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AND WHEN RECORDED MAIL TO

City of Jurupa Valley
8304 Limonite Avenue, Suite "M"
Jurupa Valley CA 92509

Attn: City Clerk

DOC # 2014-0095880

03/14/2014 12:28P Fee:NC

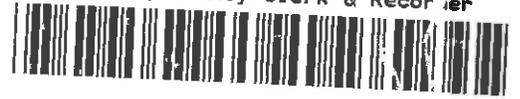
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Recorded in Official Records

County of Riverside

Larry W. Ward

Assessor, County Clerk & Recorder



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DEVELOPMENT AGREEMENT RIVERBEND PROJECT

BY AND BETWEEN

THE

CITY OF JURUPA VALLEY

AND

CV INLAND INVESTMENTS 1, L.P.

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (this “Agreement”) is entered into as of November 7, 2013 (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”), and CV INLAND INVESTMENTS 1, L.P., a Delaware limited partnership (“Developer”). The City and Developer 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:

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.

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

1. 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 facilities to ensure the good of the community regardless of the City’s legal authority to impose such requirements under constitutional or statutory authority.



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2. 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.

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

C. The property that is the subject of this Agreement is approximately 215.3 acres in size, is generally bounded on the west by Dana Avenue, on the south by 68th Street, on the east by Interstate 15 (I-15), and on the North by the Santa Ana River is referred to as Assessor's Parcel Nos. 157-190-006, -007, -008, -009; 157-210-001, -014; 152-020-003, -005, -007, -008; 153-020-003; 152-060-001, -008, and is described on Exhibit A and depicted on Exhibit B attached hereto (the "Property"). Developer has acquired or will acquire the right to develop the Property

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

E. 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.

F. 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.

G. 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

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 Project:

1. On September 25, 2013, following a duly noticed and conducted public hearing on the Agreement and the proposed Mitigated Negative Declaration, the Planning Commission recommended that the Council approve this Agreement;



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2. On October 17, 2013 after a duly noticed public hearing and pursuant to the California Environmental Quality Act of 1970, as amended, ("CEQA") the City Council adopted Resolution 2013-029 approving the Mitigated Negative Declaration for this Agreement;

3. On October 17, 2013, following a duly noticed public hearing, the City Council introduced Ordinance No. 2013-09 and on November 7, 2013 held the second reading and adopted Ordinance No. 2013-09 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 Project 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. "*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.
- E. "*Development Approvals*" means any and all permits, licenses, consents, rights and privileges, and other actions approved or issued by City and the County of Riverside



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previously in connection with the Property on or before the Effective Date, including but not limited to:

1. General Plan Land Use Element map and text amendments applicable to the Property, including General Plan Amendment No. GPA 1202;
2. Zone Change No. CZ 1201, adopted by Ordinance No. 2013-10;
3. Development Plan No. _____; and
4. Tentative and final subdivision maps No. 36391.

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

F. “*Development Fees*” means and includes all fees charged by the City in connection with the approval or issuance of permits for the development of property, including, without limitation: utility capacity fees; service or connection fees; library/cultural enrichment fees; traffic impact fees; development impact or major facilities fees; park fees; flood control fees; environmental impact mitigation fees; the fees charged by City in connection with a development Property for the purpose of defraying all or a portion of the cost of mitigating the impacts of the Property and development of the public facilities related to development of the Property; and any similar governmental fees, charges and exactions required for the development of the Property. Development Fees does not mean and excludes 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. Development Fees does not mean and excludes fees established by Federal, State, County, and multi-jurisdictional laws and regulations which City is required to enforce as against the Property or the Development. The Development Fees are listed on Exhibit D.

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 CV Inland Investments 1, L.P., and also where specified in this Agreement, 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 C.

K. “*Project*” means the development to be constructed pursuant to the Development Approvals and, if any, Subsequent Development Approvals.

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

M. “*Public Improvements*” means the improvements to the public rights of way and public that will be dedicated to the City or other governmental entities as required by the Development Approvals.

N. “*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).

O. “*Site Map*” means the drawing of the site in its condition as of the Effective Date, attached hereto as Exhibit B.

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

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

R. “*Transportation/Trail Improvements*” means those improvements described in 5.B.(2).

3. GENERAL TERMS OF THE DEVELOPMENT AGREEMENT.

A. **Term.** The initial 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. In addition, the Term shall be tolled during the pendency of any litigation filed attacking the Development Approvals, the Subsequent Development Approvals, or this Agreement.

B. **Effective Date.** This Agreement shall be effective, and the obligations of the Parties hereunder shall be effective on the date that Ordinance No. 2013-09 approving this Agreement becomes effective (the “Effective Date”). The parties shall approve an Operating Memorandum pursuant to Section 3.F.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



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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. City and Developer acknowledge and agree that Developer has a legal or equitable interest in the Property and thus Developer is qualified to enter into and be a party to this Agreement under the Development Agreement Law.

E. 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 Improvements 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 Improvements for the Property; (2) the Transferee has the experience and financial capacity to complete the Public Improvements; and (3) the Transferee has obtained replacement bonds, accepted by the City for the Public Improvements (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 ten (10) 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, and in such a situation, Developer shall be discharged from all such obligations, or shall confirm that the Developer and all Transferees shall remain jointly liable for the design and construction of Public Improvements pursuant to 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.F.4.

F. 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 Project.



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2. Procedure. Except as set forth in Section 3.F.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 Project may demonstrate that changes are appropriate with respect to the details and performance of the parties under this Agreement. The parties desire to retain a certain degree of flexibility with respect to 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.

G. 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.



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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, and such discretion shall be in conformity with the Land Use Regulations and this Agreement.

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 in accordance with the authority granted the City under State law.



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d. Regulations that are not in conflict with the Development Approvals and this Agreement, or which do not impede, delay or prevent implementation of 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, do not impede, delay or prevent implementation of 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.



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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 in its sole discretion 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, conflicts with, impedes, delays or prevents implementation of 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 Project 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 Project 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 Project Approvals or to other development issues affecting the Property shall not delay or stop the Development, processing, or construction of the Project, 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



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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, Project Approval, and this Agreement, the provisions of this Agreement shall control.

G. Term of Map(s) and Other Project 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 each of the Project 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 3.3 above if such map or Project Approval would otherwise have expired prior thereto. In addition, the expiration date of any Development Approvals or Subsequent Development Approvals shall be tolled during the pendency of any litigation filed attacking the Development Approvals, Subsequent Development Approvals or this Agreement.

H. Amendments to Project Approvals. It is contemplated by City and Developer that Developer may, from time to time, seek amendments to one or more of the Project 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 Project 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. Development Impact Fees.

1. The presently adopted Development Impact Fees, as defined 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 Section 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 "DIF Rates"), shall be the DIF and DIF Rates to be imposed upon parcels within the Property during the Term of this Agreement is in effect. The DIF Rates are attached hereto as Exhibit D to this Agreement. The Project shall not be subject to any new or additional development impact fees, assessments or monetary exactions adopted by the City after the Effective Date.

2. All DIF shall be paid at the time and manner provided in Chapter 4.60 of the Riverside County Code.

3. 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.



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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.

B. DIF Credits.

1. Developer shall construct the Public Improvements set forth in the Development Approvals.

2. Some of the public improvements required to be constructed by the Developer are public improvements listed as eligible for DIF funding as “Transportation-Signals” and “Regional Multipurpose Trails” improvements in the nexus study report prepared by the County of Riverside dated as of April 6, 2006 (“Transportation/Trail Improvements”). The Transportation/Trail Improvements to be constructed by the Developer and listed on Exhibit E are public improvements listed as eligible for funding on the County nexus study.

3. In consideration of Developer’s construction of the Transportation/Trail Improvements, Developer shall receive a credit on its payment of the “Transportation—Signals” and “Regional Multipurpose Trails” DIF Components as follows, provided, however, such improvements are eligible for DIF funding as of the date the credit is to be provided:

a. “Transportation—Signals:” One hundred dollars (\$100.00) per unit; and

b. “Regional Multipurpose Trails:” One hundred dollars (\$100.00) per unit.

C. 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. Notwithstanding this Section, any regional development impact fee that City has the discretion to adopt or not adopt, similar to the TUMF or other existing regional fees, shall, if adopted by City, not be applicable to the Developer or the Property.

D. 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.

E. Community Benefit Contribution. In further consideration of the benefits received by Developer pursuant to the terms of this Agreement, Developer shall pay to the City



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Community Benefit Contribution ("CBC") in the amount of One Thousand Dollars (\$1000) per unit of the Project as approved by the Development Approvals, payable as provided in this subsection.

1. The Community Benefit Contribution shall be paid to the City on the following schedule:

a. Fifty percent (50%) thirty (30) days after the City issues the Development Approvals and has a Notice of Determination posted in the County of Riverside Clerk's Office after the Second Reading of the ordinance(s) or resolution(s) adopting the General Plan Amendment, Zone Change, and this Agreement with no litigation filed by a third party attacking the Development Approvals or this Agreement and, if litigation is filed, then thirty (30) days following the date of the final non-appealable judgment or settlement of the case;

b. Fifty percent (50%) at the issuance of the rough grading permit for the Project;

2. City shall not be obligated to issue permits for the Project if the CBC has not been paid in accordance with this Section.

3. City shall use the CBC for municipal purposes.

F. Additional Developer Payment to the City. In further consideration of the benefits received by Developer pursuant to the terms of this Agreement, Developer shall pay the City an amount of One Thousand Seventy Five Dollars (\$1,075.00) per unit of the Project as approved by the Development Approvals as provided in this subsection ("Additional Developer Payment"). The Additional Developer Payment shall be paid to the City on or before December 31, 2013, with no litigation filed by a third party attacking the Development Approvals, this Agreement, or the PSA provided in this subsection, subject to the occurrence of a condition precedent: Developer's and the Jurupa Area Parks and Recreation District's ("JAPRD") entering into a purchase and sale agreement ("PSA") regarding the approximately 3.8 acres of land north of 68th Street ("Land"), which Developer has an option to purchase. Under the PSA, if Developer acquires the Land, Developer agrees to sell the Land, and JAPRD agrees to buy the Land, based upon commercially reasonable terms. This condition precedent may only be waived, if at all, by Developer in its sole discretion. Notwithstanding the foregoing, if Developer and JAPRD do not enter into the PSA on or before December 31, 2013, and Developer acquires the Land, Developer shall dedicate the Land to the City without limitation on future uses at issuance of the rough grading permit for the Project. Developer's sole representation and warranty regarding this dedication is that Developer will have the legal authority to dedicate the Land if Developer exercises its option and acquires the Land. Developer shall make no other representation or warranty concerning the state of the Park Land title or its environmental condition. If Developer conveys the Land to the City, then Developer shall be excused from making the Additional Developer Payment.

G. Administrative Fee. Developer shall pay to the City an administrative fee in the amount of Ten Thousand Dollars (\$10,000.00) which shall compensate City for its costs incurred



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in drafting and processing this Agreement, including but not limited to, staff time and attorney fees and costs.

6. 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.

7. 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, as specified in Section 3.E. of 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.

B. Notwithstanding Section 7.A., and as a separate and distinct obligation of Developer, Developer agrees to indemnify and hold harmless the Indemnified Parties from and



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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. With respect to Developer's construction of the public improvements specified in Exhibit E to this Agreement, Developer's indemnity obligations shall expire one (1) year after the City accepts all such public improvements. All other indemnity obligations of Developer in Section 7.A. and B. of this Agreement shall terminate upon the expiration of this Agreement.

8. 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



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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.

9. 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 Project in reliance upon the terms of this Agreement, and it is not possible to determine the sum of money which would adequately compensate Developer for such efforts. For the above reasons, 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



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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 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 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 Project 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 7) 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.

10. 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.

11. ESTOPPEL CERTIFICATES.

A. **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.

B. **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.



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C. 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.

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

E. 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.

F. 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.

12. 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
8304 Limonite Avenue, Suite "M"
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: CV Inland Investments 1, L.P.
1900 Quail Street
Newport Beach, CA 92660
Attn: Mike White

With a copy to: Allen Matkins Leck Gamble Mallory & Natsis
1900 Main Street, 5th Floor
Irvine, CA 92614
Attn: John Condas, Esq.

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.



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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.

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, each of Developer and City is 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



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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:

- “Exhibit A Legal Descriptions of Properties”
- “Exhibit B Site Map”
- “Exhibit C List of Land Use Regulations”
- “Exhibit D City of Jurupa Valley Development Impact Fees”
- “Exhibit E Transportation/Trail Improvements”



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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. Developer 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, Developer is formally bound to the provisions of this Agreement; (iv) Developer's entering into and performance of its obligations set forth in this Agreement do not violate any provision of any other agreement to which Developer is bound; and (v) there is no existing or threatened litigation or legal proceeding of which Developer is aware which could prevent Developer from entering into or performing its 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.

U. No Joint and Several Liability. At any time that there is more than one Developer, no breach hereof by Developer shall constitute a breach by any other Developer. Any remedy, obligation, or liability, including but not limited to the obligations to defend and indemnify the City, arising by reason of such breach shall be applicable solely to the Developer that committed the breach. However, the City shall send a copy of any notice of violation to all Developer, including those not in breach. In addition, a default by any Transferee shall only affect that portion of the Property owned by such Transferee and shall not cancel or diminish in any way Developer's rights hereunder with respect to any portion of the Property not owned by such Transferee. The Transferee shall be responsible for the reporting and annual review requirements relating to the portion of the Property owned by such Transferee, and any



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amendment to this Agreement between City and a Transferee shall only affect the portion of the Property owned by such Transferee.

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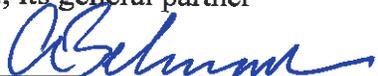
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IN WITNESS WHEREOF, Developer and City have executed this Agreement as of the Reference Date.

“DEVELOPER”

**CV INLAND INVESTMENTS 1, LP, a
Delaware limited partnership**

By: CV INLAND INVESTMENTS 1,
INC., its general partner

By: 
August Belmont
President

“CITY”

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


Verne Lauritzen, Mayor

ATTEST:


Victoria Wasko, CMC, City Clerk

APPROVED AS TO FORM:

RICHARDS WATSON & GERSHON


Peter M. Thorson, City Attorney



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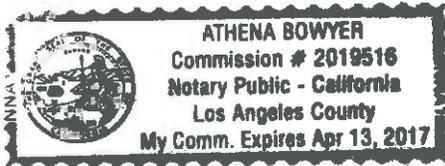
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT
CIVIL CODE § 1189

State of California

County of Orange

On November 7, 2013 before me, Athena Bowyer, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared August Belmont
Name(s) of Signer(s)



Place Notary Seal Above

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/hers/their authorized capacity(ies), and that by his/hers/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: Athena Bowyer
Signature of Notary Public

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

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

Signer's Name: _____

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

Signer Is Representing: _____

Signer Is Representing: _____



EXHIBIT A

LEGAL DESCRIPTIONS OF PROPERTIES

LEGAL DESCRIPTION

Real property in the City of Jurupa Valley, County of Riverside, State of California, described as follows:

PARCEL 1: (APN: 152-060-008-4 AND 152-060-001-7)

THE NORTH-HALF OF THE NORTH-HALF OF THE NORTHEAST QUARTER, AND THE SOUTH-HALF OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 31, TOWNSHIP 2 SOUTH, RANGE 6 WEST, IN THE COUNTY OF RIVERSIDE, AS SHOWN BY SECTIONIZED SURVEY OF THE JURUPA RANCHO ON FILE IN BOOK 9 PAGE 33 OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA.

EXCEPTING THEREFROM THAT PORTION OF SAID LAND DESCRIBED IN THAT FINAL ORDER OF CONDEMNATION RECORDED SEPTEMBER 21, 1988 AS INSTRUMENT NO. 272564, RECORDS OF COUNTY OF RIVERSIDE, OFFICIAL RECORDS.

PARCEL 2: (APN: 152-020-003-5 AND 152-020-005-7)

THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER AND THE EAST-HALF OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 30, TOWNSHIP 2 SOUTH, RANGE 6 WEST, IN THE COUNTY OF RIVERSIDE, AS SHOWN BY SECTIONIZED SURVEY OF THE JURUPA RANCHO ON FILE IN BOOK 9 PAGE 33 OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA.

PARCEL 3: (APN: 153-020-003-2 AND 157-210-014-7)

THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 32, TOWNSHIP 2 SOUTH, RANGE 6 WEST, AS SHOWN BY SECTIONIZED SURVEY OF THE JURUPA RANCHO ON FILE IN BOOK 9 PAGE 33 OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA.

PARCEL 4: (APN: 157-210-001-5)

THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER, AND THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 29, TOWNSHIP 2 SOUTH, RANGE 6 WEST, IN THE COUNTY OF RIVERSIDE, AS SHOWN BY SECTIONIZED SURVEY OF THE JURUPA RANCHO,



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ON FILE IN BOOK 9 PAGE 33 OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA.

PARCEL 5: (APN: 152-020-007-9)

THE NORTH 1/2 OF THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 30, TOWNSHIP 2 SOUTH, RANGE 6 WEST, IN THE COUNTY OF RIVERSIDE, AS SHOWN BY SECTIONIZED SURVEY OF THE JURUPA RANCHO ON FILE IN BOOK 9 PAGE 33 OF MAPS, SAN BERNARDINO COUNTY RECORDS.

EXCEPTING THEREFROM THAT PORTION AS CONDEMNED BY THE STATE OF CALIFORNIA AND SET FORTH IN A FINAL ORDER RECORDED SEPTEMBER 21, 1988 AS INSTRUMENT NO. 272564.

PARCEL 6: (APN: 152-020-008-0)

THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER; AND THE SOUTH HALF OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 30, TOWNSHIP 2 SOUTH, RANGE 6 WEST, IN THE COUNTY OF RIVERSIDE, SAN BERNARDINO BASE AND MERIDIAN, AS SHOWN BY SECTIONIZED SURVEY OF THE JURUPA RANCHO ON FILE IN BOOK 9 PAGE 33 OF MAPS, SAN BERNARDINO COUNTY RECORDS.

EXCEPTING THEREFROM THAT PORTION AS CONDEMNED BY THE STATE OF CALIFORNIA, AND SET FORTH IN A FINAL ORDER RECORDED SEPTEMBER 21, 1988 AS INSTRUMENT NO. 272564.



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EXHIBIT C

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. ORDINANCE NO. 2012-01

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF JURUPA VALLEY ADDING CHAPTER 11.10, NOISE REGULATIONS, TO THE JURUPA VALLEY MUNICIPAL CODE

3. ORDINANCE NO. 2012-02:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF JURUPA VALLEY ADDING SECTION 9.10.010, SITE DEVELOPMENT PERMIT TERMINOLOGY, AND CHAPTER 9.10, AMENDMENTS TO THE COUNTY ZONING ORDINANCE, TO TITLE 9, PLANNING AND ZONING, OF THE JURUPA VALLEY MUNICIPAL CODE, TO AMEND AND SUPERSEDE CERTAIN PROVISIONS OF RIVERSIDE COUNTY ZONING ORDINANCE NO. 348 BY CHANGING REFERENCES OF PLOT PLAN TO SITE DEVELOPMENT PERMIT

4. ORDINANCE NO. 2012-03:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF JURUPA VALLEY ADDING SECTION 9.10.020, DETACHED ACCESSORY BUILDINGS, AND CHAPTER 9.10, AMENDMENTS TO THE COUNTY ZONING ORDINANCE, TO TITLE 9, PLANNING AND ZONING, OF THE JURUPA VALLEY MUNICIPAL CODE, TO AMEND AND SUPERSEDE CERTAIN PROVISIONS OF RIVERSIDE COUNTY ZONING ORDINANCE NO. 348 BY ELIMINATING THE REQUIREMENT FOR A PUBLIC HEARING FOR ACCESSORY BUILDING APPROVALS UNLESS A MAJOR SIGNIFICANT IMPACT IS IDENTIFIED

5. ORDINANCE NO. 2012-05:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF JURUPA VALLEY, CALIFORNIA, ADDING CHAPTER 4.10 TO THE JURUPA VALLEY MUNICIPAL CODE REQUIRING FORECLOSED RESIDENTIAL PROPERTY REGISTRATION AND INSPECTION TO ADDRESS MAINTENANCE AND SECURITY ISSUES WITH SUCH PROPERTIES AND SUPERSEDING RIVERSIDE COUNTY ORDINANCE NO. 881



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6. ORDINANCE NO. 2012-07:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF JURUPA VALLEY ADDING CHAPTER 6.10 TO THE JURUPA VALLEY MUNICIPAL CODE ESTABLISHING STORM WATER URBAN RUNOFF MANAGEMENT AND DISCHARGE CONTROLS

7. ORDINANCE NO. 2012-10:

AN ORDINANCE OF THE CITY OF JURUPA V ALLEY ADDING A NEW SECTION 9.10.030, CONDITIONAL USE PERMIT REQUIREMENT FOR HEAVY INDUSTRIAL USES, AND SECTION 9.10.040, CONDITIONAL USE PERMIT HEARING BODY DEFINED, TO TITLE 9, PLANNING AND ZONING, OF THE JURUPA VALLEY MUNICIPAL CODE, TO AMEND AND SUPERCEDE CERTAIN PROVISIONS OF RIVERSIDE COUNTY ZONING ORDINANCE NO. 348

8. ORDINANCE NO. 2012-12

AN ORDINANCE OF THE CITY OF JURUPA VALLEY, CALIFORNIA ADDING A NEW CHAPTER 9.20, DONATION COLLECTION CONTAINERS, TO TITLE 9, PLANNING AND ZONING, OF THE JURUPA VALLEY MUNICIPAL CODE, TO AMEND AND SUPERSEDE CERTAIN PROVISIONS OF RIVERSIDE COUNTY ZONING ORDINANCE NO. 348

9. ORDINANCE NO. 2013-02

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF JURUPA VALLEY, CALIFORNIA, ADDING SECTION 9.10.050, FOUNDATION COMPONENT CHANGES, TO CHAPTER 9.10, AMENDMENTS, TO THE COUNTY ZONING ORDINANCE, IN TITLE 9, PLANNING AND ZONING, OF THE JURUPA VALLEY MUNICIPAL CODE, TO AMEND AND SUPERSEDE CERTAIN PROVISIONS OF RIVERSIDE COUNTY ZONING ORDINANCE NO. 348

10. ORDINANCE NO. 2013-03:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF JURUPA VALLEY, CALIFORNIA, ADDING SECTION 9.10.070, PRIVATE LAND DEVELOPER GENERAL PLAN AMENDMENTS, AND AMENDING SECTION 9.10.050, FOUNDATION COMPONENT CHANGES, IN CHAPTER 9.10, AMENDMENTS TO THE COUNTY ZONING ORDINANCE, IN TITLE 9, PLANNING AND ZONING, OF THE JURUPA VALLEY MUNICIPAL CODE, TO AMEND AND SUPERSEDE CERTAIN PROVISIONS OF RIVERSIDE COUNTY ZONING ORDINANCE NO. 348

11. ORDINANCE NO. 2013-04:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF JURUPA VALLEY, CALIFORNIA, ADDING SECTION 9.10.060, PLANNING COMMISSION PERMIT DECISIONS AND CITY COUNCIL APPEAL PROCEDURES, TO CHAPTER 9.10,



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AMENDMENTS TO THE COUNTY ZONING ORDINANCE, IN TITLE 9, PLANNING AND ZONING, OF THE JURUPA VALLEY MUNICIPAL CODE, TO AMEND AND SUPERSEDE CERTAIN PROVISIONS OF RIVERSIDE COUNTY ZONING ORDINANCE NO. 348

12. 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”

13. The “Mira Loma Warehouse Policy Area” adopted as part of the County of Riverside General Plan and adopted as the City’s Interim General Plan

14. 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. RIC112063, 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.



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“2. CEQA Analysis for Particular Future Projects 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.”



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EXHIBIT D

CITY OF JURUPA VALLEY DEVELOPMENT IMPACT FEES

Jurupa Area Plan Development Impact Fee per Section 7, Ordinance No. 659, Riverside County,
\$4,613 per unit.

Mira Loma Road and Bridge Benefit District Zone E per Resolution 2005-482, \$1,644 per unit.



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EXHIBIT E

TRANSPORTATION/TRAIL IMPROVEMENTS

Installation of a Traffic Signal at the Intersection of Pat's Ranch Road and 68th Street, per MM TR-1.

Installation of Trails adjacent to 68th Street and along the Santa Ana River Corridor as specified in the Project R-4 PD document.



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DOC # 2015-0022184
01/20/2015 12:08 PM Fees: \$0.00
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Recorded in Official Records
County of Riverside
Peter Aldana
Assessor, County Clerk & Recorder

Recording Requested By:
First American Title Company
Homebuilder Services Division
Subdivision Department
RECORDING REQUESTED BY
445148-00
AND WHEN RECORDED, MAIL TO:

Lennar Homes of California, Inc.
980 Montecito Drive, Suite 302
Corona CA 92879
Attn: Mr. Gary Glazer

**This document was electronically submitted
to the County of Riverside for recording**
Received by: MGREGSTON

(Space Above For Recorder's Use)

**FIRST OPERATING MEMORANDUM TO THE "DEVELOPMENT
AGREEMENT RIVERBEND PROJECT BY AND BETWEEN THE CITY
OF JURUPA VALLEY AND CV INLAND INVESTMENTS 1, L.P."**

THIS FIRST OPERATING MEMORANDUM to the recorded "Development Agreement Riverbend Project by and Between the City of Jurupa Valley and CV Inland Investments 1, L.P." ("Memorandum") is made and entered into as of January 5, 2015 by and between City of Jurupa Valley, a municipal corporation ("City"), CV Inland Investments 1, L.P., and Lennar Homes of California, Inc. 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 October 17, 2013 the City Council of the City of Jurupa Valley introduced Ordinance No. 2013-09 and on November 7, 2013 the City Council held the second reading and adopted Ordinance No. 2013-09 approving that certain development agreement entitled "Development Agreement Riverbend Project by and Between the City of Jurupa Valley and CV Inland Investments 1, L.P." dated as of November 7, 2013 ("Development Agreement").

B. The property that is the subject of the Development Agreement and this Memorandum is approximately 215.3 acres in size, is generally bounded on the east by Dana Avenue, on the north by 68th Street, on the west by Interstate 15 (I-15), and on the south by the Santa Ana River and is described on Exhibit A, attached hereto and incorporated herein by this reference as though set forth in full (the "Property").

C. The Development Agreement was recorded on March 14, 2014 as Document No. 2014-0095880 in the Official Records of the County of Riverside.

D. Section 3.F.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.

Recording Requested By:
First American Title Company
Homebuilder Services Division
Subdivision Department
RECORDING REQUESTED BY
445148-00
AND WHEN RECORDED, MAIL TO:

Lennar Homes of California, Inc.
980 Montecito Drive, Suite 302
Corona CA 92879
Attn: Mr. Gary Glazer

(Space Above For Recorder's Use)

FIRST OPERATING MEMORANDUM TO THE "DEVELOPMENT AGREEMENT RIVERBEND PROJECT BY AND BETWEEN THE CITY OF JURUPA VALLEY AND CV INLAND INVESTMENTS 1, L.P."

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B. The property that is the subject of the Development Agreement and this Memorandum is approximately 215.3 acres in size, is generally bounded on the east by Dana Avenue, on the north by 68th Street, on the west by Interstate 15 (I-15), and on the south by the Santa Ana River and is described on Exhibit A, attached hereto and incorporated herein by this reference as though set forth in full (the "Property").

C. The Development Agreement was recorded on March 14, 2014 as Document No. 2014-0095880 in the Official Records of the County of Riverside.

D. Section 3.F.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 December 7, 2013.

3. **CONSENT TO ASSIGNMENT OF DEVELOPMENT AGREEMENT FROM CV INLAND INVESTMENTS 1, LP, TO LENNAR HOMES OF CALIFORNIA, INC.** The City hereby consents to the assignment of the Development Agreement from CV Inland Investments 1, LP, to Lennar Homes of California, Inc., a California corporation ("Lennar") pursuant to that certain Assignment and Assumption Agreement dated as of January 5, 2015 and executed substantially concurrently herewith. "Developer" as used in the Development Agreement, shall now mean "Lennar Homes of California, Inc., a California corporation"

4. **CHANGE OF ADDRESS.** Section 12.A of the Development Agreement is hereby modified to reflect the change in name and address of the Developer:

To Developer: Lennar Homes of California, Inc.
980 Montecito Drive
Corona, CA 92879
Attn: Jeff Clemens

5. **GENERAL PROVISIONS**

A. Pursuant to Section 3.F.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, CV Inland Investments 1, L.P., and Lennar Homes of California, Inc. have executed this First Operating Memorandum as of the date first written above.

**CV INLAND INVESTMENTS 1, LP, a
Delaware limited partnership**

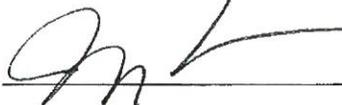
By: Lennar Homes of California, Inc., a
California corporation, its general
partner

By: 

Name: JEFFREY T. CLEMENS

Title: VICE PRES

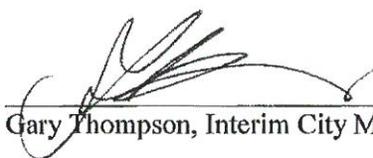
**LENNAR HOMES OF CALIFORNIA,
INC, a California corporation**

By: 

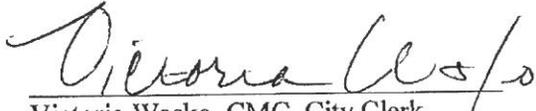
Name: JEFFREY T. CLEMENS

Title: VICE PRES.

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

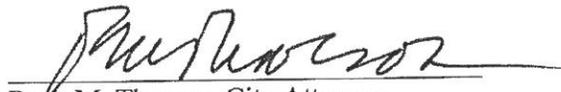

Gary Thompson, Interim City Manager

ATTEST:


Victoria Wasko, CMC, City Clerk

APPROVED AS TO FORM:

RICHARDS WATSON & GERSHON


Peter M. Thorson, City Attorney



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached and not the truthfulness, accuracy or validity of that document.

State of California)
County of Riverside)

On January 5, 2015, before me, Amy R. Williams,
(insert name and title of the officer)

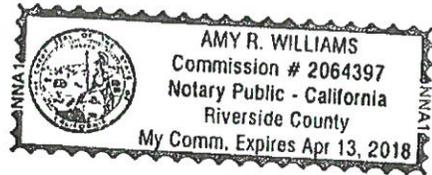
Notary Public, personally appeared Jeffrey T. Clement,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that
the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Handwritten Signature]

(Seal)



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached and not the truthfulness, accuracy or validity of that document.

State of California)
County of Riverside)

On January 5, 2015, before me, Amy R. Williams
(insert name and title of the officer)

Notary Public, personally appeared Jeffrey T. Almont,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that
the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature 

(Seal)

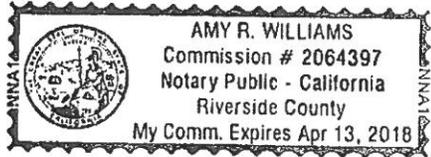


EXHIBIT A

LEGAL DESCRIPTIONS OF PROPERTIES

LEGAL DESCRIPTION

Real property in the City of Jurupa Valley, County of Riverside, State of California, described as follows:

PARCEL 1: (APN: 152-060-008-4 AND 152-060-001-7)

THE NORTH-HALF OF THE NORTH-HALF OF THE NORTHEAST QUARTER, AND THE SOUTH-HALF OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 31, TOWNSHIP 2 SOUTH, RANGE 6 WEST, IN THE COUNTY OF RIVERSIDE, AS SHOWN BY SECTIONIZED SURVEY OF THE JURUPA RANCHO ON FILE IN BOOK 9 PAGE 33 OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA.

EXCEPTING THEREFROM THAT PORTION OF SAID LAND DESCRIBED IN THAT FINAL ORDER OF CONDEMNATION RECORDED SEPTEMBER 21, 1988 AS INSTRUMENT NO. 272564, RECORDS OF COUNTY OF RIVERSIDE, OFFICIAL RECORDS.

PARCEL 2: (APN: 152-020-003-5 AND 152-020-005-7)

THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER AND THE EAST-HALF OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 30, TOWNSHIP 2 SOUTH, RANGE 6 WEST, IN THE COUNTY OF RIVERSIDE, AS SHOWN BY SECTIONIZED SURVEY OF THE JURUPA RANCHO ON FILE IN BOOK 9 PAGE 33 OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA.

PARCEL 3: (APN: 153-020-003-2 AND 157-210-014-7)

THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 32, TOWNSHIP 2 SOUTH, RANGE 6 WEST, AS SHOWN BY SECTIONIZED SURVEY OF THE JURUPA RANCHO ON FILE IN BOOK 9 PAGE 33 OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA.

PARCEL 4: (APN: 157-210-001-5)

THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER, AND THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHWEST

QUARTER OF SECTION 29, TOWNSHIP 2 SOUTH, RANGE 6 WEST, IN THE COUNTY OF RIVERSIDE, AS SHOWN BY SECTIONIZED SURVEY OF THE JURUPA RANCHO, ON FILE IN BOOK 9 PAGE 33 OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA.

PARCEL 5: (APN: 152-020-007-9)

THE NORTH 1/2 OF THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 30, TOWNSHIP 2 SOUTH, RANGE 6 WEST, IN THE COUNTY OF RIVERSIDE, AS SHOWN BY SECTIONIZED SURVEY OF THE JURUPA RANCHO ON FILE IN BOOK 9 PAGE 33 OF MAPS, SAN BERNARDINO COUNTY RECORDS.

EXCEPTING THEREFROM THAT PORTION AS CONDEMNED BY THE STATE OF CALIFORNIA AND SET FORTH IN A FINAL ORDER RECORDED SEPTEMBER 21, 1988 AS INSTRUMENT NO. 272564.

PARCEL 6: (APN: 152-020-008-0)

THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER; AND THE SOUTH HALF OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 30, TOWNSHIP 2 SOUTH, RANGE 6 WEST, IN THE COUNTY OF RIVERSIDE, SAN BERNARDINO BASE AND MERIDIAN, AS SHOWN BY SECTIONIZED SURVEY OF THE JURUPA RANCHO ON FILE IN BOOK 9 PAGE 33 OF MAPS, SAN BERNARDINO COUNTY RECORDS.

EXCEPTING THEREFROM THAT PORTION AS CONDEMNED BY THE STATE OF CALIFORNIA, AND SET FORTH IN A FINAL ORDER RECORDED SEPTEMBER 21, 1988 AS INSTRUMENT NO. 272564.

