

**PUBLIC FACILITIES FEE CREDIT AND
ENTITLEMENT FUND AGREEMENT
WITH SP/CCI, LLC FOR ACQUISITION OF
PARCELS APN 478-120-003 & -004**

This Public Facilities Fee Credit and Entitlement Fund Agreement ("PFF Agreement") is entered into between the City of Moreno Valley ("City") and SP/CCI, LLC, a California Limited Liability Company ("Developer"), as of 12 - 14, 2011 ("the Effective Date"), and sets forth the understanding of City and Developer with respect to the following:

1. Recitals.

1.1 Whereas, Developer is the owner of that certain real property in the Cactus Corridor Specific Plan, and is the Developer by authority of a Development Agreement with the University of California Riverside for the project known as L'Aquila at Rancho Belago south of the Auto Mall in the City of Moreno Valley, County of Riverside, California (the "Project"); and

1.2 Whereas, this agreement between the City and Developer, relative to the partial acquisition of parcels APN 478-120-003 & -004 provides Developer credits for 367 Parkland (Quimby In-Lieu) Single Family Residential Unit (SFR) Fee Credits and 264 Fire Facilities Single Family Residential Unit (SFR) Fee Credits. The value of these credits shall be the fee for Parkland (Quimby In-Lieu) and Fire Facilities at time of building permit issuance; and

1.3 Whereas, City agrees to a density transfer to Developer for other projects in the Cactus Corridor Specific Plan at least equivalent to the underlying zoning for the remainder portion of parcel 478-120-004 equal to approximately 0.658 acres, contingent on merger of said remainder parcel with adjacent properties by the Developer.

1.4 Whereas, City establishes an entitlement fund in the amount of \$130,000 to cover City fees and cost associated with planning entitlement applications for the property owner's projects in the City; and

Now, therefore, City and Developer, in consideration of their respective commitments below, agree as follows:

2. Fee Credits:

2.1 City and Developer have reached an understanding as to the terms of this PFF Agreement, specifically that the City shall apply the credits for 367 lots against the

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Parkland (Quimby In-Lieu) Fees, and 264 lots for Fire Facilities Fees in effect at the time of building permit issuance , but not less than \$685,120 for Parkland Fees and not less than \$171,280 for the Fire Facilities Fee.

2.2 City and Developer agree that the Fee Credits can be transferred or sold by the Developer subject to the provisions of Section 6.9 of this Agreement.

3. Entitlement Fund:

3.1 City establishes an entitlement fund in the amount of \$130,000 to cover City fees and cost associated with planning entitlement applications for the property owner's projects in the City. The entitlement fund can be transferred or sold by the Developer in the future subject to the provisions of Section 6.9 of this Agreement.

4. Timing and Validation of Public Facilities Fees and the Entitlement Fund:

4.1 City and Developer agree that the Public Facilities Fees and Entitlement Fund shall be effective for 10 years, effective from the date this agreement is fully executed or the date of escrow closing.

5. Enforcement.

5.1 Enforcement by Either Party. The City agrees that unless this PFF Agreement is amended or terminated by mutual agreement of City and Developer, this PFF Agreement shall be enforceable by any party hereto notwithstanding any change hereafter in any applicable General Plan, Specific Plan, City Ordinance, Rule or Regulation.

5.2 The Cumulative Remedies. In addition to any other rights or remedies, either party may institute a legal action to cure, correct or remedy any default, to enforce any covenant or agreement herein, or to enjoin any threatened or attempted violation, including suits for declaratory relief, specific performance, relief in the nature of mandamus and actions for damages. All the remedies described above shall be cumulative and not exclusive to one another, and the exercise of any one or more of the remedies herein shall not constitute a waiver or election with respect to any other available remedy.

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5.3 Attorneys' Fees. In any arbitration, administrative proceedings, or any action in any courts of competent jurisdiction, brought by one or more parties to enforce any provision of this PFF Agreement, or to enforce any rights or remedies under this PFF Agreement, including any action for declaratory or equitable relief, the prevailing party shall be entitled to reasonable attorneys' fees and all reasonable costs, expenses and disbursements in connection with such action.

6. Miscellaneous Provisions.

6.1 Covenants, Conditions and Restrictions. The terms of this PFF Agreement shall be binding upon the parties, their successors and assigns. Any successor in interest of Developer may enforce the provisions of this PFF Agreement.

6.2 Governing Law. This PFF Agreement, including, without limitation, its existence, validity, construction and operation, and the rights of each of the parties hereunder, shall be determined in accordance with the laws of the State of California.

6.4 Recitals. The recitals in this PFF Agreement constitute part of this PFF Agreement and each party shall be entitled to rely on the truth and accuracy of each recital as an inducement to enter into this PFF Agreement.

6.5 Time. Time is of the essence for this PFF Agreement and for each and every term and condition hereof.

6.6 No Third Party Beneficiaries. This PFF Agreement is made and entered into for the sole protection and benefit of the parties and their successors and assigns. Except as expressly provided in this PFF Agreement, no other person shall have any rights or cause of action based upon any provision of this PFF Agreement.

6.7 Waiver. The failure of either party at any time to seek redress for any violation of this PFF Agreement, or to insist upon the strict performance of any term or condition of this PFF Agreement, shall not prevent any subsequent act or omission of the same or similar nature from having all the force and effect of the original breach or default, and such subsequent act or omission may be proceeded against by either party to the fullest extent provided by this PFF Agreement. No provision of this PFF

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Agreement shall be deemed to have been waived by either party unless the waiver is in writing and is signed by the party waiving its rights or claims.

6.8 Binding Effect. The covenants and agreements contained in this PFF Agreement shall inure to the benefit of, and shall be binding upon each of the parties and their respective heirs, administrators, successors and assign.

6.9 Transfer of Credits. The Developer shall notify the City of any proposed transfer of credits at least 30 days prior to the effective date of said transfer. Such notification shall provide a copy of the transfer documentation, including the name and contact information for the transferee. Any transferee shall be subject to the provisions of this Agreement. The transferee may use the Fee Credits to defray Parkland or Fire impact fees on a per unit basis for any residential project in the City. The Entitlement Fund may be used for the Developer's projects in the City of Moreno Valley as mentioned in 1.1.

SIGNATURE PAGE TO FOLLOW

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EXECUTED on the date or dates set forth below. This Agreement shall be effective as of the date signed by all parties.

DATED: 12/2/11

Grantor:

SP/CCI, LLC, a California Limited Liability Company

By: Stowe Passco Development, LLC, Manager

By: Stowe Properties, Inc., Manager



By: Nat S. Harty President

DATED: 12/14/11

Grantee:

CITY OF MORENO VALLEY

By: 

Its: City Manager



Attest: _____

City Clerk

(only needed if Mayor signs)

APPROVED AS TO FORM:

Deputy  City Attorney

ACKNOWLEDGMENT

State of California
County of Riverside)

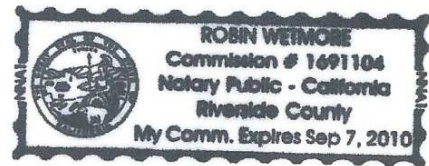
On Dec. 15, 2011 before me, Robin Wetmore, Notary Public
(insert name and title of the officer)

personally appeared Michelle Dawson
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 Robin Wetmore (Seal)



Re: Public Facilities Fee Credit &
Entitlement Fund Agreement
with SP/CCI, LLC for Acquisition
of Parcels APN 478-120-003 + 004

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

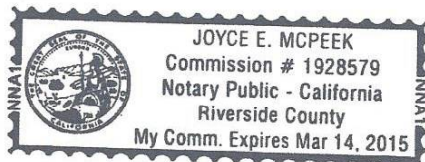
State of California

County of RIVERSIDE

On DEC 2, 2011 before me, Joyce E. McPeck, Notary
Date Here Insert Name and Title of the Officer

personally appeared NAT S. HARTY
Name(s) of Signer(s)

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



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

WITNESS my hand and official seal.

Place Notary Seal Above

Signature: Joyce E. McPeck, Notary
Signature of Notary Public

OPTIONAL

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

Description of Attached Document

Title or Type of Document: Public Facilities FEES CREDIT & ENTITLEMENT FUND AGREEMENT

Document Date: 12-2-11 Number of Pages: 6

Signer(s) Other Than Named Above: NONE

Capacity(ies) Claimed by Signer(s)

Signer's Name: NAT S. HARTY Signer's Name: _____

☒ Corporate Officer — Title(s): PRES ☐ Corporate Officer — Title(s): _____

☐ Individual ☐ Partner — ☐ Limited ☐ General ☐ Individual

☐ Attorney in Fact ☐ Attorney in Fact

☐ Trustee ☐ Trustee

☐ Guardian or Conservator ☐ Guardian or Conservator

☐ Other: _____ ☐ Other: _____

Signer Is Representing: _____ Signer Is Representing: _____