

AGREEMENT FOR CONVEYANCE OF REAL PROPERTY

THIS AGREEMENT is entered into by and between SP/CCI, LLC, a California limited liability company ("Grantor") and CITY OF MORENO VALLEY, a municipal corporation ("Grantee").

RECITALS

A. Grantor owns certain real property located at the southwest corner of Redlands Boulevard and Brodiaea Avenue, Moreno Valley, bearing Assessor Parcel No. 478-120003 & 004 (the "Property").

B. Grantee desires to purchase a portion of the Property and Grantor desires to sell and convey a portion of the Property as described in Exhibit A and depicted in Exhibit B, both of which are attached hereto (the "Parcel").

C. The parties desire by this Agreement to provide the terms and conditions for the purchase and sale of the Parcel.

AGREEMENT

The parties therefore agree as follows:

1. PURCHASE.

Grantee agrees to buy and Grantor agrees to sell and convey the Parcel for the purchase price and upon the terms and conditions hereinafter set forth. The Purchase Price, defined below, is acknowledged by both parties to be a negotiated value for the Parcel.

2. ESCROW.

Upon execution of this Agreement by all parties, Grantee shall open an escrow (the "Escrow") with Lawyers Title (the "Escrow Holder") for the purpose of consummating the purchase and sale of the Parcel. The parties hereto shall execute and deliver to Escrow Holder such escrow instructions prepared by Escrow Holder as may be required to consummate this transaction. Any such instructions shall not conflict with, amend, or supersede any provision of this Agreement. If there is any inconsistency between such instructions and this Agreement, this Agreement shall control unless the parties agree in writing otherwise. The Escrow Instructions shall include the following terms and conditions of sale:

2.1 Purchase Price.

The total purchase price for the Parcel shall be \$1,262,400, which will be in a combination of cash and fee credits as shown in attached Exhibit D. The cash portion of the purchase price and fee credits documentation shall be transferred by Grantee to Grantor through Escrow Holder at Close of Escrow.

2.2 Close of Escrow.

Escrow shall close on or before sixty (60) days following the execution of this Agreement (the "Close of Escrow"). If the Escrow is not in a condition to close within 60 days from the opening date of "Escrow", any party who is not then in default may, in writing, demand the return of its/his/her money and/or documents. Thereupon, subject to the provisions in paragraph 3, all obligations and liabilities of the parties under this Agreement shall cease and terminate.

2.3 Condition of Title to the Parcel.

Grantor shall convey title to the Parcel to Grantee as evidenced by a CLTA Standard Form Policy or Binder of Title Insurance ("Title Policy") issued by a title insurance company to be selected by Grantee in an amount equal to the purchase price. The Title Policy shall show as exceptions with respect to the Parcel only matters approved in writing by Grantee. Any exceptions to title representing monetary liens or encumbrances are hereby disapproved by Grantee, and Escrow Holder is hereby authorized and instructed to cause the reconveyance, partial reconveyance, or subordination, as the case may be, of any such monetary exceptions to Grantee's title to the Parcel at or prior to the Close of Escrow.

2.4 Escrow and Closing Costs.

Grantee shall pay the cost of the Title Policy, all Escrow fees (including reconveyance fees, trustee's fees or forwarding fees for any partial reconveyance or subordination of a deed of trust or mortgage), and all recording costs incurred herein. All parties acknowledge that Grantee is exempt from payment of documentary transfer taxes.

2.5 Investigations.

Prior to the Close of Escrow, Grantee may, at its option, conduct, at Grantee's expense, any and all investigations, inspections, surveys, and tests of the Property including, without limitation, soils, groundwater, wells, percolation, geology, environmental, drainage, engineering and utilities investigations, inspections, surveys, and tests, which determines, in its sole discretion, are required to determine the suitability of the Parcel for Grantee's intended use thereof. If Grantee determines that the Parcel is not suitable for its intended use, Grantee may disapprove this item and terminate this Agreement as provided at Section 2.2 above. Grantor hereby grants to Grantee, and Grantee's employees, representatives, agents and independent contractors, a license to enter the Property for purposes of conducting such investigations, inspections, surveys, and tests. Grantee shall repair any damage to the Property resulting from such investigations, inspections, surveys, and tests conducted by Grantee or Grantee's employees, representatives, agents or independent contractors. Grantee's approval of any of such investigations, inspections, surveys, or tests shall not alter or diminish Grantor's representations or warranties under this Agreement, and Grantor acknowledges and agrees that Grantee is relying upon

Grantor's representations and warranties made herein, unless such representation or warranty is specifically waived in whole or in part by Grantor. Grantee to indemnify Grantor and provide a policy of general liability insurance of \$1,000,000 for Grantee's employees and agents during the investigative period and name Grantor as additional insured.

2.6 Deposit of Funds and Documents.

(a) Prior to Close of Escrow, Grantee shall deposit into Escrow (I) all Escrow and Closing Costs as described above; (ii) the cash portion of the purchase price to be paid to Grantor through Escrow; and (iii) such other documentation as is necessary to close Escrow in conformance herewith.

(b) Prior to the Close of Escrow, Grantor shall deposit into Escrow (I) the properly executed Grant Deed conveying the Parcel, a copy of which is attached to this Agreement as Exhibit C; and (ii) such other documents and sums, if any, as are necessary to close Escrow in conformance herewith.

2.7 Grantee's Conditions Precedent to Close of Escrow.

The Close of Escrow is subject to the following conditions:

(a) All representations and warranties of Grantor set forth in this Agreement shall be true and correct as of the Close of Escrow; and

(b) Grantor shall timely perform all obligations required by the terms of this Agreement to be performed by them.

2.8 Grantor's Conditions Precedent to Close of Escrow.

For the benefit of Grantor, the Close of Escrow shall be conditioned upon the timely performance by Grantee of all obligations required of Grantee by the terms of this Agreement.

3. REPRESENTATIONS AND WARRANTIES OF GRANTOR.

Grantor makes the following representations and warranties, each of which shall survive the Close of Escrow:

(a) Grantor holds title to an indefeasible estate in fee simple in the Property. Grantor is the sole owner of the Property and has good, absolute and marketable title to the Property and has full power and authority to own and sell and convey the Parcel over, under and/or through the Property to Grantee and to enter into and perform his/her/its obligations pursuant to this Agreement;

(b) The execution and delivery of this Agreement by Grantor, Grantor's performance hereunder, and the consummation of this transaction will not constitute a

violation of any order or decree or result in the breach of any contract or agreement to which Grantor are at present parties, or by which Grantor are bound;

(c) Grantor will not enter into any agreements or undertake any new obligations prior to Close of Escrow which will in any way burden, encumber or otherwise affect the Property without the prior written consent of Grantee;

(d) To Grantor's knowledge, no litigation and no governmental, administrative or regulatory act or proceeding regarding the environmental, health and safety aspects of the Property is pending, proposed or threatened;

(e) According to Grantor's knowledge, the Property is not in violation of any federal, state or local statute, regulation or ordinance relating to industrial hygiene or to environmental conditions on, under or about the Property, including, but not limited to, soil and groundwater conditions underlying the Property which could affect the Parcel or its use, and Grantor has not used, generated, manufactured, stored or disposed of on, under or about the Property, or transported to or from the Property, any flammable materials, explosives, radioactive materials, hazardous or contaminated materials or substances, toxic or noxious materials, substances or related materials or substances ("Hazardous Materials"). For the purpose of this Section, Hazardous Materials shall include, without limitation, substances defined as "hazardous substances," "hazardous materials," "toxic substances," "hazardous wastes," "extremely hazardous wastes," or "restricted hazardous wastes," or stated to be known to cause cancer or reproductive toxicity, under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. sections 9601 et seq; the Hazardous Materials Transportation Act, 49 U.S.C. sections 1801 et seq; the Resource Conservation and Recovery Act, 42 U.S.C. sections 6901 et seq; the Federal Water Pollution Control Act, 33 U.S.C. sections 1317 et seq; sections 25115, 25117, 25122.7, 25140, 25249.5, 25249.8, 25281, 25316 or 25501 of the California Health & Safety Code; or any substances so defined or stated in any of the regulations adopted and publications promulgated pursuant to said laws as they may be amended from time to time.

4. REPRESENTATIONS AND WARRANTIES OF GRANTEE.

A. Grantee shall save harmless and indemnify Grantor against any and all claims, demands, suits, judgments, expenses, and costs on account of injury to, or death of, persons, or loss of, or damage to, property of others, incurred during or proximately caused by acts or omissions of Grantee or Grantee's contractor in the performance of any work by Grantee or Grantee's contractor to construct the works of improvement for which the Parcel is conveyed.

5. ACKNOWLEDGMENT OF FULL BENEFITS AND RELEASE.

A. By execution of this Agreement, Grantor, on behalf of themselves and their respective heirs, executors, administrators, successors and assigns, hereby acknowledge that this Agreement provides full payment for the acquisition of the Parcel

by Grantee, and Grantor hereby expressly and unconditionally waives any and all claims for damages, relocation assistance benefits, severance damages, interest, loss of goodwill, claims for inverse condemnation or unreasonable pre-condemnation conduct, or any other compensation or benefits, other than as already expressly provided for in this Agreement, it being understood that this is a complete and full settlement of all acquisition claims, liabilities, or benefits of any type or nature whatsoever relating to or in connection with the acquisition of the Parcel.

B. This Agreement arose out of Grantee's efforts to acquire the Parcel through its municipal authority. The parties agree that this Agreement is a settlement of claims in order to avoid litigation and shall not in any manner be construed as an admission of the fair market value of the Parcel or of the Property or of liability by any party to this Agreement. Grantor, on behalf of themselves and their respective heirs, executors, administrators, successors and assigns, hereby fully release Grantee, its successors, agents, representatives, and assigns, and all other persons and associations, known or unknown, from all claims and causes of action by reason of any damage which has been sustained, or may be sustained, as a result of Grantee's efforts to acquire the Parcel or to construct works of improvement thereon, or any preliminary steps thereto, except as set forth in Section 5 above. Grantor further release and agree to hold Grantee harmless from any and all claims by reason of any leasehold interest in the Property.

C. Grantor does hereby acknowledge that they are familiar with the provisions of California Civil Code section 1542, which provides as follows:

These representations and warranties shall survive the Close of Escrow. "A general release does not extend to claims which the Creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor." Grantor acknowledges that they may have sustained damage, loss, costs or expenses which are presently unknown and unsuspected, and such damage, loss, costs or expenses which may have been sustained, may give rise to additional damage, loss, costs or expenses in the future. Nevertheless, Grantor does hereby acknowledge that this Agreement has been negotiated and agreed upon in light of that situation, and hereby expressly waive any and all rights which they may have under California Civil Code section 1542, or under any statute or common law or equitable principal of similar effect, except as set forth in Section 5 above.

This acknowledgment and release shall survive the Close of Escrow.

6. REMEDIES

If Grantor defaults under this Agreement, then Grantee may, at Grantee's option, terminate the Escrow or initiate an action for specific performance of this Agreement, or pursue any other rights or remedies that Grantee may have at law or in equity. If Grantee defaults under this Agreement, then Grantor may, at Grantor's option, terminate the Escrow or pursue any rights or remedies that Grantor may have at law or in equity.

7. MISCELLANEOUS.

A. Notice. Any notice to be given or other document or documents to be delivered to either party by the other hereunder may be delivered in person or may be deposited in the United States Mail in the State of California, duly registered or certified, with postage prepaid, and addressed as follows:

Grantor:

SP/CCI, Inc.
A California Limited Liability Company
C/O Nat Stowe Harty
43255 Via Siena
Indian Wells, CA 92210

Grantee:

City of Moreno Valley
14177 Frederick Street
PO Box 88005
Moreno Valley, CA 92552-0805
Attention: Henry Ngo, Senior Engineer, P.E.

Any party hereto may, from time to time, by written notice to the other parties, designate a different address, which shall be substituted for the one specified above. Any notice or other documents sent by registered or certified mail as aforesaid shall be deemed to have been effectively served or delivered at the expiration of twenty-four (24) hours following the deposit of said notice or other documents in the United States mail.

B. Time of Essence. Time is of the essence with respect to each and every provision hereof.

C. Assignment. Neither this Agreement, nor any interest herein, shall be assignable by any party without prior written consent of the other party.

D. Governing Law. All questions with respect to this Agreement, and the rights and liabilities of the parties hereto, shall be governed by the laws of the State of California.

E. Inurement. This Agreement shall inure to the benefit of, and shall be binding upon, the assigns, successors in interest, personal representatives, estates, heirs and legatees of each of the parties hereto.

F. Attorneys Fees. If any legal action, arbitration or other proceeding is brought for the interpretation or enforcement of this Agreement, or because of any alleged dispute, breach, default or misrepresentation in connection with the Agreement, the successful or prevailing party shall be entitled to recover reasonable attorneys fees (including fees for in-house counsel, paraprofessionals and similar personnel and disbursements) and other costs it incurs in that action or proceeding, in addition to any other relief to which it may be entitled. The venue of any such action, arbitration, lawsuit

or other proceeding or litigation may, at the option of the City, be in Riverside County, California, and the parties waive any right to change of venue.

G. Entire Agreement. This Agreement contains the entire Agreement of the parties hereto, and supersedes any prior written or oral agreements between them concerning the subject matter contained herein. There are no representations, agreements, arrangements, or understandings, oral or written, between the parties hereto, relating to the subject matter contained in this Agreement which are not fully expressed herein.

H. Additional Documents. The parties hereto agree to execute any and all additional documents and instruments necessary to carry out the terms of this Agreement.

I. Confidentiality. Grantor will keep confidential the terms of this Agreement and refrain from disclosing or causing same to be disclosed to any person or entity not specifically released herein. In no event, however, shall Grantor be required to refrain from disclosing the terms of this Agreement where: (i) they are legally required to do so, whether by statute, court order, process or otherwise; or (ii) disclosure is required or necessary to enforce any right, duty, obligation or release arising under the terms of this Agreement; or (iii) disclosure is required or necessary in order for Grantor, or any of their agents or employees, to maintain or compile their personal or business books or records; or (iv) disclosure is necessary or required in order for Grantor, or any of their agents or employees, to prepare and file income tax returns or any other forms required by any governmental, administrative or regulatory entities, boards or authorities.

J. No Admissions. This Agreement is a compromise and settlement of outstanding claims between the parties relating to Grantee's acquisition of the Parcel and shall never be treated as an admission by either party to the Agreement for any purpose in any judicial, arbitration or administrative proceeding between the parties. This paragraph shall not apply to any claim that one may have against the other for breach of any provision or covenant of this Agreement.

K. No Merger. All representations, warranties, acknowledgments, releases, covenants and obligations contained in this Agreement shall survive delivery and recordation of the Grant Deed for the Parcel.

L. Ratification. This Agreement is subject to approval and ratification by the City Council of the City of Moreno Valley.

M. Broker. Grantor and Grantee each represent and warrant to the other that no broker, agent or finder has been engaged by it in connection with the transaction contemplated by this Agreement and that all negotiations relative to these instructions and this transaction have been carried out by such party directly with the other party without the intervention of any person in such a manner as to give rise to any valid claim against either of the parties for a broker's commission, finder's fee or other like payment. Each of the parties shall indemnify and defend the other party and hold it

harmless from any and all loss, damage, liability or expense, including costs and reasonable attorneys' fees, which the other party may incur or sustain by reason of or in connection with any misrepresentation or breach of warranty by the indemnifying party with respect to the foregoing.

N. Counterparts. This Agreement may be signed in counterpart or duplicate copies, and any signed counterpart or duplicate copy shall be equivalent to a signed original for all purposes.

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

DATED: 12/3/11

Grantor:

SP/CCI, LLC, a California Limited Liability Company

By: Stowe Passco Development, LLC

Its Manager

By: Stowe Properties, Inc.

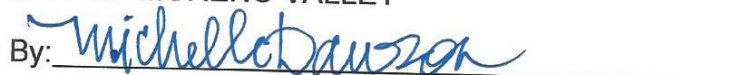
Its Manager


By: Nat Stowe 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:

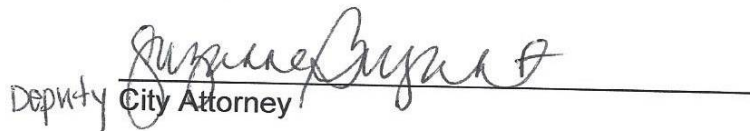

Deputy City Attorney

EXHIBIT "A"
LEGAL DESCRIPTION
VACANT LAND
(APN 478-120-004,003)

IN THE STATE OF CALIFORNIA, COUNTY OF RIVERSIDE, CITY OF MORENO VALLEY, BEING THAT PORTION OF BLOCK 70 OF THE MAP OF THE TOWN OF MORENO, AS SHOWN BY THE MAP ON FILE IN BOOK 11, PAGE 19 OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THAT LAND DESCRIBED AS PARCELS 5 AND 6 IN A GRANT DEED TO SP/CCI, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, RECORDED APRIL 21, 2005 AS DOCUMENT #2005-0314749, OFFICIAL RECORDS OF RIVERSIDE COUNTY.

EXCEPTING THEREFROM ALL SAID LAND LYING SOUTHEASTERLY OF A LINE PARALLEL WITH AND 55 FEET NORTHWESTERLY OF, MEASURED AT RIGHT ANGLES, THE FOLLOWING DESCRIBED LINE;

COMMENCING AT THE CENTERLINE INTERSECTION OF BRODIAEA AVENUE AND REDLANDS BOULEVARD;

THENCE ALONG THE CENTERLINE OF REDLANDS BOULEVARD, SOUTH 00°26'32" WEST 478.88 FEET TO THE **TRUE POINT OF BEGINNING**;

THENCE SOUTH 60°10'11" WEST 359.47 FEET TO THE CENTERLINE OF RICHARDS AVENUE.

THE ABOVE DESCRIBED PARCEL OF LAND CONTAINS (7.541 ACRES), MORE OR LESS.

THE BEARINGS AND DISTANCES USED HEREON ARE BASED ON AN UNRECORDED SURVEY OF SAID LAND BY THE RIVERSIDE COUNTY FLOOD CONTROL DISTRICT, TITLED "RIGHT OF WAY - MORENO LINE F2" AND REFERENCED BY SAID DISTRICT AS "DWG. NO. 4-580/RW SHT. 1"

ALL AS SHOWN ON EXHIBIT "B", ATTACHED HERETO AND MADE A PART THEREOF.

THIS REAL PROPERTY DESCRIPTION HAS BEEN PREPARED BY ME, OR UNDER MY DIRECTION, IN CONFORMANCE WITH THE PROFESSIONAL LAND SURVEYOR'S ACT.

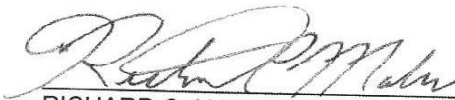

RICHARD C. MAHER, P.L.S. 7564 12/05/11 DATE
PRELIMINARY UNLESS SIGNED

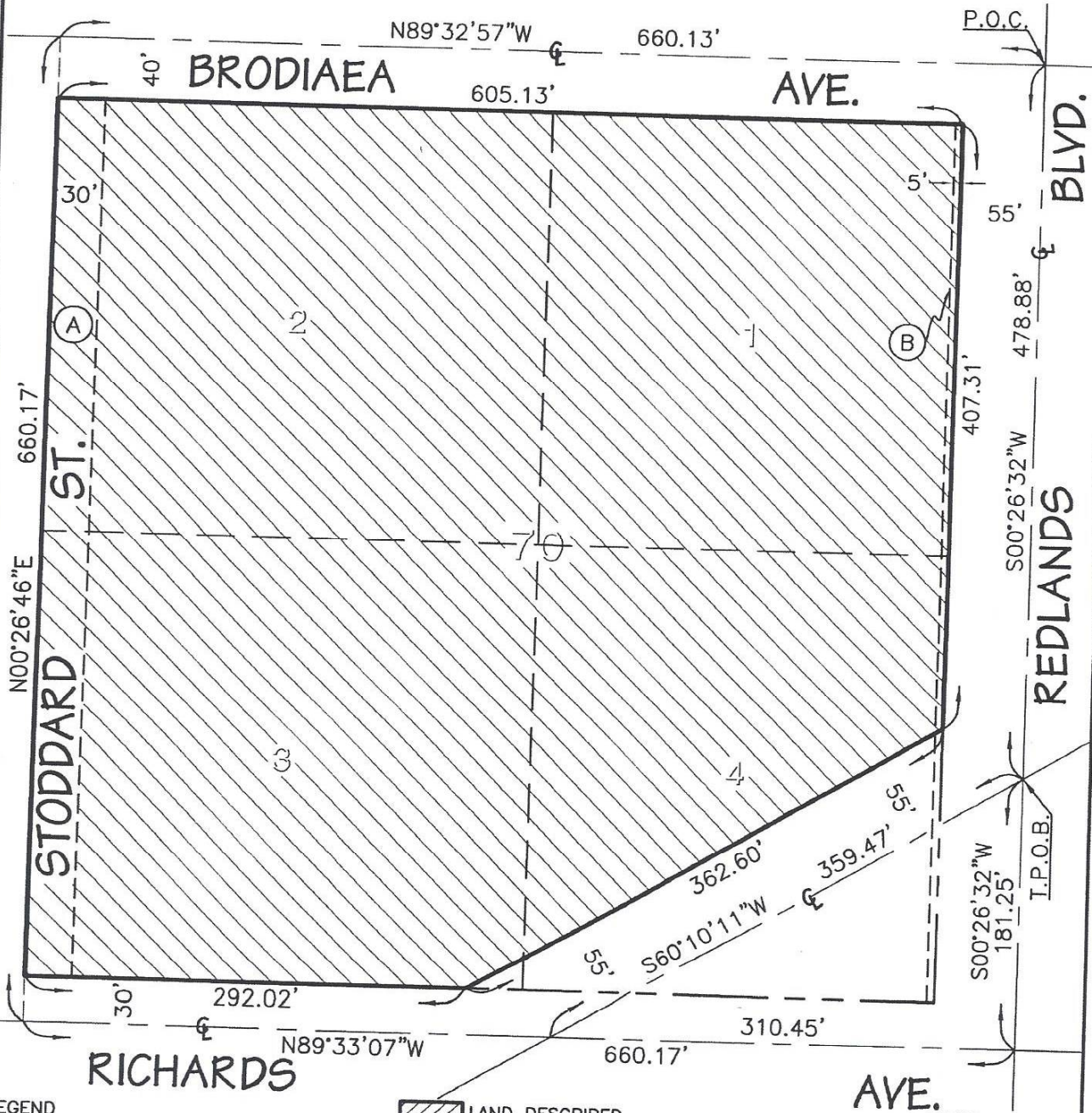
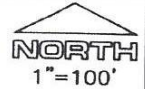


EXHIBIT D

The total purchase price for the Parcel shall be \$1,262,400 which will be in a combination of cash and fee credits as follows:

1. Cash Down Payment of \$276,000, consisting of \$55,200 from the Fire Acquisition Fund and \$220,800 from the Park Land Acquisition Fund.
2. An Entitlement Fund of \$130,000 to cover City fees and costs associated with planning entitlement applications for the property owner's projects in the City. The fund will be established in house from the Park and Fire Capital Projects funds.
3. Balance of Offer Price in Fee Credits, consisting of 367 Park Land Single Family Residential Unit Fee Credits and 264 Fire Facilities Single Family Residential Unit Fee Credits.
4. The Entitlement Fund and Fee Credits shall be effective for 10 years and may be transferred or sold by the Grantor as outlined in the attached *Public Facilities Fee Credit and Entitlement Fund Agreement with SP/CCI, LLC, for Acquisition of Parcels APN 478-120-003 & -004*.

EXHIBIT "B"
PLAT TO ACCOMPANY LEGAL DESCRIPTION



LEGEND

T.P.O.B. TRUE POINT OF BEGINNING
P.O.C. POINT OF COMMENCEMENT



KDM Meridian

22541 Aspan St., Ste C
Lake Forest, CA 92630
Phone: 949-768-0731
Fax: 949-768-3731

LAND DESCRIBED
AREA: 7.541 AC. ±

- (A) VACATION BY INSTRUMENT 23196,
OFFICIAL RECORDS OF RIVERSIDE COUNTY
- (B) VACATION BY INSTRUMENT 63587,
OFFICIAL RECORDS OF RIVERSIDE COUNTY

Richard C. Maher 12/05/11
RICHARD C. MAHER, PLS 7564 DATE
PRELIMINARY UNLESS SIGNED



APN 478-120-004.003