Equity Three Properties, LLC, a California limited liability company, (Paradise Knolls Project)” (“Memorandum”) is made and entered into as of March 17, 2017 by and between City of Jurupa Valley, a municipal corporation (“City”), Paradise Jurupa, LLC, a California limited liability company (“Paradise Jurupa”) and Equity Three Properties, LLC, a California limited liability company (“Equity Three”). In consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, City and Developer agree as follows:

1. **RECITALS.** This Memorandum is made with respect to the following facts and for the following purposes, each of which are acknowledged as true and correct by the parties:

A. On May 19, 2016 the City Council of the City of Jurupa Valley introduced Ordinance No. 2016-08 and on June 16, 2016 the City Council held the second reading and adopted Ordinance No. 2016-08 approving that certain development agreement entitled “Development Agreement by and Between the City of Jurupa Valley, Paradise Jurupa, LLC, a California limited liability company, and Equity Three Properties, LLC, a California limited liability company (Paradise Knolls Project)” dated as of June 16, 2016 (“Development Agreement”).

B. The property that is the subject of the Development Agreement and this Memorandum is approximately 107 acres located within the City of Jurupa Valley, the County of Riverside, State of California, as described in Exhibit “A” to the Development Agreement (“Property”).

C. The Development Agreement was recorded on July 29, 2016 as Document No. 2016-0320558 in the Official Records of the County of Riverside.

D. Section 3.E.4. of the Development Agreement authorizes the parties to the Development Agreement and the City Manager on behalf of the City to approve an Operating Memorandum which does not constitute an amendment to the Development Agreement in order to implement the Development Agreement or provide for “changes, adjustments, or clarifications [that] are appropriate to further the intended purposes” of the Development Agreement.

E. The changes, adjustments and clarifications of the Development Agreement set forth in this Memorandum are appropriate to further the intended purposes of the Development Agreement and the Development Approvals described in the Development Agreement.

2. **EFFECTIVE DATE OF DEVELOPMENT AGREEMENT.** Pursuant to Section 3.B. of the Development Agreement, the Effective Date of the Development Agreement is July 16, 2016.

3. **EXTENSION OF TIME FOR CERTAIN PUBLIC IMPROVEMENTS.**

A. Section 6.B. of the Development Agreement provides for the Developer's construction and installation of certain public improvements. Specifically Sections 6.B.1, 2, 3, and 4 provide:

"6.B. In further consideration of the community benefits the Developer will provide to the City for the development of the Property, the Developer agrees to the following:

"1. Developer agrees to dedicate to the City its full right of way along Limonite and Downey streets as part of each subdivision map approved for the Development.

"2. Developer agrees to save all the existing trees along Limonite Avenue (except for Beach Street and "A" Street alignment into Development) and plant one new tree with a trunk diameter of not less than two and one half inches caliper (2 ½) for every forty (40) linear feet on center in the future right of way along Limonite Avenue on or before issuance of the one hundred (100th) building permit for the Development, unless an extension of time is authorized in writing by the City Manager or his or her authorized representative.

"3. Developer agrees to dedicate to the City not less than fifteen (15) acres of land for green space and passive open space and recreational uses as provided in this Agreement, along the Santa Ana River at the location described in Exhibit D on or before issuance of the one hundred (100th) building permit for the Development, unless an extension of time is authorized in writing by the City Manager or his or her authorized representative."

"4. Developer agrees to build not less than 7,000 linear feet of equestrian-multi-purpose trail per city standards starting at the intersection of Limonite and Downey going south on Downey Street to the equestrian center at the Development's south-eastern boundary and an equestrian-multi-purpose trail through the fifteen (15) acre green space along the Santa Ana River described on Exhibit D on or before issuance of the one hundred (100th) building permit for the Development, unless an extension of time is authorized in writing by the City Manager or his or her authorized representative.

[Emphasis added.]

B. Several other provisions of the Development Approvals, Development Requirements and Land Use Regulations for the Project as defined in Section 2. of the Development Agreement also require the completion of certain public improvements prior to the issuance of the one hundredth (100th) building permit for the Project with similar provisions for extensions.

C. Section 4.A. of the Development Agreement incorporates all of the Development Approvals, Development Requirements and Land Use Regulations for the Project, as defined in Section 2., into the Development Agreement and provides that Developer has a vested right to proceed with such Development unless Developer agrees to changes in the Development Agreement.

D. Developer has requested the City to extend the time for completion of those certain public improvements from prior to the issuance of the one hundredth (100th) building permit to prior to the issuance of the one hundred eighth (108th) building permit so as to enable appropriate market phasing of the development of the Project by merchant builders. Developer has not requested the cancellation of any public improvement requirements or modification of any public improvement requirements, just the extension of the completion date from prior to the issuance of the one hundredth (100th) building permit to prior to the issuance of the 108th building permit.

E. The requirements of the Development Approvals, Development Requirements and Land Use Regulations of the Project, including Sections 6.B. 1, 2, 3, and 4 of the Development Agreement, to complete certain public improvements prior to the issuance of the one hundredth (100th) building permit for the Project are hereby extended to require that such public improvements be completed prior to the issuance of the one hundred eight (108th) building permit. Except as provided in this paragraph, no other modification is made to such requirements of the Development Approvals, Development Requirements and Land Use Regulations. No requirements of public improvement requirements of the Development Approvals, Development Requirements and Land Use Regulations are cancelled or deleted.

4. GENERAL PROVISIONS

A. Pursuant to Section 3.E.4. of the Development Agreement, this Memorandum shall be attached to the Development Agreement as an addendum and thereafter become a part of the Development Agreement.

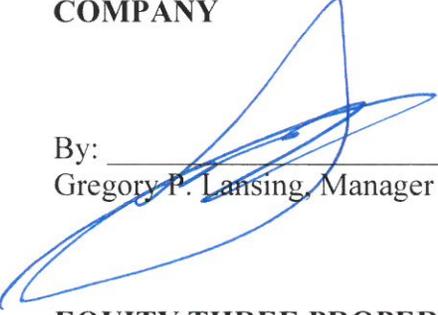
B. The parties hereto on behalf of themselves and their respective successors and assigns, acknowledge and agree that this Memorandum is valid, lawful, and binding upon the parties and their respective successors and assigns.

C. This Memorandum constitutes the entire agreement between the parties with respect to the subject matter of this Memorandum, and this Memorandum supersedes all previous negotiations, discussion, and agreement between the parties to this Memorandum with respect to its terms, and no prior evidence of any prior or other agreement shall be permitted to contradict or vary the terms hereof, except for the Development Agreement.

D. Except for the terms specifically set forth in this Memorandum, all other terms and conditions of the Development Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, City of Jurupa Valley, Paradise Jurupa, LLC and Equity Three Properties, LLC have executed this First Operating Memorandum as of the date first written above.

**PARADISE JURUPA, LLC,
A CALIFORNIA LIMITED LIABILITY
COMPANY**

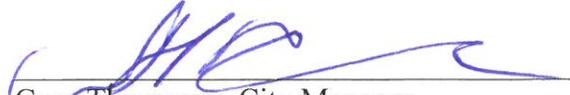
By: 
Gregory P. Lansing, Manager

**EQUITY THREE PROPERTIES, LLC,
A CALIFORNIA LIMITED LIABILITY
COMPANY**

By: 
Gregg C. Seaman, Manager

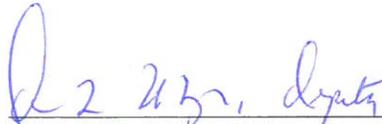
[A resolution of signatory authority is required.]

**CITY OF JURUPA VALLEY, a California
municipal corporation**



Gary Thompson, City Manager

ATTEST:



Victoria Wasko, CMC, City Clerk

APPROVED AS TO FORM:

RICHARDS WATSON & GERSHON



Peter M. Thorson, City Attorney

FIRST OPERATING MEMORANDUM TO THE “DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF JURUPA VALLEY, PARADISE JURUPA, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, AND EQUITY THREE PROPERTIES, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY (PARADISE KNOLLS PROJECT)”

THIS FIRST OPERATING MEMORANDUM to the recorded “Development Agreement by and Between the City of Jurupa Valley, Paradise Jurupa, LLC, a California limited liability company, and Equity Three Properties, LLC, a California limited liability company, (Paradise Knolls Project)” (“Memorandum”) is made and entered into as of January 9, 2017 by and between City of Jurupa Valley, a municipal corporation (“City”), Paradise Jurupa, LLC, a California limited liability company (“Paradise Jurupa”) and Equity Three Properties, LLC, a California limited liability company (“Equity Three”). In consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, City and Developer agree as follows:

1. RECITALS. This Memorandum is made with respect to the following facts and for the following purposes, each of which are acknowledged as true and correct by the parties:

A. On May 19, 2016 the City Council of the City of Jurupa Valley introduced Ordinance No. 2016-08 and on June 16, 2016 the City Council held the second reading and adopted Ordinance No. 2016-08 approving that certain development agreement entitled “Development Agreement by and Between the City of Jurupa Valley, Paradise Jurupa, LLC, a California limited liability company, and Equity Three Properties, LLC, a California limited liability company (Paradise Knolls Project)” dated as of June 16, 2016 (“Development Agreement”).

B. The property that is the subject of the Development Agreement and this Memorandum is approximately 97.3 acres located within the City of Jurupa Valley, the County of Riverside, State of California, as described in Exhibit “A” to the Development Agreement (“Property”).

C. The Development Agreement was recorded on July 29, 2016 as Document No. 2016-0320558 in the Official Records of the County of Riverside.

D. Section 3.E.4. of the Development Agreement authorizes the parties to the Development Agreement and the City Manager on behalf of the City to approve an Operating Memorandum which does not constitute an amendment to the Development Agreement in order to implement the Development Agreement or provide for “changes, adjustments, or clarifications [that] are appropriate to further the intended purposes” of the Development Agreement.

E. The changes, adjustments and clarifications of the Development Agreement set forth in this Memorandum are appropriate to further the intended purposes of the Development Agreement and the Development Approvals described in the Development Agreement.

2. EFFECTIVE DATE OF DEVELOPMENT AGREEMENT. Pursuant to Section 3.B. of the Development Agreement, the Effective Date of the Development Agreement is July 16, 2016.

3. GENERAL PROVISIONS

A. Pursuant to Section 3.E.4. of the Development Agreement, this Memorandum shall be attached to the Development Agreement as an addendum and thereafter become a part of the Development Agreement.

B. The parties hereto on behalf of themselves and their respective successors and assigns, acknowledge and agree that this Memorandum is valid, lawful, and binding upon the parties and their respective successors and assigns.

C. This Memorandum constitutes the entire agreement between the parties with respect to the subject matter of this Memorandum, and this Memorandum supersedes all previous negotiations, discussion, and agreement between the parties to this Memorandum with respect to its terms, and no prior evidence of any prior or other agreement shall be permitted to contradict or vary the terms hereof, except for the Development Agreement.

D. Except for the terms specifically set forth in this Memorandum, all other terms and conditions of the Development Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, City of Jurupa Valley, Paradise Jurupa, LLC and Equity Three Properties, LLC have executed this First Operating Memorandum as of the date first written above.

**PARADISE JURUPA, LLC,
A CALIFORNIA LIMITED LIABILITY
COMPANY**

By: _____
Gregory P. Lansing, Manager

**EQUITY THREE PROPERTIES, LLC,
A CALIFORNIA LIMITED LIABILITY
COMPANY**

By: _____
Gregg C. Seaman, Manager

[A resolution of signatory authority is
required.]

**CITY OF JURUPA VALLEY, a California
municipal corporation**

Gary Thompson, City Manager

ATTEST:

Victoria Wasko, CMC, City Clerk

APPROVED AS TO FORM:

RICHARDS WATSON & GERSHON

Peter M. Thorson, City Attorney

City of Jurupa Valley

Verne Lauritzen, Mayor . Micheal Goodland, Mayor Pro Tem .
Brian Berkson, Council Member . Anthony Kelly Jr., Council Member . Laura Roughton, Council Member

March 22, 2017

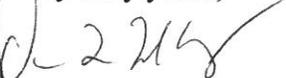
Mr. James M. Kozak, Vice President
Paradise Jurupa, LLC
12671 High Bluff Drive Suite 150
San Diego, CA 92130

Dear Mr. Kozak:

Re: First Operating Memorandum to the Paradise Knolls Agreement

Attached are two (2) original copies of the agreement for your files.

Very truly yours,



Debra L. McNay, MMC
Deputy City Clerk

Enclosure(s)

FIRST OPERATING MEMORANDUM TO THE “DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF JURUPA VALLEY, PARADISE JURUPA, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, AND EQUITY THREE PROPERTIES, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY (PARADISE KNOLLS PROJECT)”

THIS FIRST OPERATING MEMORANDUM to the recorded “Development Agreement by and Between the City of Jurupa Valley, Paradise Jurupa, LLC, a California limited liability company, and Equity Three Properties, LLC, a California limited liability company, (Paradise Knolls Project)” (“Memorandum”) is made and entered into as of March 17, 2017 by and between City of Jurupa Valley, a municipal corporation (“City”), Paradise Jurupa, LLC, a California limited liability company (“Paradise Jurupa”) and Equity Three Properties, LLC, a California limited liability company (“Equity Three”). In consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, City and Developer agree as follows:

1. **RECITALS.** This Memorandum is made with respect to the following facts and for the following purposes, each of which are acknowledged as true and correct by the parties:

A. On May 19, 2016 the City Council of the City of Jurupa Valley introduced Ordinance No. 2016-08 and on June 16, 2016 the City Council held the second reading and adopted Ordinance No. 2016-08 approving that certain development agreement entitled “Development Agreement by and Between the City of Jurupa Valley, Paradise Jurupa, LLC, a California limited liability company, and Equity Three Properties, LLC, a California limited liability company (Paradise Knolls Project)” dated as of June 16, 2016 (“Development Agreement”).

B. The property that is the subject of the Development Agreement and this Memorandum is approximately 107 acres located within the City of Jurupa Valley, the County of Riverside, State of California, as described in Exhibit “A” to the Development Agreement (“Property”).

C. The Development Agreement was recorded on July 29, 2016 as Document No. 2016-0320558 in the Official Records of the County of Riverside.

D. Section 3.E.4. of the Development Agreement authorizes the parties to the Development Agreement and the City Manager on behalf of the City to approve an Operating Memorandum which does not constitute an amendment to the Development Agreement in order to implement the Development Agreement or provide for “changes, adjustments, or clarifications [that] are appropriate to further the intended purposes” of the Development Agreement.

E. The changes, adjustments and clarifications of the Development Agreement set forth in this Memorandum are appropriate to further the intended purposes of the Development Agreement and the Development Approvals described in the Development Agreement.

2. **EFFECTIVE DATE OF DEVELOPMENT AGREEMENT.** Pursuant to Section 3.B. of the Development Agreement, the Effective Date of the Development Agreement is July 16, 2016.

3. **EXTENSION OF TIME FOR CERTAIN PUBLIC IMPROVEMENTS.**

A. Section 6.B. of the Development Agreement provides for the Developer's construction and installation of certain public improvements. Specifically Sections 6.B.1, 2, 3, and 4 provide:

"6.B. In further consideration of the community benefits the Developer will provide to the City for the development of the Property, the Developer agrees to the following:

"1. Developer agrees to dedicate to the City its full right of way along Limonite and Downey streets as part of each subdivision map approved for the Development.

"2. Developer agrees to save all the existing trees along Limonite Avenue (except for Beach Street and "A" Street alignment into Development) and plant one new tree with a trunk diameter of not less than two and one half inches caliper (2 ½) for every forty (40) linear feet on center in the future right of way along Limonite Avenue on or before issuance of the one hundred (100th) building permit for the Development, unless an extension of time is authorized in writing by the City Manager or his or her authorized representative.

"3. Developer agrees to dedicate to the City not less than fifteen (15) acres of land for green space and passive open space and recreational uses as provided in this Agreement, along the Santa Ana River at the location described in Exhibit D on or before issuance of the one hundred (100th) building permit for the Development, unless an extension of time is authorized in writing by the City Manager or his or her authorized representative."

"4. Developer agrees to build not less than 7,000 linear feet of equestrian-multi-purpose trail per city standards starting at the intersection of Limonite and Downey going south on Downey Street to the equestrian center at the Development's south-eastern boundary and an equestrian-multi-purpose trail through the fifteen (15) acre green space along the Santa Ana River described on Exhibit D on or before issuance of the one hundred (100th) building permit for the Development, unless an extension of time is authorized in writing by the City Manager or his or her authorized representative.

[Emphasis added.]

B. Several other provisions of the Development Approvals, Development Requirements and Land Use Regulations for the Project as defined in Section 2. of the Development Agreement also require the completion of certain public improvements prior to the issuance of the one hundredth (100th) building permit for the Project with similar provisions for extensions.

C. Section 4.A. of the Development Agreement incorporates all of the Development Approvals, Development Requirements and Land Use Regulations for the Project, as defined in Section 2., into the Development Agreement and provides that Developer has a vested right to proceed with such Development unless Developer agrees to changes in the Development Agreement.

D. Developer has requested the City to extend the time for completion of those certain public improvements from prior to the issuance of the one hundredth (100th) building permit to prior to the issuance of the one hundred eighth (108th) building permit so as to enable appropriate market phasing of the development of the Project by merchant builders. Developer has not requested the cancellation of any public improvement requirements or modification of any public improvement requirements, just the extension of the completion date from prior to the issuance of the one hundredth (100th) building permit to prior to the issuance of the 108th building permit.

E. The requirements of the Development Approvals, Development Requirements and Land Use Regulations of the Project, including Sections 6.B. 1, 2, 3, and 4 of the Development Agreement, to complete certain public improvements prior to the issuance of the one hundredth (100th) building permit for the Project are hereby extended to require that such public improvements be completed prior to the issuance of the one hundred eight (108th) building permit. Except as provided in this paragraph, no other modification is made to such requirements of the Development Approvals, Development Requirements and Land Use Regulations. No requirements of public improvement requirements of the Development Approvals, Development Requirements and Land Use Regulations are cancelled or deleted.

4. GENERAL PROVISIONS

A. Pursuant to Section 3.E.4. of the Development Agreement, this Memorandum shall be attached to the Development Agreement as an addendum and thereafter become a part of the Development Agreement.

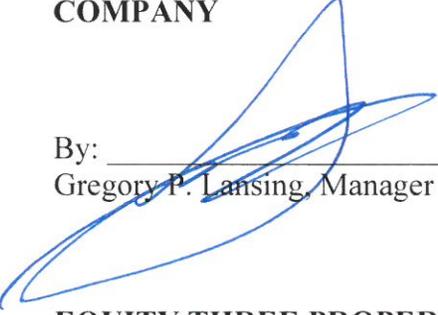
B. The parties hereto on behalf of themselves and their respective successors and assigns, acknowledge and agree that this Memorandum is valid, lawful, and binding upon the parties and their respective successors and assigns.

C. This Memorandum constitutes the entire agreement between the parties with respect to the subject matter of this Memorandum, and this Memorandum supersedes all previous negotiations, discussion, and agreement between the parties to this Memorandum with respect to its terms, and no prior evidence of any prior or other agreement shall be permitted to contradict or vary the terms hereof, except for the Development Agreement.

D. Except for the terms specifically set forth in this Memorandum, all other terms and conditions of the Development Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, City of Jurupa Valley, Paradise Jurupa, LLC and Equity Three Properties, LLC have executed this First Operating Memorandum as of the date first written above.

**PARADISE JURUPA, LLC,
A CALIFORNIA LIMITED LIABILITY
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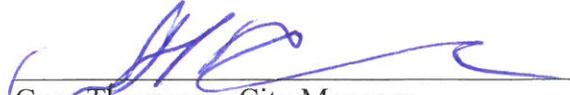
By: 
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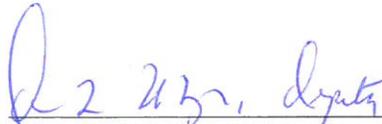
[A resolution of signatory authority is required.]

**CITY OF JURUPA VALLEY, a California
municipal corporation**



Gary Thompson, City Manager

ATTEST:



Victoria Wasko, CMC, City Clerk

APPROVED AS TO FORM:

RICHARDS WATSON & GERSHON



Peter M. Thorson, City Attorney