

**WEST MARCH
DISPOSITION AND DEVELOPMENT AGREEMENT**

between

MARCH JOINT POWERS REDEVELOPMENT AGENCY
a California public agency,

LNR RIVERSIDE, LLC
a California limited liability company

and

MARCH JOINT POWERS AUTHORITY
a California joint powers agency,

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**WEST MARCH
DISPOSITION AND DEVELOPMENT AGREEMENT**

THIS WEST MARCH DISPOSITION AND DEVELOPMENT AGREEMENT (the "Agreement") is entered into this 27th day of December, 2001, by and between the **MARCH JOINT POWERS REDEVELOPMENT AGENCY**, a California public agency ("Agency") and **LNR RIVERSIDE, LLC**, a California limited liability company ("LNR"). The **MARCH JOINT POWERS AUTHORITY**, a California joint powers agency ("Authority"), is a party to Article 5, Section 6.16(b), Section 10.03 and Section 11.02 of this Agreement.

RECITALS

- A. In 1993, the Federal Government called for the realignment of the March Air Force Base (the "Base") and for a substantial reduction in its use as a military base. Subsequent to this, the neighboring communities of Moreno Valley, Perris, the City of Riverside and the County of Riverside joined together to form the Authority. In July 1995, the Authority instituted feasibility analyses to examine the potential of establishing the Agency in conformance with appropriate provisions of the California Community Redevelopment Law, California Health & Safety Code Sections 33000 *et seq.* (the "Redevelopment Law"). The Authority established the Agency on January 24, 1996.
- B. On July 10, 1996, the Agency adopted by Ordinance No. 96-02 the Redevelopment Plan for the March Air Force Base Redevelopment Project (the "Redevelopment Plan"). The purpose of this Agreement is to effectuate the Redevelopment Plan for the March Air Force Base Redevelopment Project by providing for the disposition and development of certain real property (the "Property") included within the boundaries of the Redevelopment Project Area, as described in the Redevelopment Plan. The Property is described in Exhibit A.
- C. On December 20, 2000, the Agency, LNR and Authority entered into an Exclusive Right to Negotiate Agreement (the "ERN") to provide for the exclusive negotiation between the parties concerning LNR's acquisition of the Property and development of a mixed use

commercial redevelopment project (the "Project"), which will be generally consistent with and implement the General Plan, Redevelopment Plan and Reuse Plan. This Agreement is intended to provide for LNR's phased acquisition of the Property from the Agency and the phased development of the Project upon the Property. The ERN shall terminate upon the Effective Date of this Agreement.

- D.** On December 3, 1999, the Authority submitted to the United States Air Force (the "Air Force") an application for an Economic Development Conveyance (the "EDC Application"). Under certain circumstances, property may be transferred from the Air Force to a Local Redevelopment Authority such as the Authority at no cost to help spur economic opportunities and job creation on the property. The EDC Application requested an Economic Development Conveyance of the Property at no cost and justified such conveyance by reciting the circumstances surrounding conveyance and potential future development of the Property. First, the EDC Application cited the Authority's singular mission of promoting the reuse of the Reuse Area, including the Property, and stated that any revenues and proceeds realized by the Authority would be used solely to support base reuse, economic growth and job development at the Base. Second, the EDC Application acknowledged that the Property has many "unknowns, encumbrances, restrictions and obstacles." Third, the EDC Application stated that financial assistance for development of the Property would be necessary because the cost of developing or reusing the Property does not "pencil out" under market conditions. As a result of these circumstances, the EDC Application concluded that "[w]ith the amount of improvement necessary to make the [Property] available to the real estate and development market, the [Property] generally lacks real value."
- E.** On January 28, 2000, the Air Force and the Authority entered into the Economic Development Conveyance Agreement Between the Department of the Air Force and the March Joint Powers Authority (the "EDC"). The EDC provides for transfer of the Property from the Air Force to the Authority at no cost. Consistent with federal law governing No-Cost Economic Development Conveyances, Section 2.1.1 of the EDC restricts the Authority's use of proceeds from any sale, lease or other use of the Property to promotion of the economic redevelopment of the Property and generation of jobs.

Pursuant to Section 2.1.3 of the EDC, allowable uses of such proceeds include construction of the Backbone Infrastructure.

- F. Consistent with the findings and determinations set forth in the EDC Application regarding the minimal present value of the Property and numerous serious obstacles to its successful economic reuse and development, this Agreement contemplates the conveyance of the Property from the Agency to LNR without an immediate cash payment. Rather, the substantial consideration for conveyance of the Property is, in part, in the form of required investment by LNR in the Backbone Infrastructure on the Property to the acknowledged benefit of the Agency. The expected costs of such Backbone Infrastructure, set forth in the Approved Participation Model defined below, will exceed one hundred million dollars during the Term of this Agreement. The Backbone Infrastructure is necessary to meet the Agency's economic growth and job generation goals, and Agency finds and determines based upon substantial evidence that LNR's financial commitments, as set forth in the Approved Participation Model, are equal to or greater than the value of the Property.

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED, AGENCY, DEVELOPER AND, WITH RESPECT TO ARTICLE 5 AND SECTIONS 6.16(b), 10.03 AND 11.02, AUTHORITY, HEREBY AGREE AS FOLLOWS:

AGREEMENT

ARTICLE 1. DEFINITIONS

Section 1.01. Defined Terms.

"Actions" means all claims, actions, suits or other legal proceedings.

"Actual Knowledge" means, with respect to LNR, the then-current actual knowledge of the Senior Vice President, Southwest Region, of LNR, as of the date such representation is made, without having undertaken any independent inquiry or investigation for the purpose of making such representation or warranty and without any duty of inquiry or investigation. With respect to the Agency and Authority, "Actual Knowledge" means the then-current actual knowledge of the

Executive Director of Agency or Authority, as applicable, as of the date such representation is made without having undertaken any independent inquiry or investigation for the purpose of making such representation or warranty and without any duty of inquiry or investigation.

"Additional Land Price" is defined in Section 4.01(b).

"Affiliate" means any entity controlling, controlled by or under common control with LNR, or any entity in which LNR, directly or indirectly, through one or more intermediaries, is a partner, shareholder, member, beneficiary or otherwise an owner.

"Agency" means the March Joint Powers Redevelopment Agency.

"Agreement" means this West March Disposition and Development Agreement.

"Annual Financial Statements" is defined in Section 6.15.

"Appraisal Process" is defined in Section 4.06.

"Appraised Fair Market Value" is defined in Section 4.05.

"Approved Participation Model" means the financial model for the Project, attached hereto as Exhibit B, as the such model is amended from time to time by Agency and LNR in accordance with this Agreement.

"Approved Title Condition" is defined in Section 5.04(d).

"Approved Title Policy" is defined in Section 5.04(d).

"Authority" means March Joint Powers Authority.

"Backbone Infrastructure" means roadways, dry utilities, storm water and sewer systems, and water storage and delivery systems, parking and parking structures and landscaping, including off-site infrastructure, required to serve the Project. The Backbone Infrastructure will be more fully described in the Specific Plan.

"Base" is defined in Recital A.

"Breakeven" means that (i) all LNR Capital invested in the Project to date has been returned to LNR, and (ii) LNR has received a twenty five percent (25%) Internal Rate of Return (IRR) on such LNR Capital.

"Commencement of Construction" or **"Commence Construction"** is defined in Section 6.02.

"Contingency Failure Notice" means that written notice delivered, as applicable, by LNR to Agency under Section 9.05(c) or Agency to LNR under Section 9.06(c), notifying the other party of its failure to satisfy one or more closing conditions.

"Cumulative Required Investment" is defined in Section 6.03.

"Cured Title Exceptions" is defined in Section 5.04(b).

"Designated Confidential Information" is defined in Section 13.13.

"Development Agreement" is defined in Section 5.03.

"DTSC" means the California Department of Toxic Substance Control.

"Economic Parameters" is defined in Section 4.03(b).

"EDC" is defined in Recital E.

"Effective Date" means that date first referenced herein above.

"Entitlement Schedule" means the schedule for processing entitlements from the Authority for the development of the Property attached hereto as Exhibit C.

"Entitlements" means any and all governmental permits and approvals necessary for the development of the Project on Property.

"Environmental Laws" means all federal, state, and local laws, ordinances, rules and regulations now or hereafter in force, as amended from time to time, in any way relating to or regulating human health or safety, or industrial hygiene or environmental conditions, or protection of the environment, or pollution or contamination of the air, soil, surface water or groundwater, and includes the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601, *et seq.*, the Solid Waste Disposal Act, 42 U.S.C. § 6901, *et seq.*, the Hazardous Substance Account Act, California Health and Safety Code § 25300, *et seq.*, the Hazardous Waste Control Law, California Health and Safety Code § 25100, *et seq.*, and the Porter-Cologne Water Quality Control Act, California Water Code § 13000, *et seq.*

"ERN" is defined in Recital C.

"Escrow Agent" is defined in Section 8.01.

"Exception Documents" is defined in Section 5.04(a).

"Extension Notice" is defined in Section 2.02(i).

"Final Conveyance Date" means the date of the closing of the sale or other final disposition of the fee interest in the last of the Option Parcels to third parties.

"Force Majeure" means a circumstance beyond the reasonable control of a party, including, without limitation, acts of any governmental body (provided, however that with respect to Agency's obligations under this Agreement, any Agency or Authority nondiscretionary action shall be deemed to be within the reasonable control of Agency, and any

discretionary actions of Agency or Authority exercised in an arbitrary manner shall not be excused by Force Majeure), war, insurrection, sabotage, embargo, fire, flood, earthquake, strike or other labor disturbance, interruption of or delay in transportation, inability to obtain raw materials, supplies, equipment or power needed for the activity, extraordinary weather conditions, riots, acts of God, acts of the public enemy; epidemics, quarantine restrictions, freight embargoes, lack of transportation, governmental restrictions priority, litigation, inability to secure necessary labor, materials or tools, delays of any contractor, subcontractor or supplier, and acts of another party, but shall expressly exclude lack of credit, funds or financing.

"FOSET" shall mean the Finding of Suitability for Early Transfer, made pursuant to 42 U.S.C. Section 9260(h)(3)(C).

"FOST" shall mean a Finding of Suitability to Transfer, made pursuant to U.S.C. Section 9620(h), which is a written determination by the Federal Government that a parcel can be transferred by the Federal Government by deed to Agency in full compliance with Section 120(h)(3) of the Comprehensive Environmental Response Compensation and Liability Act (CERCLA).

"General Plan" means the general plan for the Project Area adopted by Authority Resolution No. 99-12 on September 7, 1999, as it may be amended subsequent to the Effective Date hereof; provided, however, that any amendment to the General Plan which: (i) changes the uses of, or the development permitted on, the Property; (ii) otherwise changes the restrictions or controls that apply to the Property; or (iii) otherwise materially and adversely affects LNR's obligations or rights under this Agreement shall not be approved until the Agency and Authority have met and consulted with LNR concerning said amendment. The consent of LNR shall not be required for any amendment, but in the event the General Plan is amended prior to the execution of the Development Agreement, such event shall be a Recalculation Event hereunder.

"Grant Deed" is defined in Section 3.04 and Exhibit D.

"Hazardous Substances" means any substance or material that is described as a toxic or hazardous substance, waste, or material, or a pollutant or contaminant, or words of similar import, in any of the Environmental Laws, and includes asbestos, petroleum, petroleum products, polychlorinated biphenyls, urea formaldehyde, radon gas, radioactive matter, and chemicals which may cause cancer or reproductive toxicity.

“Internal Rate of Return (IRR)” means that rate of return that equates the present value of the future benefits with the present value of the investment outlays. For example, if total investor funds equaled \$4,000,000 and were invested on January 1, 1999 and the annual cash flows from the project equaled \$1,000,000, \$1,000,000, \$1,000,000 and \$5,000,000 on January 1, 2000, January 1, 2001, January 1, 2002 and January 1, 2003, respectively, then the internal rate of return on investor funds would be twenty-five percent (25%).

“Key Assumption” is defined in Section 4.03(a).

“Land Price” is defined in Section 4.01(a).

“LNR” means LNR Riverside, LLC, a California limited liability company.

“LNR Capital” means all cash invested by LNR in the Project from any source whether before or after the date of this Agreement and regardless of whether such investment is capitalized or expensed for financial reporting purposes, the fair market value of any real or personal property contributed to the Project by LNR to the extent not paid for by a cash payment or other cash reimbursement, and the principal amount of any indebtedness incurred by LNR for the Project, whether or not secured by any portion of the Project, whether before or after the date of this Agreement. LNR Capital does not include funds derived from public financing.

“LNR-Related Parties” means LNR and its members, constituent members, and Affiliates, and their respective directors, officers, agents and employees.

“Losses” means any and all losses, liabilities, judgments, suits, claims, damages, settlements, fines penalties, costs and expenses (including reasonable attorney’ fees, investigation costs, remediation costs, and court costs), of any kind or nature.

“Mortgagee” means the holder of any mortgage, deed of trust or other security interest authorized by this Agreement encumbering any portion of the Property.

“Minimum Job Generation Target” is defined in Section 6.03.

“Net Cash Flow” means the Project Revenues received after Breakeven, as further described in the Approved Participation Model.

“Non-Performing Party’s Conditions Notice” is defined in Section 9.05(c).

“Option” is defined in Section 3.01.

“Option Notice” is defined in Section 3.02.

“Option Parcel” is defined in Section 3.03.

“Original IRR Assumption” is defined in Section 4.03(c).

“Performance Schedule” is defined in Section 6.03 and Exhibit E.

“Permitted Use” means any use of a portion of the Property which meets all of the following criteria: (i) it is not inconsistent with the General Plan, the Specific Plan, or the Redevelopment Plan; (ii) it is not inconsistent with this Agreement; and (iii) it is not inconsistent with the EDC or other government requirements applicable to the Authority’s and Agency’s rights to hold and use the Property.

“Phase One Infrastructure” means the first phase of Backbone Infrastructure, the details and scope of which shall be described in the Specific Plan consistent with the Scope of Development and the Approved Participation Model.

“Phase One Infrastructure Completion Date” means that date, described in Part 2 of Exhibit E, by which LNR shall have completed the Phase One Infrastructure.

“Preliminary Task Period” is defined in Section 5.01.

“Preliminary Task Termination Notice” is defined in Section 5.01.

“Master Developer” is defined in Section 6.10.

“Power of Termination” is defined in Section 8.04.

“Project” is defined in Recital C.

“Project Costs” means any and all of LNR’s costs incurred for or in connection with the acquisition, ownership, development, management, construction, operation, marketing and disposition of the Project, and shall include Project Costs incurred by LNR prior to the date of this Agreement and all fees paid to LNR under this Agreement. Costs of the Project paid from funds derived from public financing or grants shall not be Project Costs, and in the event proceeds of public financing or grants are used to reimburse LNR for Project Costs, such reimbursement shall be a credit against Project Costs. Project Costs are subject to change as to categories and amounts to accommodate the needs of the Project.

“Project Management Fee” is defined in Section 6.14.

“Project Revenue” means all revenues of any type or nature from (a) a sale, lease or other disposition of the Property or any portion thereof to a third party, (b) a deemed sale, lease or other disposition of any portion of the Property to a LNR Affiliate, or (c) any other event, contract, service or other transaction of any type or nature generating revenues from any portion or all of the Acquisition Property. By way of example and not limitation, Project Revenues include rents, forfeited earnest money, franchise or other fees or rebates, fees for the provision by

LNR or its Affiliates of utility and other services to the Project of any nature other than fees payable to LNR pursuant to Section 6.09 or Section 6.14, royalties or other similar payments, reimbursements, insurance proceeds that are not applied to costs, condemnation awards not applied to costs, income from granting easements or other interests in or rights relating to the Property, and interest on Project Revenues while invested in interest-bearing accounts established for the Project. Project Revenues do not include LNR Capital.

"Property" is defined in Recital B.

"Proposed Title Condition" is defined in Section 5.04(c).

"Proposed Title Policy" is defined in Section 5.04(c).

"Recalculation Event" is defined in Section 4.03(c).

"Redevelopment Law" is defined in Recital A.

"Redevelopment Plan" means the Redevelopment Plan for the March Air Force Base Redevelopment Project adopted by Authority Ordinance 96-02 on July 10, 1996.

"Reuse Plan" means that certain document entitled "March Air Force Base Final Reuse Plan," dated October 2, 1996.

"Revised Acceptable Economic Parameters" is defined in Section 4.03(c).

"RWQCB" means the Regional Water Quality Control Board with jurisdiction over the Property.

"Scope of Development" is defined in Section 6.01 and Exhibit F.

"Specific Plan" is defined in Section 5.02.

"Surrendered Property" is defined in Section 6.16(b).

"Survey" is defined in Section 5.04(a).

"Term" is defined in Section 2.01.

"Title Objections Notice" is defined in Section 5.04(a).

"Uncured Title Exception" is defined in Section 5.04(b).

Section 1.02. Additional Defined Terms. If any capitalized terms contained in this Agreement are not defined above, then such terms shall have the meaning otherwise ascribed to them in this Agreement.

ARTICLE 2. TERM OF DISPOSITION AND DEVELOPMENT AGREEMENT

Section 2.01. Term. The term of this Agreement (the "Term") shall commence upon the Effective Date of this Agreement, and unless earlier terminated pursuant to this Agreement, shall terminate on the date that is the earlier to occur of:

- (i) The Final Conveyance Date; or
- (ii) Fifteen (15) years from the Effective Date.

Section 2.02. Automatic Extensions. The Term shall be extended for two (2) additional five (5) year periods upon:

- (i) Delivery of a written request for extension by LNR to the Agency (the "Extension Notice"), which Extension Notice shall be delivered no earlier than 270 days or later than 120 days prior to the expiration of the Term; and
- (ii) Completion of a review and a finding by Agency that LNR is in substantial compliance with the terms of this Agreement, which review shall be conducted expeditiously by Agency following Agency's receipt of the Extension Notice. Agency may deny, condition or shorten the time of LNR's request for an extension of the Term only if, following review, the Agency determines, and sets forth in writing the basis for such determination, that LNR is in uncured material default under this Agreement. If at the end of the Term (as such may have been previously extended), Agency has not denied the request for an extension, such extension shall be deemed to be approved. However, in the event Agency demonstrates prior to the end of the Term that it has made good faith efforts to complete the review contemplated by this Section 2.02, and, notwithstanding those efforts, the review has not been completed, Agency shall have such additional time as it may reasonably require to complete its review, and the then-existing Term shall be automatically extended for the additional time required to complete such review. If the Term of this Agreement is extended, Agency shall promptly record an instrument giving notice of such extension and setting forth the dates thereof.

Section 2.03. Financing Approval Contingency. In addition to LNR's other rights hereunder, LNR shall have the right to terminate this Agreement without cost, obligation or liability, if LNR does not receive financing approval for LNR's obligations under this Agreement from the Board of Directors of LNR's corporate parent, LNR Property Corporation, prior to February 15, 2002.

ARTICLE 3. DISPOSITION OF THE PROPERTY

Section 3.01. Option to Purchase. Agency hereby grants to LNR and LNR shall have the right and option, but not the obligation, to purchase the Property in successive options from Agency (each, individually, an "Option"), upon the terms and subject to the conditions set forth in this Agreement.

Section 3.02. Exercise of Option. Each of the successive options herein can only be exercised by LNR's execution and delivery of a written exercise of option to Agency and to Escrow Holder (each, individually, an "Option Notice"). The exercise of each successive option is conditioned upon (a) both parties failure to terminate this Agreement pursuant to Section 5.01 prior to the expiration of the Preliminary Task Period, (b) LNR's written approval of any exception to the condition of title to the Option Parcel to be acquired, (c) the absence of a finding by Agency pursuant to Section 9.06(d) of an uncured material default of this Agreement by LNR, and (d) identification by LNR of the proposed Permitted Use on such Option Parcel, which use may be expressed generally without reference to any proposed user. Each Option Notice shall set forth the description of the applicable Option Parcel as determined in accordance with Section 3.03, below. Promptly upon delivery each Option Notice, LNR and Agency shall meet and confer to determine a mutually agreeable date of Closing, which date shall not be less than 30 days or more than 90 days following the date of delivery of the Option Notice.

Section 3.03. Successive Option Parcels. The Property shall be divided for purposes of conveyance from the Agency to LNR into an as yet undetermined number of parcels (each, individually, an "Option Parcel" and collectively the "Option Parcels"). The description and size of each Option Parcel shall be determined by LNR and submitted to the Agency for its review. During a period not to exceed 30 days thereafter, Agency shall have the opportunity to review and concur with the description and size of each Option Parcel as determined by LNR, which

concurrence shall not be unreasonably withheld. LNR shall also, in its sole discretion, determine the order and timing of conveyance of the Option Parcels based on LNR's reasonably foreseeable development needs, provided, however, that each Option Notice shall contain the information set forth in Section 3.02. The Agency and LNR shall open an escrow for conveyance of each successive Option Parcel as set forth in Section 8.01 below.

Section 3.04. Form of Deed. The Agency shall convey to LNR fee simple defeasible title to the Property in the condition provided in Section 3.05 of this Agreement by grant deed in substantially the form set forth in Exhibit D (the "Grant Deed").

Section 3.05. Condition of Title. The Agency shall convey to LNR fee simple defeasible title to the Property free and clear of all recorded liens, encumbrances, assessments, leases and taxes except as are consistent with this Agreement, provided, however, that the Property shall be subject to easements of record.

Section 3.06. Time for and Place of Delivery of Deed. Subject to any mutually agreed upon extensions of time, the Agency shall deposit the Grant Deed for the conveyance of each Option Parcel on or before the date established pursuant to Section 8.03.

Section 3.07. Taxes and Assessments. Ad valorem taxes and assessments, if any, on the Property, levied, assessed or imposed for any period commencing prior to conveyance of title shall be borne by the Agency. All ad valorem taxes and assessments levied or imposed on an Option Parcel for any period commencing after closing of the applicable escrow, or on this Agreement at any time, shall be paid by LNR.

Section 3.08. Conveyance Free of Possession. Except otherwise provided in Section 5.04, the Property shall be conveyed free of any possession or right of possession by any person except that of LNR and the easements of record.

Section 3.09. Condition of the Property. Subject to the performance of the United States of any environmental remediation or other obligations related to Hazardous Substances on the Property that are the responsibility of the United States pursuant to the EDC and all other applicable law, and except as may be otherwise specifically provided in this Agreement, the Property shall be conveyed from the Agency to the Developer in an "As Is" condition, without relying upon any representations or warranties, express, implied or statutory of any kind.

Without limiting the above, LNR acknowledges that neither Agency, except as expressly set forth in this Agreement, nor any other party has made any representations or warranties, express or implied, on which LNR is relying as to any matters, directly or indirectly, concerning the Property, including but not limited to, the land, the square footage of the Property, improvements and infrastructure, if any, development rights and exactions, expenses associated with the Property, taxes, assessments, bonds, permissible uses, title exceptions, water or water rights, topography, utilities, zoning of the Property, soil, subsoil, the purposes for which the Property is to be used, drainage environmental or building laws, rules or regulations, toxic waste or Hazardous Materials or any other matters affecting or relating to the Property. Prior to the Close of Escrow for each Option Parcel, LNR acknowledges that it shall have had to opportunity to (i) fully inspect such Option Parcel, and (ii) determine whether such Option Parcel is suitable for LNR's proposed use.

LNR shall have relied solely upon its own investigation concerning its intended use of the Option Parcel, the Option Parcel's fitness thereof, and the availability of such intended use under applicable statutes, ordinances, and regulations. LNR further acknowledges and agrees that Agency's cooperation with LNR in connection with LNR's due diligence review of the Option Parcel, whether by providing documents or permitting inspection of the Option Parcel, has not and shall not be construed as any warranty or representation, express or implied, of any kind with respect to the Option Parcel or, except for the Agency's own documents, with respect to the accuracy, completeness, or relevancy of any such document.

The Agency shall not be responsible for any items of site work except those which are listed in this Agreement as the Agency's responsibilities. It shall be the sole responsibility of LNR, at LNR's sole expense, to investigate and determine the soil conditions and other constraints related to the use of the Property and the improvements to be constructed by LNR. If the conditions of the Property are not in all respects entirely suitable for the use or uses to which the Property or portions thereof will be put, or other constraints are identified, LNR may determine in its sole discretion whether development of such property is financially feasible. In the event LNR determines that development is not financially feasible, it shall be under no obligation to accept conveyance of such portion of the Property.

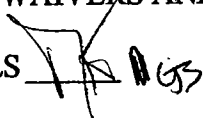
Furthermore, without limiting the generality of the foregoing, LNR hereby expressly waives, releases and relinquishes any and all claims, causes of action, rights and remedies LNR may now or hereafter have against Agency, the Authority, and their officials, officers, employees, and agents, whether known or unknown, with respect to any past, present or future presence or existence of Hazardous Substances on, under or about the Option Parcel or with respect to the Environmental Laws and any and all claims, whether known or unknown, based on nuisance, trespass or any other common law or statutory provisions. Nothing in this paragraph shall operate as a release of any rights or remedies of LNR against the Agency arising from (i) the migration or release of Hazardous Substances from/on an adjacent Option Parcel owned by the Agency, or (ii) any actions of Agency, Authority, and their officials, officers, employees and agents.

LNR HEREBY ACKNOWLEDGES THAT IT HAS READ AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542 ("SECTION 1542"), WHICH IS SET FORTH BELOW:

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.

BY INITIALING BELOW, LNR HEREBY WAIVES THE PROVISIONS OF SECTION 1542 SOLELY IN CONNECTION WITH THE MATTERS WHICH ARE THE SUBJECT OF THE FOREGOING WAIVERS AND RELEASES:

LNR'S INITIALS



The waivers and releases by LNR herein contained shall survive the Close of Escrow and the recordation of the Grant Deed and shall not be deemed merged into the Grant Deed upon its recordation.

ARTICLE 4. APPROVED PARTICIPATION MODEL MATTERS

Section 4.01. Consideration for the Property. The parties agree that, to the extent funds are available after Breakeven in any given year, and only to the extent consistent with the

Approved Participation Model and Section 4.02 below, LNR shall pay to the Agency consideration for the Property as described in this Section 4.01. Such consideration shall be in addition to the other obligations of LNR set forth in this Agreement. The parties acknowledge that there are inherent risks associated with the development of the Property, and the availability of Net Cash Flow to pay the compensation contemplated by this Section 4.01 is uncertain.

- (a) **Land Price.** LNR shall pay to Agency from Net Cash Flow \$20,000 per gross developable acre of those Option Parcels that have been conveyed to LNR, up to a Project maximum of \$20 million, on a Present Value basis utilizing a discount factor of 10% (the "Land Price").
- (b) **Additional Land Price.** LNR shall pay as additional consideration for the Property 25% of the Net Cash Flow following full payment of the Land Price for the conveyed Option Parcels (the "Additional Land Price").

Section 4.02. Approved Participation Model. Agency expressly determines that in consideration for the transfer of the Property to LNR in accordance with this Agreement, LNR will, among other things, incur substantial costs in developing the Property, including, but not limited to installation of infrastructure to service the Property, and Agency will benefit from LNR's phased development of the Property as a result of, among other things, the job creation and sales and other tax revenues generated by the Property and the Project. As set forth in the Recitals and based upon all available information, Agency finds and determines that the consideration for conveyance of the Property equals or exceeds the value of the Property. The Approved Participation Model has been developed on the basis of jointly developed and reviewed assumptions identified in the Approved Participation Model or stated in Section 4.03, and reflects Agency and LNR's intent that the Approved Participation Model shall include all Project Costs, whether incurred before or after the date of this Agreement. If at any time Agency and LNR shall mutually determine that the Approved Participation Model does not take into account a material Project Cost, whether by category, line item or amount, such event shall be deemed a Recalculation Event in accordance with Section 4.03. All Project Revenues shall be applied (i) first to pay Project Costs to date, (ii) then to return LNR Capital until Breakeven, (iii) to payment of Net Cash Flow in an amount of 75% to Agency and 25% to LNR until full payment of the Land Price, and (iv) finally to the payment of Net Cash Flow in an amount of

25% to Agency as the Additional Land Price and 75% to LNR, as such Net Cash Flow is calculated in accordance with the Approved Participation Model and shown on the Tiered Return Section of the Approved Participation Model. Within 120 days of the beginning of each calendar year, LNR shall provide Agency with a revised annual Approved Participation Model detailing all revenues and costs for the preceding year along with a projection for the current year for calculation of Breakeven, Land Price and Additional Land Price, and shall pay any Land Price and Additional Land Price due from the preceding year.

Section 4.03. Recalculation Events.

- (a) **Key Assumptions.** Agency and LNR have made certain assumptions (individually, a “Key Assumption” and collectively, the “Key Assumptions”), as set forth below:
- (i) DTSC, and to the extent required RWQCB, concurrence to the issuance of any FOST or FOSET;
 - (ii) The preservation for the benefit of Agency, and LNR as successor to Agency, and any and all Mortgagees as successor in title to LNR, of all environmental remediation and related indemnities provided by the United States pursuant to the EDC and all applicable laws;
 - (iii) Conveyance by the United States to Authority, then by Authority to Agency, and ultimately to LNR as successor to Agency, of the Property;
 - (iv) The Approved Participation Model will not require any material adjustment pursuant to Section 4.03(c);
 - (v) The preparation, submission and approval of the Specific Plan, substantially consistent with the Scope of Development, within the Preliminary Task Period;
 - (vi) The approval, execution and delivery by Authority and LNR of a Development Agreement within the Preliminary Task Period;
 - (vii) The absence of amendment to the General Plan or Redevelopment Plan prior to the execution of the Development Agreement;

- (viii) Satisfaction of the Minimum Construction Requirement for any 5-year period commencing on or after the 5-year anniversary date of the completion of the Preliminary Task Period, consistent with Section 6.02;
 - (ix) Compliance with the Cumulative Required Investment requirement, the Minimum Job Generation Target and the Phase One Infrastructure obligations provided for in Section 6.03; and
 - (x) Any other event expressly stated to be a Recalculation Event in this Agreement or the Development Agreement.
- (b) **Economic Parameters.** The Key Assumptions are fundamental assumptions in Agency's and LNR's calculation of, among other matters, the Approved Participation Model, the bonding capacity of the Property for construction of infrastructure, and the suitability of the Property for development of the Project (the "Economic Parameters"). But for the Key Assumptions, LNR would not undertake the obligations under this Agreement.
- (c) **Recalculation Events.** If for any reason any Key Assumption is found by LNR or Agency, in LNR's or Agency's reasonable business judgment to be materially incorrect (any or all a "Recalculation Event"), Agency and LNR will endeavor in good faith to re-calculate the Economic Parameters to establish an equivalent outcome for Agency and LNR (the "Revised Acceptable Economic Parameters"). As used in this Agreement, an "equivalent outcome" for LNR means that after establishing the revised Economic Parameters, the internal rates of return to LNR on LNR Capital based on the revised Economic Parameters are not less than the internal rates of return assumed in the Approved Participation Model, as of the date of this Agreement (the "Original IRR Assumption"). An "equivalent outcome" for Agency means that the Key Assumptions are revised in a manner that are reasonably acceptable to Agency. If Revised Acceptable Economic Parameters are established, the Approved Participation Model shall be amended to conform to the Revised Acceptable Economic Parameters. Recalculation of the Approved Participation Model shall not occur until and unless LNR's Internal Rate of Return falls below twenty percent (20%).

- (d) **Termination Following a Recalculation Event.** If, notwithstanding such good faith efforts, Agency and LNR are unable to establish Revised Acceptable Economic Parameters within ninety (90) days after the Recalculation Event, either LNR or Agency shall have the right to terminate this Agreement by notice to the other party (the "Recalculation Event Termination Notice"). The Recalculation Event Termination Notice shall set forth a termination date (the "Recalculation Event Termination Date"), which date shall not be less than thirty (30) days after the date of the Recalculation Event Termination Notice. In the event LNR terminates the Agreement, upon the Recalculation Event Termination Date, LNR shall surrender to Agency, pursuant to such release, transfer and termination documents as LNR and Agency shall mutually determine, any portion of the Property that has not been transferred to LNR in fee prior to the Recalculation Event Termination Notice, if any, and Section 9.07 shall apply to any portion of the Property transferred to LNR in fee prior to the Recalculation Event Termination Date. In the event that Agency terminates the Agreement following a Recalculation Event, the Agency and LNR shall negotiate equitable terms of separation, which terms shall include the reimbursements to LNR provided for in Section 6.16(b). From and after a Recalculation Event Termination Notice, LNR shall not have a duty to fund Project Costs.

Section 4.04. Agency's Acknowledgement Regarding Approved Participation Model. Agency acknowledges that all projections and assumptions used in the Approved Participation Model are uncertain by their nature as assumptions and projections, that no representations have been made as to the actual results of the Project, or the availability for payment to Agency of any sums from the Project, and that actual results may be materially different than assumed and/or projected in the Approved Participation Model. By way of example and not limitation, the assumed costs of infrastructure for the Project have been based on studies prepared by third parties for LNR, and are not based on actual designs or bids for such work. In addition, line items in the Approved Participation Model are lump sum estimates of broad categories of Project Costs. Agency and LNR anticipate that the broad categories will be extensively subdivided into specific Project Costs and LNR shall have the right to allocate and reallocate costs among such line items.

Section 4.05. Calculation of Revenue From Transfers to LNR's Affiliate for Approved Participation Model Calculations. Prior to any transfer, including assignment, conveyance or lease, to a LNR Affiliate, LNR shall notify Agency of LNR's intent to transfer a portion of the Property to such LNR Affiliate, as well as LNR's determination of the Project Revenues to be generated by such transfer. Agency shall have thirty (30) business days after the date of such notice to object to the gross Project Revenues amount determined by LNR. Absent timely objection by the Agency, the Project Revenues amount stated in the notice shall be deemed to be the fair market value of the portion of the Property to be transferred to the LNR Affiliate. If, however, the Agency objects to the Project Revenues amount stated in the notice within thirty (30) business days after the date of the notice, then the Project Revenues amount from the transfer of such portion of the Property for purposes of the Approved Participation Model shall be deemed to be the fair market value of such portion of the Property, for its intended use by the transferee as of the date of the transfer, as such fair market value (the "Appraised Fair Market Value") is determined by the Appraisal Process set forth in Section 4.06. Upon receipt of the Appraised Fair Market Value, LNR shall have the right to decline to transfer such portion of the Property to such LNR Affiliate.

Section 4.06. Appraisal Process. Whenever this Agreement provides for the determination of the Appraised Fair Market Value of any asset, the following procedure shall be used (the "Appraisal Process").

- (i) Within fifteen (15) days after the demand for appraisal has been given, the parties shall each appoint one (1) appraiser. Each such appraiser shall determine the Fair Market Value of the parcel in question and complete and submit his or her written appraisal to Agency and Master Developer within sixty (60) days after the appointment of both such appraisers. If the higher appraised fair market value in such two (2) appraisals is not more than one hundred ten percent (110%) of the lower appraised fair market value, then the Appraised Fair Market Value of the Parcel shall be the average of the two (2) appraised values. If it is not, however, then the appraisers so named shall have fifteen (15) days to designate a third appraiser with similar qualifications. If the two appraisers are unable in a timely manner to agree on the third appraiser, then either LNR or Agency,

by giving prior written notice to the other party, shall have thirty (30) days to request and obtain appointment of such a qualified appraiser by applying to the Superior Court of the State of California for the County of Riverside. The third appraiser, however selected, shall be a person who has not acted in any capacity for either party.

- (ii) Neither Agency nor LNR shall advise the third appraiser of the appraised fair market value determinations delivered by the first two appraisers, and Agency and LNR shall instruct the first two appraisers not to advise the third appraiser of such determination. The third appraiser shall conduct an independent appraisal of the parcel to determine the fair market value based upon the above-enumerated factors and complete and submit his or her written appraisal to LNR and Agency within sixty (60) days after his or her appointment. In such case, the Appraised Fair Market Value for the parcel shall be the average of the two (2) of the three (3) appraised fair market values that are closest to each other. Such Appraised Fair Market Value for the parcel shall be conclusive and binding upon LNR and Agency.
- (iii) All appraisers appointed pursuant to this Section shall be licensed MAI Appraisers, or a member of the American Institute of Real Estate Appraisers or any successor thereto, or a member of the Society of Real Estate Appraisers or any successor thereto, in each case with not less than ten (10) years' experience appraising mixed use commercial and retail properties, and shall have performed appraisals of not less than three (3) commercial/industrial projects similar in nature to the Project in the five (5) years preceding the date on which the appraisal under this Agreement is to be made. Each party shall pay the cost of the appraiser selected by such party and one-half of the cost of the third appraiser, if necessary. The results of such appraisal shall be binding on Agency and LNR. LNR's cost of the appraisal shall be a Project Cost.

ARTICLE 5. PRELIMINARY TASKS

Section 5.01. Preliminary Tasks. The Agency, Authority and LNR agree that certain tasks are necessary to the successful development of the Project and should be addressed and accomplished promptly (the "Preliminary Tasks"). Accordingly, beginning on the Effective Date and, subject to Force Majeure, ending on the date that is the last day of the 9th full month thereafter (the "Preliminary Task Period"), Agency, Authority and LNR shall undertake to accomplish the Preliminary Tasks set forth in this Article 5. If any of the Preliminary Tasks set forth in this Article 5 has not been completed or waived in writing prior to the expiration of the Preliminary Task Period, as may be extended by the agreement of the parties, then either Agency or LNR may terminate this Agreement by notice to the other party given on or before 5:00 p.m. of the last day of the Preliminary Task Period (a "Preliminary Task Termination Notice"). If neither Agency nor LNR has terminated this Agreement on or before the expiration of the Preliminary Task Period, then this Agreement shall remain in full force and effect.

Section 5.02. Specific Plan. LNR shall deliver a draft of its proposed Specific Plan, prepared pursuant to California Government Code section 6450 et seq. (the "Specific Plan"), to the Authority within 120 days after the Effective Date of this Agreement. Thereafter, Authority shall undertake good faith efforts to conduct all legally required environmental review and consider the Specific Plan in a form acceptable to LNR. Thereafter, Authority shall undertake good faith efforts to cause zoning of the Property to be such as to permit the development, construction and use of improvements in accordance with the Specific Plan and the provisions of this Agreement. LNR shall have the right to terminate this Agreement consistent with this Article 5 in the event the Authority fails to approve a Specific Plan and zoning in a form satisfactory to LNR prior to the end of the Preliminary Task Period.

Section 5.03. Development Agreement. LNR shall deliver a draft of its proposed development agreement, prepared pursuant to California Government Code section 65864 et seq. (the "Development Agreement"), to the Authority within 90 days after the Effective Date of this Agreement. Thereafter, Authority and LNR shall undertake good faith efforts to negotiate and consider a mutually satisfactory Development Agreement applicable to the Property. LNR shall have the right to terminate this Agreement consistent with this Article 5 in the event the Agency fails to approve a Development Agreement in a form satisfactory to LNR prior to the end of the

Preliminary Task Period. Authority and LNR contemplate that the Development Agreement shall provide, among other things, and in addition to all legal requirements for a statutory development agreement pursuant to California Government Code Section 65864 *et seq.*, the following:

- (i)** a term contemplating the long-term phased build out of the Property, in view of fluctuating market demands and the complex development and legal issues;
- (ii)** vested rights protections against changes in laws, including protections from initiatives and moratorium, for the General Plan, Specific Plan and other Entitlements;
- (iii)** special terms and conditions related to existing Authority fees, including processing fees;
- (iv)** cooperation concerning the diligent processing of land use, environmental and other permits and approvals, consistent with Authority policies and practices;
- (v)** cooperation to diligently process certain subsequent land use and planning approvals and environmental review in connection with such Entitlements sought by LNR which may require further amendments of the General Plan, the Specific Plan, and other approvals obtained by LNR, as identified in the Entitlement Schedule;
- (vi)** cooperation from the Authority concerning public financing and other funding efforts;
- (vii)** the automatic vesting of any Entitlements approved by the Authority subsequent to the execution of the Development Agreement; and
- (viii)** provisions providing that the Authority will cooperate and take other necessary steps to require that all private property owners within the Authority's jurisdiction and participating governmental entities to the extent allowable by law, on a fair share basis (as shall be defined), share in

the financial responsibility for the costs of Backbone Infrastructure that may also serve the areas adjacent to the Property.

Section 5.04. Title Policy.

- (a) **Preliminary Title Report.** Upon selection of the Escrow Holder pursuant to Section 8.01, LNR shall request that Escrow Holder deliver to Agency and LNR a preliminary title report ("PTR") for the Property and copies of all documents noted as exceptions in the PTR (the "Exception Documents"). LNR shall deliver to Agency a notice of objections to the condition of title to the Property (the "Title Objections Notice") within sixty (60) days after receipt of the PTR and the last of such Exception Documents. Failure by LNR to deliver such notice shall constitute LNR's unconditional acceptance of the condition of title to, and survey of, the Property and LNR's waiver of any objections.
- (b) **Objections to Title.** Within thirty (30) days after receipt of the Title Objections Notice, Agency shall notify LNR which of such objections will be cured by Agency and the means and time for such cure (the "Cured Title Exceptions"). Any objection that Agency declines to cure shall be an "Uncured Title Exception." LNR shall have the right to take such steps as LNR desires to cure the Uncured Title Exception and Agency shall cooperate with LNR to permit LNR to do so, provided that such cooperation shall not require Agency to incur any cost.
- (c) **Proposed Title Policy.** At least sixty (60) days prior to the expiration of the Preliminary Task Period, LNR shall propose for Agency's approval (1) a pro forma condition of title for Property that is real property (the "Proposed Title Condition"), and (2) a pro forma ALTA policy of title insurance and endorsements for the Property (the "Proposed Title Policy"). Agency's approval of the Proposed Title Condition and the Proposed Title Policy shall not be unreasonably withheld, conditioned or delayed. Agency shall notify LNR of any objections to the Proposed Title Condition and Proposed Title Policy at least thirty (30) days prior to the expiration of the Preliminary Task Period. Any objections shall be made with specificity.

- (d) **Approved Title Policy.** Thereafter Agency and LNR shall cooperate to revise the Proposed Title Condition and Proposed Title Policy to respond to Agency's objections. The Proposed Title Condition so approved by Agency and LNR shall be the "Approved Title Condition" for the Option Parcel to be acquired by LNR at each Closing. The Proposed Title Policy, so approved by Agency and LNR shall be the "Approved Title Policy," to be provided to LNR at each Closing. If Agency and LNR have not approved the Proposed Title Condition and/or the Proposed Title Policy on or before the expiration of the Preliminary Task Period, LNR shall have the right to terminate this Agreement by a Preliminary Task Termination Notice to Agency given on or before the expiration of the Preliminary Task Period. If LNR does not terminate this Agreement, then the Approved Title Condition shall be the Proposed Title Condition as modified by any Agency objection not withdrawn in writing by Agency prior to the expiration of the Preliminary Task Period, and the Approved Title Policy shall be the Proposed Title Policy as modified by any Agency objection not withdrawn in writing by Agency prior to the expiration of the Preliminary Task Period.

Section 5.05. Public Infrastructure Improvement Agreement. LNR shall deliver a draft of its proposed form of public infrastructure improvement agreement (the "Form Improvement Agreement") to the Authority within 120 days after the Effective Date of this Agreement. Thereafter, the parties shall undertake good faith efforts to negotiate such Form Improvement Agreement in a form acceptable to both parties.

Section 5.06. McKinney Act Requirements. Prior to the conclusion of the Preliminary Task Period, Authority shall comply with its Base Closure Community Redevelopment and Homeless Assistance Act of 1994 (the "McKinney Act") requirements and provide reasonable evidence of such compliance to LNR. Notwithstanding the above, Authority's failure to demonstrate compliance with its McKinney Act requirements shall not constitute a default of this Agreement or impose any other liability upon Authority or Agency, and LNR's sole and exclusive remedy for such failure shall be its right to terminate this Agreement prior to the end of the Preliminary Task Period as set forth in Section 5.01.

Section 5.07. Purchase of Additional Property. Prior to the conclusion of the Preliminary Task Period, LNR and Agency shall negotiate mutually satisfactory terms for the entitlement and purchase by LNR from Agency of those certain parcels identified as D-3 and K-4 in the Redevelopment Plan, provided that the purchase price for such parcels shall be \$2 million, which shall be a Project Cost.

ARTICLE 6. DEVELOPMENT OF THE PROPERTY

Section 6.01. Scope of Development. Subject to (a) the approval of the Entitlements as provided herein, and (b) the terms of this Agreement, the Property shall be developed in a manner generally consistent with the "Scope of Development" attached hereto as Exhibit F. The Scope of Development is illustrative of the conceptual development plan currently contemplated by the parties and is not presented as a precise representation of the details of the Project. The Scope of Development is intended to be further developed and described in the Specific Plan.

Section 6.02. Minimum Development Obligations. LNR shall commence, or cause to have commenced, construction of no less than 400,000 square feet of building construction consistent with the Scope of Development (the "Minimum Construction Requirement") within 5 years from the completion of the Preliminary Task Period. Subject to any delay due to Force Majeure, failure to complete the Minimum Construction Requirement during such first 5-year period shall constitute a default of this Agreement subject to the provisions of Section 9.06(d).

LNR shall thereafter commence, or cause to have commenced, subsequent Minimum Construction Requirements during each 5-year period following the first 5-year period referenced above, with each additional Minimum Construction Requirement calculated based upon the applicable 5-year period rather than on a cumulative basis. For any 5-year period following the first 5-year period, LNR's failure to complete the Minimum Construction Requirement shall be deemed a Recalculation Event and not a default.

Commencement of such construction may be undertaken by either LNR or a third party, and may include construction on parcels or portions of the Property owned by LNR, as well as those parcels conveyed to third parties, and such commencement of construction may be evidenced by the application for and approval of building or site-specific grading permits ("Commencement of Construction" or to "Commence Construction"). Subject to the Scope of Development, the

location, density and intended use of the Minimum Construction Requirement shall be in LNR's sole and absolute discretion. In the event that market forces or other events beyond the control of LNR prevent the commencement of all or a part of such construction, Agency and LNR agree to meet and confer regarding the potential need to revise the Scope of Development. If the parties are unable to agree to a mutually satisfactory revision to the Scope of Development or the Minimum Construction Requirement, LNR's failure to meet the Minimum Construction Requirement shall constitute a Recalculation Event pursuant to Section 4.03, except as provided above for the first 5-year period.

Section 6.03. Performance Schedule. It is the intent of the parties that the Property be developed in an expeditious manner, consistent with the Entitlements, and subject to the creation and funding of any necessary assessment or other such districts in connection with financing infrastructure improvements, market conditions, other similar factors, and Force Majeure. Such development shall achieve a minimum target for job generation of ten (10) jobs per acre of industrially developed property during the first five (5) years from the end of the Preliminary Task Period, and fifteen (15) jobs per acre of industrially developed property during each 5-year period thereafter (the "Minimum Job Generation Target"). Compliance with the Minimum Job Generation Target shall be determined on a cumulative basis, provided that in the event the job generation during the first 5-year period is less than 15 jobs per acre, each subsequent job generation calculation beginning in the second 5-year period shall not take into account the acreage developed and jobs generated during the first 5-year period.

In addition to the Minimum Job Generation Target, LNR and Agency have approved the performance schedule attached hereto as Exhibit E (the "Performance Schedule"). From and after the Effective Date, on January 31 of each calendar year, LNR shall submit to the Agency evidence that the cumulative amount of LNR Capital invested for the period ending as of December 31, shown in column 1 of part 1 of the Performance Schedule (each a "Performance Schedule Benchmark Date") is at least the amount set forth in column 2 of part 1 of the Performance Schedule (the "Cumulative Required Investment"). LNR and Agency shall each promptly notify the other of any anticipated or actual material delay due to Force Majeure or any other matter, the expected duration of the delay and the anticipated effect on the Performance Schedule. At LNR's request, the Performance Schedule shall be extended from time to time to permit reasonable delays in implementing the Project, or any one or more anticipated

components of the Project, to respond to adverse market conditions, and Agency shall not unreasonably delay, withhold or condition Agency's approval of the period of such extension. Upon the written request of a party approved by the other party, which approval shall not be unreasonably withheld, conditioned or delayed, the Performance Schedule shall be modified and extended to account for any event of Force Majeure and for any mutually approved delay. LNR's failure to remedy any unexcused delay of the Performance Schedule or its failure to meet the Minimum Job Generation Target within any relevant period within thirty (30) days after written notice from Agency shall be a Recalculation Event pursuant to Section 4.03.

Subject to any delay due to Force Majeure, LNR shall complete the Phase One Infrastructure by the Phase One Infrastructure Completion Date. LNR's failure to complete the Phase One Infrastructure by such date shall be a Recalculation Event under this Agreement.

Section 6.04. Payment of Costs. Except to the extent of any grants or other third party funding benefiting the Project, and except as otherwise set forth in this Agreement, LNR shall be solely responsible for all costs incurred in connection with the development of the Property, including all costs of infrastructure, all of which costs shall be Project Costs.

Section 6.05. Authority and Other Governmental Permits. Before commencement of construction or development of any buildings, structures or other work of improvement upon the Property, LNR shall, at its own expense, secure or cause to be secured any and all permits which may be required by the Authority or any other governmental agency affected by such construction, development or work. The Agency shall provide all nonfinancial assistance reasonably deemed appropriate by the Agency to LNR in securing these permits.

Section 6.06. Right of Entry. At all times prior to the conveyance of any portion of the Property from Agency to LNR, LNR may enter upon the Property for the purposes of:

- (i) conducting surveys, collecting soil samples and performing other such studies including borings necessary for determining the suitability of the Property, including soils and toxic conditions for the proposed development;
- (ii) conducting preliminary work on the Property; and
- (iii) upon execution of an improvement agreement with the Agency, substantially consistent with the Form Improvement Agreement negotiated during the Preliminary Task Period, constructing the Backbone Infrastructure on the Property.

Prior to any such entry upon the Property, LNR shall continue to notify Agency of the purpose of such entry and the location of any sampling or

work to be performed and the time such sampling or work shall occur, and, until the affected portion of the Property has been transferred from the Air Force to the Authority and then to the Agency, shall continue to obtain the Air Force's written permission to enter upon the Property and perform such work. LNR shall indemnify, defend and hold the Agency, its employees, officers, agents and representatives harmless against any claim for damages to person or property whatsoever arising solely from any negligent activity of LNR, its employees, officers, agents, representatives, contractors, subcontracts or consultants on, under or adjacent to the Property.

Section 6.07. Local, State and Federal Laws. LNR shall carry out the development of the Project in conformity with all applicable laws.

Section 6.08. Antidiscrimination During Construction. LNR, for itself and its successors and assigns, agrees that in the construction of the improvements provided for in this Agreement, LNR will not discriminate against any employee or applicant for employment because of race, color, creed, religion, sex, marital status, ancestry or national origin.

Section 6.09. Project Financing.

- (a) **Public Financing.** Agency will cooperate with LNR, in accordance with applicable laws and statutorily prescribed hearings and findings, to assist with and permit the formation of community facilities districts, assessment districts or other such financing districts for the construction and maintenance of infrastructure, landscaping and other Project amenities of all types on the Property, or portions thereof. In the event that it is determined by the Agency and LNR that it is in the best interest of the Project for LNR's corporate guaranty or other credit enhancements to be used to reduce the cost of the financing or for sale of the bonds, LNR shall be entitled to a fee for such financing enhancement in an amount to be negotiated at the time of the financing or bond sale.
- (b) **Cooperation to Pursue Grants.** At LNR's request, and at no expense to Agency, Agency will cooperate with LNR and others to apply for grants from relevant governmental agencies and non-governmental organizations for such purposes as LNR shall identify. Agency will use good faith efforts to notify LNR of any opportunity for LNR to obtain grant funds for use on the Property as come to the attention of the Agency.

Section 6.10. Cooperation Regarding Development. Agency has designated LNR as the master developer of the Property (the "Master Developer"). As Master Developer, LNR shall participate with Agency in all material matters affecting the Property to assure, among other matters, that the development of the private and public improvements on the Property can proceed without material disruptions. LNR, as Master Developer in cooperation with Agency, shall be the coordinator of all aspects of the development of the Project consistent with all applicable law. Agency shall consult in good faith with LNR with sufficient advance notice and at such times and in such manner as will permit LNR to have meaningful participation in all public agency agreements and contract negotiations related to the Property, including those with the Air Force, the State of California and other jurisdictional agencies.

Section 6.11. Cooperation in Processing Entitlements. Agency and LNR shall cooperate in good faith to negotiate and further the land use and other regulatory approvals process necessary to develop the Property, as set forth in the Entitlement Schedule. Agency and LNR agree to consult with one another on an ongoing basis in an effort to diligently undertake all steps necessary to further the Entitlement Schedule.

Section 6.12. Project Meetings. At all times prior to the Final Conveyance Date, the parties shall have project meetings at least once a month. Such meetings shall be attended by representatives with experience and expertise in the relevant disciplines to the stage of the development process, and each party shall have such party's appropriate representatives attend such meetings to facilitate the implementation of the development of the Property in accordance with this Agreement.

Section 6.13. Security Financing; Rights of Holders.

- (a) **Holder Not Obligated to Construct Improvements.** No Mortgagee shall be obligated by the provisions of this Agreement to construct or complete the improvements or to guarantee such construction or completion, nor shall any covenant or any other provision in any grant deed for the Property be construed so to obligate such holder. Nothing in this Agreement shall be deemed to construe, permit or authorize any such holder to devote the Property to any uses or to construct any improvements thereon other than those uses or improvements provided for or authorized by this Agreement.

(b) **Failure of Holder to Complete Improvements.** In any case where, six (6) months after default by LNR under this Agreement, the holder of any mortgage, deed of trust or other security interest creating a lien or encumbrance upon the Property, or any portion thereof, has not cured such default, or if it has commenced cure has not proceeded diligently therewith, the Agency may purchase the mortgage deed of trust or other security interest by payment to the holder of the amount of the unpaid debt, plus any accrued and unpaid interest. If the ownership of the Property has vested in the holder, the Agency, if it so desires, shall be entitled to a conveyance of the Property from the holder to the Agency upon payment to the holder of an amount equal to the sum of the following:

- (i) The unpaid mortgage, deed of trust or other security interest debt at the time title became vested in the holder (less all appropriate credits, including those resulting from collection and application of rentals and other income received during foreclosure proceedings);
- (ii) All expenses with respect to foreclosure;
- (iii) The net expenses, if any (exclusive of general overhead), incurred by the holder as a direct result of the subsequent management of the Property;
- (iv) The costs of any authorized improvements made by such holder; and
- (v) An amount equivalent to the interest that would have accrued on the aggregate of such amounts had all such amounts become part of the mortgage or deed of trust debt and such debt had continued in existence to the date of payment by the Agency.

(c) **Right of Agency to Cure Mortgage, Deed of Trust or Other Security Interest Default.** In the event of a default or breach by LNR of a mortgage, deed of trust or other security interest with respect to the Property prior to the completion of development or transfer of the Property to a third party, and the holder has not exercised its option to complete the development, the Agency shall be entitled to reimbursement from LNR of all costs and expenses incurred by the Agency in curing the default. The Agency shall also be entitled to a lien upon the Property

to the extent of such costs and disbursements. Any such lien shall be subject to mortgages, deeds of trust or other security interests executed for the sole purpose of obtaining funds to purchase and develop the Property as authorized herein.

Section 6.14. Project Management Fee. LNR shall perform the "Project Management Services" set forth on Exhibit G. In connection therewith, as a Project Cost and not as a payment from Agency, LNR shall receive an annual project management fee, paid monthly, in the amount of 4.5% of gross Project Costs (the "Project Management Fee") and shall not be obligated to apply such fee to any Project Cost. The Project Management Fee will be payable on the first day of each calendar month during the Term of this Agreement, and shall equal an amount determined by multiplying the total projected gross Project Costs for the Project shown in the Approved Participation Model as of the date of this Agreement by 4.5%, divided by the number of years of the Term, and further divided by twelve months. Thereafter, the Project Management Fee shall be reconciled annually, if necessary, to reflect the difference between the projected Project Costs and the actual Project Costs. The Project Management Fee may be accrued and shall not be deemed to be waived if not paid to LNR on the first day of each calendar month.

Section 6.15. Audits. On or before May 1 of each calendar year, LNR shall deliver to Agency financial statements for the Project certified as true and correct by a responsible officer (the "Annual Financial Statements"). Within two (2) years after the receipt of any such statement, Agency or a reputable nationally recognized accounting firm designated by Agency shall be entitled to audit all books, records and accounts pertaining thereto at Agency's expense. Such audit shall be conducted during normal business hours at the principal place of business of LNR and other places where records are kept. Provided that LNR has fully cooperated, any audit undertaken under this Section 6.15 shall be completed within sixty (60) days of the commencement thereof, subject to extensions of time for any periods of delay by any third party due to no fault of Agency or its auditors, and in no event later than five (5) years after Agency's receipt of the Annual Financial Statements being audited. Immediately after the completion of an audit, Agency shall deliver a copy of the results of such audit to LNR. Agency shall not be entitled to more than one audit of the Annual Financial Statements for any particular year, unless it shall appear from a subsequent audit that fraud or concealment may have occurred with respect to a previously audited year. If it shall be determined as a result of such audit, as reviewed and confirmed by LNR's independent nationally recognized accounting firm, that there has been a

deficiency in the payment of Land Price or Additional Land Price, then such deficiency shall become immediately due and payable with interest at the "Reference Rate" of the Bank of America plus three percent (3%) and not to exceed the maximum rate for which the parties may lawfully contract, such payment to be determined as of accruing from the date that said payment should have been made. In addition, if LNR's statement for any calendar year shall be found to have understated Net Cash Flow by more than five percent (5%) and Agency is entitled to any further Land Price or Additional Land Price as a result of said understatement, then LNR shall pay, in addition to the interest charges referenced hereinabove, all of Agency's reasonable costs and expenses connected with any audit or review of LNR's accounts and records. If LNR's statement for any calendar year shall be found to have overstated Cash Flow such that LNR is entitled to a refund from Agency of Additional Land Price paid by LNR to Agency, such refund shall be credited, without interest, against the following calendar year's Land Price. Nothing in this Section 6.15 shall be deemed to limit Agency's rights pursuant to any applicable statutory periods of limitation for initiating legal proceedings.

Section 6.16. Other Agency Obligations.

- (a) **Pre-Transfer Negotiations with Third Parties.** During the Term of this Agreement, Agency will not offer or negotiate with any other person or entity relating to the use, acquisition, leasing or development of the Property without the prior written agreement of LNR. Notwithstanding the above, Agency may reasonably participate with LNR in the marketing of the Property consistent with the terms of this Agreement.
- (b) **Reimbursement by Future Developers of LNR Offsite Infrastructure.** In the event of a termination of this Agreement for any reason other than LNR's uncured default of a material obligation of this Agreement, the conditions of approval imposed by Authority for future development of the Property surrendered to Agency by LNR in connection with such termination (the "Surrendered Property") shall include the requirement that any developer of Surrendered Property shall reimburse LNR for the cost of the development of the offsite infrastructure serving the portion of the Surrendered Property being developed in accordance with a "fair share" engineering analysis, obtained by the Agency at

LNR's expense, for the Surrendered Property. All such reimbursements shall be paid without interest at the time a building permit is issued, and transferred to LNR as and when received by Agency.

ARTICLE 7. USE OF THE PROPERTY

Section 7.01. Uses. LNR agrees to devote the Property to the Permitted Uses during the Term.

Section 7.02. No Conveyance to Tax Exempt Entity. LNR agrees for itself, its assigns and successors in interest to the Property or any part thereof, that, during all times that the Agency is permitted to receive property tax increment from the Property pursuant to Health and Safety Code Section 33670 (as that statute may be substituted or amended), the Property or any portion thereof may not be used, or otherwise sold, transferred, conveyed, assigned, leased, leased back, or hypothecated to or for any use that is partially or wholly exempt from the payment of real property taxes or which would cause the exemption of all or any portion of such real property taxes, unless such use is approved in advance by Agency, which approval shall not be unreasonably withheld.

Section 7.03. Obligation to Refrain from Discrimination. LNR covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, ancestry or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, nor shall LNR itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees or vendees of the Property. The foregoing covenants shall run with the land.

Section 7.04. Form of Nondiscrimination and Nonsegregation Clauses. LNR shall refrain from restricting the rental, sale or lease of the Property, or any portion thereof, on the basis of race, color, creed, religion, sex, marital status, ancestry or nation origin of any person. All such deeds, leases, or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(a) **In deeds:** "The transferee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, relegation, sex, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises herein conveyed, nor shall the transferee establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

(b) **In leases:** "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

That there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, relegation, sex, marital status, national origin or ancestry, in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the premises herein leased, nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the premises herein leased."

(c) **In contracts:** "There shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, relegation, sex, marital status, national origin or ancestry, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises, nor shall the transferee himself or herself, or any other person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with

reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the land.”

Section 7.05. Effect and Duration of Covenants.

- (a) **Duration.** Except as otherwise provided, the covenants contained in this Agreement and the Grant Deed shall remain in effect until July 10, 2036. The covenants against discrimination shall remain in effect in perpetuity. the covenants established in this Agreement and the grant deed shall, without regard to technical classification and designation, be binding for the benefit and in favor of the Agency, its successors and assigns, and any successor in interest to the Property or any part thereof.
- (b) **Agency as Beneficiary.** The Agency is deemed the beneficiary of the terms and provisions of this Agreement and of the covenants running with the land for and in its own rights and for the purposes of protecting the interests of the community and other parties, public or private, in whose favor and for whose benefit this Agreement and the covenants running with the land have been provided. This Agreement and the covenants shall run in favor of the Agency without regard to whether the Agency has been, remains or is an owner of any land or interest therein in the Property, any Option Parcel or subparcel, or in the Redevelopment Project Area, as described in the Redevelopment Plan. The Agency shall have the right, if this Agreement or the covenants are breached, to exercise all rights and remedies and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breaches to which it or any other beneficiaries of this Agreement and the covenants may be entitled.

ARTICLE 8. CLOSINGS AND ESCROW

Section 8.01. Escrow Agent. The Agency and LNR shall open an escrow for conveyance of each successive Option Parcel with a mutually acceptable title company as escrow agent (the “Escrow Agent”) in Riverside, California, within 30 days of the Effective Date of this Agreement. This Agreement constitutes the joint escrow instructions of the Agency and LNR, and a duplicate original of this Agreement shall be delivered to the Escrow Agent upon the

opening of escrow. The Agency and LNR shall provide such additional escrow instructions as may be appropriate to enable the Escrow Agent to comply with the terms of this Agreement. The Escrow Agent hereby is empowered to act under this Agreement and, upon indicating its acceptance of the provisions of this ARTICLE 8 in writing, delivered to the Agency and to LNR within five (5) days after the opening of the escrow, shall carry out its duties as Escrow Agent hereunder.

Section 8.02. LNR Deposits to Escrow. Upon determination by LNR, consistent with Section 3.03, above, that it desires to close on one or more Option Parcels, LNR shall deposit with the Escrow Agent:

- (i) Each successive Option Notice, delivered in accordance with Section 3.02, above;
- (ii) A legal description of the applicable Option Parcel(s);
- (iii) All applicable fees, charges and costs associated with the close of the Option Parcel(s), promptly after the Escrow Agent has notified LNR of the amount of such fees, charges and costs, but not later than the scheduled date for the close of escrow as determined by the parties pursuant to Section 3.02;
- (iv) An estoppel certificate certifying that LNR, to its Actual Knowledge, has completed all acts necessary to entitle LNR to such conveyance, if such be the fact; and
- (v) Any other instruments as are reasonably required by the Escrow Agent or otherwise required to close the escrow and consummate the conveyance of the Option Parcel(s) identified in the Option Notice in accordance with this Agreement.

Section 8.03. Agency Deposits to Escrow. Promptly following receipt of each successive Option Notice, but not later than the scheduled date for the close of escrow as determined by the parties pursuant to Section 3.02, Agency shall deposit with the Escrow Agent:

- (i) A properly executed and acknowledged Grant Deed, including the Power of Termination described in Section 8.04, for the Option Parcel(s) identified in the Option Notice in the form described in Section 3.04;
- (ii) An estoppel certificate certifying that the Agency, to its Actual Knowledge, has completed all acts necessary to entitle LNR to such conveyance, if such be the fact; and
- (iii) Any other instruments as are reasonably required by the Escrow Agent or otherwise required to close the escrow and consummate the conveyance of the Option Parcel(s) identified in the Option Notice in accordance with this Agreement.

Section 8.04. Agency Power of Termination. The parties acknowledge that Agency's obligations under the Redevelopment Law require Agency to avoid speculation in undeveloped land and ensure the redevelopment of the Project Area within a reasonable period of time. Therefore, following delivery of an Option Notice by LNR to Agency, the parties shall meet and confer regarding the terms of a power of termination to Agency (the "Power of Termination"). Each Power of Termination shall be deemed a "power of termination" under California Civil Code section 885.010, and shall contain a requirement that LNR or other transferee Commence Construction of minimum construction requirements within a given time frame for the applicable Option Parcel. Provided that the maximum time frame for such Commencement of Construction does not exceed three (3) years from the date of conveyance of such Option Parcel from Agency, the terms of each Power of Termination shall be negotiated by LNR and Agency staff based on the condition of each Option Parcel, and the size and scope of planned development thereon, and incorporated into each individual Grant Deed.

Section 8.05. Closing Costs and Prorations.

- (a) **Closing Costs.** LNR shall be solely responsible for all escrow fees, title insurance premiums, recording costs, transfer taxes payable in connection with any Closing, all of which costs shall be Project Costs.
- (b) **Adjustments and Prorations.** Agency is not obligated to pay any real property taxes or assessments with respect to the Property. From and after the Closing for

each Option Parcel, LNR shall be solely responsible for all real property and/or possessory interest taxes applicable to LNR's interest in such Option Parcel.

Section 8.06. Conveyance of Title and Delivery of Possession. Provided that LNR is not in default under this Agreement and all conditions precedent to such conveyance have occurred, and subject to any mutually agreed upon extensions of time, conveyance to LNR of title to the Option Parcels shall be completed in accordance with Section 3.02. The Agency and LNR agree to perform all acts necessary to conveyance of title in sufficient time for title to be conveyed in accordance with the foregoing provisions. Possession shall be delivered to LNR concurrently with the conveyance of title, except that limited access may be permitted before conveyance of title as permitted in Section 6.06 of this Agreement.

Section 8.07. Recordation of Deed. Upon the close of escrow, the Escrow Agent shall file the grant deed for recordation among the land records in the Office of the County Recorder of Riverside County.

Section 8.08. Title Insurance. Concurrently with recordation of the grant deed, the Escrow Agent shall provide and deliver to LNR the Approved Title Policy issued by the Title Company in the amount of the value of the property determined by LNR and insuring that the title is vested in LNR in the condition required by Section 5.03(viii) of this Agreement. The Title Company shall provide the Agency with a copy of the Approved Title Policy.

ARTICLE 9. DEFAULTS, REMEDIES AND TERMINATION

Section 9.01. Defaults: General Provisions. Subject to any extensions of time by mutual consent of the parties, the rights and procedures set forth in this Agreement upon a Recalculation Event, and the cure provisions set forth herein, any failure or unreasonable delay by either party to perform any material term or provision of this Agreement shall constitute a default.

Section 9.02. Agency Default. Agency's good faith failure to exercise its discretion in a manner favorable to LNR in the context of a legislative act shall not be default under this Agreement. In addition to any other remedy specified herein, if a notice of default has been given in accordance with Section 9.03, alleging a default by Agency, any resulting delays in

LNR's performance caused by such default shall not constitute a LNR default, or be grounds for termination or cancellation of this Agreement.

Section 9.03. Cure of Default. In the event of an alleged default or breach of any terms or conditions of this Agreement, the party alleging such default or breach shall give the other party notice in writing specifying the nature of the alleged default and the manner in which said default may be satisfactorily cured and a reasonable period of time in which to cure, that shall in no event be less than thirty (30) days, or if such default cannot reasonably be cured within thirty (30) days, a period of time that is sufficient to allow for such cure. During any such period, the party charged shall not be considered in default for purposes of termination or institution of legal proceedings.

Section 9.04. Remedies After Expiration of Cure Period. After notice and expiration of the cure period, if the alleged default has not been cured in the manner set forth in the notice, subject to the rights of Mortgagees under Section 6.13, the nondefaulting party may at its option:

- (i) institute legal proceedings to obtain appropriate judicial relief, including but not limited to mandamus, specific performance, injunctive relief, or termination of this Agreement; or
- (ii) give the defaulting party notice of intent to terminate this Agreement. If such notice is given by Agency, Agency shall schedule the matter for a public meeting to review the matter and shall state in writing the reasons for alleging such default. Where LNR is the party alleged to be in default, LNR shall be afforded a reasonable opportunity to respond to all allegations of default at such public meeting. Agency shall provide LNR at least thirty (30) days prior written notice of such meeting, as well as provide LNR copies of all Agency staff reports, other than those protected by the attorney-client or other evidentiary privilege, prepared in connection therewith at least five (5) days prior to the meeting; or
- (iii) pursue any other remedy available at law or in equity that is not expressly waived in this Agreement, provided that in no event shall either party be liable to the other for consequential, incidental or special damages, lost profits or lost revenues, provided that for purposes of this Section 9.04(iii),

penalties or fines associated with any matter, third party claims for personal injury, and the cost of repairing or replacing damaged property shall be deemed to constitute direct damages and therefore not subject to the limitation set forth in the previous clause.

Section 9.05. Termination by LNR

- (a) **Preliminary Task Period Termination.** If at any time prior to the end of the Preliminary Task Period LNR shall terminate this Agreement, LNR may stop all work in connection with the Property and notify the Agency that it is terminating this Agreement as of the date set forth in the notice of termination. If LNR so notifies Agency, then except to the extent such obligations as are expressly stated to survive the termination of this Agreement, the obligations of Agency and LNR under this Agreement shall terminate without liability to either party from and after the date set forth in the Notice of Termination.
- (b) **Recalculation Event Termination.** If this Agreement is terminated in accordance with Section 4.03(d), except to the extent such obligations as are expressly stated to survive the termination of this Agreement, the obligations of Agency and LNR that have not accrued under this Agreement prior to the date of termination shall terminate without liability to either party from and after the date set forth in the Notice of Termination.
- (c) **Failure of Closing Conditions.** If LNR's conditions to close are not satisfied or waived on or before a Closing Date for the transfer of an Option Parcel, then LNR shall deliver to Agency a Contingency Failure Notice notifying Agency of those conditions that have not been satisfied or otherwise waived by LNR. The Agency shall have twenty (20) business days after LNR has delivered to Agency the Contingency Failure Notice to notify LNR in writing of Agency's election either to (a) take such actions as may be necessary to cure such matters to LNR's satisfaction prior to the Closing Date (as same may be extended), or (b) advise LNR that Agency will not cure such matters (the "Non-Performing Party's Conditions Notice"). If Agency elects to cure such matters as set forth in the Contingency Failure Notice, Agency shall promptly take any and all actions as

may be necessary to cure same, and the date of the Closing shall be extended for ninety (90) days if such extension is necessary in order to accomplish such cure. If the Agency has advised LNR that it elects not to cure a matter or matters that has not been deemed satisfied by LNR or the non-satisfaction thereof waived by LNR, then LNR shall have the right at its sole election either to waive the contingency(ies) in question and proceed with the transfer of an Option Parcel or, in the alternative, terminate this Agreement only with respect to such Option Parcel, and the obligations of Agency and LNR that have not accrued under this Agreement prior to the date of termination shall terminate with respect to such Option Parcel without liability to either party from and after the date set forth in the notice of termination, except to the extent that the failure of the contingency arises solely out of an act or omission of Agency that constitutes a default under this Agreement, in which case, LNR shall have the right to pursue all remedies available to LNR under this Agreement, at law or in equity. Notwithstanding anything to the contrary contained in this Agreement, in no event shall Agency be liable to LNR for any consequential, incidental or special damages, lost profits or lost revenues. It is understood and agreed that for purposes of this Section 9.05(c), penalties or fines associated with any matter, third party claims for personal injury, and the cost of repairing or replacing damaged property shall be deemed to constitute direct damages and therefore not subject to the limitation set forth in the previous sentence of this Section 9.05(c).

- (d) Termination for Breach of this Agreement by Agency. LNR shall not terminate this Agreement with respect to all or any portion of the Property, or use any other legal remedy, because of a material default by Agency, without providing Agency the cure periods specified in Section 9.03. At any time prior to the end of such period, Agency may submit evidence of the cure of such default. If LNR accepts that such default has been cured, this Agreement shall remain in full force and effect. If LNR determines in good faith that such default has not been cured, it may terminate this Agreement. Upon such termination, except to the extent such other obligations as are expressly stated to survive the termination of this Agreement, the obligations of Agency and LNR that have not accrued under this

Agreement prior to the date of termination shall terminate without liability to either party from and after the date set forth in the notice of termination except to the extent that the failure of the contingency arises solely out of an act or omission of Agency that constitutes a default under this Agreement, in which case, LNR shall have the right to pursue all remedies available to LNR under this Agreement, at law or in equity. Notwithstanding anything to the contrary contained in this Agreement, in no event shall Agency be liable to LNR for any consequential, incidental or special damages, lost profits or lost revenues. It is understood and agreed that for purposes of this Section 9.05(d), penalties or fines associated with any matter, third party claims for personal injury, and the cost of repairing or replacing damaged property shall be deemed to constitute direct damages and therefore not subject to the limitation set forth in the previous sentence of this Section 9.05(d).

Section 9.06. Termination by Agency

- (a) Preliminary Task Period Termination. If at any time prior to the end of the Preliminary Task Period Agency shall terminate this Agreement, Agency shall notify LNR that it is terminating this Agreement as of the date set forth in the notice of termination. If Agency so notifies LNR, then except to the extent such obligations as are expressly stated to survive the termination of this Agreement, the obligations of Agency and LNR under this Agreement shall terminate without liability to either party from and after the date set forth in the Notice of Termination.
- (b) Recalculation Event Termination. If this Agreement is terminated in accordance with Section 4.03(d), except to the extent such obligations as are expressly stated to survive the termination of this Agreement, the obligations of Agency and LNR that have not accrued under this Agreement prior to the date of termination shall terminate without liability to either party from and after the date set forth in the Notice of Termination.
- (c) Failure of Closing Conditions. If Agency's contingencies to close are not satisfied or waived on or before a Closing Date for any reason other than a default by LNR, then

Agency may deliver to LNR a Contingency Failure Notice. LNR shall have ten (10) business days after Agency has delivered to LNR the Contingency Failure Notice to deliver to Agency a notice stating whether or not LNR will cure such matter. It shall not be a default by LNR if LNR elects not to cure such matter. If LNR elects to cure such matters as set forth in the Contingency Failure Notice, LNR shall promptly take any and all actions as may be necessary to cure same, and the date of the closing shall be extended for ninety (90) days. If LNR has advised Agency that it elects not to cure a matter or matters that has not been deemed satisfied by Agency or the non-satisfaction thereof waived by Agency, then Agency shall have the right at its sole election either to waive the contingency(ies) in question and proceed with the transfer of the Option Parcel or, in the alternative, terminate this Agreement with respect only to such Option Parcel.

(d) Termination for Breach of this Agreement by LNR. Agency shall not terminate this Agreement with respect to all or any portion of the Property, or use any other legal remedy, because of a material default by LNR, without providing LNR the opportunity to cure specified in Section 9.03 and following the procedure set forth in Section 9.04(ii). At any time prior to the end of such period, LNR may submit evidence of the cure of such default. If Agency accepts that such default has been cured, this Agreement shall remain in full force and effect. If Agency determines in good faith that such default has not been cured, it may terminate this Agreement. Upon such termination, except to the extent such other obligations as are expressly stated to survive the termination of this Agreement, the obligations of Agency and LNR that have not accrued under this Agreement prior to the date of termination shall terminate without liability to either party from and after the date set forth in the notice of termination except to the extent that the failure of the contingency arises solely out of an act or omission of LNR that constitutes a default under this Agreement, in which case, Agency shall have the right to pursue all remedies available to Agency under this Agreement, at law or in equity. Notwithstanding anything to the contrary contained in this Agreement, in no event shall LNR be liable for any consequential, incidental or special damages, lost profits or lost revenues in connection with LNR's indemnity obligations. It is understood and agreed that for purposes of this Section 9.06(d), penalties or fines associated with any matter, third party claims for personal injury, and the cost of repairing or replacing damaged property shall be deemed to constitute direct damages and therefore not subject to the limitation set forth in the previous sentence of this Section 9.06(d).

Section 9.07. Effect of Termination. From and after the first conveyance in fee of an Option Parcel to LNR, and notwithstanding any other provision of this Agreement relating to termination hereof, the termination of this Agreement with respect to any portion of the Property shall not affect any obligations of the Agency or LNR that exist at the time of such termination with respect to those Option Parcels that have been transferred by Agency to LNR prior to the date of termination, and this Agreement shall remain in full force and effect with respect to such previously conveyed Option Parcels. From and after a termination notice of any type under this Agreement, LNR shall not have a duty to fund Project Costs other than the minimum costs necessary to make an orderly transition of the ownership, management and operation of the Project to the Agency or as Agency directs prior to the applicable termination date.

ARTICLE 10. REPRESENTATIONS AND WARRANTIES

Section 10.01. Representations and Warranties of Agency. To the Actual Knowledge of Agency:

- (i) The Agency is a public body, corporate and politic, exercising governmental functions and powers and organized and existing under the Redevelopment Law;
- (ii) The Agency has taken all actions required by law to approve the execution of this Agreement;
- (iii) The Agency's entry into this Agreement and/or the performance of the Agency's obligations under this Agreement does not violate any contract, agreement or other legal obligation of the Agency;
- (iv) The Agency's entry into this Agreement and/or the performance of the Agency's obligations under this Agreement does not constitute a violation of any state or federal statute or judicial decision to which the Agency is subject;
- (v) There are no pending lawsuits or other actions or proceedings which would prevent or impair the timely performance of the Agency's obligations under this Agreement;

- (vi) The Agency has the legal right, power and authority to enter into this Agreement and to consummate the transactions contemplated hereby, and the execution, delivery and performance of this Agreement has been duly authorized and no other action by Agency is requisite to the valid and binding execution, delivery and performance of this Agreement, except as otherwise expressly set forth herein;
- (vii) Pursuant to California Health and Safety Code Section 25359.7, Agency is not aware of the release or the presence of any Hazardous Substances on or in the Property; and
- (viii) The individual executing this Agreement is authorized to execute this Agreement on behalf of the Agency.

The representations and warranties set forth above are material consideration to LNR and the Agency acknowledges that LNR is relying upon the representations set forth above in undertaking LNR's obligations set forth in this Agreement. The Agency's representations and warranties shall survive the Close of Escrow (as herein defined below) and shall not be deemed merged with the Grant Deed. All of the terms, covenants and conditions of this Agreement shall be binding on and shall inure to the benefit of the Agency and its nominees, successors and assigns.

Section 10.02. Representations and Warranties of LNR. To the Actual Knowledge of LNR:

- (i) LNR is a duly formed Florida corporation and is in good standing and qualified to do business under the laws of the State of California;
- (ii) The individual(s) executing this Agreement is/are authorized to execute this Agreement on behalf of LNR;
- (iii) LNR has taken all actions required by law to approve the execution of this Agreement;
- (iv) LNR's entry into this Agreement and/or the performance of LNR's obligations under this Agreement does not violate any contract, agreement or other legal obligation of LNR;

- (v) LNR's entry into this Agreement and/or the performance of LNR's obligations under this Agreement does not constitute a violation of any state or federal statute or judicial decision to which LNR is subject;
- (vi) There are no pending lawsuits or other actions or proceedings which would prevent or impair the timely performance of LNR's obligations under this Agreement;
- (vii) LNR has the legal right, power and authority to enter into this Agreement and to consummate the transactions contemplated hereby, and the execution, delivery and performance of this Agreement have been duly authorized and no other action by LNR is requisite to the valid and binding execution, delivery and performance of this Agreement, except as otherwise expressly set forth herein; and
- (viii) As of the Effective Date of this Agreement, LNR has incurred Project Costs in the approximate amount of \$525,000, and LNR Capital amounts to approximately \$525,000.

The representations and warranties set forth herein are material consideration to the Agency and LNR acknowledges that the Agency is relying upon the representations set forth above in undertaking the Agency's obligations herein. All of the terms, covenants and conditions of this Agreement shall be binding on and shall inure to the benefit of LNR and its permitted nominees, successors and assigns. Wherever the term "LNR" is used herein or therein, such term shall include any permitted nominee, assignee or successor of LNR.

Section 10.03. Representations and Warranties of Authority. To the Actual Knowledge of Authority:

- (i) The Authority is a public body, corporate and politic, exercising governmental functions and powers and organized and existing under the applicable law;
- (ii) The Authority has taken all actions required by law to approve the execution of this Agreement;

- (iii)** The Authority's entry into this Agreement and/or the performance of the Authority's obligations under this Agreement does not violate any contract, agreement or other legal obligation of the Authority;
- (iv)** The Authority's entry into this Agreement and/or the performance of the Authority's obligations under this Agreement does not constitute a violation of any state or federal statute or judicial decision to which the Authority is subject;
- (v)** There are no pending lawsuits or other actions or proceedings which would prevent or impair the timely performance of the Authority's obligations under this Agreement;
- (vi)** The Authority has the legal right, power and authority to enter into this Agreement and to consummate the transactions contemplated hereby, and the execution, delivery and performance of this Agreement has been duly authorized and no other action by Authority is requisite to the valid and binding execution, delivery and performance of this Agreement, except as otherwise expressly set forth herein;
- (vii)** Pursuant to California Health and Safety Code Section 25359.7, Authority is not aware of the release or the presence of any Hazardous Substances on or in the Property; and
- (viii)** The individual executing this Agreement is authorized to execute this Agreement on behalf of the Authority.

The representations and warranties set forth above are material consideration to LNR and the Authority acknowledges that LNR is relying upon the representations set forth above in undertaking LNR's obligations set forth in this Agreement. The Authority's representations and warranties shall survive the Close of Escrow (as herein defined below) and shall not be deemed merged with the Grant Deed. All of the terms, covenants and conditions of this Agreement shall be binding on and shall inure to the benefit of the Authority and its nominees, successors and assigns.

ARTICLE 11. INDEMNITIES

Section 11.01. Agency Indemnities. Agency shall defend, indemnify and hold LNR, and its officers, directors, agents, servants, attorneys, employees and contractors harmless from and against all Actions and Losses arising from or as a result of the death of any person or any accident injury, loss or damage whatsoever caused to any person or to the property of any person and which shall be, or alleged to be, directly or indirectly, caused by any acts done thereon or any errors or omissions of Agency or its officers, directors, agents, servants, attorneys, employees or contractors which are related to the construction of the Project. Agency shall not be responsible for (and such indemnity shall not apply to) any acts, errors or omissions directly or indirectly caused by LNR or its respective officers, directors, agents, servants, attorneys, employees or contractors. LNR shall not be responsible for any acts, errors or omissions of any person or entity except LNR and its respective officers, agents, servants, employees or contractors. The provisions of this Section will survive the termination of this Agreement.

Section 11.02. Authority Indemnities. Authority shall defend, indemnify and hold LNR, and its officers, directors, agents, servants, attorneys, employees and contractors harmless from and against all Actions and Losses arising from or as a result of the death of any person or any accident injury, loss or damage whatsoever caused to any person or to the property of any person and which shall be, or alleged to be, directly or indirectly, caused by any acts done thereon or any errors or omissions of Authority or its officers, directors, agents, servants, attorneys, employees or contractors which are related to the construction of the Project. Authority shall not be responsible for (and such indemnity shall not apply to) any acts, errors or omissions directly or indirectly caused by LNR or its respective officers, directors, agents, servants, attorneys, employees or contractors. LNR shall not be responsible for any acts, errors or omissions of any person or entity except LNR and its respective officers, agents, servants, employees or contractors. The provisions of this Section will survive the termination of this Agreement.

Section 11.03. LNR Indemnities. LNR shall defend, indemnify and hold the Agency and the Authority, and their officers, directors, agents, servants, attorneys, employees and contractors harmless from and against all Actions and Losses arising from or as a result of the death of any person or any accident injury, loss or damage whatsoever caused to any person or to

the property of any person and which shall be, or alleged to be, directly or indirectly, caused by any acts done thereon or any errors or omissions of LNR or its officers, directors, agents, servants, attorneys, employees or contractors which are related to the construction of the Project. LNR shall not be responsible for (and such indemnity shall not apply to) any acts, errors or omissions directly or indirectly caused by the Agency or the Authority, or their respective officers, directors, agents, servants, attorneys, employees or contractors. The Agency and the Authority shall not be responsible for any acts, errors or omissions of any person or entity except the Agency and the Authority and their respective officers, agents, servants, employees or contractors. The provisions of this Section will survive the termination of this Agreement.

ARTICLE 12. ASSIGNMENT AND TRANSFER

Section 12.01. Assignment of Interests, Rights and Obligations. LNR may transfer or assign all or any portion of its interests, rights or obligations under this Agreement pursuant to an Assignment of Agreement conforming to the requirements of Section 12.02. Agency acknowledges that LNR may transfer ownership interests in LNR without Agency's consent as long as following such transfer LNR remains in control of all decision making with respect to, and the management of the development of, the Property and the Project in accordance with this Agreement, whether by contract or otherwise, and the successor entity has adequate financial resources to meet the obligations of this Agreement. LNR shall notify Agency of any transfer of ownership of LNR which notice shall contain a certification from a responsible officer of LNR that such transfer conforms to the requirements of this Section 12.01. Upon request, LNR will provide to Agency reasonable evidence of such control and financial resources.

Section 12.02. Assignment of Agreement. In connection with the transfer or assignment by LNR of all or any portion of the Property (other than a transfer or assignment by LNR to an Affiliate or a Mortgagee, or a transfer pursuant to Section 2.03), LNR and the assignee shall enter into a written agreement (a "Assignment of Agreement") regarding the respective interests, rights and obligations of LNR and the assignee in and under this Agreement. Further, in connection with such Assignment of Agreement involving a transfer of the entire remainder of the Property, Agency shall confirm in writing that no default by LNR under this Agreement shall be deemed a default of the assignee with respect to the portion of the Property transferred to such assignee, which confirmation shall not be a waiver of any default by LNR that has not been

cured prior to such assignment. Such Assignment of Agreement may (i) release LNR from obligations under this Agreement that pertain to that portion of the Property being transferred, as described in the Assignment of Agreement, provided that the assignee expressly assumes such obligations, and (ii) address any other matter deemed by LNR to be necessary or appropriate in connection with the or assignment.

LNR shall seek Agency's prior written consent to any Assignment of Agreement. Failure by Agency to respond within forty-five (45) days to any request made by LNR for such consent shall be deemed to be Agency's approval of the Assignment of Agreement in question. Agency may refuse to give its consent only if, in light of the proposed transferee's reputation and financial resources, such assignee would not in Agency's reasonable opinion be able to perform the obligations proposed to be assumed by such assignee. In making such determination, the Agency shall evaluate: (i) the financial ability of the proposed transferee to own and operate the Project, or portion so transferred, and to meet LNR's obligations under this Agreement; and (ii) the fitness and experience of the proposed transferee and its senior managerial personnel to own and operate the Project or portion so transferred thereof.

Any Assignment of Agreement shall be binding on LNR, Agency and the assignee. Upon recordation of any Assignment of Agreement in the Official Records of Riverside County, LNR shall automatically be released from those obligations assumed by the assignee therein.

LNR shall be free from any and all liabilities accruing on or after the date of any assignment with respect to those obligations assumed by an assignee pursuant to a Assignment of Agreement. No breach or default hereunder by any person succeeding to any portion of LNR's obligations under this Agreement shall be attributed to LNR, nor may LNR's rights hereunder be canceled or diminished in any way by any breach or default by any such person. No breach or default by LNR under this Agreement shall be attributed to an assignee under an Assignment of Agreement, provided that the foregoing shall not be deemed a waiver by Agency of any default of LNR that is not cured as of the date of such assignment.

Section 12.03. Release of Memorandum. Upon completion of the minimum construction described in the Power of Termination for each Option Parcel, and provided that Grant Deed for each Option Parcel contains provisions ensuring that the covenants contained in Article 7 of this Agreement continue to run with the land, Agency shall cooperate with LNR to

execute and deliver such instruments as a title company may receive to eliminate this Agreement and the Memorandum of Agreement as an exception to title in connection with the sale of any portion of the Property to a third party not succeeding to the interest of LNR in the balance of the Property.

ARTICLE 13. GENERAL PROVISIONS

Section 13.01. Incorporation of Recitals and Introductory Paragraph. The Recitals contained in this Agreement, and the introductory paragraph preceding the Recitals, are hereby incorporated into this Agreement as if fully set forth herein.

Section 13.02. Status of the Parties. Nothing in this Agreement shall be construed to make the Agency and LNR joint venturers or partners or to create any relationship of principal and agent, but rather the relationship of the parties shall be that of buyer and seller. Neither party shall have the authority to commit or bind the other party without such party's prior written consent.

Section 13.03. Successors and Assigns. This Agreement shall apply to, bind and inure to the benefit of successors-in-interest of the parties hereto, including their legal representatives, Agency's constituent members and its successors-in-office, and LNR's successors-in-interest or assigns, and all other parties, whether they succeed by operation of law or voluntary acts of Agency. This Agreement may be assigned, in whole or in part, by LNR, in accordance with Article 12 above.

Section 13.04. Severability. If any term or provision of this Agreement, or the application of any term or provision of this Agreement to a particular situation, is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining terms and provisions of this Agreement, or the application of this Agreement to other situations, shall continue in full force and effect unless amended or modified by mutual written consent of the parties.

Section 13.05. Other Necessary Acts. The parties, at any time after the execution of this Agreements, will execute, acknowledge and deliver any further assignments, conveyances and other assurances, documents, estoppels and instruments reasonably requested by the other party for the purpose of performing the obligations created hereunder. Unless otherwise required by

law or this Agreement, all approvals by Agency shall be administrative approvals. A party's representative in any matter related to this Agreement shall have appropriate background, experience, and knowledge about the Property and shall be available on a timely basis to consult with the other party's representative and to facilitate decisions and the resolution of disputes. Except as expressly provided elsewhere in this Agreement, any party's approval that has not been denied within thirty (30) days after written request therefore shall be deemed given. The Executive Director shall have the discretion to permit extensions of time for LNR's performance under this Agreement and the Performance Schedule each of which extensions may be for a period of up to one hundred eighty (180) days in the aggregate without governing board approval.

Section 13.06. Construction. Each reference in this Agreement to this Agreement shall be deemed to refer to this Agreement, as it may be amended from time to time, whether or not the particular reference refers to such possible amendment. Each party has had an adequate opportunity to obtain such advice with respect to the terms of this Agreement and the Approved Participation Model, and matters related to the foregoing, from such financial, legal and other advisors as such party has determined to consult. Further, this Agreement has been reviewed and revised by legal counsel for the Agency, LNR and Authority, and no presumption or rule that ambiguities shall be construed against the drafting party shall apply to the interpretation or enforcement of this Agreement.

Section 13.07. Other Miscellaneous Terms. The singular shall include the plural; the masculine gender shall include the feminine; "shall" is mandatory; "may" is permissive.

Section 13.08. Notices. Any notice or communication required hereunder between the parties must be in writing, and may be delivered either personally, by telefacsimile (with original forwarded by regular U.S. Mail) by registered or certified mail (return receipt requested), or by Federal Express or other similar courier promising overnight delivery. If personally delivered, a notice shall be deemed to have been given when delivered to the party to whom it is addressed. If given by facsimile transmission, a notice or communication shall be deemed to have been given and received upon actual physical receipt of the entire document by the receiving party's facsimile machine. Notices transmitted by facsimile after 5:00 p.m. on a normal business day or on a Saturday, Sunday or holiday shall be deemed to have been given and received on the next

normal business day. If given by registered or certified mail, such notice or communication shall be deemed to have been given and received on the first to occur of (i) actual receipt by any of the addressees designated below as the party to whom notices are to be sent, or (ii) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If given by Federal Express or similar courier, a notice or communication shall be deemed to have been given and received on the date delivered as shown on a receipt issued by the courier. Any party hereto may at any time, by giving ten (10) days written notice to the other party hereto, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the parties at their addresses set forth below:

If to Agency: March Joint Powers Redevelopment Agency
 Attn: Executive Director
 3430 Bundy Drive, Suite 107
 March Air Force Base, CA 92518-1504
 Tel: (909) 656-7000
 Fax: (909) 653-5558

With a copy to: Best Best & Krieger LLP
 Attn: Kevin Randolph
 3750 University Ave.
 P.O. Box 1028
 Riverside, CA 92502
 Tel: (909) 686-1450
 Fax: (909) 686-3083

If to LNR: LNR California Investments Inc.
 Attn: Jeffery J. Gordon
 18401 Von Karman Ave., Suite 540
 Irvine, CA 92612
 Tel: (949) 442-6100
 Fax: (949) 442-6175

With a copy to: Morrison & Foerster LLP
 Attn: Bruce Reed Goodmiller
 Attn: Mitchell S. Randall
 101 Ygnacio Valley Road
 Walnut Creek, CA 94596

If to Authority: March Joint Powers Authority
 Attn: Executive Director
 3430 Bundy Drive, Suite 107
 March Air Force Base, CA 92518-1504

Tel: (909) 656-7000
Fax: (909) 653-5558

With a copy to: Best Best & Krieger LLP
Attn: Kevin Randolph
3750 University Ave.
P.O. Box 1028
Riverside, CA 92502
Tel: (909) 686-1450
Fax: (909) 686-3083

Section 13.09. Conflicts of Interest. No member, official or employee of the Agency shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to this Agreement which affects his personal interests or the interests of any corporation, partnership or association in which he is directly or indirectly interested. LNR warrants that it has not paid or given, and will not pay or give, any third person any money or other consideration for obtaining this Agreement.

Section 13.10. Nonliability of Agency Officials and Employees. No member, official or employee of the Agency shall be personally liable to LNR in the event of any default or breach by the Agency or for any amount which may become due to LNR or on any obligations under the terms of this Agreement.

Section 13.11. Obligations Non-Recourse. Notwithstanding anything to the contrary set forth in this Agreement, no elective or appointive board, commission, officer, agent or employee of the Agency or Authority, and no person who is, directly or indirectly, a partner, member, officer, director, shareholder, trustee, beneficiary, employee or agent of LNR, shall be personally liable with respect to any of the obligations of Agency, LNR or Authority herein, and each party shall look solely to the assets of Agency, LNR or Authority (as the case may be) and shall have no right of recourse against the assets of any such other person herein specified.

Section 13.12. Enforced Delay: Extension of Times of Performance. In addition to the specific provisions of this Agreement, performance by any party hereunder shall not be deemed to be in default where delays or defaults are due to Force Majeure, provided, however, that the party claiming the extension notify the other party of the nature of the matter causing the delay. An extension of time for any such cause shall only be for the period of the enforced delay, which period shall commence to run from the time of the commencement of the cause. If,

however, notice by the party claiming such extension is sent to the other parties more than thirty (30) days after the commencement of the cause, the period shall commence to run only thirty (30) days prior to the giving of such notice. Times of performance under this Agreement may also be extended in writing by the Agency and LNR.

Section 13.13. Confidentiality. Subject to the Agency's and Authority's limitations under state law, for the purpose of avoiding the dissemination of market information that would be detrimental to the maximization of the benefits of the Project to Agency, LNR and Authority, the parties will establish an appropriate procedure to maintain the confidentiality of documents, financial statements, reports or other information, including, without limitation, strategies and development concepts, and LNR's proprietary information, provided to, or generated for or relating to the Property and the Project and not otherwise publicly available, and deemed "confidential" by a party (the "Designated Confidential Information"). All Designated Confidential Information shall be clearly marked as confidential by the party desiring to maintain its confidentiality, and Agency, LNR and Authority will keep confidential all Designated Confidential Information in accordance with such procedures, and will not disclose any such information to any person other than (i) those employed by Agency, LNR or Authority for use in the course of their work on Property matters or the Project; (ii) those who are actively and directly participating in the evaluation of the Property and the negotiation and execution of this Agreement or the purchase of the Property and (iii) governmental, administrative, regulatory or judicial authorities, including, without limitation, Authority in its capacity of regulating the Project, in the investigation of the compliance of the Property with applicable legal requirements. Notwithstanding the above, disclosure shall be permitted when (x) required by order of a court of competent jurisdiction, (y) in the reasonable opinion of Agency's legal counsel, following notice to LNR and opportunity to object, such disclosure is required by relevant provisions of state or federal law, or (z) subject to public disclosure requirements during the course of litigation between Agency and LNR. The provisions of this Section will survive the termination of this Agreement.

Section 13.14. Amendment of Redevelopment Plan. Pursuant to provisions of the Redevelopment Plan for modification or amendment thereof, the Agency agrees to meet and confer with LNR prior to making any amendment to the Redevelopment Plan which changes the uses or development permitted on the Property or changes the restrictions or controls that apply

to the Property or otherwise directly affect the use of the Property. Any amendment of the Redevelopment Plan that changes the uses or development permitted on the Property or changes the restrictions or controls that apply to the Property or otherwise directly affects the use of the Property shall be a Recalculation Event hereunder.

Section 13.15. Amendments to Agreement. This Agreement may be amended or modified only by a writing signed by Agency, LNR and, with respect to those portions of this Agreement affecting Authority, Authority.

Section 13.16. Tax Consequences. LNR acknowledges that it may experience tax consequences as a result of this Agreement and agrees that it shall bear any and all responsibility, liability, costs and expenses, if any, connected in any way therewith.

Section 13.17. Rights Not Granted Under Agreement. This Agreement is not, and shall not be construed to be, a development agreement under Government Code Section 65864 *et seq.*, and shall not be construed to be an approval or an agreement to issue permits or a granting of any entitlement by the Agency concerning the Project or any other project, development, or construction by LNR. This Agreement does not, and shall not be construed to, exempt LNR from the application and/or exercise of the Agency's or Authority's power of eminent domain or their police power, including, but not limited to, the regulation of land uses and the taking of any actions necessary to protect the health, safety, and welfare of their citizenry.

Section 13.18. Governing Law. This Agreement shall be governed by the laws of the State of California.

Section 13.19. Jurisdiction and Venue. Any legal action or proceeding concerning this Agreement shall be filed and prosecuted in the appropriate California state court in the County of Riverside, California. Each Party hereto irrevocably consents to the personal jurisdiction of that court. The Agency and LNR each hereby expressly waive the benefit of any provision of federal or state law or judicial decision providing for the filing, removal, or change of venue to any other court or jurisdiction, including, without implied limitation, federal district court, due to any diversity of citizenship between the Agency and LNR, due to the fact that either the Authority or the Agency is a party to such action or proceeding or due to the fact that a federal question or federal right is involved or alleged to be involved. Without limiting the generality of the foregoing, LNR and the Agency specifically waive any rights provided to it pursuant to

California Code of Civil Procedure Section 394, except that LNR may require appointment of an out-of-County judge. LNR acknowledges that the provisions of this Section 13.19 are material consideration to the Agency for its entry into this Agreement.

Section 13.20. Entire Agreement. This Agreement is executed in three (3) duplicate originals, each of which is deemed to be an original. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the subject matter hereof. All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of the Agency and the Developer, and all amendments hereto must be in writing and signed by the appropriate authorities of the Agency and the Developer. A memorandum of this Agreement reasonably acceptable to the parties (the "Memorandum of Agreement") shall be recorded by the Agency against the Property within 30 days of the Effective Date. Upon the written request made following the expiration or termination of this Agreement, either party shall execute in recordable form any documents which may be necessary to remove the Memorandum of Agreement from record title to the Property.

Section 13.21. Counterparts. This Agreement may be executed in three (3) counterpart originals which, when taken together, shall constitute but one and the same instrument.


IN WITNESS WHEREOF, Agency, Developer and Authority have signed this Agreement effective as of the date first set forth hereinabove.

[SIGNATURES ON FOLLOWING PAGES]

**SIGNATURE PAGE TO
WEST MARCH EDC PROPERTY
DISPOSITION AND DEVELOPMENT AGREEMENT**


AGENCY:

**MARCH JOINT POWERS REDEVELOPMENT
AGENCY**

By: 
Chairperson
March Joint Powers Redevelopment Agency

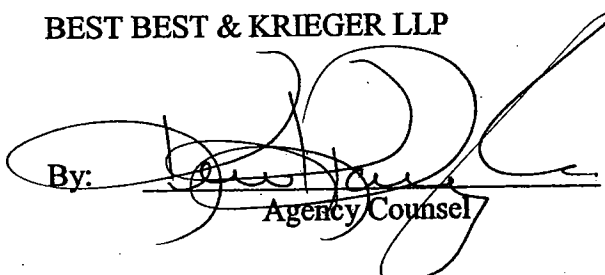
[Seal]

ATTEST:


Secretary
March Joint Powers Redevelopment Agency

APPROVED AS TO LEGAL FORM:

BEST BEST & KRIEGER LLP

By: 
Agency Counsel

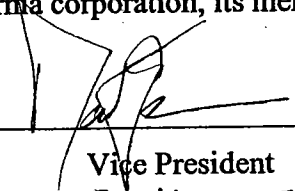
**SIGNATURE PAGE TO
WEST MARCH EDC PROPERTY
DISPOSITION AND DEVELOPMENT AGREEMENT**

DEVELOPER:

LNR RIVERSIDE, LLC.
a California limited liability company

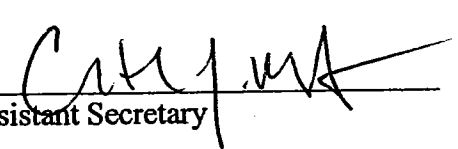
By: LNR Riverside Holdings, Inc.,
a California corporation, its member

By: _____


Vice President
David O. Team




ATTEST:


Assistant Secretary

**SIGNATURE PAGE TO
WEST MARCH EDC PROPERTY
DISPOSITION AND DEVELOPMENT AGREEMENT**

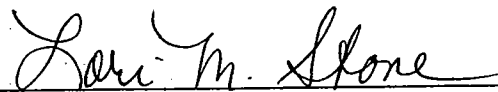
AUTHORITY:

MARCH JOINT POWERS AUTHORITY

By: 
Chairperson
March Joint Powers Authority

[Seal]

ATTEST:


Secretary
March Joint Powers Authority

APPROVED AS TO LEGAL FORM:

BEST BEST & KRIEGER LLP

By: 
Authority Counsel

EXHIBIT A

THE PROPERTY

EXHIBIT A

The Property

Parcel 2	1311.42 Acres
Parcel 3 (west)	151.48 Acres
Parcel 5	386.70 Acres
Parcel 6	524.44 Acres
Parcel 7	<u>101.23</u> Acres
TOTAL	2475.27 Acres

Legal Description**Exhibit "A"****Parcel 2**

1 In the County of Riverside, State of California, being that portion of Sections 15, 16, 17,
2 21, 22, 27 and 28 of Township 3 South, Range 4 West, San Bernardino Base and Meridian,
3 said land also being shown as Parcels 1 and 2 on Record of Survey 000-135 filed in Book
4 110, Pages 30 through 40 inclusive of Records of Survey, in the County Recorder's Office
5 of said County, more particularly described as follows:

6
7 Beginning at the corner common to Sections 16, 17, 20 and 21 of Township 3
8 South, Range 4 West, San Bernardino Base and Meridian; thence along the southerly,
9 westerly and northerly lines of Parcel 20 of Parcel Map No. 4806, as shown on the map
10 filed in Book 7, Pages 8 through 12 inclusive of Parcel Maps in said County Recorder's
11 Office, the following 5 courses:
12 1. South 89°46'32" West 1,700.03 feet;
13 2. North 00°31'26" East 2,647.59 feet;
14 3. North 89°47'13" East 860.02 feet;
15 4. North 00°31'26" East 840.03 feet;
16 5. North 89°47'12" East 840.01 feet to the easterly line of said Section 17;
17 thence along said easterly line North 00°31'28" East 483.32 feet to the southerly line of the
18 North half of the Northwest quarter of said Section 16 as established by the Record of
19 Survey filed in Book 46, Page 73 of Records of Survey in said County Recorder's Office;
20 thence along said southerly line North 89°53'27" East 2,660.12 feet to easterly line of said
21 Northwest quarter ; thence along said easterly line South 00°36'25" West 99.04 feet to the
22 southwest corner of Parcel Map No. 9723 filed in Book 111 Pages 54 through 56 inclusive
23 of Parcel Maps in said County Recorder's Office; thence along the southerly line of said
24 Parcel Map North 89°54'26" East 1,330.01 feet to the southeast corner thereof; thence
25 along the easterly line of said Parcel Map North 00°38'08" East 99.32 feet to the southerly
26 terminus of the course shown as "North 89°16'42" East, 665.09 feet" in the westerly line of
27 Parcel Map No. 17572 filed in Book 137, Pages 65 through 67 inclusive of Parcel Maps of

Legal Description**Exhibit "A"****Parcel 2**

1 said County Recorder's Office; thence along the southerly and westerly lines of said Parcel
2 Map the following 2 courses:
3 1. North 89°53'30" East 664.97 feet;
4 2. South 00°39'44" West 1,322.51 feet to the southerly line of the northeast quarter of said
5 Section 16; thence along said southerly line North 89°52'53" East 664.90 feet to the
6 easterly quarter corner of said Section 16; thence along the easterly line of said northeast
7 quarter, North 00°39'56" East 2,544.35 feet to the southerly right-of-way line of Alessandro
8 Boulevard as shown on California Department of Transportation Map No. 435571-7
9 on file with the County of Riverside as Map No. 205-253; thence along said southerly
10 right-of-way line North 89°53'24" East 1,201.72 feet; thence leaving said southerly
11 right-of-way line, along the easterly line of Parcel 2 of first said Record of Survey the
12 following 10 courses:
13 1. South 38°39'15" East 2,811.22 feet;
14 2. South 30°07'21" East 1,855.76 feet;
15 3. South 70°03'21" West 662.52 feet;
16 4. North 20°02'22" West 173.57 feet;
17 5. South 70°00'53" West 560.28 feet;
18 6. South 19°56'28" East 774.22 feet;
19 7. North 70°03'01" East 55.54 feet;
20 8. South 01°00'36" West 2,375.44 feet;
21 9. South 09°31'07" East 2,716.43 feet;
22 10. South 19°19'15" East 1,012.51 feet to a point on the southerly right-of-way line of Van
23 Buren Boulevard as described in a document recorded in Book 1973, Page 74835 of
24 Official Records in said County Recorder's Office, said point being the beginning of a
25 non-tangent curve concave southeasterly having a radius of 2,944.79 feet, a radial line
26 to said beginning of curve bears North 22°44'28" West;
27 thence along said southerly right-of-way line the following 7 courses:
28 1. southwesterly 176.85 feet along said curve through a central angle of 03°26'28";

Legal Description**Exhibit "A"****Parcel 2**

- 1 2. South 63°49'04" West 597.28 feet;
- 2 3. South 59°06'47" West 90.43 feet;
- 3 4. South 64°41'15" West 102.99 feet;
- 4 5. South 62°13'15" West 99.99 feet;
- 5 6. South 63°11'38" West 99.70 feet;
- 6 7. South 64°31'15" West 111.41 feet; thence leaving said southerly right-of-way line
- 7 North 00°01'43" West 70.59 feet to the centerline of Van Buren Boulevard as shown on
- 8 the Record of Survey filed in Book 84, Page 37 of Records of Survey in said County
- 9 Recorder's Office;
- 10 thence along said centerline the following 4 courses:
- 11 1. South 63°49'04" West 94.73 feet to the beginning of a curve concave northerly having a
- 12 radius of 2,999.79 feet;
- 13 2. Southwesterly, westerly and northwesterly along said curve 2,930.12 feet through a
- 14 central angle of 55°57'55";
- 15 3. North 60°13'01" West 648.18 feet to the beginning of a curve concave southerly having
- 16 a radius of 2,999.79 feet;
- 17 4. Northwesterly and westerly along said curve 1,542.27 feet through a central angle of
- 18 29°27'26" to the southerly line of said Section 21;
- 19 thence along said southerly line South 89°40'27" East 2,218.79 feet to the Section corner
- 20 common to said Sections 21, 22, 27, and 28; thence along the southerly line of said Section
- 21 22, North 89°35'25" East 1,282.57 feet to a line that is parallel with and 1369.40 feet
- 22 westerly of the east line of the southwest quarter of said Section 22; thence along said
- 23 parallel line North 00°30'42" East 2,663.96 feet to the southerly line of the northwest
- 24 quarter of said Section 22; thence leaving said parallel line and along said southerly line
- 25 South 89°35'58" West 0.09 feet to a line that is parallel with and 1369.40 feet westerly of
- 26 the easterly line of the northwest quarter of said Section 22; thence along said parallel line
- 27 North 00°43'30" East 2,653.93 feet to the northerly line of said section 22; thence leaving
- 28 said parallel line and along said northerly line South 89°56'15" East 0.03 feet to a line that

Legal Description

Exhibit "A"

Parcel 2

1 is parallel with and 1369.40 feet westerly of the easterly line of the southwest quarter of
 2 said Section 15; thence leaving said northerly line and along said parallel line
 3 North 00°35'14" East 659.98 feet; thence leaving said parallel line North 89°56'13" West
 4 1,276.82 feet to the easterly line of said Section 16; thence along said easterly line
 5 South 00°39'56" West 660.00 feet to the corner common to said Sections 15, 16, 21 and 22;
 6 thence along the northerly line of said Section 21 South 89°51'02" West 1,992.05 feet;
 7 thence leaving said northerly line, South 00°46'26" West 664.03 feet; thence
 8 South 89°54'50" West 664.37 feet to the East line of the northwest quarter of Section 21;
 9 thence along said East line South 00°48'48" West 663.32 feet to the South line of the
 10 northerly half of the northwest quarter of said Section 21 as established by the Record of
 11 Survey filed in Book 84, Pages 58 and 59 of Records of Survey in said County Recorder's
 12 Office; thence along said South line South 89°58'15" West 2,657.96 feet to the West line of
 13 the northwest quarter of said Section 21; thence along said West line North 00°58'16" East
 14 1,321.17 feet to the **POINT OF BEGINNING**.

15
 16 Containing 57,125,475 square feet or 1,311.42 acres, more or less, based on grid distances

17
 18 *The distances used in the above description are grid distances based on the California*
 19 *Coordinate System of 1983, Zone 6. Multiply distances shown by 1.00007058 to obtain*
 20 *ground distances.*

21
 22 Prepared under the supervision of:

23
 24 Walter A. Sheek 3/5/01
 25 Walter A. Sheek Date

26 P.L.S. 4838 Expires 9/30/04
 27



Legal Description

Exhibit "A"

Parcel 3 West

In the County of Riverside, State of California, being that portion of Sections 14, 15, 22 and 23 of Township 3 South, Range 4 West, San Bernardino Base and Meridian, also shown as Parcel 3 on Record of Survey 00-135 filed in Book 110, Pages 30 through 40, inclusive, of Records of Survey, in the County Records Office of said County, more particularly described as follows:

Beginning at the westerly terminus of that certain course, as shown on sheet 6 of 11 sheets of said Record of Survey, said course bears North $89^{\circ}53'24''$ East 1201.72 feet, said course also being on the southerly line of Alessandro Boulevard as shown on California Department of Transportation Map No. 435571-7 on file with the County of Riverside as Map No. 205-253; thence along said southerly line North $89^{\circ}53'24''$ East 1,201.72 feet, to the **TRUE POINT OF BEGINNING**; thence continuing along said southerly line North $89^{\circ}53'24''$ East 792.42 feet to the westerly Right-of-Way line of State Route 215 as shown on California Department of Transportation Map No. 435571, Pages 5 through 8, inclusive, on file with the County of Riverside as Map No. 205, pages 251 through 254, inclusive, also being the beginning of a non-tangent curve concave easterly having a radius of 1,860.00 feet, a radial line to said beginning of curve bears South $81^{\circ}48'14''$ West; thence along said westerly Right-of-Way Line the following 21 courses:

1. southerly 34.81 feet along said curve through a central angle of $01^{\circ}04'20''$ to the beginning of a non-tangent curve concave southwesterly having a radius of 775.00 feet, a radial line to said beginning of curve bears South $00^{\circ}21'22''$ East;
2. easterly and southeasterly 787.46 feet along said curve through a central angle of $58^{\circ}13'00''$;
3. South $32^{\circ}08'22''$ East 748.36 feet to the beginning of a non-tangent curve concave northeasterly having a radius of 5,125.00 feet, a radial line to said beginning bears South $56^{\circ}40'31''$ West;
4. southeasterly 643.21 feet along said curve through a central angle of $07^{\circ}11'27''$;
5. South $40^{\circ}30'56''$ East 328.40 feet;

Legal Description

Exhibit "A"

Parcel 3 West

- 1 6. South $34^{\circ}48'19''$ East 264.26 feet to the beginning of a curve concave westerly having a
- 2 radius of 1,147.00 feet;
- 3 7. Southeasterly and southerly along said curve 554.37 feet through a central angle of
- 4 $27^{\circ}41'31''$;
- 5 8. South $07^{\circ}06'47''$ East 289.23 feet;
- 6 9. South $80^{\circ}37'30''$ West 65.33 feet to the beginning of a curve concave northerly having a
- 7 radius of 1,556.00 feet;
- 8 10. westerly along said curve 154.53 feet through a central angle of $05^{\circ}41'25''$;
- 9 11. South $36^{\circ}34'39''$ East 103.65 feet to the beginning of a non-tangent curve concave
- 10 northerly having a radius of 1,644.00 feet, a radial line to said beginning of curve bears
- 11 North $05^{\circ}38'49''$ West;
- 12 12. easterly 106.97 feet along said curve through a central angle of $03^{\circ}43'41''$;
- 13 13. North $80^{\circ}37'30''$ East 45.41 feet;
- 14 14. South $11^{\circ}41'33''$ East 197.18 feet to the beginning of a curve concave northeasterly
- 15 having a radius of 375.00 feet;
- 16 15. southerly and southeasterly along said curve 327.27 feet through a central angle of
- 17 $50^{\circ}00'13''$;
- 18 16. South $61^{\circ}41'46''$ East 732.96 feet to the beginning of a curve concave southwesterly
- 19 having a radius of 797.00 feet;
- 20 17. southeasterly along said curve 261.98 feet through a central angle of $18^{\circ}50'01''$;
- 21 18. South $19^{\circ}23'37''$ East 1,521.93 feet;
- 22 19. South $70^{\circ}36'45''$ West 140.02 feet;
- 23 20. South $19^{\circ}23'15''$ East 279.98 feet;
- 24 21. North $70^{\circ}36'45''$ East 140.05 feet to the northerly prolongation of the westerly
- 25 Line of Atchison, Topeka and Santa Fe Railroad Right-of-Way, as shown on said
- 26 California Department of Transportation Map, thence along said northerly prolongation and
- 27 westerly line the following 2 courses:
- 28 1. South $19^{\circ}23'37''$ East 2,303.13 feet ;

Legal Description

Exhibit "A"

Parcel 3 West

2. South 19°22'37" East 319.87 feet;
thence leaving said westerly line South 59°52'39" West 211.38 feet; thence
North 30°07'21" West 6865.62 feet; thence North 38°39'15" West 2,811.22 feet
to the **TRUE POINT OF BEGINNING**.

Containing 6,598,613 square feet or 151.48 acres, more or less, based upon grid distances.

As shown on Exhibit "B" attached hereto and by this reference made a part hereof.

*The distances used in the above description are grid distances based on the California
Coordinate System of 1983, Zone 6. Multiply distances shown by 1.00007058 to obtain
ground distances.*

Prepared under the supervision of:

Walter A. Sheek

3/5/01

Walter A. Sheek

Date

P.L.S. 4838

Expires 9/30/04



Legal Description

Exhibit "A"

Parcel 5

In the County of Riverside, State of California, being that portion of Sections 15, 22, 23, 26 and 27 of Township 3 South, Range 4 West, San Bernardino Base and Meridian, also shown as Parcel 5 on Record of Survey 000-135 filed in Book 110, Pages 30 through 40, inclusive, of Records of Survey, in the County Recorder's Office of said County, more particularly described as follows:

Beginning at the westerly terminus of that certain course in the southerly line of Alessandro Blvd. as shown on sheet 6 of 11 sheets of said Record of Survey, said course bears North 89°53'24" East 1201.72 feet, said course also being shown on California Department of Transportation Map No. 435571-7 on file with the County of Riverside as Map No. 205-253; thence along said southerly line North 89°53'24" East 1,201.72 feet; thence leaving said southerly line South 38°39'15" East 2,811.22 feet; thence South 30°07'21" East 1,855.76 feet to the **TRUE POINT OF BEGINNING**; thence South 70°03'01" West 183.49 feet; thence South 19°19'30" East 601.03 feet; thence South 70°03'01" West 977.61 feet; thence South 01°00'36" West 2,375.44 feet; thence South 09°31'07" East 2,716.43 feet; thence North 59°56'16" East 1,115.80 feet; thence South 18°47'37" East 703.24 feet; thence South 70°28'46" West 1,089.79 feet; thence South 19°19'15" East 513.46 feet to a point on the southerly line of Van Buren Boulevard as described in a document recorded in Book 1973, Page 74835 of Official Records in said County Recorder's Office, said point being the beginning of a non-tangent curve concave southerly having a radius of 2944.79 feet, a radial line to said beginning of curve bears North 22°44'28" West; thence easterly along said southerly line the following 9 courses:

1. Easterly 517.30 feet along said curve through a central angle of 10°03'54";
2. North 81°41'15" East 105.47 feet;
3. North 79°11'15" East 92.99 feet;
4. North 83°31'15" East 201.99 feet;
5. North 86°23'15" East 139.99 feet;
6. South 77°05'45" East 69.00 feet;

Legal Description

Exhibit "A"

Parcel 5

7. North 71°01'15" East 43.00 feet;
8. North 88°36'05" East 441.29 feet;
9. North 89°46'06" East 1,414.40 feet to the westerly line of State Route 215 as shown on
California Department of Transportation Map No. 443512-4 on file with the County of
Riverside as Map No. 205-049; thence along said westerly line the following 2 courses:
1. North 05°25'23" West 110.45 feet;
2. North 86°18'18" East 591.55 feet to the westerly line of the Atchison, Topeka and
Santa Fe Railroad right-of-way, as shown on said California Department of Transportation
Map; thence along said westerly line the following 3 courses:
1. North 19°22'37" West 852.18 feet;
2. North 70°37'23" East 100.00 feet;
3. North 19°22'37" West 1,615.52 feet; thence leaving said westerly line
South 59°52'39" West 211.38 feet; thence North 30°07'21" West 5,009.86 feet to the
TRUE POINT OF BEGINNING.

Containing 16,844,590 square feet or 386.70 acres, more or less, based upon grid distances.

As shown on Exhibit "B" attached hereto and by this reference made a part hereof.

*The distances used in the above description are grid distances based on the California
Coordinate System of 1983, Zone 6. Multiply distances shown by 1.00007058 to obtain
ground distances.*

Prepared under the supervision of:

Walter A. Sheek 3/5/01
Walter A. Sheek Date

P.L.S. 4838 Expires 9/30/04



Legal Description**Exhibit "A"****Parcel 6**

1 In the County of Riverside, State of California, being that portion of Sections 27 and 28 of
2 Township 3 South, Range 4 West, San Bernardino Base and Meridian, also shown as
3 Parcel 6 on Record of Survey 00-135 filed in Book 110, Pages 30 through 40, inclusive, of
4 Records of Survey, in the County Records Office of said County, more particularly
5 described as follows:
6

7 Beginning at the corner common to Sections 20, 21 28 and 29 of Township 3 South, Range
8 4 West, San Bernardino Base and Meridian; thence South $89^{\circ}40'27''$ East 3,119.50 feet
9 along the northerly line of said Section 28, said Northerly line also being the centerline of
10 Van Buren Boulevard and the westerly prolongation thereof, as established on the map
11 filed in Book 97, Page 57 of Records of Survey in said County Recorder's Office, to the
12 beginning of a curve concave southerly having a radius of 2,999.79 feet; thence leaving
13 said northerly line and continuing along said centerline traveling easterly and southeasterly
14 along said curve 1,542.27 feet through a central angle of $29^{\circ}27'26''$; thence continuing
15 along said centerline South $60^{\circ}13'01''$ East 648.18 feet to the beginning of a curve concave
16 northerly having a radius of 2,999.79 feet; thence southeasterly and easterly along said
17 curve 2,020.86 feet through a central angle of $38^{\circ}35'54''$ to the intersection of said
18 centerline of Van Buren Boulevard with the centerline of Plummer Road as shown on the
19 map filed in Book 84, Page 37 of Records of Survey in said County Recorder's Office;
20 thence along said centerline of Plummer Road the following 9 courses:

- 21 1. South $08^{\circ}43'56''$ East 38.62 feet to the beginning of a curve concave northwesterly
22 having a radius of 199.96 feet;
- 23 2. southerly, southwesterly and westerly 309.72 feet along said curve through a central
24 angle of $88^{\circ}44'40''$ to the beginning of a reverse curve concave southeasterly having a
25 radius of 224.98 feet, a radial line to said beginning of reverse curve bears
26 North $09^{\circ}59'15''$ West;
- 27 3. westerly and southwesterly 221.23 feet along said curve through a central angle of
28 $56^{\circ}20'22''$;

Legal Description

Exhibit "A"

Parcel 6

- 1 4. South 23°40'22" West 799.34 feet to the beginning of a curve concave northwesterly
- 2 having a radius of 3,499.75 feet;
- 3 5. southwesterly along said curve 275.93 feet through a central angle of 04°31'02";
- 4 6. South 28°11'24" West 466.59 feet to the beginning of a curve concave northwesterly
- 5 having a radius of 824.94 feet;
- 6 7. southwesterly along said curve 468.14 feet through a central angle of 32°30'53";
- 7 8. South 60°42'17" West 565.90 feet to the beginning of a curve concave southeasterly
- 8 having a radius of 369.97 feet;
- 9 9. southwesterly and southerly along said curve 330.70 feet through a central angle of
- 10 51°12'52" to the northerly line of the Riverside County Sheriffs Parcel as shown on the
- 11 map filed in Book 108, Pages 9 through 12, inclusive, of Records of Survey in said
- 12 County Recorder's Office;
- 13 thence along said northerly line the following 5 courses:
- 14 1. North 89°04'41" West 100.04 feet;
- 15 2. North 00°51'09" East 387.78 feet;
- 16 3. North 89°10'19" West 3,268.23 feet;
- 17 4. South 00°49'31" West 1,720.02 feet;
- 18 5. North 89°10'02" West 1,784.22 feet to the westerly line of said Section 28; thence
- 19 along said westerly line the following 2 courses:
- 20 1. North 00°37'34" East 2,365.22 feet;
- 21 2. North 00°35'22" East 2,645.45 feet to the Point of Beginning.
- 22
- 23 Containing 22,844,417 square feet or 524.44 acres, more or less, based on grid distances.
- 24
- 25 As shown on Exhibit "B" attached hereto and by this reference made a part hereof.
- 26

Legal Description

Exhibit "A"

Parcel 6

1 *The distances used in the above description are grid distances based on the California*
2 *Coordinate System of 1983, Zone 6. Multiply distances shown by 1.00007058 to obtain*
3 *ground distances.*
4
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6
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8 Prepared under the supervision of:
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10
11 *Walter A. Sheek* 3/7/01

12 Walter A. Sheek

Date

13 P.L.S. 4838 Expires 9/30/04



Legal Description

Exhibit "A"

Parcel 7

1 In the County of Riverside, State of California, being that portion of Sections 27 and 28 of
2 Township 3 South, Range 4 West, San Bernardino Base and Meridian, also as shown as
3 Parcel 7 on Record of Survey 00-135 filed in Book 110, Pages 30 through 40, inclusive, of
4 Records of Survey, in the County Recorder's Office of said County, more particularly
5 described as follows:

6
7 Beginning at the corner common to Sections 20, 21 28 and 29 of Township 3 South, Range
8 4 West, San Bernardino Base and Meridian; thence South $89^{\circ}40'27''$ East 3,119.50 feet
9 along the northerly line of said Section 28, said Northerly line also being the centerline of
10 Van Buren Boulevard and the westerly prolongation thereof, as established on the map
11 filed in Book 97, Page 57 of Records of Survey in said County Recorder's Office, to the
12 beginning of a curve concave southerly having a radius of 2,999.79 feet; thence leaving
13 said northerly line and continuing along said centerline traveling easterly and southeasterly
14 along said curve 1,542.27 feet through a central angle of $29^{\circ}27'26''$; thence continuing
15 along said centerline South $60^{\circ}13'01''$ East 648.18 feet to the beginning of a curve concave
16 northerly having a radius of 2,999.79 feet; thence southeasterly and easterly along said
17 curve 2,020.86 feet through a central angle of $38^{\circ}35'54''$ to the intersection of said
18 centerline of Van Buren Boulevard with the centerline of Plummer Road as shown on the
19 map filed in Book 84, Page 37 of Records of Survey in said County Recorder's Office, said
20 intersection also being the **True Point of Beginning**; thence along said centerline of
21 Plummer Road the following 9 courses:

- 22 1. South $08^{\circ}43'56''$ East 38.62 feet to the beginning of a curve concave northwesterly
23 having a radius of 199.96 feet;
- 24 2. southerly, southwesterly and westerly 309.72 feet along said curve through a central
25 angle of $88^{\circ}44'40''$ to the beginning of a reverse curve concave southeasterly having a
26 radius of 224.98 feet, a radial line to said beginning of reverse curve bears
27 North $09^{\circ}59'15''$ West;

Legal Description

Exhibit "A"

Parcel 7

- 1 3. westerly and southwesterly 221.23 feet along said curve through a central angle of
- 2 56°20'22";
- 3 4. South 23°40'22" West 799.34 feet to the beginning of a curve concave northwesterly
- 4 having a radius of 3,499.75 feet;
- 5 5. southwesterly along said curve 275.93 feet through a central angle of 04°31'02";
- 6 6. South 28°11'24" West 466.59 feet to the beginning of a curve concave northwesterly
- 7 having a radius of 824.94 feet;
- 8 7. southwesterly along said curve 468.14 feet through a central angle of 32°30'53";
- 9 8. South 60°42'17" West 565.90 feet to the beginning of a curve concave southeasterly
- 10 having a radius of 369.97 feet;
- 11 9. southwesterly and southerly along said curve 330.70 feet through a central angle of
- 12 51°12'52" to the northerly line of the Riverside County Sheriffs Parcel as shown on a
- 13 map filed in Book 108, Pages 9 through 12, inclusive, of Records of Survey in said
- 14 County Recorder's Office;
- 15 thence along said northerly line South 89°04'41" East 340.94 to the westerly line of Tract
- 16 No. 27155 filed in Map Book 259, Pages 8 through 12, inclusive, of Maps, in said County
- 17 Recorder's Office; thence along said westerly line
- 18 North 00°57'15" East 120.57 feet to the northerly line thereof; thence along said northerly
- 19 line and the easterly prolongation thereof North 89°04'39" East 2499.74 feet; thence
- 20 North 00°54'44" East 1,203.01 feet; thence North 14°27'56" West 113.76 feet; thence
- 21 North 00°57'49" East 48.27 feet; thence South 89°02'11" East 102.71 feet; thence
- 22 North 00°01'43" West 1,455.69 feet to the centerline of said Van Buren Boulevard; thence
- 23 along said centerline South 63°49'04" West 94.73 feet to the beginning of a curve concave
- 24 northerly having a radius of 2,999.79 feet; thence westerly along said curve and continuing
- 25 along said centerline 909.26 feet through a central angle of 17°22'01" to the **True Point of**
- 26 **Beginning.**
- 27
- 28 Containing 4,409,604 square feet or 101.23 acres, more or less, based on grid distances.

Legal Description

Exhibit "A"

Parcel 7

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As shown on Exhibit "B" attached hereto and by this reference made a part hereof.

The distances used in the above description are grid distances based on the California Coordinate System of 1983, Zone 6. Multiply distances shown by 1.00007058 to obtain ground distances.

Prepared under the supervision of:

Walter A. Sheek

Walter A. Sheek

3/7/01

Date

P.L.S. 4838 Expires 9/30/04



EXHIBIT B

APPROVED PARTICIPATION MODEL

West March Approved Participation Model

Confidential

prepared for:

March Joint Powers Authority

prepared by:

Lennar Partners

West March Approved Participation Model

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Cashflow.Yrly
March' hflow JPA - (12-21-01).xls

WEST MARCO BUSINESS PARK
PARTICIPATION MODEL

Confidential

REVENUES (000s)	Annual Inflation \$/ Net SF	0.0%										
			2012 12	2013 13	2014 14	2015 15	2016 16	2017 17	2018 18	2019 19	2020 20	
Land Sales	2.84	92.46%	9,252	9,252	8,328	7,405	7,405	5,686	3,966	3,966	1,983	
Railroad Premium	0.06	1.96%	0	0	0	0	0	0	0	0	0	
Lot Corner Premium	0.17	5.59%	463	463	479	495	495	331	167	167	83	
TOTAL REVENUE	3.07	100.00%	9,715	9,715	8,807	7,900	7,900	6,016	4,133	4,133	2,066	
EXPENSES (000s)	Annual Inflation \$/ Net SF	0.0%										
			2012 12	2013 13	2014 14	2015 15	2016 16	2017 17	2018 18	2019 19	2020 20	
Master Developer Fee	0.10	3.36%	224	224	224	224	224	224	224	224	224	
Marketing	0.03	1.11%	75	75	75	75	75	75	75	75	0	
Entitlements	0.02	0.80%	0	0	0	0	0	0	0	0	0	
Engineering	0.18	5.90%	555	278	0	229	0	0	0	0	0	
Development Impact Fee	0.00	0.00%	0	0	0	0	0	0	0	0	0	
Environmental Mitigation	0.02	0.68%	86	67	67	57	47	23	0	0	0	
Bonds & Fees	0.04	1.19%	202	67	67	45	23	11	0	0	0	
Demolition	0.00	0.00%	0	0	0	0	0	0	0	0	0	
Grading	0.51	16.67%	2,114	1,636	1,636	1,390	1,145	573	0	0	0	
Drainage	0.17	5.62%	886	336	336	168	0	0	0	0	0	
Streets	0.42	13.51%	2,053	778	778	389	0	0	0	0	0	
Off-site Streets	0.35	11.38%	3,419	0	0	0	0	0	0	0	0	
Water	0.09	2.91%	368	193	193	97	0	0	0	0	0	
Off-site Water	0.03	0.99%	0	0	0	0	0	0	0	0	0	
Sewer	0.03	1.10%	205	96	96	48	0	0	0	0	0	
Off-site Sewer	0.06	2.01%	0	0	0	0	0	0	0	0	0	
Reclaimed Water	0.01	0.43%	74	24	24	12	0	0	0	0	0	
Dry Utilities	0.12	3.80%	695	162	162	81	0	0	0	0	0	
Off-site Dry Utilities	0.03	1.04%	277	107	107	54	0	0	0	0	0	
Monumentation	0.00	0.00%	0	0	0	0	0	0	0	0	0	
Construction Contingency	0.18	5.95%	1,009	333	333	224	115	57	0	0	0	
Mello Roos Payments	0.00	0.00%	0	0	0	0	0	0	0	0	0	
Additional Consideration	0.05	1.56%	0	0	0	0	0	0	0	0	0	
TOTAL EXPENSES	2.46	80.04%	12,244	4,374	4,096	3,091	1,628	963	299	299	224	
NET CASH FLOW	0.61	19.96%	-2,529	5,341	4,711	4,808	6,271	5,053	3,834	3,834	1,843	
CUMULATIVE NET CASH FLOW			-10,120	-4,779	-68	4,740	11,012	16,064	19,898	23,732	25,575	
PROJECT IRR (Unlevered)	14.10%		0.00%	0.00%	0.00%	5.64%	9.72%	11.78%	12.91%	13.77%	14.10%	
CASHFLOW PARTICIPATION (Unlevered)			0.00%	0.00%	0.00%	5.64%	9.72%	11.78%	12.91%	13.77%	14.10%	
Lennar IRR Base			0.00%	0.00%	0.00%	5.64%	9.72%	11.78%	12.91%	13.77%	14.10%	
Lennar Partners Base			-2,529	5,341	4,711	4,808	6,271	5,053	3,834	3,834	1,843	
Lennar Partners Share	50%		0	0	0	0	0	0	0	0	0	
March JPA Share	50%		0	0	0	0	0	0	0	0	0	
			0	0	0	0	0	0	0	0	0	
			25,575	25,575	25,575	25,575	25,575	25,575	25,575	25,575	25,575	

WEST MARCH BUSINESS PARK
PARTICIPATION MODEL

Confidential

PUBLIC FINANCING
(000s)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Tax Increment Financing	0.00	0.00%									
Community Facilities District	0.66	21.56%									
Federal & State Grants	0.00	0.00%									
	0.66	21.56%									
	0	0	0	0	0	4,420	0	0	8,160	0	0
PERIOD CASH FLOW	-581	-3,531	-421	6,276	-1,632	993	-3,947	2,554	12,233	-2,382	-2,872
CUMULATIVE CASH FLOW	-581	-4,112	-4,533	1,744	111	1,104	-2,843	-289	11,943	9,561	6,689
PROJECT IRR (w/Public Financing)	0.00%	0.00%	0.00%	17.18%	1.45%	10.99%	0.00%	0.00%	30.89%	28.69%	26.18%
CASHFLOW PARTICIPATION (After Public Financing)											
Lennar IRR Base	0.00%	0.00%	0.00%	17.18%	1.45%	10.99%	0.00%	0.00%	25.00%	21.54%	16.35%
Lennar Partners Base	-581	-3,531	-421	6,276	-1,632	993	-3,947	2,554	7,775	-2,382	-2,872
Lennar Partners Share-Tier 1	0	0	0	0	0	0	0	0	1,114	0	0
March JPA Shares - Tier 1	0	0	0	0	0	0	0	0	3,343	0	0
Lennar Partners Share - Tier 2	0	0	0	0	0	0	0	0	0	0	0
March JPA Shares - Tier 2	0	0	0	0	0	0	0	0	0	0	0
	-581	-3,531	-421	6,276	-1,632	993	-3,947	2,554	12,233	-2,382	-2,872

\$20 \$000/acre
956.86 net acres
Target: March JPA Share - Tier 1 = \$19,137 \$000

SUMMARY: CASHFLOW PARTICIPATION (After Public Financing)

Lennar Partners Base	10,067
Lennar Partners Share	19,591
March JPA Share	23,541
	53,200

CAUTION!! CASHFLOW PARTICIPATION TABLE IS HARD-CODED.
Any change to model requires values in table to be recalculated.

PUBLIC FINANCING
(000s)

Tax Increment Financing	0.00	0.00%	0	2012	2013	2014	2015	2016	2017	2018	2019	2020
Community Facilities District	0.66	21.56%	27,625	12	13	14	15	16	17	18	19	20
Federal & State Grants	0.00	0.00%	0	7,735	0	0	5,610	0	0	0	0	0
	0.66	21.56%	27,625	7,735	0	0	5,610	0	0	0	0	0

PERIOD CASH FLOW
CUMULATIVE CASH FLOW

53,200	5,206	5,341	4,711	10,418	6,271	5,053	3,834	3,834	1,843
	11,895	17,236	21,947	32,365	38,637	43,689	47,523	51,357	53,200

PROJECT IRR (w/Public Financing) 35.52%

29.55% 31.55% 32.66% 34.22% 34.82% 35.16% 35.34% 35.47% 35.52%

CASHFLOW PARTICIPATION (After Public Financing)

Lennar IRR Base	23.25%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
Lennar Partners Base	10,067	5,206	2,630	0	0	0	0	0	0	0	0
Lennar Partners Share-Tier 1	6,379	0	678	1,178	2,605	805	0	0	0	0	0
March JPA Shares - Tier 1	19,137	0	2,033	3,533	7,814	2,414	0	0	0	0	0
Lennar Partners Share - Tier 2	13,212	0	0	0	0	2,289	3,790	2,876	2,876	1,382	1,382
March JPA Shares - Tier 2	4,404	0	0	0	0	763	1,263	959	959	461	461
	53,200	5,206	5,341	4,711	10,418	6,271	5,053	3,834	3,834	1,843	1,843

\$20 \$000/acre
956.86 net acres
Target: March JPA Share - Tier 1 = \$19,137 \$000

CAUTION!! CASHFLOW PARTICIPATION TABLE IS HARD-CODED.
Any change to model requires values in table to be recalculated.

SUMMARY: CASHFLOW PARTICIPATION (After Public Financing)

Lennar Partners Base	10,067
Lennar Partners Share	19,591
March JPA Share	23,541
	53,200

WEST MARCH BUSINESS PARK
PARTICIPATION MODEL

Confidential

0

REVENUES
(000s)

	Annual Inflation													
		1	2	3	4	5	6	7	8	9	10	11	12	13
	0.0%	1,000 Oct-01	1,000 Jan-02	1,000 Apr-02	1,000 Jul-02	1,000 Oct-02	1,000 Jan-03	1,000 Apr-03	1,000 Jul-03	1,000 Oct-03	1,000 Jan-04	1,000 Apr-04	1,000 Jul-04	1,000 Oct-04
		Total												
Land Sales	92.46%	0	0	0	0	0	0	0	2,080	2,080	2,080	2,080	2,080	2,080
Railroad Premium	1.96%	0	0	0	0	0	0	0	155	155	155	155	155	155
Lot Corner Premium	5.59%	0	0	0	0	0	0	0	100	100	100	100	100	100
TOTAL REVENUE	100.00%	0	0	0	0	0	0	0	2,335	2,335	2,335	2,335	2,335	2,335

WEST MARSH BUSINESS PARK
PARTICIPATION MODEL

Continental

0

REVENUES (000s)		Annual Inflation													
		0.0%	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
			Jan-05	Apr-05	Jul-05	Oct-05	Jan-06	Apr-06	Jul-06	Oct-06	Jan-07	Apr-07	Jul-07	Oct-07	Jan-08
			14	15	16	17	18	19	20	21	22	23	24	25	26
Total															
Land Sales	92.46%	118,447	2,080	2,080	1,528	1,528	1,528	1,528	1,528	1,528	1,528	1,528	1,528	1,528	1,528
Railroad Premium	1.96%	2,505	155	155	58	58	58	58	58	58	58	58	58	58	58
Lot Corner Premium	5.59%	7,160	100	100	117	117	117	117	117	117	117	117	117	117	117
TOTAL REVENUE		100.00%	128,112	2,335	1,703	1,703	1,703	1,703	1,703	1,703	1,703	1,703	1,703	1,703	1,703

WEST MARCH BUSINESS PARK
PARTICIPATION MODEL

Confidential

0

REVENUES (000s)		Annual Inflation	0.0%														
			Total	1,000 Apr-08 27	1,000 Jul-08 28	1,000 Oct-08 29	1,000 Jan-09 30	1,000 Apr-09 31	1,000 Jul-09 32	1,000 Oct-09 33	1,000 Jan-10 34	1,000 Apr-10 35	1,000 Jul-10 36	1,000 Oct-10 37	1,000 Jan-11 38	1,000 Apr-11 39	
Land Sales	92.46%	118,447	1,528	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800		
Railroad Premium	1.96%	2,505	58	47	47	47	47	47	47	47	47	47	47	47	47		
Lot Corner Premium	5.59%	7,160	117	132	132	132	132	132	132	132	132	132	132	132	132		
TOTAL REVENUE		100.00%	128,112	1,703	1,980	1,980	1,980	1,980	1,980	1,980	1,980	1,980	1,980	1,980	1,980		

WEST MARC BUSINESS PARK
PARTICIPATION MODEL

Continued

REVENUES		0													
(000s)		Annual Inflation													
	0.0%	Total													
		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
		Jul-11	Oct-11	Jan-12	Apr-12	Jul-12	Oct-12	Jan-13	Apr-13	Jul-13	Oct-13	Jan-14	Apr-14	Jul-14	
		40	41	42	43	44	45	46	47	48	49	50	51	52	
Land Sales	92.46%	2,313	2,313	2,313	2,313	2,313	2,313	2,313	2,313	2,313	2,313	2,313	2,313	2,313	1,851
Railroad Premium	1.96%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Lot Corner Premium	5.59%	116	116	116	116	116	116	116	116	116	116	116	116	116	124
TOTAL REVENUE	100.00%	2,429	2,429	2,429	2,429	2,429	2,429	2,429	2,429	2,429	2,429	2,429	2,429	2,429	1,975

WEST MARCH BUSINESS PARK
PARTICIPATION MODEL

Confidential

0

REVENUES (000s)	Annual Inflation	0.0%													
		1,000 Oct-14 53	1,000 Jan-15 54	1,000 Apr-15 55	1,000 Jul-15 56	1,000 Oct-15 57	1,000 Jan-16 58	1,000 Apr-16 59	1,000 Jul-16 60	1,000 Oct-16 61	1,000 Jan-17 62	1,000 Apr-17 63	1,000 Jul-17 64	1,000 Oct-17 65	
	Total														
Land Sales	92.46%	1,851	1,851	1,851	1,851	1,851	1,851	1,851	1,851	1,851	1,851	1,851	992	992	
Railroad Premium	1.96%	0	0	0	0	0	0	0	0	0	0	0	0	0	
Lot Corner Premium	5.59%	124	124	124	124	124	124	124	124	124	124	124	42	42	
TOTAL REVENUE	100.00%	1,975	1,975	1,975	1,975	1,975	1,975	1,975	1,975	1,975	1,975	1,975	1,033	1,033	

WEST MARLBOROUGH BUSINESS PARK
PARTICIPATION MODEL

Continental

0

REVENUES (000s)		Annual Inflation	0.0%													
				1,000 Jan-18	1,000 Apr-18	1,000 Jul-18	1,000 Oct-18	1,000 Jan-19	1,000 Apr-19	1,000 Jul-19	1,000 Oct-19	1,000 Jan-20	1,000 Apr-20	1,000 Jul-20	1,000 Oct-20	
Total				66	67	68	69	70	71	72	73	74	75	76	77	
Land Sales		92.46%	118,447	992	992	992	992	992	992	992	992	992	992	992	0	0
Railroad Premium		1.96%	2,505	0	0	0	0	0	0	0	0	0	0	0	0	0
Lot Corner Premium		5.59%	7,160	42	42	42	42	42	42	42	42	42	42	42	0	0
TOTAL REVENUE		100.00%	128,112	1,033	1,033	1,033	1,033	1,033	1,033	1,033	1,033	1,033	1,033	0	0	0

WEST MARCH BUSINESS PARK
PARTICIPATION MODEL

Confidential

EXPENSES (000s)	Annual Inflation	0.0%													
			1,000 Oct-01	1,000 Jan-02	1,000 Apr-02	1,000 Jul-02	1,000 Oct-02	1,000 Jan-03	1,000 Apr-03	1,000 Jul-03	1,000 Oct-03	1,000 Jan-04	1,000 Apr-04	1,000 Jul-04	1,000 Oct-04
Total			1	2	3	4	5	6	7	8	9	10	11	12	13
Master Developer Fee	3.36%	4,307	56	56	56	56	56	56	56	56	56	56	56	56	56
Marketing	1.11%	1,425	38	38	38	38	38	38	19	19	19	19	19	19	19
Entitlements	0.80%	1,025	500												
Engineering	5.90%	7,557	0	0	0	328	328	328	328	0	0	0	0	0	0
Development Impact Fee	0.00%	0													
Environmental Mitigation	0.68%	874	0	0	0	0	0	0	12	12	12	12	12	12	12
Bonds & Fees	1.19%	1,524	0	0	0	0	0	0	20	20	20	20	20	20	20
Demolition	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grading	16.67%	21,361	0	0	0	0	0	0	300	300	300	300	300	300	300
Drainage	5.62%	7,200	0	0	0	0	0	0	111	111	111	111	111	111	111
Streets	13.51%	17,308	0	0	0	0	0	0	258	258	258	258	258	258	258
Off-site Streets	11.38%	14,585	0	0	0	0	0	0	45	45	45	45	45	45	45
Water	2.91%	3,729	0	0	0	0	0	0	96	96	96	96	96	96	96
Off-site Water	0.99%	1,271	0	0	0	0	0	0	88	88	88	88	88	88	88
Sewer	1.10%	1,407	0	0	0	0	0	0	15	15	15	15	15	15	15
Off-site Sewer	2.01%	2,575	0	0	0	0	0	0	0	0	0	0	0	0	0
Reclaimed Water	0.43%	557	0	0	0	0	0	0	9	9	9	9	9	9	9
Dry Utilities	3.80%	4,874	0	0	0	0	0	0	64	64	64	64	64	64	64
Off-site Dry Utilities	1.04%	1,339	0	0	0	0	0	0	0	0	0	0	0	0	0
Monumentation	0.00%	0													
Construction Contingency	5.95%	7,621	0	0	0	0	0	0	99	99	99	99	99	99	99
Mello Roos Payments	0.00%	0													
Additional Consideration	1.56%	2,000				2,000									
TOTAL EXPENSES			581	593	93	2,422	422	1,519	1,191	1,191	1,191	1,191	1,191	1,191	1,191
NET CASH FLOW			-581	-593	-93	-2,422	-422	-1,519	-1,191	1,144	1,144	1,144	1,144	1,144	1,144
PROJECT IRR			14.08%												

WEST MARCO BUSINESS PARK
PARTICIPATION MODEL

Cor. ... nital

EXPENSES (000s)	Annual Inflation	0.0%													
			1,000 Jan-05 14	1,000 Apr-05 15	1,000 Jul-05 16	1,000 Oct-05 17	1,000 Jan-06 18	1,000 Apr-06 19	1,000 Jul-06 20	1,000 Oct-06 21	1,000 Jan-07 22	1,000 Apr-07 23	1,000 Jul-07 24	1,000 Oct-07 25	1,000 Jan-08 26
		Total													
Master Developer Fee	3.36%	4,307	56	56	56	56	56	56	56	56	56	56	56	56	56
Marketing	1.11%	1,425	19	19	19	19	19	19	19	19	19	19	19	19	19
Entitlements	0.80%	1,025													
Engineering	5.90%	7,557	736	736	736	736	736	736	736	736	736	736	736	736	736
Development Impact Fee	0.00%	0													
Environmental Mitigation	0.68%	874	12	12	14	14	14	14	14	14	14	14	14	14	14
Bonds & Fees	1.19%	1,524	20	20	44	44	44	44	44	44	44	44	44	44	44
Demolition	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grading	16.67%	21,361	300	300	334	334	334	334	334	334	334	334	334	334	336
Drainage	5.62%	7,200	111	111	272	272	272	272	272	272	272	272	272	272	31
Streets	13.51%	17,308	258	258	631	631	631	631	631	631	631	631	631	631	702
Off-site Streets	11.38%	14,585	45	45	307	307	307	307	307	307	307	307	307	307	252
Water	2.91%	3,729	96	96	121	121	121	121	121	121	121	121	121	121	16
Off-site Water	0.99%	1,271	88	88	39	39	39	39	39	39	39	39	39	39	0
Sewer	1.10%	1,407	15	15	40	40	40	40	40	40	40	40	40	40	10
Off-site Sewer	2.01%	2,575	0	0	226	226	226	226	226	226	226	226	226	226	32
Reclaimed Water	0.43%	557	9	9	20	20	20	20	20	20	20	20	20	20	3
Dry Utilities	3.80%	4,874	64	64	180	180	180	180	180	180	180	180	180	180	29
Off-site Dry Utilities	1.04%	1,339	0	0	38	38	38	38	38	38	38	38	38	38	0
Monumentation	0.00%	0													
Construction Contingency	5.95%	7,621	99	99	221	221	221	221	221	221	221	221	221	221	141
Mello Roos Payments	0.00%	0													
Additional Consideration	1.56%	2,000													
TOTAL EXPENSES			102,537	1,926	3,296	2,560	2,560	2,560	2,560	2,560	2,560	2,560	2,820	2,820	1,928
NET CASH FLOW			25,575	408	-1,592	-857	-857	-857	-857	-857	-857	-857	-1,117	-1,117	-224
PROJECT IRR			14.08%												

WEST MARCH BUSINESS PARK
PARTICIPATION MODEL

Confidential

EXPENSES (000s)	Annual Inflation	0.0%															
		1,000 Apr-08	1,000 Jul-08	1,000 Oct-08	1,000 Jan-09	1,000 Apr-09	1,000 Jul-09	1,000 Oct-09	1,000 Jan-10	1,000 Apr-10	1,000 Jul-10	1,000 Oct-10	1,000 Jan-11	1,000 Apr-11			
		27	28	29	30	31	32	33	34	35	36	37	38	39			
		Total															
Master Developer Fee	3.36%	4,307	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56
Marketing	1.11%	1,425	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19
Entitlements	0.80%	1,025															
Engineering	5.90%	7,557	0	0	0	0	0	0	841	841	841	841	841	841	841	841	841
Development Impact Fee	0.00%	0															
Environmental Mitigation	0.68%	874	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14
Bonds & Fees	1.19%	1,524	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16
Demolition	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grading	16.67%	21,361	336	336	336	336	336	336	336	336	336	336	336	336	336	336	336
Drainage	5.62%	7,200	31	31	31	31	31	31	31	31	31	31	31	31	31	31	31
Streets	13.51%	17,308	71	71	71	71	71	71	71	71	71	71	71	71	71	71	71
Off-site Streets	11.38%	14,585	252	252	252	252	252	252	252	252	252	252	252	252	252	252	252
Water	2.91%	3,729	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16
Off-site Water	0.99%	1,271	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sewer	1.10%	1,407	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Off-site Sewer	2.01%	2,575	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32
Reclaimed Water	0.43%	557	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Dry Utilities	3.80%	4,874	29	29	29	29	29	29	29	29	29	29	29	29	29	29	29
Off-site Dry Utilities	1.04%	1,339	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Monumentation	0.00%	0															
Construction Contingency	5.95%	7,621	78	78	78	78	78	78	78	78	78	78	78	78	78	78	78
Mello Roos Payments	0.00%	0															
Additional Consideration	1.56%	2,000															
TOTAL EXPENSES		102,537	961	961	961	961	961	961	961	1,802	3,774	2,922	2,922	2,922	2,922	2,922	2,922
NET CASH FLOW		25,575	742	1,018	1,018	1,018	1,018	1,018	1,018	177	-1,794	-942	-942	-942	-942	-942	-942
PROJECT IRR		14.08%															

WEST MARC...JESSISS PARK
PARTICIPATION MODEL

Continued

EXPENSES (000s)	Annual Inflation	0.0%													
		1,000 Jul-11 40	1,000 Oct-11 41	1,000 Jan-12 42	1,000 Apr-12 43	1,000 Jul-12 44	1,000 Oct-12 45	1,000 Jan-13 46	1,000 Apr-13 47	1,000 Jul-13 48	1,000 Oct-13 49	1,000 Jan-14 50	1,000 Apr-14 51	1,000 Jul-14 52	
		Total													
Master Developer Fee	3.36%	56	56	56	56	56	56	56	56	56	56	56	56	56	
Marketing	1.11%	19	19	19	19	19	19	19	19	19	19	19	19	19	
Entitlements	0.80%		1,025												
Engineering	5.90%		7,557												
Development Impact Fee	0.00%		0		0	278	278	278	0	0	0	0	0	0	
Environmental Mitigation	0.68%	22	22	22	22	22	22	22	17	17	17	17	17	17	
Bonds & Fees	1.19%	50	50	50	50	50	50	50	17	17	17	17	17	17	
Demolition	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	
Grading	16.67%	528	528	528	528	528	528	528	409	409	409	409	409	409	
Drainage	5.62%	222	222	222	222	222	222	222	84	84	84	84	84	84	
Streets	13.51%	513	513	513	513	513	513	513	194	194	194	194	194	194	
Off-site Streets	11.36%	855	855	855	855	855	855	855	0	0	0	0	0	0	
Water	2.91%	92	92	92	92	92	92	92	48	48	48	48	48	48	
Off-site Water	0.99%	1,271	0	0	0	0	0	0	0	0	0	0	0	0	
Sewer	1.10%	51	51	51	51	51	51	51	24	24	24	24	24	24	
Off-site Sewer	2.01%	0	0	0	0	0	0	0	0	0	0	0	0	0	
Reclaimed Water	0.43%	18	18	18	18	18	18	18	6	6	6	6	6	6	
Dry Utilities	3.80%	174	174	174	174	174	174	174	41	41	41	41	41	41	
Off-site Dry Utilities	1.04%	69	69	69	69	69	69	69	27	27	27	27	27	27	
Monumentation	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	
Construction Contingency	5.95%	252	252	252	252	252	252	252	83	83	83	83	83	83	
Mello Roos Payments	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	
Additional Consideration	1.56%	2,000	2,000	2,000	2,000	2,000	2,000	2,000	1,127	1,405	1,405	1,405	1,405	1,405	
TOTAL EXPENSES		102,537	2,922	2,922	2,922	3,200	3,200	3,200	1,302	1,024	1,024	1,024	1,024	1,024	
NET CASH FLOW			-493	-493	-493	-771	-771	-771	1,127	1,405	1,405	1,405	1,405	951	
PROJECT IRR														14.08%	

WEST MARCH BUSINESS PARK
PARTICIPATION MODEL

Confidential

EXPENSES (000s)	Annual Inflation	0.0%													
		1,000 Oct-14 53	1,000 Jan-15 54	1,000 Apr-15 55	1,000 Jul-15 56	1,000 Oct-15 57	1,000 Jan-16 58	1,000 Apr-16 59	1,000 Jul-16 60	1,000 Oct-16 61	1,000 Jan-17 62	1,000 Apr-17 63	1,000 Jul-17 64	1,000 Oct-17 65	
		Total													
Master Developer Fee	3.36%	4,307	56	56	56	56	56	56	56	56	56	56	56	56	
Marketing	1.11%	19	19	19	19	19	19	19	19	19	19	19	19	19	
Entitlements	0.80%	1,025													
Engineering	5.90%	7,557	0	76	76	0	0	0	0	0	0	0	0	0	
Development Impact Fee	0.00%	0													
Environmental Mitigation	0.68%	874	17	17	17	12	12	12	12	12	12	12	12	12	
Bonds & Fees	1.19%	1,524	17	17	17	6	6	6	6	6	6	6	6	6	
Demolition	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	
Grading	16.67%	21,361	409	409	286	286	286	286	286	286	286	286	286	286	
Drainage	5.62%	7,200	84	84	0	0	0	0	0	0	0	0	0	0	
Streets	13.51%	17,308	194	194	0	0	0	0	0	0	0	0	0	0	
Off-site Streets	11.38%	14,585	0	0	0	0	0	0	0	0	0	0	0	0	
Water	2.91%	3,729	48	48	0	0	0	0	0	0	0	0	0	0	
Off-site Water	0.99%	1,271	0	0	0	0	0	0	0	0	0	0	0	0	
Sewer	1.10%	1,407	24	24	0	0	0	0	0	0	0	0	0	0	
Off-site Sewer	2.01%	2,575	0	0	0	0	0	0	0	0	0	0	0	0	
Reclaimed Water	0.43%	557	6	6	0	0	0	0	0	0	0	0	0	0	
Dry Utilities	3.80%	4,874	41	41	0	0	0	0	0	0	0	0	0	0	
Off-site Dry Utilities	1.04%	1,339	27	27	0	0	0	0	0	0	0	0	0	0	
Monumentation	0.00%	0													
Construction Contingency	5.95%	7,621	83	83	29	29	29	29	29	29	29	29	29	29	
Mello Roos Payments	0.00%	0													
Additional Consideration	1.56%	2,000													
TOTAL EXPENSES		102,537	1,024	1,100	1,100	483	407	407	407	407	407	407	75	75	
NET CASH FLOW		25,575	951	874	874	1,492	1,568	1,568	1,568	1,568	1,568	1,568	959	959	
PROJECT IRR		14.08%													

WEST MARLBOROUGH BUSINESS PARK
PARTICIPATION MODEL

Confidential

EXPENSES (000s)	Annual Inflation	0.0%											
		1,000 Jan-18 66	1,000 Apr-18 67	1,000 Jul-18 68	1,000 Oct-18 69	1,000 Jan-19 70	1,000 Apr-19 71	1,000 Jul-19 72	1,000 Oct-19 73	1,000 Jan-20 74	1,000 Apr-20 75	1,000 Jul-20 76	1,000 Oct-20 77
Total		56 19	56 19	56 19	56 19	56 19	56 19	56 19	56 19	56 19	56 19	56 19	56 19
Master Developer Fee	3.36%	4,307											
Marketing	1.11%	1,425											
Entitlements	0.80%	1,025											
Engineering	5.90%	7,557											
Development Impact Fee	0.00%	0											
Environmental Mitigation	0.68%	874											
Bonds & Fees	1.19%	1,524											
Demolition	0.00%	0											
Grading	16.67%	21,361											
Drainage	5.62%	7,200											
Streets	13.51%	17,308											
Off-site Streets	11.38%	14,585											
Water	2.91%	3,729											
Off-site Water	0.99%	1,271											
Sewer	1.10%	1,407											
Off-site Sewer	2.01%	2,575											
Reclaimed Water	0.43%	557											
Dry Utilities	3.80%	4,874											
Off-site Dry Utilities	1.04%	1,339											
Monumentation	0.00%	0											
Construction Contingency	5.95%	7,621											
Mello Roos Payments	0.00%	0											
Additional Consideration	1.56%	2,000											
TOTAL EXPENSES		102,537											
NET CASH FLOW		25,575											
PROJECT IRR		14.08%											

WEST MARCH BUSINESS PARK
PARTICIPATION MODEL

Confidential

Miscellaneous Assumptions

Master Developer Fee	4.5% of hard costs
Marketing	\$150,000 first year
	\$75,000 succeeding years
Bonds & Fees	2.0% of hard costs
Contingency	10.0% of hard costs
Engineering	10.0% of hard costs

PROJECT PHASING

Phasing - Sales

Phase	No. of Quarters	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 5	Qtr 6	Qtr 7	Qtr 8	Qtr 9	Qtr 10	Qtr 11	Qtr 12
0	0												
1	8	Jul-03	Oct-03	Jan-04	Apr-04	Jul-04	Oct-04	Jan-05	Apr-05	Jul-07	Oct-07	Jan-08	Apr-08
2	12	Jul-05	Oct-05	Jan-06	Apr-06	Jul-06	Oct-06	Jan-07	Apr-07	Jul-10	Oct-10	Jan-11	Apr-11
3	12	Jul-08	Oct-08	Jan-09	Apr-09	Jul-09	Oct-09	Jan-10	Apr-10	Jul-13	Oct-13	Jan-14	Apr-14
4	12	Jul-11	Oct-11	Jan-12	Apr-12	Jul-12	Oct-12	Jan-13	Apr-13	Jul-16	Oct-16	Jan-17	Apr-17
5	12	Jul-14	Oct-14	Jan-15	Apr-15	Jul-15	Oct-15	Jan-16	Apr-16	Jul-19	Oct-19	Jan-20	Apr-20
6	12	Jul-17	Oct-17	Jan-18	Apr-18	Jul-18	Oct-18	Jan-19	Apr-19				

Phasing - Site Development

Phase	No. of Quarters	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 5	Qtr 6	Qtr 7	Qtr 8	Qtr 9	Qtr 10	Qtr 11	Qtr 12
0	2	Oct-01	Jan-02										
1	10	Jan-03	Apr-03	Jul-03	Oct-03	Jan-04	Apr-04	Jul-04	Oct-04	Jan-05	Apr-05		
2	10	Jul-05	Oct-05	Jan-06	Apr-06	Jul-06	Oct-06	Jan-07	Apr-07	Jul-07	Oct-07		
3	10	Jan-08	Apr-08	Jul-08	Oct-08	Jan-09	Apr-09	Jul-09	Oct-09	Jan-10	Apr-10		
4	10	Jul-10	Oct-10	Jan-11	Apr-11	Jul-11	Oct-11	Jan-12	Apr-12	Jul-12	Oct-12		
5	10	Jan-13	Apr-13	Jul-13	Oct-13	Jan-14	Apr-14	Jul-14	Oct-14	Jan-15	Apr-15		
6	8	Jul-15	Oct-15	Jan-16	Apr-16	Jul-16	Oct-16	Jan-17	Apr-17				

WEST MARCH BUSINESS PARK
PARTICIPATION MODEL

Confidential

Parcel Size (acre)		Price (\$/square foot)			
Minimum	Maximum	Sales to Users		Sales to Developers	
		Low	High	Low	High
0.00	1.00	\$4.00	\$5.00	\$3.50	\$3.50
1.01	3.00	\$3.50	\$3.50	\$3.00	\$3.00
3.01	5.00	\$3.25	\$3.50	\$2.75	\$3.25
5.01	10.00	\$3.00	\$3.25	\$2.50	\$3.00
10.01	20.00	\$2.75	\$3.00	\$2.25	\$2.75
20.01	50.00	\$2.50	\$2.75	\$2.00	\$2.25
50.01		\$2.50	\$2.50	\$2.00	\$2.00

See Note 1
See Note 1

Railroad Premium

0.5 0.75

Lot Corner Premium

10% 20%

Notes

1. Master Developer will not create lots smaller than 5 acres. Model combines small lots into 5 acre minimum for a bulk sale at prices noted above. Lots smaller than 5 acres shown on land use plan would be subdivided and improved by a subsequent developer based on market demand.

Community Facilities District

MELLO - ROOS PUBLIC FINANCING

Bonding Capacity	
Max Gross Bond Amount	\$ 0.80 per net SF
Maximum Annual Assessment	\$ 34,848 per net acre
Maximum Bond Amount	\$ 2,788 per net acre
	\$ 33,345 (\$000)

Average Finish Lot Value	\$120,000 per net acre
Mello Roos Tax, % of Finished Lot Value	2.32%
Average Improved Lot Value	\$2,200,000 per net acre
Mello Roos Tax, % of Building Value	0.13%

Bond Package	#1	#2	#3	#4	#5	Total
Construction Phases	1	2	3	4	5	
Sell Bonds	2004	2006	2009	2012	2015	
Bond Interest	8.00%	8.00%	8.00%	8.00%	8.00%	
Bond Earnings	6.00%	6.00%	6.00%	6.00%	6.00%	
	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)
Gross Bond Amount	2,000	5,200	9,600	9,100	6,600	32,500
Cost of Issuance	(100)	(260)	(480)	(455)	(330)	(1,625)
Reserve Fund	(200)	(520)	(960)	(910)	(660)	(3,250)
Cap. Interest 24 Mos.	0	0	0	0	0	0
Acquisition?						
Net Proceeds	1,700	4,420	8,160	7,735	5,610	27,625
Int. Earnings 24 Mos. @ 6%	0	0	0	0	0	0
Gross Proceeds	1,700	4,420	8,160	7,735	5,610	27,625
Eligible Costs	4,249	11,406	20,900	19,752	14,433	\$70,741
% Recovery	40%	39%	39%	39%	39%	39%
Target %	46.00%					39% % Recovery

% of Max Bond Amt	97%
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WEST MARCH BUSINESS PARK
PARTICIPATION MODEL

Confidential

	Phases					
	1	2	3	4	5	6
Demolition	\$0	\$0	\$0	\$0	\$0	\$0
Land Development	\$21,351,056	\$3,339,235	\$3,359,773	\$5,284,554	\$4,088,877	\$2,290,226
Drainage	\$7,199,813	\$2,722,468	\$308,629	\$2,215,613	\$839,163	\$0
Streets	\$16,677,114	\$6,306,123	\$714,885	\$5,132,081	\$1,943,775	\$0
Off-site Streets	\$14,584,600	\$3,067,000	\$2,520,000	\$8,547,600	\$0	\$0
Water	\$3,728,601	\$1,210,846	\$156,328	\$921,094	\$482,654	\$0
Off-site Water	\$1,271,470	\$389,970	\$0	\$0	\$0	\$0
Reclaimed Water	\$557,040	\$195,480	\$28,800	\$184,884	\$60,120	\$0
Sewer	\$1,397,458	\$399,773	\$96,822	\$513,331	\$239,646	\$0
Off-site Sewer	\$2,575,099	\$2,257,175	\$317,924	\$0	\$0	\$0
Dry Utilities	\$4,874,100	\$1,802,850	\$291,375	\$1,738,485	\$405,300	\$0
Off-site Dry Utilities	\$1,338,750	\$378,000	\$0	\$693,000	\$267,750	\$0
	\$75,565,101	\$22,068,920	\$7,794,535	\$25,230,643	\$8,327,284	\$2,290,226
Engineering	\$7,556,510	\$2,206,892	\$779,454	\$2,523,064	\$832,728	\$229,023

WEST MARCH BUSINESS PARK
PARTICIPATION MODEL

Lot No.	Net Parcel (acres)	Phase					
		1	2	3	4	5	6
1	3.00	0.00	0.00	3.00	0.00	0.00	0.00
2	2.78	0.00	0.00	2.78	0.00	0.00	0.00
3	2.79	0.00	0.00	2.79	0.00	0.00	0.00
4	3.00	0.00	0.00	3.00	0.00	0.00	0.00
5	5.00	0.00	0.00	5.00	0.00	0.00	0.00
6	5.00	0.00	0.00	5.00	0.00	0.00	0.00
7	5.00	0.00	0.00	5.00	0.00	0.00	0.00
8	0.71	0.00	0.00	0.71	0.00	0.00	0.00
9	0.70	0.00	0.00	0.70	0.00	0.00	0.00
10	1.30	1.30	0.00	0.00	0.00	0.00	0.00
11	0.70	0.00	0.00	0.70	0.00	0.00	0.00
12	0.71	0.00	0.00	0.71	0.00	0.00	0.00
13	1.30	1.30	0.00	0.00	0.00	0.00	0.00
14	0.71	0.00	0.00	0.71	0.00	0.00	0.00
15	0.71	0.00	0.00	0.71	0.00	0.00	0.00
16	2.50	2.50	0.00	0.00	0.00	0.00	0.00
17	0.40	0.40	0.00	0.00	0.00	0.00	0.00
18	0.40	0.40	0.00	0.00	0.00	0.00	0.00
19	0.40	0.40	0.00	0.00	0.00	0.00	0.00
20	0.40	0.40	0.00	0.00	0.00	0.00	0.00
21	0.41	0.41	0.00	0.00	0.00	0.00	0.00
22	0.40	0.40	0.00	0.00	0.00	0.00	0.00
23	0.40	0.40	0.00	0.00	0.00	0.00	0.00
24	0.40	0.40	0.00	0.00	0.00	0.00	0.00
25	0.40	0.40	0.00	0.00	0.00	0.00	0.00
26	0.40	0.40	0.00	0.00	0.00	0.00	0.00
27	0.40	0.40	0.00	0.00	0.00	0.00	0.00
28	0.43	0.43	0.00	0.00	0.00	0.00	0.00
29	2.99	2.99	0.00	0.00	0.00	0.00	0.00
30	2.50	2.50	0.00	0.00	0.00	0.00	0.00
31	1.74	0.00	0.00	1.74	0.00	0.00	0.00
32	2.50	0.00	0.00	2.50	0.00	0.00	0.00
33	3.00	0.00	0.00	3.00	0.00	0.00	0.00
34	2.98	0.00	0.00	2.98	0.00	0.00	0.00
35	8.05	0.00	0.00	8.05	0.00	0.00	0.00
36	7.22	7.22	0.00	0.00	0.00	0.00	0.00
37	7.18	7.18	0.00	0.00	0.00	0.00	0.00
38	3.00	3.00	0.00	0.00	0.00	0.00	0.00
39	3.00	3.00	0.00	0.00	0.00	0.00	0.00
40	1.30	1.30	0.00	0.00	0.00	0.00	0.00
41	2.88	2.88	0.00	0.00	0.00	0.00	0.00
42	1.24	1.24	0.00	0.00	0.00	0.00	0.00
43	3.46	3.46	0.00	0.00	0.00	0.00	0.00
44	3.00	3.00	0.00	0.00	0.00	0.00	0.00
45	3.09	3.09	0.00	0.00	0.00	0.00	0.00
46	2.58	2.58	0.00	0.00	0.00	0.00	0.00
47	1.33	1.33	0.00	0.00	0.00	0.00	0.00
48	3.00	3.00	0.00	0.00	0.00	0.00	0.00

WEST MARCH BUSINESS PARK
PARTICIPATION MODEL

Lot No.	Net Parcel (acres)	Phase	Phase					
			1	2	3	4	5	6
49	3.55	1	3.55	0.00	0.00	0.00	0.00	0.00
50	2.50	1	2.50	0.00	0.00	0.00	0.00	0.00
51	1.31	1	1.31	0.00	0.00	0.00	0.00	0.00
52	1.36	1	1.36	0.00	0.00	0.00	0.00	0.00
53	8.00	1	8.00	0.00	0.00	0.00	0.00	0.00
54	24.24	1	24.24	0.00	0.00	0.00	0.00	0.00
55	25.09	3	0.00	0.00	25.09	0.00	0.00	0.00
56	22.72	4	0.00	0.00	0.00	22.72	0.00	0.00
57	2.50	1	2.50	0.00	0.00	0.00	0.00	0.00
58	2.50	1	2.50	0.00	0.00	0.00	0.00	0.00
59	2.50	1	2.50	0.00	0.00	0.00	0.00	0.00
60	2.50	1	2.50	0.00	0.00	0.00	0.00	0.00
61	5.00	2	0.00	5.00	0.00	0.00	0.00	0.00
62	25.64	1	25.64	0.00	0.00	0.00	0.00	0.00
63	25.63	2	0.00	25.63	0.00	0.00	0.00	0.00
64	20.07	3	0.00	0.00	20.07	0.00	0.00	0.00
65	8.00	2	0.00	8.00	0.00	0.00	0.00	0.00
66	8.24	2	0.00	8.24	0.00	0.00	0.00	0.00
67	11.00	2	0.00	11.00	0.00	0.00	0.00	0.00
68	15.00	3	0.00	0.00	15.00	0.00	0.00	0.00
69	11.00	2	0.00	11.00	0.00	0.00	0.00	0.00
70	10.37	2	0.00	10.37	0.00	0.00	0.00	0.00
71	3.51	2	0.00	3.51	0.00	0.00	0.00	0.00
72	9.00	2	0.00	9.00	0.00	0.00	0.00	0.00
73	1.00	2	0.00	1.00	0.00	0.00	0.00	0.00
74	1.00	2	0.00	1.00	0.00	0.00	0.00	0.00
75	1.00	2	0.00	1.00	0.00	0.00	0.00	0.00
76	1.00	2	0.00	1.00	0.00	0.00	0.00	0.00
77	1.00	2	0.00	1.00	0.00	0.00	0.00	0.00
78	1.00	2	0.00	1.00	0.00	0.00	0.00	0.00
79	1.00	2	0.00	1.00	0.00	0.00	0.00	0.00
80	1.00	2	0.00	1.00	0.00	0.00	0.00	0.00
81	1.83	2	0.00	1.83	0.00	0.00	0.00	0.00
82	5.00	2	0.00	5.00	0.00	0.00	0.00	0.00
83	1.00	2	0.00	1.00	0.00	0.00	0.00	0.00
84	1.00	2	0.00	1.00	0.00	0.00	0.00	0.00
85	2.50	2	0.00	2.50	0.00	0.00	0.00	0.00
86	5.00	2	0.00	5.00	0.00	0.00	0.00	0.00
87	3.00	3	0.00	0.00	3.00	0.00	0.00	0.00
88	9.00	3	0.00	0.00	9.00	0.00	0.00	0.00
89	10.85	2	0.00	10.85	0.00	0.00	0.00	0.00
90	10.87	2	0.00	10.87	0.00	0.00	0.00	0.00
91	1.48	3	0.00	0.00	1.48	0.00	0.00	0.00
92	6.78	2	0.00	6.78	0.00	0.00	0.00	0.00
93	5.00	2	0.00	5.00	0.00	0.00	0.00	0.00
94	2.50	3	0.00	0.00	2.50	0.00	0.00	0.00
95	2.50	3	0.00	0.00	2.50	0.00	0.00	0.00
96	2.50	3	0.00	0.00	2.50	0.00	0.00	0.00

WEST MARCH BUSINESS PARK
PARTICIPATION MODEL

Continued

Lot No.	Net Parcel (acres)	Phase	Phase					
			1	2	3	4	5	6
97	3.00	3	0.00	0.00	3.00	0.00	0.00	0.00
98	3.03	3	0.00	0.00	3.03	0.00	0.00	0.00
99	3.01	3	0.00	0.00	3.01	0.00	0.00	0.00
100	3.00	3	0.00	0.00	3.00	0.00	0.00	0.00
101	3.00	3	0.00	0.00	3.00	0.00	0.00	0.00
102	1.37	3	0.00	0.00	1.37	0.00	0.00	0.00
103	1.37	3	0.00	0.00	1.37	0.00	0.00	0.00
104	2.50	3	0.00	0.00	2.50	0.00	0.00	0.00
105	5.00	4	0.00	0.00	0.00	5.00	0.00	0.00
106	6.00	4	0.00	0.00	0.00	6.00	0.00	0.00
107	5.00	4	0.00	0.00	0.00	5.00	0.00	0.00
108	3.00	4	0.00	0.00	0.00	3.00	0.00	0.00
109	1.00	4	0.00	0.00	0.00	1.00	0.00	0.00
110	1.00	4	0.00	0.00	0.00	1.00	0.00	0.00
111	0.54	4	0.00	0.00	0.00	0.54	0.00	0.00
112	0.42	4	0.00	0.00	0.00	0.42	0.00	0.00
113	5.00	4	0.00	0.00	0.00	5.00	0.00	0.00
114	1.00	4	0.00	0.00	0.00	1.00	0.00	0.00
115	0.40	4	0.00	0.00	0.00	0.40	0.00	0.00
116	0.49	4	0.00	0.00	0.00	0.49	0.00	0.00
117	0.40	4	0.00	0.00	0.00	0.40	0.00	0.00
118	1.00	4	0.00	0.00	0.00	1.00	0.00	0.00
119	1.00	4	0.00	0.00	0.00	1.00	0.00	0.00
120	1.00	4	0.00	0.00	0.00	1.00	0.00	0.00
121	2.13	4	0.00	0.00	0.00	2.13	0.00	0.00
122	0.40	4	0.00	0.00	0.00	0.40	0.00	0.00
123	0.40	4	0.00	0.00	0.00	0.40	0.00	0.00
124	0.40	4	0.00	0.00	0.00	0.40	0.00	0.00
125	0.40	4	0.00	0.00	0.00	0.40	0.00	0.00
126	0.41	4	0.00	0.00	0.00	0.41	0.00	0.00
127	0.40	4	0.00	0.00	0.00	0.40	0.00	0.00
128	0.40	4	0.00	0.00	0.00	0.40	0.00	0.00
129	0.40	4	0.00	0.00	0.00	0.40	0.00	0.00
130	0.40	4	0.00	0.00	0.00	0.40	0.00	0.00
131	0.40	4	0.00	0.00	0.00	0.40	0.00	0.00
132	1.13	4	0.00	0.00	0.00	1.13	0.00	0.00
133	1.00	4	0.00	0.00	0.00	1.00	0.00	0.00
134	0.40	4	0.00	0.00	0.00	0.40	0.00	0.00
135	0.40	4	0.00	0.00	0.00	0.40	0.00	0.00
136	0.40	4	0.00	0.00	0.00	0.40	0.00	0.00
137	0.40	4	0.00	0.00	0.00	0.40	0.00	0.00
138	0.40	4	0.00	0.00	0.00	0.40	0.00	0.00
139	0.40	4	0.00	0.00	0.00	0.40	0.00	0.00
140	0.40	4	0.00	0.00	0.00	0.40	0.00	0.00
141	0.40	4	0.00	0.00	0.00	0.40	0.00	0.00
142	0.40	4	0.00	0.00	0.00	0.40	0.00	0.00
143	0.40	4	0.00	0.00	0.00	0.40	0.00	0.00
144	1.00	4	0.00	0.00	0.00	1.00	0.00	0.00

WEST MARCH BUSINESS PARK
PARTICIPATION MODEL

Lot No.	Net Parcel (acres)	Phase					
		1	2	3	4	5	6
145	1.00	0.00	0.00	0.00	1.00	0.00	0.00
146	1.00	0.00	0.00	0.00	1.00	0.00	0.00
147	8.00	0.00	0.00	0.00	8.00	0.00	0.00
148	10.00	0.00	0.00	0.00	10.00	0.00	0.00
149	2.01	0.00	0.00	0.00	2.01	0.00	0.00
150	1.53	0.00	0.00	0.00	1.53	0.00	0.00
151	27.00	0.00	0.00	0.00	27.00	0.00	0.00
152	20.00	0.00	0.00	0.00	20.00	0.00	0.00
153	27.00	0.00	0.00	0.00	0.00	27.00	0.00
154	33.82	0.00	0.00	0.00	0.00	0.00	33.82
155	27.00	0.00	0.00	0.00	0.00	0.00	27.00
156	20.11	0.00	0.00	0.00	0.00	20.11	0.00
157	2.50	0.00	0.00	0.00	0.00	2.50	0.00
158	2.50	0.00	0.00	0.00	0.00	2.50	0.00
159	2.50	0.00	0.00	0.00	0.00	2.50	0.00
160	2.50	0.00	0.00	0.00	0.00	2.50	0.00
161	3.00	0.00	0.00	0.00	0.00	0.00	3.00
162	8.00	0.00	0.00	0.00	0.00	0.00	8.00
163	11.00	0.00	0.00	0.00	0.00	11.00	0.00
164	10.99	0.00	0.00	0.00	0.00	10.99	0.00
165	3.00	0.00	0.00	0.00	0.00	0.00	3.00
166	3.00	0.00	0.00	0.00	0.00	0.00	3.00
167	3.00	0.00	0.00	0.00	0.00	0.00	3.00
168	9.74	0.00	0.00	0.00	0.00	9.74	0.00
169	11.00	0.00	0.00	0.00	0.00	11.00	0.00
170	3.00	0.00	0.00	0.00	0.00	0.00	3.00
171	3.00	0.00	0.00	0.00	0.00	0.00	3.00
172	3.00	0.00	0.00	0.00	0.00	0.00	3.00
173	3.00	0.00	0.00	0.00	0.00	0.00	3.00
174	8.03	0.00	0.00	0.00	0.00	8.03	0.00
175	2.50	0.00	0.00	0.00	0.00	2.50	0.00
176	2.50	0.00	0.00	0.00	0.00	2.50	0.00
177	2.50	0.00	0.00	0.00	0.00	2.50	0.00
178	1.00	0.00	0.00	0.00	0.00	1.00	0.00
179	1.00	0.00	0.00	0.00	0.00	1.00	0.00
180	0.40	0.00	0.00	0.00	0.00	0.40	0.00
181	0.40	0.00	0.00	0.00	0.00	0.40	0.00
182	0.40	0.00	0.00	0.00	0.00	0.40	0.00
183	0.41	0.00	0.00	0.00	0.00	0.41	0.00
184	0.40	0.00	0.00	0.00	0.00	0.40	0.00
185	0.40	0.00	0.00	0.00	0.00	0.40	0.00
186	11.25	0.00	0.00	0.00	0.00	11.25	0.00
187	8.00	0.00	0.00	0.00	0.00	8.00	0.00
188	11.25	0.00	0.00	0.00	0.00	11.25	0.00
189	1.00	0.00	0.00	0.00	0.00	1.00	0.00
190	1.00	0.00	0.00	0.00	1.00	0.00	0.00
191	1.00	0.00	0.00	0.00	1.00	0.00	0.00
192	1.00	0.00	0.00	0.00	1.00	0.00	0.00

WEST MARCH BUSINESS PARK
PARTICIPATION MODEL

Lot No.	Net Parcel (acres)	Phase					
		1	2	3	4	5	6
193	1.00	0.00	0.00	0.00	1.00	0.00	0.00
194	1.00	0.00	0.00	0.00	1.00	0.00	0.00
195	8.00	0.00	0.00	0.00	8.00	0.00	0.00
196	5.50	0.00	0.00	0.00	5.50	0.00	0.00

WEST MARCH BUSINESS PARK
PARTICIPATION MODEL

Lot No.	Net Parcel (acres)	Phase					
		1	2	3	4	5	6
197	2.50	0.00	0.00	0.00	2.50	0.00	0.00
198	2.50	0.00	0.00	0.00	0.00	2.50	0.00
199	4.11	0.00	0.00	0.00	0.00	4.11	0.00
200	0.48	0.00	0.00	0.00	0.48	0.00	0.00
201	0.40	0.00	0.00	0.00	0.40	0.00	0.00
202	0.40	0.00	0.00	0.00	0.40	0.00	0.00
203	0.40	0.00	0.00	0.00	0.40	0.00	0.00
204	34.00	0.00	0.00	0.00	34.00	0.00	0.00
205	0.40	0.00	0.00	0.00	0.00	0.40	0.00
206	0.43	0.00	0.00	0.00	0.00	0.43	0.00
207	0.40	0.00	0.00	0.00	0.00	0.40	0.00
208	0.40	0.00	0.00	0.00	0.00	0.40	0.00
209	0.40	0.00	0.00	0.00	0.00	0.40	0.00
210	0.40	0.00	0.00	0.00	0.00	0.40	0.00
211	0.52	0.00	0.00	0.00	0.52	0.00	0.00
212	0.55	0.00	0.00	0.00	0.00	0.55	0.00
213	0.54	0.00	0.00	0.00	0.00	0.54	0.00
214	0.41	0.00	0.00	0.00	0.00	0.41	0.00
215	0.40	0.00	0.00	0.00	0.00	0.40	0.00
216	0.40	0.00	0.00	0.00	0.40	0.00	0.00
217	0.41	0.00	0.00	0.00	0.41	0.00	0.00
218	1.30	0.00	0.00	0.00	0.00	1.30	0.00
219	1.30	0.00	0.00	0.00	0.00	1.30	0.00
220	0.43	0.00	0.00	0.00	0.43	0.00	0.00
221	0.42	0.00	0.00	0.00	0.42	0.00	0.00
222	0.54	0.00	0.00	0.00	0.54	0.00	0.00
223	0.56	0.00	0.00	0.00	0.56	0.00	0.00
224	0.56	0.00	0.00	0.00	0.56	0.00	0.00
225	0.54	0.00	0.00	0.00	0.54	0.00	0.00
226	9.77	0.00	0.00	0.00	0.00	0.00	9.77
227	2.50	0.00	0.00	0.00	0.00	2.50	0.00
228	5.50	0.00	0.00	0.00	0.00	5.50	0.00
229	3.59	0.00	0.00	0.00	0.00	3.59	0.00
230	1.00	0.00	0.00	0.00	0.00	1.00	0.00
231	1.00	0.00	0.00	0.00	0.00	1.00	0.00
232	1.75	0.00	0.00	0.00	0.00	1.75	0.00
233	3.00	0.00	0.00	0.00	0.00	3.00	0.00
234	95.88	0.00	0.00	0.00	36.88	0.00	0.00
956.86		134.31	149.58	150.50	236.72	183.16	102.59
							956.86
Gobar (4/02/01)		138.20	167.00	143.30	162.80	163.60	159.00
(not including office parcels)							933.90

WEST MARCO BUSINESS PARK
PARTICIPATION MODEL

Continental

Lot No.	Net Parcel		Phase	Summary by Phase					
	(acres)	Sales Price (\$/SF)		1	2	3	4	5	6
1	3.00	3.19	3	0	0	0	416,543	0	0
2	2.78	3.19	3	0	0	0	385,996	0	0
3	2.79	3.19	3	0	0	0	387,385	0	0
4	3.00	3.19	3	0	0	0	416,543	0	0
5	5.00	3.19	3	0	0	0	694,238	0	0
6	5.00	3.19	3	0	0	0	694,238	0	0
7	5.00	3.19	3	0	0	0	694,238	0	0
8	0.71	3.19	3	0	0	0	98,582	0	0
9	0.70	3.19	3	0	0	0	97,193	0	0
10	1.30	3.19	1	180,502	0	0	0	0	0
11	0.70	3.19	3	0	0	0	97,193	0	0
12	0.71	3.19	3	0	0	0	98,582	0	0
13	1.30	3.19	1	180,502	0	0	0	0	0
14	0.71	3.19	3	0	0	0	98,582	0	0
15	0.71	3.19	3	0	0	0	98,582	0	0
16	2.50	3.19	1	347,119	0	0	0	0	0
17	0.40	3.19	1	55,539	0	0	0	0	0
18	0.40	3.19	1	55,539	0	0	0	0	0
19	0.40	3.19	1	55,539	0	0	0	0	0
20	0.40	3.19	1	55,539	0	0	0	0	0
21	0.41	3.19	1	56,927	0	0	0	0	0
22	0.40	3.19	1	55,539	0	0	0	0	0
23	0.40	3.19	1	55,539	0	0	0	0	0
24	0.40	3.19	1	55,539	0	0	0	0	0
25	0.40	3.19	1	55,539	0	0	0	0	0
26	0.40	3.19	1	55,539	0	0	0	0	0
27	0.40	3.19	1	55,539	0	0	0	0	0
28	0.43	3.19	1	59,982	0	0	0	0	0
29	2.99	3.19	1	415,154	0	0	0	0	0
30	2.50	3.19	1	347,119	0	0	0	0	0
31	1.74	3.19	3	0	0	241,595	0	0	0
32	2.50	3.19	3	0	0	347,119	0	0	0
33	3.00	3.19	3	0	0	416,543	0	0	0
34	2.98	3.19	3	0	0	413,766	0	0	0
35	8.05	2.94	3	0	0	1,030,058	0	0	0
36	7.22	2.94	1	923,853	0	0	0	0	0
37	7.18	2.94	1	918,735	0	0	0	0	0
38	3.00	3.19	1	416,543	0	0	0	0	0
39	3.00	3.19	1	416,543	0	0	0	0	0
40	1.30	3.19	1	180,502	0	0	0	0	0
41	2.88	3.19	1	399,881	0	0	0	0	0
42	1.24	3.19	1	172,171	0	0	0	0	0
43	3.46	3.19	1	480,412	0	0	0	0	0
44	3.00	3.19	1	416,543	0	0	0	0	0
45	3.09	3.19	1	429,039	0	0	0	0	0
46	2.58	3.19	1	358,227	0	0	0	0	0
47	1.33	3.19	1	184,667	0	0	0	0	0
48	3.00	3.19	1	416,543	0	0	0	0	0

WEST MARCH BUSINESS PARK
PARTICIPATION MODEL

Confidential

Lot No.	Net Parcel (acres)	Sales Price (\$/SF)	Phase	Summary by Phase					
				1	2	3	4	5	6
49	3.55	3.19	1	492,909	0	0	0	0	0
50	2.50	3.19	1	347,119	0	0	0	0	0
51	1.31	3.19	1	181,890	0	0	0	0	0
52	1.36	3.19	1	186,833	0	0	0	0	0
53	8.00	2.94	1	1,023,660	0	0	0	0	0
54	24.24	2.38	1	2,507,749	0	0	0	0	0
55	25.09	2.38	3	0	0	2,595,686	0	0	0
56	22.72	2.38	4	0	0	0	2,350,498	0	0
57	2.50	3.19	1	347,119	0	0	0	0	0
58	2.50	3.19	1	347,119	0	0	0	0	0
59	2.50	3.19	1	347,119	0	0	0	0	0
60	2.50	3.19	1	347,119	0	0	0	0	0
61	5.00	3.19	2	0	694,238	0	0	0	0
62	25.64	2.38	1	2,652,586	0	0	0	0	0
63	25.63	2.38	2	0	2,651,552	0	0	0	0
64	20.07	2.38	3	0	0	2,076,342	0	0	0
65	8.00	2.94	2	0	1,023,660	0	0	0	0
66	8.24	2.94	2	0	1,054,370	0	0	0	0
67	11.00	2.69	2	0	1,287,743	0	0	0	0
68	15.00	7.50	3	0	0	4,900,500	0	0	0
69	11.00	2.69	2	0	1,287,743	0	0	0	0
70	10.37	2.69	2	0	1,213,990	0	0	0	0
71	3.51	3.19	2	0	487,355	0	0	0	0
72	9.00	2.94	2	0	1,151,618	0	0	0	0
73	1.00	3.19	2	0	138,848	0	0	0	0
74	1.00	3.19	2	0	138,848	0	0	0	0
75	1.00	3.19	2	0	138,848	0	0	0	0
76	1.00	3.19	2	0	138,848	0	0	0	0
77	1.00	3.19	2	0	138,848	0	0	0	0
78	1.00	3.19	2	0	138,848	0	0	0	0
79	1.00	3.19	2	0	138,848	0	0	0	0
80	1.00	3.19	2	0	138,848	0	0	0	0
81	1.83	3.19	2	0	254,091	0	0	0	0
82	5.00	3.19	2	0	694,238	0	0	0	0
83	1.00	3.19	2	0	138,848	0	0	0	0
84	1.00	3.19	2	0	138,848	0	0	0	0
85	2.50	3.19	2	0	347,119	0	0	0	0
86	5.00	3.19	2	0	694,238	0	0	0	0
87	3.00	3.19	3	0	0	416,543	0	0	0
88	9.00	2.94	3	0	0	1,151,618	0	0	0
89	10.85	2.69	2	0	1,270,182	0	0	0	0
90	10.87	2.69	2	0	1,272,524	0	0	0	0
91	1.48	3.19	3	0	0	205,494	0	0	0
92	6.78	2.94	2	0	867,552	0	0	0	0
93	5.00	3.19	2	0	694,238	0	0	0	0
94	2.50	3.19	3	0	0	347,119	0	0	0
95	2.50	3.19	3	0	0	347,119	0	0	0
96	2.50	3.19	3	0	0	347,119	0	0	0

WEST MARCO BUSINESS PARK
PARTICIPATION MODEL

Confidential

Lot No.	Net Parcel (acres)	Sales Price (\$/SF)	Phase	Summary by Phase					
				1	2	3	4	5	6
97	3.00	3.19	3	0	0	416,543	0	0	0
98	3.03	3.19	3	0	0	420,708	0	0	0
99	3.01	3.19	3	0	0	417,931	0	0	0
100	3.00	3.19	3	0	0	416,543	0	0	0
101	3.00	3.19	3	0	0	416,543	0	0	0
102	1.37	3.19	3	0	0	190,221	0	0	0
103	1.37	3.19	3	0	0	190,221	0	0	0
104	2.50	3.19	3	0	0	347,119	0	0	0
105	5.00	3.19	4	0	0	0	694,238	0	0
106	6.00	2.94	4	0	0	0	767,745	0	0
107	5.00	3.19	4	0	0	0	694,238	0	0
108	3.00	3.19	4	0	0	0	416,543	0	0
109	1.00	3.19	4	0	0	0	138,848	0	0
110	1.00	3.19	4	0	0	0	138,848	0	0
111	0.54	3.19	4	0	0	0	74,978	0	0
112	0.42	3.19	4	0	0	0	58,316	0	0
113	5.00	3.19	4	0	0	0	694,238	0	0
114	1.00	3.19	4	0	0	0	138,848	0	0
115	0.40	3.19	4	0	0	0	55,539	0	0
116	0.49	3.19	4	0	0	0	68,035	0	0
117	0.40	3.19	4	0	0	0	55,539	0	0
118	1.00	3.19	4	0	0	0	138,848	0	0
119	1.00	3.19	4	0	0	0	138,848	0	0
120	1.00	3.19	4	0	0	0	138,848	0	0
121	2.13	3.19	4	0	0	0	295,745	0	0
122	0.40	3.19	4	0	0	0	55,539	0	0
123	0.40	3.19	4	0	0	0	55,539	0	0
124	0.40	3.19	4	0	0	0	55,539	0	0
125	0.40	3.19	4	0	0	0	55,539	0	0
126	0.41	3.19	4	0	0	0	56,927	0	0
127	0.40	3.19	4	0	0	0	55,539	0	0
128	0.40	3.19	4	0	0	0	55,539	0	0
129	0.40	3.19	4	0	0	0	55,539	0	0
130	0.40	3.19	4	0	0	0	55,539	0	0
131	0.40	3.19	4	0	0	0	55,539	0	0
132	1.13	3.19	4	0	0	0	156,898	0	0
133	1.00	3.19	4	0	0	0	138,848	0	0
134	0.40	3.19	4	0	0	0	55,539	0	0
135	0.40	3.19	4	0	0	0	55,539	0	0
136	0.40	3.19	4	0	0	0	55,539	0	0
137	0.40	3.19	4	0	0	0	55,539	0	0
138	0.40	3.19	4	0	0	0	55,539	0	0
139	0.40	3.19	4	0	0	0	55,539	0	0
140	0.40	3.19	4	0	0	0	55,539	0	0
141	0.40	3.19	4	0	0	0	55,539	0	0
142	0.40	3.19	4	0	0	0	55,539	0	0
143	0.40	3.19	4	0	0	0	55,539	0	0
144	1.00	3.19	4	0	0	0	138,848	0	0

WEST MARCH BUSINESS PARK
PARTICIPATION MODEL

Lot No.	Net Parcel (acres)	Sales Price (\$/SF)	Phase	Summary by Phase					
				1	2	3	4	5	6
145	1.00	3.19	4	0	0	0	138,848	0	0
146	1.00	3.19	4	0	0	0	138,848	0	0
147	8.00	2.94	4	0	0	0	1,023,660	0	0
148	10.00	2.94	4	0	0	0	1,279,575	0	0
149	2.01	3.19	4	0	0	0	279,083	0	0
150	1.53	3.19	4	0	0	0	212,437	0	0
151	27.00	2.38	4	0	0	0	2,793,285	0	0
152	20.00	2.69	4	0	0	0	2,341,350	2,793,285	0
153	27.00	2.38	6	0	0	0	0	0	3,498,848
154	33.82	2.38	6	0	0	0	0	0	2,793,285
155	27.00	2.38	6	0	0	0	0	2,080,480	0
156	20.11	2.38	5	0	0	0	0	347,119	0
157	2.50	3.19	5	0	0	0	0	347,119	0
158	2.50	3.19	5	0	0	0	0	347,119	0
159	2.50	3.19	5	0	0	0	0	347,119	0
160	2.50	3.19	5	0	0	0	0	347,119	0
161	3.00	3.19	6	0	0	0	0	0	416,543
162	8.00	2.94	6	0	0	0	0	0	1,023,660
163	11.00	2.69	5	0	0	0	0	1,287,743	0
164	10.99	2.69	5	0	0	0	0	1,286,572	0
165	3.00	3.19	6	0	0	0	0	0	416,543
166	3.00	3.19	6	0	0	0	0	0	416,543
167	3.00	3.19	6	0	0	0	0	0	416,543
168	9.74	2.94	5	0	0	0	0	0	416,543
169	11.00	2.69	5	0	0	0	0	1,246,306	0
170	3.00	3.19	6	0	0	0	0	1,287,743	0
171	3.00	3.19	6	0	0	0	0	0	416,543
172	3.00	3.19	6	0	0	0	0	0	416,543
173	3.00	3.19	6	0	0	0	0	0	416,543
174	8.03	2.94	5	0	0	0	0	1,027,499	0
175	2.50	3.19	5	0	0	0	0	347,119	0
176	2.50	3.19	5	0	0	0	0	347,119	0
177	2.50	3.19	5	0	0	0	0	347,119	0
178	1.00	3.19	5	0	0	0	0	138,848	0
179	1.00	3.19	5	0	0	0	0	138,848	0
180	0.40	3.19	5	0	0	0	0	55,539	0
181	0.40	3.19	5	0	0	0	0	55,539	0
182	0.40	3.19	5	0	0	0	0	55,539	0
183	0.41	3.19	5	0	0	0	0	56,927	0
184	0.40	3.19	5	0	0	0	0	55,539	0
185	0.40	3.19	5	0	0	0	0	55,539	0
186	11.25	2.69	5	0	0	0	0	1,317,009	0
187	8.00	2.94	5	0	0	0	0	1,023,660	0
188	11.25	2.69	5	0	0	0	0	1,317,009	0
189	1.00	3.19	5	0	0	0	0	138,848	0
190	1.00	3.19	4	0	0	0	138,848	0	0
191	1.00	3.19	4	0	0	0	138,848	0	0
192	1.00	3.19	4	0	0	0	138,848	0	0

WEST MARCH BUSINESS PARK
PARTICIPATION MODEL

Continental

Lot No.	Net Parcel (acres)	Sales Price (\$/SF)	Phase	Summary by Phase					
				1	2	3	4	5	6
193	1.00	3.19	4	0		0	138,848	0	0
194	1.00	3.19	4	0		0	138,848	0	0
195	8.00	2.94	4	0		0	1,023,660	0	0
196	5.50	2.94	4	0		0	703,766	0	0
197	2.50	3.19	4	0		0	347,119	0	0
198	2.50	3.19	5	0		0	0	347,119	0
199	4.11	3.19	5	0		0	0	570,663	0
200	0.48	3.19	4	0		0	66,647	0	0
201	0.40	3.19	4	0		0	55,539	0	0
202	0.40	3.19	4	0		0	55,539	0	0
203	0.40	3.19	4	0		0	55,539	0	0
204	34.00	2.38	4	0		0	3,517,470	0	0
205	0.40	3.19	5	0		0	0	55,539	0
206	0.43	3.19	5	0		0	0	59,704	0
207	0.40	3.19	5	0		0	0	55,539	0
208	0.40	3.19	5	0		0	0	55,539	0
209	0.40	3.19	5	0		0	0	55,539	0
210	0.40	3.19	5	0		0	0	55,539	0
211	0.52	3.19	4	0		0	72,201	0	0
212	0.55	3.19	5	0		0	0	76,366	0
213	0.54	3.19	5	0		0	0	74,978	0
214	0.41	3.19	5	0		0	0	56,927	0
215	0.40	3.19	5	0		0	0	55,539	0
216	0.40	3.19	4	0		0	55,539	0	0
217	0.41	3.19	4	0		0	56,927	0	0
218	1.30	3.19	5	0		0	0	180,502	0
219	1.30	3.19	5	0		0	0	180,502	0
220	0.43	3.19	4	0		0	59,704	0	0
221	0.42	3.19	4	0		0	58,316	0	0
222	0.54	3.19	4	0		0	74,978	0	0
223	0.56	3.19	4	0		0	77,755	0	0
224	0.56	3.19	4	0		0	77,755	0	0
225	0.54	3.19	4	0		0	74,978	0	0
226	9.77	2.94	6	0		0	0	0	1,250,145
227	2.50	3.19	5	0		0	0	347,119	0
228	5.50	2.94	5	0		0	0	703,766	0
229	3.59	3.19	5	0		0	0	498,463	0
230	1.00	3.19	5	0		0	0	138,848	0
231	1.00	3.19	5	0		0	0	138,848	0
232	1.75	3.19	5	0		0	0	242,983	0
233	3.00	3.19	5	0		0	0	416,543	0
234	36.88	2.38	4	0		0	3,815,420	0	0
				\$16,639,572	\$18,334,921	\$21,930,336	\$27,755,670	\$22,214,865	\$11,898,278

WEST MARCH BUSINESS PARK
PARTICIPATION MODEL

Street	Phase	Cost	Phase					
			1	2	3	4	5	6
Demolition		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Land Development		\$21,361,056	\$2,998,391	\$3,339,235	\$3,359,773	\$5,284,554	\$4,088,877	\$2,290,226
Drainage		\$7,199,813	\$1,113,941	\$2,722,468	\$308,629	\$2,215,613	\$839,163	\$0
			\$4,112,331	\$6,061,702	\$3,668,402	\$7,500,167	\$4,928,040	\$2,290,226
		\$28,560,868						\$28,560,868

March AFB - Planning Areas 1 and 2
PRELIMINARY OPINION OF PROBABLE COSTS

Prepared For: Lennar Partners
Prepared By: L. Michael / M. Knapton
Kimley-Horn and Associates, Inc.
Date: 7/16/01
Job No. 095300000
Revised:

ONSITE IMPROVEMENTS - PLANNING AREA 1

Item	Quantity	Unit	Unit Price	Total
Demolition				
Building/Site Cleaning	1	LS	\$0.00	\$0
		Sub Total		\$0
Land Development				
Excavation/Embankment	2,510,500	CY	\$1.50	\$3,765,750
Clearing & Grubbing	502	AC	\$300	\$150,630
Remedial Grading (30%)	20%	CY	\$1.00	\$502,100
Mobilization	1	LS	\$100,000	\$100,000
Erosion Control (Hydroseed)	4,356,000	SF	\$0.15	\$653,400
Brow Ditch	42,740	LF	\$12.00	\$512,880
Rock Excavation Premium (50%)	1,255,250	CY	\$4.50	\$5,648,625
Desilting Basin	150	EA	\$2,000	\$300,000
Subdrains	2,700	LF	\$20	\$54,000
		Sub Total		\$11,687,385
Drainage Facilities (Public)				
36" R.C.P.	22,194	LF	\$72	\$1,597,997
Clean out	98	EA	\$2,700	\$264,600
Inlet	100	EA	\$3,850	\$385,000
BMP Inlet Filter - Stormwater Treatment	100	EA	\$650	\$65,000
Reinforced Concrete Box (5' X 10')(L = 200 LF)	216	CY	\$1,025	\$221,400
Headwalls (R.C.P. up to 60")	1	EA	\$3,000	\$3,000
Headwalls (R.C.B.)	2	EA	\$7,500	\$15,000
Brow Ditch	1,000	LF	\$12	\$12,000
Rip Rap	26	CY	\$100	\$2,600
		Sub Total		\$2,566,597

March AFB - Planning Areas 1 and 2 PRELIMINARY OPINION OF PROBABLE COSTS

Prepared For: Lennar Partners
Prepared By: L. Michael / M. Knapton
Kimley-Horn and Associates, Inc.

Date: 7/16/01
Job No. 095300000

Revised:

ON-SITE IMPROVEMENTS - PLANNING AREA 2

Item	Quantity	Unit	Unit Price	Total
Demolition				
Building/Site Clearing	1	LS	\$0.00	\$0
		Sub Total		\$0
Land Development				
Excavation/Embankment	3,082,500	CY	\$1.50	\$4,623,750
Clearing & Grubbing	617	AC	\$300.00	\$185,100
Remedial Grading (30%)	924,750	CY	\$1.00	\$924,750
Mobilization	1	LS	\$100,000.00	\$100,000
Erosion Control (Hydroseed)	5,357,220	SF	\$0.15	\$803,583
Brow Ditch	40,650	LF	\$12.00	\$487,800
Rock Excavation Premium (15%)	462,375	CY	\$4.50	\$2,080,688
Desilting Basin	106	EA	\$2,000.00	\$212,000
Subdrains	12,800	LF	\$20.00	\$256,000
		Sub Total		\$9,673,671
Drainage Facilities (Public)				
36" R.C.P.	33,163	LF	\$72	\$2,387,736
48" R.C.P.	850	LF	\$174	\$147,900
78" R.C.P.	1,600	LF	\$126	\$201,600
120" R.C.P.	850	LF	\$330	\$280,500
Clean out	114	EA	\$2,700	\$307,800
Inlet	110	EA	\$3,850	\$423,500
BMP Inlet Filter - Stormwater Treatment	110	EA	\$650	\$71,500
Reinforced Concrete Box (10' x 12')(L = 200 LF)	396	CY	\$1,025	\$405,900
Headwalls (R.C.P. up to 60")	3	EA	\$3,000	\$9,000
Headwalls (R.C.P. over 60")	8	EA	\$5,100	\$40,800
Headwalls (R.C.B.)	2	EA	\$7,500	\$15,000
Brow Ditch	8,600	LF	\$12	\$103,200
4:1 Grass Lined Drainage Channel	1	LS	\$50,000	\$50,000
Detention Basin	3	EA	\$25,000	\$75,000
Rip Rap (1/4 ton or smaller)	128	CY	\$100	\$12,800
Rip Rap (1 ton)	154	CY	\$120	\$18,480
Pipe Jacking	375	LF	\$220	\$82,500
		Sub Total		\$4,633,216

WEST MARLBOROUGH BUSINESS PARK
PARTICIPATION MODEL

Continental

Street	Phase	Split Betw Phases			Street Length	Mstr Dvlpr Streets	Mstr Dvlpr Cost	Phase					
		North	South	West				1	2	3	4	5	6
A	3	2	1		5145	5145	\$1,844,112	\$347,675	\$1,496,437	\$0	\$0	\$0	\$0
B	3				735	0	\$192,869	\$0	\$0	\$0	\$0	\$0	\$0
C	3				905	0	\$137,752	\$0	\$0	\$0	\$0	\$0	\$0
D	1				493	0	\$139,386	\$0	\$0	\$0	\$0	\$0	\$0
E	1				8175	0	\$187,936	\$0	\$0	\$0	\$0	\$0	\$0
F	1	1	2		8801	8801	\$4,034,038	\$1,821,986	\$2,212,051	\$0	\$0	\$0	\$0
G	1				1253	0	\$450,211	\$0	\$0	\$0	\$0	\$0	\$0
H	2		2	3	1358	750	\$380,699	\$0	\$117,668	\$92,586	\$0	\$0	\$0
I	2				1481	0	\$458,258	\$0	\$0	\$0	\$0	\$0	\$0
J	2				801	400	\$212,559	\$0	\$106,147	\$0	\$0	\$0	\$0
K	2				3565	3565	\$1,261,064	\$0	\$1,261,064	\$0	\$0	\$0	\$0
L	2				2621	950	\$635,241	\$0	\$230,248	\$0	\$0	\$0	\$0
M	2				3329	2679	\$1,023,888	\$0	\$823,970	\$0	\$0	\$0	\$0
N	3				1957	1957	\$497,583	\$0	\$0	\$497,583	\$0	\$0	\$0
O	3				443	443	\$124,716	\$0	\$0	\$124,716	\$0	\$0	\$0
P	2				368	200	\$107,711	\$0	\$58,538	\$0	\$0	\$0	\$0
Q	4				1773	1773	\$436,318	\$0	\$0	\$0	\$436,318	\$0	\$0
R	4				819	0	\$218,474	\$0	\$0	\$0	\$0	\$0	\$0
S	4				625	0	\$170,195	\$0	\$0	\$0	\$0	\$0	\$0
T	4				625	0	\$170,195	\$0	\$0	\$0	\$0	\$0	\$0
U	4		4	5	8735	8735	\$3,125,316	\$0	\$0	\$0	\$2,391,842	\$733,474	\$0
V	4				1992	1992	\$609,563	\$0	\$0	\$0	\$0	\$609,563	\$0
W	4				2601	2601	\$931,906	\$0	\$0	\$0	\$0	\$931,906	\$0
X	4	4	5		1800	1800	\$1,085,069	\$0	\$0	\$0	\$0	\$361,690	\$723,379
Y	4				1628	930	\$403,475	\$0	\$0	\$0	\$0	\$230,486	\$0
Z	4		4	5	1176	1176	\$294,478	\$0	\$0	\$0	\$170,277	\$124,202	\$0
AA		5	4		1073	0	\$310,960	\$0	\$0	\$0	\$0	\$0	\$0
BB		4	5		1163	0	\$322,043	\$0	\$0	\$0	\$0	\$0	\$0
CC	5				980	980	\$245,732	\$0	\$0	\$0	\$0	\$245,732	\$0
DD	5				629	430	\$171,128	\$0	\$0	\$0	\$0	\$116,987	\$0
CCC	1				1263	1113	\$465,924	\$410,589	\$0	\$0	\$0	\$0	\$0
							\$20,648,797	\$2,580,250	\$6,306,123	\$714,885	\$5,132,081	\$1,943,775	\$16,677,114
							68312	46420	68%	81%			

March AFB - Planning Areas 1 and 2
PRELIMINARY OPINION OF PROBABLE COSTS
Prepared For: Lennar Partners
Prepared By: L. Michael / M. Knapton
Kimley-Horn and Associates, Inc.

Date: 7/16/01
Job No. 095300000
Revised:

SURFACE IMPROVEMENTS

Item	Quantity	Unit	Unit Price	Total	
Street A - 4C - (Length = 5145 LF)					
Sidewalk	51,450	SF	\$2.00	\$102,900.00	
Curb & Gutter	10,290	LF	\$8.50	\$87,465.00	
Paving	349,860	SF	\$3.50	\$1,224,510.00	
Landscaping of Parkway	102.90	KSF	\$3,500.00	\$360,150.00	
Street Lights	20	EA	\$3,000.00	\$60,000.00	
Striping	30,870	LF	\$0.10	\$3,087.00	4C
Survey Monuments	12	EA	\$500.00	\$6,000.00	5145
		Sub Total		\$1,844,112.00	\$358
Street B - 21C - (Length = 735 LF)					
Sidewalk	8,735	SF	\$2.00	\$17,470.00	
Curb & Gutter	1,747	LF	\$8.50	\$14,849.50	
Paving	26,460	SF	\$3.50	\$92,610.00	
Landscaping of Parkway	17.47	KSF	\$3,500.00	\$61,145.00	
Street Lights	2	EA	\$3,000.00	\$6,000.00	
Striping	2,940	LF	\$0.10	\$294.00	21C
Survey Monuments	1	EA	\$500.00	\$500.00	735
		Sub Total		\$192,868.50	\$262
Street C - 21C - (Length = 486 LF)					
Sidewalk	6,245	SF	\$2.00	\$12,490.00	
Curb & Gutter	1,249	LF	\$8.50	\$10,616.50	
Paving	17,496	SF	\$3.50	\$61,236.00	
Landscaping of Parkway	12.49	KSF	\$3,500.00	\$43,715.00	
Street Lights	3	EA	\$3,000.00	\$9,000.00	
Striping	1,944	LF	\$0.10	\$194.40	21C
Survey Monuments	1	EA	\$500.00	\$500.00	486
		Sub Total		\$137,751.90	\$283

**March AFB - Planning Areas 1 and 2
PRELIMINARY OPINION OF PROBABLE COSTS**

Prepared For: Lennar Partners
Prepared By: L. Michael / M. Knapton
Kimley-Horn and Associates, Inc.

Date: 7/16/01
Job No. 0953000000
Revised:

SURFACE IMPROVEMENTS

Item	Quantity	Unit	Unit Price	Total	
Street D - 2IC - (Length = 493 LF)					
Sidewalk	6,315	SF	\$2.00	\$12,630.00	
Curb & Gutter	1,263	LF	\$8.50	\$10,735.50	
Paving	17,748	SF	\$3.50	\$62,118.00	
Landscaping of Parkway	12.63	KSF	\$3,500.00	\$44,205.00	
Street Lights	3	EA	\$3,000.00	\$9,000.00	2IC
Striping	1,972	LF	\$0.10	\$197.20	493
Survey Monuments	1	EA	\$500.00	\$500.00	\$283
		Sub Total		\$139,385.70	
Street E - 2IC - (Length = 688 LF)					
Sidewalk	8,175	SF	\$2.00	\$16,350.00	
Curb & Gutter	1,635	LF	\$8.50	\$13,897.50	
Paving	24,768	SF	\$3.50	\$86,688.00	
Landscaping of Parkway	16.35	KSF	\$3,500.00	\$57,225.00	
Street Lights	4	EA	\$3,000.00	\$12,000.00	2IC
Striping	2,752	LF	\$0.10	\$275.20	688
Survey Monuments	3	EA	\$500.00	\$1,500.00	\$273
		Sub Total		\$187,935.70	
Street F - 4C - (Length = 8801 LF)					
Sidewalk	88,010	SF	\$2.00	\$176,020.00	
Curb & Gutter	17,602	LF	\$8.50	\$149,617.00	
Median Curb & Gutter	17,602	LF	\$6.20	\$109,132.40	
Stamped Concrete Median	158,418	SF	\$5.00	\$792,090.00	
Paving	567,665	SF	\$3.50	\$1,986,827.50	
Landscaping of Parkway	176.02	KSF	\$3,500.00	\$616,070.00	
Street Lights	64	EA	\$3,000.00	\$192,000.00	4C
Striping	52,806	LF	\$0.10	\$5,280.60	8801
Survey Monuments	14	EA	\$500.00	\$7,000.00	\$458
		Sub Total		\$4,034,037.50	

**March AFB - Planning Areas 1 and 2
PRELIMINARY OPINION OF PROBABLE COSTS**

Prepared For: Lennar Partners
Prepared By: L. Michael / M. Knapton
Kimley-Horn and Associates, Inc.

Revised:

Date: 7/16/01
Job No. 095300000

SURFACE IMPROVEMENTS

Item	Quantity	Unit	Unit Price	Total	
Street G - 3C - (Length = 1253 LF)					
Sidewalk	13,890	SF	\$2.00	\$27,780.00	
Curb & Gutter	2,778	LF	\$8.50	\$23,613.00	
Paving	65,156	SF	\$3.50	\$228,046.00	
Landscaping of Parkway	42.72	KSF	\$3,500.00	\$149,520.00	
Street Lights	6	EA	\$3,000.00	\$18,000.00	
Striping	7,518	LF	\$0.10	\$751.80	3C
Survey Monuments	5	EA	\$500.00	\$2,500.00	1253
		Sub Total		\$450,210.80	\$359
Street H - 2IC - (Length = 1358 LF)					
Sidewalk	16,320	SF	\$2.00	\$32,640.00	
Curb & Gutter	3,264	LF	\$8.50	\$27,744.00	
Paving	58,408	SF	\$3.50	\$204,428.00	
Landscaping of Parkway	28.35	KSF	\$3,500.00	\$99,225.00	
Street Lights	5	EA	\$3,000.00	\$15,000.00	
Striping	6,622	LF	\$0.10	\$662.20	2IC
Survey Monuments	2	EA	\$500.00	\$1,000.00	1358
		Sub Total		\$380,699.20	\$280
Street I - 3C - (Length = 1481 LF)					
Sidewalk	14,810	SF	\$2.00	\$29,620.00	
Curb & Gutter	2,962	LF	\$8.50	\$25,177.00	
Paving	77,012	SF	\$3.50	\$269,542.00	
Landscaping of Parkway	32.58	KSF	\$3,500.00	\$114,030.00	
Street Lights	6	EA	\$3,000.00	\$18,000.00	
Striping	8,886	LF	\$0.10	\$888.60	3C
Survey Monuments	2	EA	\$500.00	\$1,000.00	1481
		Sub Total		\$458,257.60	\$309
Street J - 2IC - (Length = 801 LF)					
Sidewalk	9,375	SF	\$2.00	\$18,750.00	
Curb & Gutter	1,875	LF	\$8.50	\$15,937.50	
Paving	28,836	SF	\$3.50	\$100,926.00	
Landscaping of Parkway	18.75	KSF	\$3,500.00	\$65,625.00	
Street Lights	3	EA	\$3,000.00	\$9,000.00	
Striping	3,204	LF	\$0.10	\$320.40	2IC
Survey Monuments	4	EA	\$500.00	\$2,000.00	801
		Sub Total		\$212,558.90	\$266
Street K-4C - (Length = 3565 LF)					
Sidewalk	35,650	SF	\$2.00	\$71,300.00	
Curb & Gutter	7,130	LF	\$8.50	\$60,605.00	
Paving	242,420	SF	\$3.50	\$848,470.00	

March AFB - Planning Areas 1 and 2
PRELIMINARY OPINION OF PROBABLE COSTS

Prepared For: Lennar Partners
Prepared By: L. Michael / M. Knappton
Kimley-Horn and Associates, Inc.
Date: 7/16/01
Job No. 095300000
Revised:

SURFACE IMPROVEMENTS

Item	Quantity	Unit	Unit Price	Total	
Landscaping of Parkway	71.30	KSF	\$3,500.00	\$249,550.00	
Street Lights	9	EA	\$3,000.00	\$27,000.00	
Striping	21,390	LF	\$0.10	\$2,139.00	4C
Survey Monuments	4	EA	\$500.00	\$2,000.00	3565
		Sub Total		\$1,261,064.00	\$354
Street L - 2IC - (Length = 2621 LF)					
Sidewalk	26,210	SF	\$2.00	\$52,420.00	
Curb & Gutter	5,242	LF	\$8.50	\$44,557.00	
Paving	94,356	SF	\$3.50	\$330,246.00	
Landscaping of Parkway	52.42	KSF	\$3,500.00	\$183,470.00	
Street Lights	7	EA	\$3,000.00	\$21,000.00	2IC
Striping	10,484	LF	\$0.10	\$1,048.40	2621
Survey Monuments	5	EA	\$500.00	\$2,500.00	\$242
		Sub Total		\$635,241.40	

WEST MARCH BUSINESS PARK
PARTICIPATION MODEL

March AFB - Planning Areas 1 and 2
PRELIMINARY OPINION OF PROBABLE COSTS

Prepared For: Lennar Partners
Prepared By: L. Michael / M. Knapp
Kimley-Horn and Associates, Inc.
Date: 7/16/01
Job No. 095300000
Revised:

SURFACE IMPROVEMENTS

Item	Quantity	Unit	Unit Price	Total	
Street M - 3C - (Length = 3329 LF)					
Sidewalk	33,290	SF	\$2.00	\$66,580.00	
Curb & Gutter	6,658	LF	\$8.50	\$56,593.00	
Paving	173,108	SF	\$3.50	\$605,878.00	
Landscaping of Parkway	72,24	KSF	\$3,500.00	\$252,840.00	
Street Lights	13	EA	\$3,000.00	\$39,000.00	
Striping	19,974	LF	\$0.10	\$1,997.40	3C
Survey Monuments	2	EA	\$500.00	\$1,000.00	3329
		Sub Total		\$1,023,888.40	\$308
Street N - 2IC - (Length = 1957 LF)					
Sidewalk	20,955	SF	\$2.00	\$41,910.00	
Curb & Gutter	4,191	LF	\$8.50	\$35,623.50	
Paving	70,452	SF	\$3.50	\$246,582.00	
Landscaping of Parkway	41,91	KSF	\$3,500.00	\$146,685.00	
Street Lights	8	EA	\$3,000.00	\$24,000.00	
Striping	7,828	LF	\$0.10	\$782.80	2IC
Survey Monuments	4	EA	\$500.00	\$2,000.00	1957
		Sub Total		\$497,583.30	\$254
Street O - 2IC - (Length = 443 LF)					
Sidewalk	5,815	SF	\$2.00	\$11,630.00	
Curb & Gutter	1,163	LF	\$8.50	\$9,885.50	
Paving	15,948	SF	\$3.50	\$55,818.00	
Landscaping of Parkway	11,63	KSF	\$3,500.00	\$40,705.00	
Street Lights	2	EA	\$3,000.00	\$6,000.00	
Striping	1,772	LF	\$0.10	\$177.20	2IC
Survey Monuments	1	EA	\$500.00	\$500.00	443
		Sub Total		\$124,715.70	\$282

March AFB - Planning Areas 1 and 2
PRELIMINARY OPINION OF PROBABLE COSTS
Prepared For: Lennar Partners
Prepared By: L. Michael / M. Knapton
Kimley-Horn and Associates, Inc.

Revised:

Date: 7/16/01
Job No. 0953000000

SURFACE IMPROVEMENTS

Item	Quantity	Unit	Unit Price	Total	
Street P - 2IC - (Length = 368 LF)					
Sidewalk	5,065	SF	\$2.00	\$10,130.00	
Curb & Gutter	1,013	LF	\$8.50	\$8,610.50	
Paving	13,248	SF	\$3.50	\$46,368.00	
Landscaping of Parkway	10.13	KSF	\$3,500.00	\$35,455.00	
Street Lights	2	EA	\$3,000.00	\$6,000.00	2IC
Striping	1,472	LF	\$0.10	\$147.20	368
Survey Monuments	2	EA	\$500.00	\$1,000.00	\$293
		Sub Total		\$107,710.70	
Street Q - 2IC - (Length = 1773 LF)					
Sidewalk	17,730	SF	\$2.00	\$35,460.00	
Curb & Gutter	3,546	LF	\$8.50	\$30,141.00	
Paving	63,828	SF	\$3.50	\$223,398.00	
Landscaping of Parkway	35.46	KSF	\$3,500.00	\$124,110.00	
Street Lights	7	EA	\$3,000.00	\$21,000.00	2IC
Striping	7,092	LF	\$0.10	\$709.20	1773
Survey Monuments	3	EA	\$500.00	\$1,500.00	\$246
		Sub Total		\$436,318.20	
Street R - 2IC - (Length = 819 LF)					
Sidewalk	9,575	SF	\$2.00	\$19,150.00	
Curb & Gutter	1,915	LF	\$8.50	\$16,277.50	
Paving	29,484	SF	\$3.50	\$103,194.00	
Landscaping of Parkway	19.15	KSF	\$3,500.00	\$67,025.00	
Street Lights	4	EA	\$3,000.00	\$12,000.00	2IC
Striping	3,276	LF	\$0.10	\$327.60	819
Survey Monuments	1	EA	\$500.00	\$500.00	\$267
		Sub Total		\$218,474.10	

March AFB - Planning Areas 1 and 2
PRELIMINARY OPINION OF PROBABLE COSTS

Prepared For: Lennar Partners
Prepared By: L. Michael / M. Knapton
Kimley-Horn and Associates, Inc.

Date: 7/16/01
Job No. 095300000
Revised:

SURFACE IMPROVEMENTS

Item	Quantity	Unit	Unit Price	Total	
Street V - 3C - (Length = 1992 LF)					
Sidewalk	19,920	SF	\$2.00	\$39,840.00	
Curb & Gutter	3,484	LF	\$8.50	\$29,614.00	
Paving	103,584	SF	\$3.50	\$362,544.00	
Landscaping of Parkway	43.82	KSF	\$3,500.00	\$153,370.00	
Street Lights	7	EA	\$3,000.00	\$21,000.00	
Striping	11,952	LF	\$0.10	\$1,195.20	3C
Survey Monuments	4	EA	\$500.00	\$2,000.00	1992
		Sub Total		\$609,563.20	\$306
Street W - 4C - (Length = 2601 LF)					
Sidewalk	26,010	SF	\$2.00	\$52,020.00	
Curb & Gutter	5,202	LF	\$8.50	\$44,217.00	
Paving	176,868	SF	\$3.50	\$619,038.00	
Landscaping of Parkway	52.02	KSF	\$3,500.00	\$182,070.00	
Street Lights	10	EA	\$3,000.00	\$30,000.00	
Striping	15,606	LF	\$0.10	\$1,560.60	4C
Survey Monuments	6	EA	\$500.00	\$3,000.00	2601
		Sub Total		\$931,905.60	\$358
Street X - 3C/2IC - (Length = 4424 LF)					
Sidewalk	44,240	SF	\$2.00	\$88,480.00	
Curb & Gutter	8,848	LF	\$8.50	\$75,208.00	
Paving	200,096	SF	\$3.50	\$700,336.00	
Landscaping of Parkway	46.79	KSF	\$3,500.00	\$163,765.00	
Street Lights	17	EA	\$3,000.00	\$51,000.00	
Striping	22,800	LF	\$0.10	\$2,280.00	3C/2IC
Survey Monuments	8	EA	\$500.00	\$4,000.00	4424
		Sub Total		\$1,085,069.00	\$245

March AFB - Planning Areas 1 and 2
PRELIMINARY OPINION OF PROBABLE COSTS
Prepared For: Lennar Partners
Prepared By: L. Michael / M. Knapton
Kimley-Horn and Associates, Inc.

Date: 7/16/01
Job No. 095300000
Revised:

SURFACE IMPROVEMENTS

Item	Quantity	Unit	Unit Price	Total	
Street Y - 2IC - (Length = 1628 LF)					
Sidewalk	16,280	SF	\$2.00	\$32,560.00	
Curb & Gutter	3,256	LF	\$8.50	\$27,676.00	
Paving	58,608	SF	\$3.50	\$205,128.00	
Landscaping of Parkway	32.56	KSF	\$3,500.00	\$113,960.00	
Street Lights	7	EA	\$3,000.00	\$21,000.00	
Striping	6,512	LF	\$0.10	\$651.20	2IC
Survey Monuments	5	EA	\$500.00	\$2,500.00	1628
		Sub Total		\$403,475.20	\$248
Street Z - 2IC - (Length = 1176 LF)					
Sidewalk	11,760	SF	\$2.00	\$23,520.00	
Curb & Gutter	2,352	LF	\$8.50	\$19,992.00	
Paving	42,336	SF	\$3.50	\$148,176.00	
Landscaping of Parkway	23.52	KSF	\$3,500.00	\$82,320.00	
Street Lights	6	EA	\$3,000.00	\$18,000.00	
Striping	4,704	LF	\$0.10	\$470.40	2IC
Survey Monuments	4	EA	\$500.00	\$2,000.00	1176
		Sub Total		\$294,478.40	\$250
Street AA - 2IC - (Length = 573 LF)					
Sidewalk	7,115	SF	\$2.00	\$14,230.00	
Curb & Gutter	1,423	LF	\$8.50	\$12,095.50	
Paving	20,628	SF	\$3.50	\$72,198.00	
Landscaping of Parkway	14.23	KSF	\$3,500.00	\$49,805.00	
Street Lights	5	EA	\$3,000.00	\$15,000.00	
Striping	2,292	LF	\$0.10	\$229.20	2IC
Survey Monuments	5	EA	\$500.00	\$2,500.00	573
		Sub Total		\$166,057.70	\$290

March AFB - Planning Areas 1 and 2
PRELIMINARY OPINION OF PROBABLE COSTS
Prepared For: Lennar Partners
Prepared By: L. Michael / M. Knapton
Kimley-Horn and Associates, Inc.

Revised:

Date: 7/16/01
Job No. 095300000

SURFACE IMPROVEMENTS

Item	Quantity	Unit	Unit Price	Total	
Street BB - 2IC - (Length = 1163 LF)					
Sidewalk	14,400	SF	\$2.00	\$28,800.00	
Curb & Gutter	2,880	LF	\$8.50	\$24,480.00	
Paving	41,868	SF	\$3.50	\$146,538.00	
Landscaping of Parkway	28.80	KSF	\$3,500.00	\$100,800.00	
Street Lights	6	EA	\$3,000.00	\$18,000.00	2IC
Striping	4,252	LF	\$0.10	\$425.20	1163
Survey Monuments	6	EA	\$500.00	\$3,000.00	\$277
		Sub Total		\$322,043.20	
Street CC - 2IC - (Length = 980 LF)					
Sidewalk	9,800	SF	\$2.00	\$19,600.00	
Curb & Gutter	1,960	LF	\$8.50	\$16,660.00	
Paving	35,280	SF	\$3.50	\$123,480.00	
Landscaping of Parkway	19.60	KSF	\$3,500.00	\$68,600.00	
Street Lights	5	EA	\$3,000.00	\$15,000.00	2IC
Striping	3,920	LF	\$0.10	\$392.00	980
Survey Monuments	4	EA	\$500.00	\$2,000.00	\$251
		Sub Total		\$245,732.00	
Street DD - 2IC - (Length = 629 LF)					
Sidewalk	7,675	SF	\$2.00	\$15,350.00	
Curb & Gutter	1,535	LF	\$8.50	\$13,047.50	
Paving	22,644	SF	\$3.50	\$79,254.00	
Landscaping of Parkway	15.35	KSF	\$3,500.00	\$53,725.00	
Street Lights	3	EA	\$3,000.00	\$9,000.00	2IC
Striping	2,516	LF	\$0.10	\$251.60	629
Survey Monuments	1	EA	\$500.00	\$500.00	\$272
		Sub Total		\$171,128.10	

**March AFB - Planning Areas 1 and 2
PRELIMINARY OPINION OF PROBABLE COSTS**

Prepared For: Lennar Partners
Prepared By: L. Michael / M. Knapton
Kimley-Horn and Associates, Inc.

Date: 7/16/01
Job No. 095300000
Revised:

SURFACE IMPROVEMENTS

Item	Quantity	Unit	Unit Price	Total
Street CCC - 3C - (Length = 1263 LF)				
Sidewalk	13,915	SF	\$2.00	\$27,830.00
Curb & Gutter	2,783	LF	\$8.50	\$23,655.50
Paving	65,676	SF	\$3.50	\$229,866.00
Landscaping of Parkway	47.09	KSF	\$3,500.00	\$164,815.00
Street Lights	6	EA	\$3,000.00	\$18,000.00
Striping	7,578	LF	\$0.10	\$757.80
Survey Monuments	2	EA	\$500.00	\$1,000.00
		Sub Total		\$465,924.30
				3C
				1263
				\$369

WEST MARCO BUSINESS PARK
PARTICIPATION MODEL

Confidential

Off-site Street Improvement	Phase	Cost	1	2	3	4	5	6
Modify Traffic Signal		\$300,000	\$150,000	\$0	\$150,000	\$0	\$0	\$0
New Traffic Signals		\$1,350,000	\$300,000	\$0	\$450,000	\$600,000	\$0	\$0
15' DG Access Road	2	\$1,417,000	\$0	\$1,417,000	\$0	\$0	\$0	\$0
Alessandro Blvd	3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Alessandro Interchange at I-215	3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Barton Road	6	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cactus Bridge over Railroad	2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cactus widening- Bridge to bridge	2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cactus Interchange at I-215	2	\$1,650,000	\$0	\$1,650,000	\$0	\$0	\$0	\$0
Van Buren		\$3,840,000	\$0	\$0	\$1,920,000	\$1,920,000	\$0	\$0
Van Buren Bridge over Railroad	4	\$777,600	\$0	\$0	\$0	\$777,600	\$0	\$0
Van Buren Interchange at I-215	4	\$5,250,000	\$0	\$0	\$0	\$5,250,000	\$0	\$0
		\$14,584,600	\$450,000	\$3,067,000	\$2,520,000	\$8,547,600	\$0	\$14,584,600
			\$1,065,600	\$5,742,500	\$4,196,800	\$10,160,000	\$1,650,000	\$0
								\$22,814,900

March AFB - Planning Areas 1 and 2 PRELIMINARY OPINION OF PROBABLE COSTS

Prepared For: Lennar Partners
Prepared By: L. Michael / M. Knappton
Kimley-Horn and Associates, Inc.

Date: 7/16/01
Job No. 095300000

Revised:

OFFSITE STREET IMPROVEMENTS

Item	Quantity	Unit	Unit Price	Total	Estimated Percent Responsibility*	LNR Responsibility Total*
Off-Site Improvements						
Modify Traffic Signal	3	LS	\$100,000	\$300,000	100%	\$300,000
New Traffic Signals	9	LS	\$150,000	\$1,350,000	100%	\$1,350,000
15' DG Access Road	218,000	SF	\$6.50	\$1,417,000	100%	\$1,417,000
Alessandro Blvd	0.47	Mi.	\$1,650,000	\$775,500	0%	\$0
Interchange	1		\$250,000	\$250,000	0%	\$0
Barton Road	1.00	Mi.	\$1,650,000	\$1,650,000	0%	\$0
Cactus Bridge over Railroad	3480.00	S.F.	\$120	\$417,600	0%	\$0
Cactus widening- Bridge to bridge	0.12	Mi.	\$1,650,000	\$198,000	0%	\$0
Cactus Interchange at I-215	1	Interchange	\$3,300,000	\$3,300,000	50%	\$1,650,000
Van Buren	2.56	Mi.	\$2,000,000	\$5,120,000	75%	\$3,840,000
Van Buren Bridge over Railroad	8640.00	S.F.	\$120	\$1,036,800	75%	\$777,600
Van Buren Interchange at I-215	1	Interchange	\$7,000,000	\$7,000,000	75%	\$5,250,000
Total				\$22,814,900		\$14,584,600

Off-Site Improvements Include:

Facility	Improvement	Estimated Percent Responsibility*
Modify Traffic Signal		100%
New Traffic Signals		100%
15' DG Access Road	Access to detention basins and sewer main	0%
Alessandro Blvd	Widen to add 2 lanes along project frontage	0%
Alessandro Interchange at I-215	Interchange ramp widening	0%
Barton Road	Widen to add 2 lanes along project frontage	0%
Cactus Bridge over RailRoad	24' by 145' widening	0%
Cactus widening- Bridge to bridge	620' distance between bridges	0%
Cactus Interchange at I-215	Bridge widening and ramp improvements	50%
Van Buren	Widen to add 6 lanes from Barton to I-215	75%
Van Buren Bridge over Railroad	48' by 180' bridge widening	75%
Van Buren Interchange at I-215	Widen 24' by 250' bridge & ramps	75%

* NOTE: Does not include regional funding sources available for these improvements, which is considered a high probability.

WEST MARCH BUSINESS PARK
PARTICIPATION MODEL

Confidential

Street Name	Phase	Split Betw Phases				Street Length	Mstr Dvlpr Streets	Mstr Dvlpr Cost	Phase						
		2	1	North	South				East	West	1	2	3	4	5
A						5145	\$792,425	5145	\$792,425	\$364,863	\$427,562	\$0	\$0	\$0	\$0
B	3					735	\$37,040	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C	3					905	\$31,702	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
D	1					493	\$27,478	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
E	1					8175	\$35,183	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
F						8801	\$827,258	8801	\$827,258	\$539,259	\$287,999	\$0	\$0	\$0	\$0
G	1	1	2			1253	\$78,006	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
H						1358	\$82,199	750	\$45,397	\$0	\$44,378	\$1,020	\$0	\$0	\$0
I	2					1481	\$115,765	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
J	2					801	\$48,482	400	\$24,211	\$0	\$24,211	\$0	\$0	\$0	\$0
K	2					3565	\$187,682	3565	\$187,682	\$0	\$187,682	\$0	\$0	\$0	\$0
L	2					2621	\$146,382	950	\$53,057	\$0	\$53,057	\$0	\$0	\$0	\$0
M	2					3329	\$214,200	2679	\$172,377	\$0	\$172,377	\$0	\$0	\$0	\$0
N	3					1957	\$126,855	1957	\$126,855	\$0	\$0	\$126,855	\$0	\$0	\$0
O	3					443	\$28,453	443	\$28,453	\$0	\$0	\$28,453	\$0	\$0	\$0
P	2					368	\$24,981	200	\$13,582	\$0	\$13,582	\$0	\$0	\$0	\$0
Q	4					1773	\$104,859	1773	\$104,859	\$0	\$0	\$104,859	\$0	\$0	\$0
R	4					819	\$49,313	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
S	4					625	\$36,856	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
T	4					625	\$36,856	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
U						8735	\$534,795	8735	\$534,795	\$0	\$0	\$0	\$409,441	\$125,354	\$0
V	4			4	5	1992	\$114,971	1992	\$114,971	\$0	\$0	\$0	\$114,971	\$0	\$0
W	4					2601	\$157,922	2601	\$157,922	\$0	\$0	\$0	\$157,922	\$0	\$0
X		4	5			1800	\$266,095	1800	\$266,095	\$0	\$0	\$0	\$44,034	\$222,062	\$0
Y	4					1628	\$94,665	930	\$54,078	\$0	\$0	\$0	\$54,078	\$0	\$0
Z				4	5	1176	\$75,460	1176	\$75,460	\$0	\$0	\$0	\$35,790	\$39,670	\$0
AA		5	4			1073	\$58,537	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
BB		4	5			1163	\$73,614	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CC	5					980	\$70,247	980	\$70,247	\$0	\$0	\$0	\$0	\$70,247	\$0
DD	5					629	\$37,041	430	\$25,322	\$0	\$0	\$0	\$0	\$25,322	\$0
CCC	1					1263	\$60,776	1113	\$53,558	\$53,558	\$0	\$0	\$0	\$0	\$0
							68312	\$4,576,106	\$3,728,601	\$957,680	\$1,210,846	\$156,328	\$921,094	\$482,654	\$3,728,601
								68%	81%						

March AFB - Planning Areas 1 and 2
PRELIMINARY OPINION OF PROBABLE COSTS

Prepared For: Lennar Partners
Prepared By: Steve Moreland
LFR Reimer

Date: 7/20/2001
Revised:

WATER IMPROVEMENTS

Item	Quantity	Unit	Unit Price	Total	
Street A - 4C - (Length = 5145 LF)					
10" Water	750	LF	\$39.51	\$29,632.50	
12" Water	4,395	LF	\$46.17	\$202,917.15	
30" Water	3,695	LF	\$125.00	\$461,875.00	
Water Valves	14	EA	\$4,500.00	\$63,000.00	
Fire Hydrant	10	EA	\$3,500.00	\$35,000.00	4C
				\$0.00	5145
				\$0.00	\$154
				\$792,424.65	
Street B - 2IC - (Length = 735 LF)					
10" Water	735	LF	\$39.51	\$29,039.85	
12" Water	0	LF	\$46.17	\$0.00	
30" Water	0	LF	\$125.00	\$0.00	
Water Valves	1	EA	\$4,500.00	\$4,500.00	
Fire Hydrant	1	EA	\$3,500.00	\$3,500.00	2IC
				\$0.00	735
				\$0.00	\$50
				\$37,039.85	
Street C - 2IC - (Length = 486 LF)					
10" Water	486	LF	\$39.51	\$19,201.86	
12" Water	0	LF	\$46.17	\$0.00	
30" Water	0	LF	\$125.00	\$0.00	
Water Valves	2	EA	\$4,500.00	\$9,000.00	
Fire Hydrant	1	EA	\$3,500.00	\$3,500.00	2IC
				\$0.00	486
				\$0.00	\$65
				\$31,701.86	

March AFB - Planning Areas 1 and 2 PRELIMINARY OPINION OF PROBABLE COSTS

Prepared For: Lennar Partners
Prepared By: Steve Moreland
LFR Reimer

Date: 7/20/2001 Revised:

WATER IMPROVEMENTS

Item	Quantity	Unit	Unit Price	Total	
Street D - 21C - (Length = 493 LF)					
10" Water	493	LF	\$39.51	\$19,478.43	
12" Water	0	LF	\$46.17	\$0.00	
30" Water	0	LF	\$125.00	\$0.00	
Water Valves	1	EA	\$4,500.00	\$4,500.00	
Fire Hydrant	1	EA	\$3,500.00	\$3,500.00	21C
				\$0.00	493
				\$0.00	\$56
				\$27,478.43	
Street E - 21C - (Length = 688 LF)					
10" Water	688	LF	\$39.51	\$27,182.88	
12" Water	0	LF	\$46.17	\$0.00	
30" Water	0	LF	\$125.00	\$0.00	
Water Valves	1	EA	\$4,500.00	\$4,500.00	
Fire Hydrant	1	EA	\$3,500.00	\$3,500.00	21C
				\$0.00	688
				\$0.00	\$51
				\$35,182.88	
Street F - 4C - (Length = 8801 LF)					
10" Water	0	LF	\$39.51	\$0.00	
12" Water	5,951	LF	\$46.17	\$274,757.67	
30" Water	1,750	LF	\$125.00	\$218,750.00	
Water Valves	19	EA	\$4,500.00	\$85,500.00	
Fire Hydrant	18	EA	\$3,500.00	\$63,000.00	
16" Water	2,850	LF	\$65.00	\$185,250.00	4C
				\$0.00	8801
				\$0.00	\$94
				\$827,257.67	

March AFB - Planning Areas 1 and 2 PRELIMINARY OPINION OF PROBABLE COSTS

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LFR Reimer

Date: 7/20/2001 Revised:

WATER IMPROVEMENTS

Item	Quantity	Unit	Unit Price	Total	
Street G - 3C - (Length = 1253 LF)					
10" Water	1,253	LF	\$39.51	\$49,506.03	
12" Water	0	LF	\$46.17	\$0.00	
30" Water	0	LF	\$125.00	\$0.00	
Water Valves	4	EA	\$4,500.00	\$18,000.00	
Fire Hydrant	3	EA	\$3,500.00	\$10,500.00	3C
				\$0.00	1253
				\$0.00	\$62
				\$78,006.03	
Sub Total					
Street H - 2IC - (Length = 1358 LF)					
10" Water	0	LF	\$39.51	\$0.00	
12" Water	1,358	LF	\$46.17	\$62,698.86	
30" Water	0	LF	\$125.00	\$0.00	
Water Valves	2	EA	\$4,500.00	\$9,000.00	
Fire Hydrant	3	EA	\$3,500.00	\$10,500.00	
				\$0.00	2IC
				\$0.00	1358
				\$82,198.86	\$61
Sub Total					
Street I - 3C - (Length = 1481 LF)					
10" Water	0	LF	\$39.51	\$0.00	
12" Water	0	LF	\$46.17	\$0.00	
30" Water	0	LF	\$125.00	\$0.00	
Water Valves	2	EA	\$4,500.00	\$9,000.00	
Fire Hydrant	3	EA	\$3,500.00	\$10,500.00	
16" Water	1,481	LF	\$65.00	\$96,265.00	3C
				\$0.00	1481
				\$115,765.00	\$78
Sub Total					
Street J - 2IC - (Length = 801 LF)					
10" Water	0	LF	\$39.51	\$0.00	
12" Water	801	LF	\$46.17	\$36,982.17	
30" Water	0	LF	\$125.00	\$0.00	
Water Valves	1	EA	\$4,500.00	\$4,500.00	
Fire Hydrant	2	EA	\$3,500.00	\$7,000.00	
				\$0.00	2IC
				\$0.00	801
				\$48,482.17	\$61
Sub Total					
Street K-4C - (Length = 3565 LF)					
10" Water	2,915	LF	\$39.51	\$115,171.65	
12" Water	650	LF	\$46.17	\$30,010.50	
30" Water	0	LF	\$125.00	\$0.00	

March AFB - Planning Areas 1 and 2
PRELIMINARY OPINION OF PROBABLE COSTS

Prepared For: Lennar Partners
Prepared By: Steve Moreland
LFR Reimer

Date: 7/20/2001
Revised:

WATER IMPROVEMENTS

Item	Quantity	Unit	Unit Price	Total	
Water Valves	4	EA	\$4,500.00	\$18,000.00	
Fire Hydrant	7	EA	\$3,500.00	\$24,500.00	
				\$0.00	4C
				\$0.00	3565
				\$187,682.15	\$53
Sub Total					
Street L - 21C - (Length = 2621 LF)					
10" Water	1,521	LF	\$39.51	\$60,094.71	
12" Water	1,100	LF	\$46.17	\$50,787.00	
30" Water	0	LF	\$125.00	\$0.00	
Water Valves	4	EA	\$4,500.00	\$18,000.00	
Fire Hydrant	5	EA	\$3,500.00	\$17,500.00	
				\$0.00	21C
				\$0.00	2621
				\$146,381.71	\$56
Sub Total					

**March AFB - Planning Areas 1 and 2
PRELIMINARY OPINION OF PROBABLE COSTS**

Prepared For: Lennar Partners

Prepared By: Steve Moreland

LFR Reimer

Date: 7/20/2001

Revised:

WATER IMPROVEMENTS

Item	Quantity	Unit	Unit Price	Total
Street M - 3C - (Length = 3329 LF)				
10" Water	0	LF	\$39.51	\$0.00
12" Water	3,329	LF	\$46.17	\$153,699.93
30" Water	0	LF	\$125.00	\$0.00
Water Valves	8	EA	\$4,500.00	\$36,000.00
Fire Hydrant	7	EA	\$3,500.00	\$24,500.00
				3C 3329 \$64
		Sub Total		\$214,199.93
Street N - 21C - (Length = 1957 LF)				
10" Water	0	LF	\$39.51	\$0.00
12" Water	1,957	LF	\$46.17	\$90,354.89
30" Water	0	LF	\$125.00	\$0.00
Water Valves	5	EA	\$4,500.00	\$22,500.00
Fire Hydrant	4	EA	\$3,500.00	\$14,000.00
				21C 1957 \$65
		Sub Total		\$126,854.69
Street O - 21C - (Length = 443 LF)				
10" Water	0	LF	\$39.51	\$0.00
12" Water	443	LF	\$46.17	\$20,453.31
30" Water	0	LF	\$125.00	\$0.00
Water Valves	1	EA	\$4,500.00	\$4,500.00
Fire Hydrant	1	EA	\$3,500.00	\$3,500.00
				21C 443 \$64
		Sub Total		\$28,453.31

March AFB - Planning Areas 1 and 2
PRELIMINARY OPINION OF PROBABLE COSTS

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LFR Reimer

Date: 7/20/2001

Revised:

WATER IMPROVEMENTS

Item	Quantity	Unit	Unit Price	Total	
Street P - 21C - (Length = 368 LF)					
10" Water	0	LF	\$39.51	\$0.00	
12" Water	368	LF	\$46.17	\$16,990.56	
30" Water	0	LF	\$125.00	\$0.00	
Water Valves	1	EA	\$4,500.00	\$4,500.00	
Fire Hydrant	1	EA	\$3,500.00	\$3,500.00	21C
				\$0.00	368
				\$0.00	\$68
				\$24,990.56	
Street Q - 21C - (Length = 1773 LF)					
10" Water	0	LF	\$39.51	\$0.00	
12" Water	1,773	LF	\$46.17	\$81,859.41	
30" Water	0	LF	\$125.00	\$0.00	
Water Valves	2	EA	\$4,500.00	\$9,000.00	
Fire Hydrant	4	EA	\$3,500.00	\$14,000.00	
				\$0.00	21C
				\$0.00	1773
				\$0.00	\$59
				\$104,859.41	
Street R - 21C - (Length = 819 LF)					
10" Water	0	LF	\$39.51	\$0.00	
12" Water	819	LF	\$46.17	\$37,813.23	
30" Water	0	LF	\$125.00	\$0.00	
Water Valves	1	EA	\$4,500.00	\$4,500.00	
Fire Hydrant	2	EA	\$3,500.00	\$7,000.00	
				\$0.00	21C
				\$0.00	819
				\$0.00	\$60
				\$49,313.23	

March AFB - Planning Areas 1 and 2
PRELIMINARY OPINION OF PROBABLE COSTS

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LFR Reimer

Date: 7/20/2001

Revised:

WATER IMPROVEMENTS

Item	Quantity	Unit	Unit Price	Total	
Street S - 21C - (Length = 625 LF)					
10" Water	0	LF	\$39.51	\$0.00	
12" Water	625	LF	\$46.17	\$28,856.25	
30" Water	0	LF	\$125.00	\$0.00	
Water Valves	1	EA	\$4,500.00	\$4,500.00	
Fire Hydrant	1	EA	\$3,500.00	\$3,500.00	21C
			\$0.00	\$0.00	625
				\$0.00	\$59
Sub Total					
Street T - 21C - (Length = 625 LF)					
10" Water	0	LF	\$39.51	\$0.00	
12" Water	625	LF	\$46.17	\$28,856.25	
30" Water	0	LF	\$125.00	\$0.00	
Water Valves	1	EA	\$4,500.00	\$4,500.00	
Fire Hydrant	1	EA	\$3,500.00	\$3,500.00	21C
			\$0.00	\$0.00	625
				\$0.00	\$59
Sub Total					
Street U - 4C - (Length = 8735 LF)					
10" Water	0	LF	\$39.51	\$0.00	
12" Water	8,735	LF	\$46.17	\$403,294.95	
30" Water	0	LF	\$125.00	\$0.00	
Water Valves	16	EA	\$4,500.00	\$72,000.00	
Fire Hydrant	17	EA	\$3,500.00	\$59,500.00	
			\$0.00	\$0.00	4C
				\$0.00	8735
				\$534,794.95	\$61
Sub Total					

March AFB - Planning Areas 1 and 2 PRELIMINARY OPINION OF PROBABLE COSTS

Prepared For: Lennar Partners
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LFR Reimer

Date: 7/20/2001

Revised:

WATER IMPROVEMENTS

Item	Quantity	Unit	Unit Price	Total	
Street V - 3C - (Length = 1992 LF)					
10" Water	0	LF	\$39.51	\$0.00	
12" Water	1,992	LF	\$46.17	\$91,970.64	
30" Water	0	LF	\$125.00	\$0.00	
Water Valves	2	EA	\$4,500.00	\$9,000.00	
Fire Hydrant	4	EA	\$3,500.00	\$14,000.00	3C
				\$0.00	1992
				\$0.00	\$58
				\$114,970.64	
Street W - 4C - (Length = 2601 LF)					
10" Water	1,001	LF	\$39.51	\$39,549.51	
12" Water	1,600	LF	\$46.17	\$73,872.00	
30" Water	0	LF	\$125.00	\$0.00	
Water Valves	6	EA	\$4,500.00	\$27,000.00	
Fire Hydrant	5	EA	\$3,500.00	\$17,500.00	
				\$0.00	4C
				\$0.00	2601
				\$157,921.51	\$61
Street X - 3C/2IC - (Length = 4424 LF)					
10" Water	850	LF	\$39.51	\$33,583.50	
12" Water	3,574	LF	\$46.17	\$165,011.58	
30" Water	0	LF	\$125.00	\$0.00	
Water Valves	8	EA	\$4,500.00	\$36,000.00	
Fire Hydrant	9	EA	\$3,500.00	\$31,500.00	
				\$0.00	3C/2IC
				\$0.00	4424
				\$266,095.08	\$60

**March AFB - Planning Areas 1 and 2
PRELIMINARY OPINION OF PROBABLE COSTS**

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Prepared By: Steve Moreland
LFR Reimer

Date: 7/20/2001 Revised:

WATER IMPROVEMENTS

Item	Quantity	Unit	Unit Price	Total
Street Y - 2IC - (Length = 1628 LF)				
10" Water	0	LF	\$39.51	\$0.00
12" Water	1,628	LF	\$46.17	\$75,164.76
30" Water	0	LF	\$125.00	\$0.00
Water Valves	2	EA	\$4,500.00	\$9,000.00
Fire Hydrant	3	EA	\$3,500.00	\$10,500.00
				2IC 1628 \$58
				\$0.00
				\$0.00
				\$94,664.76
Street Z - 2IC - (Length = 1176 LF)				
10" Water	576	LF	\$39.51	\$22,757.76
12" Water	600	LF	\$46.17	\$27,702.00
30" Water	0	LF	\$125.00	\$0.00
Water Valves	4	EA	\$4,500.00	\$18,000.00
Fire Hydrant	2	EA	\$3,500.00	\$7,000.00
				2IC 1176 \$64
				\$0.00
				\$0.00
				\$75,459.76
Street AA - 2IC - (Length = 573 LF)				
10" Water	320	LF	\$39.51	\$12,643.20
12" Water	550	LF	\$46.17	\$25,393.50
30" Water	0	LF	\$125.00	\$0.00
Water Valves	3	EA	\$4,500.00	\$13,500.00
Fire Hydrant	2	EA	\$3,500.00	\$7,000.00
				2IC 870 \$67
				\$0.00
				\$0.00
				\$58,536.70

WEST MARCH BUSINESS PARK
PARTICIPATION MODEL

March AFB - Planning Areas 1 and 2 PRELIMINARY OPINION OF PROBABLE COSTS

Prepared For: Lennar Partners
Prepared By: Steve Moreland
LFR Reimer

Date: 7/20/2001

Revised:

WATER IMPROVEMENTS

Item	Quantity	Unit	Unit Price	Total	
Street BB - 21C - (Length = 1163 LF)					
10" Water	763	LF	\$39.51	\$30,146.13	
12" Water	400	LF	\$46.17	\$18,468.00	
30" Water	0	LF	\$125.00	\$0.00	
Water Valves	4	EA	\$4,500.00	\$18,000.00	
Fire Hydrant	2	EA	\$3,500.00	\$7,000.00	21C
				\$0.00	1163
				\$0.00	\$63
				\$73,614.13	
Sub Total					
Street CC - 21C - (Length = 980 LF)					
10" Water	0	LF	\$39.51	\$0.00	
12" Water	980	LF	\$46.17	\$45,246.60	
30" Water	0	LF	\$125.00	\$0.00	
Water Valves	4	EA	\$4,500.00	\$18,000.00	
Fire Hydrant	2	EA	\$3,500.00	\$7,000.00	
				\$0.00	21C
				\$0.00	980
				\$70,246.60	\$72
Sub Total					
Street DD - 21C - (Length = 629 LF)					
10" Water	0	LF	\$39.51	\$0.00	
12" Water	629	LF	\$46.17	\$29,040.93	
30" Water	0	LF	\$125.00	\$0.00	
Water Valves	1	EA	\$4,500.00	\$4,500.00	
Fire Hydrant	1	EA	\$3,500.00	\$3,500.00	
				\$0.00	21C
				\$0.00	629
				\$37,040.93	\$59
Sub Total					

March AFB - Planning Areas 1 and 2
PRELIMINARY OPINION OF PROBABLE COSTS

Prepared For: Lennar Partners
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LFR Reimer

Date: 7/20/2001
Revised:

WATER IMPROVEMENTS

Item	Quantity	Unit	Unit Price	Total
Street CCC - 3C - (Length = 1263 LF)				
10" Water	1,263	LF	\$39.51	\$49,901.13
12" Water	0	LF	\$46.17	\$0.00
30" Water	3	LF	\$125.00	\$375.00
Water Valves	0	EA	\$4,500.00	\$0.00
Fire Hydrant	3	EA	\$3,500.00	\$10,500.00
				3C
				1263
				\$48
		Sub Total		\$60,776.13

WEST MARCH BUSINESS PARK
PARTICIPATION MODEL

Off-site Water Improvement	Phase	Cost	1	2	3	4	5	6
30" Water	1	\$337,500	\$337,500	\$0	\$0	\$0	\$0	\$0
Pressure Reducing Station, 18", PRV-2	1	\$44,000	\$44,000	\$0	\$0	\$0	\$0	\$0
Refurbish Existing Tank	1	\$500,000	\$500,000	\$0	\$0	\$0	\$0	\$0
10" Water	2	\$47,412	\$0	\$47,412	\$0	\$0	\$0	\$0
12" Water	2	\$110,808	\$0	\$110,808	\$0	\$0	\$0	\$0
16" Water	2	\$152,750	\$0	\$152,750	\$0	\$0	\$0	\$0
18" Water	2	\$52,000	\$0	\$52,000	\$0	\$0	\$0	\$0
Pressure Reducing Station, 12", PRV-1	2	\$27,000	\$0	\$27,000	\$0	\$0	\$0	\$0
Construct New Tank, T-4	3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
			\$0	\$0	\$0	\$0	\$0	\$0
			\$881,500	\$389,970	\$0	\$0	\$0	\$1,271,470
		\$1,271,470						

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PRELIMINARY OPINION OF PROBABLE COSTS

Prepared For: Lennar Partners
Prepared By: Steve Moreland
LFR Reimer

Date: 7/20/2001

Revised:

WATER IMPROVEMENTS - OFFSITE

Item	Quantity	Unit	Unit Price	Total
Connection to Existing Western Water Tank				
30" Water	2,700	LF	\$125.00	\$337,500.00
Pressure Reducing Station, 18", PRV-2	1	EA	\$44,000.00	\$44,000.00
Construct New Tank, T-4 *				\$0.00
Sub Total				\$381,500.00
Refurbishment of Exist Tank and Extension Along Van Buren				
Refurbish Existing Tank	1	EA	\$500,000.00	\$500,000.00
10" Water	1,200	LF	\$39.51	\$47,412.00
12" Water	2,400	LF	\$46.17	\$110,808.00
16" Water	2,350	LF	\$65.00	\$152,750.00
18" Water	650	LF	\$80.00	\$52,000.00
Pressure Reducing Station, 12", PRV-1	1	EA	\$27,000.00	\$27,000.00
Sub Total				\$889,970.00

* Assume constructed by Water District

WEST MARCH BUSINESS PARK
PARTICIPATION MODEL

Confidential

Street Name	Phase	Split Betw Phases			Street Length	Mstr Dvlpr Streets	Mstr Dvlpr Cost	Phase					
		North	South	East West				1	2	3	4	5	6
A		2	1		5145		\$61,740	\$19,800	\$41,940	\$0	\$0	\$0	\$0
B	3				735	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C	3				905	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
D	1				493	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
E	1				8175	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
F		1	2		8801	8801	\$105,612	\$54,600	\$51,012	\$0	\$0	\$0	\$0
G	1				1253	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
H			2	3	1358	750	\$9,000	\$0	\$9,000	\$0	\$0	\$0	\$0
I	2				1481	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
J	2				801	400	\$9,612	\$0	\$4,800	\$0	\$0	\$0	\$0
K	2				3565	3565	\$42,780	\$0	\$42,780	\$0	\$0	\$0	\$0
L	2				2621	950	\$31,452	\$0	\$11,400	\$0	\$0	\$0	\$0
M	2				3329	2679	\$39,948	\$0	\$32,148	\$0	\$0	\$0	\$0
N	3				1957	1957	\$23,484	\$0	\$23,484	\$0	\$0	\$0	\$0
O	3				443	443	\$5,316	\$0	\$5,316	\$0	\$0	\$0	\$0
P	2				368	200	\$4,416	\$0	\$2,400	\$0	\$0	\$0	\$0
Q	4				1773	1773	\$21,276	\$0	\$21,276	\$0	\$0	\$0	\$0
R	4				819	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
S	4				625	0	\$7,500	\$0	\$0	\$0	\$0	\$0	\$0
T	4				625	0	\$7,500	\$0	\$0	\$0	\$0	\$0	\$0
U					8735	8735	\$104,820	\$0	\$0	\$0	\$80,220	\$24,600	\$0
V	4		4	5	1992	1992	\$23,904	\$0	\$0	\$0	\$23,904	\$0	\$0
W	4				2601	2601	\$31,212	\$0	\$0	\$0	\$31,212	\$0	\$0
X		4	5		1800	1800	\$21,600	\$0	\$0	\$0	\$10,200	\$11,400	\$0
Y	4				1628	930	\$19,536	\$0	\$0	\$0	\$11,160	\$0	\$0
Z				4	1176	1176	\$14,112	\$0	\$0	\$0	\$6,912	\$7,200	\$0
AA		5	4		1073	0	\$12,876	\$0	\$0	\$0	\$0	\$0	\$0
BB		4	5		1163	0	\$13,956	\$0	\$0	\$0	\$0	\$0	\$0
CC	5				980	980	\$11,760	\$0	\$0	\$0	\$0	\$11,760	\$0
DD	5				629	430	\$7,548	\$0	\$0	\$0	\$0	\$5,160	\$0
CCC	1				1263	1113	\$13,356	\$13,356	\$0	\$0	\$0	\$0	\$0
								\$87,756	\$195,480	\$28,800	\$184,884	\$60,120	\$557,040
								68%					
								68%					

March AFB - Planning Areas 1 and 2
PRELIMINARY OPINION OF PROBABLE COSTS
Prepared For: Lennar Partners

RECLAIMED WATER IMPROVEMENTS				
Item	Quantity	Unit	Unit Price	Total
Reclaimed Water Line		LF	\$12.00	

Sewer
Mr ashflow JPA - (12-21-01).xls

**March AFB - Planning Areas 1 and 2
PRELIMINARY OPINION OF PROBABLE COSTS**

Prepared For: Lennar Partners

Prepared By: Steve Moreland

LFR Reimer

Date: 7/20/2001

Revised:

SEWER IMPROVEMENTS

Item	Quantity	Unit	Unit Price	Total
Street A - 4C - (Length = 5145 LF)				
8" Sewer	3,200	LF	\$26.02	\$83,264.00
10" Sewer	0	LF	\$36.18	\$0.00
12" Sewer	0	LF	\$37.22	\$0.00
Manhole	9	EA	\$3,021.49	\$27,193.41
				\$0.00
				\$0.00
				\$0.00
				\$110,457.41
Street B - 2IC - (Length = 735 LF)				
8" Sewer	600	LF	\$26.02	\$15,612.00
10" Sewer	0	LF	\$36.18	\$0.00
12" Sewer	0	LF	\$37.22	\$0.00
Manhole	2	EA	\$3,021.49	\$6,042.98
				\$0.00
				\$0.00
				\$0.00
				\$21,654.98
Street C - 2IC - (Length = 486 LF)				
8" Sewer	550	LF	\$26.02	\$14,311.00
10" Sewer	0	LF	\$36.18	\$0.00
12" Sewer	0	LF	\$37.22	\$0.00
Manhole	2	EA	\$3,021.49	\$6,042.98
				\$0.00
				\$0.00
				\$0.00
				\$20,353.98

March AFB - Planning Areas 1 and 2
PRELIMINARY OPINION OF PROBABLE COSTS

Prepared For: Lennar Partners
Prepared By: Steve Moreland
LFR Reimer

Date: 7/20/2001

Revised:

SEWER IMPROVEMENTS

Item	Quantity	Unit	Unit Price	Total
Street D - 21C - (Length = 493 LF)				
8" Sewer	580	LF	\$26.02	\$15,091.60
10" Sewer	0	LF	\$36.18	\$0.00
12" Sewer	0	LF	\$37.22	\$0.00
Manhole	2	EA	\$3,021.49	\$6,042.98
				\$0.00
				\$0.00
				\$0.00
				\$21,134.58
Street E - 21C - (Length = 688 LF)				
8" Sewer	690	LF	\$26.02	\$17,953.80
10" Sewer	0	LF	\$36.18	\$0.00
12" Sewer	0	LF	\$37.22	\$0.00
Manhole	2	EA	\$3,021.49	\$6,042.98
				\$0.00
				\$0.00
				\$0.00
				\$23,996.78
Street F - 4C - (Length = 8801 LF)				
8" Sewer	4,350	LF	\$26.02	\$113,187.00
10" Sewer	0	LF	\$36.18	\$0.00
12" Sewer	0	LF	\$37.22	\$0.00
Manhole	12	EA	\$3,021.49	\$36,257.88
				\$0.00
				\$0.00
				\$0.00
				\$149,444.88

March AFB - Planning Areas 1 and 2
PRELIMINARY OPINION OF PROBABLE COSTS

Prepared For: Lennar Partners
Prepared By: Steve Moreland
LFR Reimer

Date: 7/20/2001

Revised:

SEWER IMPROVEMENTS

Item	Quantity	Unit	Unit Price	Total
Street G - 3C - (Length = 1253 LF)				
8" Sewer	120	LF	\$26.02	\$3,122.40
10" Sewer	0	LF	\$36.18	\$0.00
12" Sewer	0	LF	\$37.22	\$0.00
Manhole	0	EA	\$3,021.49	\$0.00
			\$0.00	\$0.00
			\$0.00	\$0.00
		Sub Total		\$3,122.40
Street H - 2IC - (Length = 1358 LF)				
8" Sewer	1,360	LF	\$26.02	\$35,387.20
10" Sewer	0	LF	\$36.18	\$0.00
12" Sewer	0	LF	\$37.22	\$0.00
Manhole	4	EA	\$3,021.49	\$12,085.96
				\$0.00
				\$0.00
		Sub Total		\$47,473.16
Street I - 3C - (Length = 1481 LF)				
8" Sewer	800	LF	\$26.02	\$20,816.00
10" Sewer	0	LF	\$36.18	\$0.00
12" Sewer	0	LF	\$37.22	\$0.00
Manhole	2	EA	\$3,021.49	\$6,042.98
				\$0.00
				\$0.00
		Sub Total		\$26,858.98
Street J - 2IC - (Length = 801 LF)				
8" Sewer	400	LF	\$26.02	\$10,408.00
10" Sewer	0	LF	\$36.18	\$0.00
12" Sewer	0	LF	\$37.22	\$0.00
Manhole	1	EA	\$3,021.49	\$3,021.49
				\$0.00
				\$0.00
		Sub Total		\$13,429.49
Street K-4C - (Length = 3565 LF)				
8" Sewer	3,570	LF	\$26.02	\$92,891.40
10" Sewer	0	LF	\$36.18	\$0.00
12" Sewer	0	LF	\$37.22	\$0.00

March AFB - Planning Areas 1 and 2
PRELIMINARY OPINION OF PROBABLE COSTS

Prepared For: Lennar Partners

Prepared By: Steve Moreland

LFR Reimer

Date: 7/20/2001

Revised:

SEWER IMPROVEMENTS

Item	Quantity	Unit	Unit Price	Total
Manhole	10	EA	\$3,021.49	\$30,214.90
				\$0.00
				\$0.00
				\$0.00
				\$123,106.30
Sub Total				
Street L - 21C - (Length = 2621 LF)				
8" Sewer	2,070	LF	\$26.02	\$53,861.40
10" Sewer	0	LF	\$36.18	\$0.00
12" Sewer	0	LF	\$37.22	\$0.00
Manhole	6	EA	\$3,021.49	\$18,128.94
				\$0.00
				\$0.00
				\$0.00
				\$71,990.34
Sub Total				

March AFB - Planning Areas 1 and 2 PRELIMINARY OPINION OF PROBABLE COSTS

Prepared For: Lennar Partners
Prepared By: Steve Moreland
LFR Relmer

Date: 7/20/2001

Revised:

SEWER IMPROVEMENTS

Item	Quantity	Unit	Unit Price	Total
Street M - 3C - (Length = 3329 LF)				
8" Sewer	3,330	LF	\$26.02	\$86,646.60
10" Sewer	0	LF	\$36.18	\$0.00
12" Sewer	0	LF	\$37.22	\$0.00
Manhole	10	EA	\$3,021.49	\$30,214.90
				\$0.00
				\$0.00
				\$0.00
				\$116,861.50
Street N - 2IC - (Length = 1957 LF)				
8" Sewer	1,960	LF	\$26.02	\$50,999.20
10" Sewer	0	LF	\$36.18	\$0.00
12" Sewer	0	LF	\$37.22	\$0.00
Manhole	6	EA	\$3,021.49	\$18,128.94
				\$0.00
				\$0.00
				\$0.00
				\$69,128.14
Street O - 2IC - (Length = 443 LF)				
8" Sewer	440	LF	\$26.02	\$11,448.80
10" Sewer	0	LF	\$36.18	\$0.00
12" Sewer	0	LF	\$37.22	\$0.00
Manhole	1	EA	\$3,021.49	\$3,021.49
				\$0.00
				\$0.00
				\$0.00
				\$14,470.29

March AFB - Planning Areas 1 and 2
PRELIMINARY OPINION OF PROBABLE COSTS

Prepared For: Lennar Partners
Prepared By: Steve Moreland
LFR Reimer

Date: 7/20/2001

Revised:

SEWER IMPROVEMENTS

Item	Quantity	Unit	Unit Price	Total
Street P - 2IC - (Length = 368 LF)				
8" Sewer	370	LF	\$26.02	\$9,627.40
10" Sewer	0	LF	\$36.18	\$0.00
12" Sewer	0	LF	\$37.22	\$0.00
Manhole	1	EA	\$3,021.49	\$3,021.49
				\$0.00
				\$0.00
				\$0.00
				\$12,648.89
Street Q - 2IC - (Length = 1773 LF)				
8" Sewer	1,780	LF	\$26.02	\$46,315.60
10" Sewer	0	LF	\$36.18	\$0.00
12" Sewer	0	LF	\$37.22	\$0.00
Manhole	5	EA	\$3,021.49	\$15,107.45
				\$0.00
				\$0.00
				\$0.00
				\$61,423.05
Street R - 2IC - (Length = 819 LF)				
8" Sewer	820	LF	\$26.02	\$21,336.40
10" Sewer	0	LF	\$36.18	\$0.00
12" Sewer	0	LF	\$37.22	\$0.00
Manhole	2	EA	\$3,021.49	\$6,042.98
				\$0.00
				\$0.00
				\$0.00
				\$27,379.38

**March AFB - Planning Areas 1 and 2
PRELIMINARY OPINION OF PROBABLE COSTS**

Prepared For: Lennar Partners

Prepared By: Steve Moreland

LFR Reimer

Date: 7/20/2001

Revised:

SEWER IMPROVEMENTS

Item	Quantity	Unit	Unit Price	Total
Street S - 21C - (Length = 625 LF)				
8" Sewer	625	LF	\$26.02	\$16,262.50
10" Sewer	0	LF	\$36.18	\$0.00
12" Sewer	0	LF	\$37.22	\$0.00
Manhole	2	EA	\$3,021.49	\$6,042.98
				\$0.00
				\$0.00
				\$0.00
				\$22,305.48
Street T - 21C - (Length = 625 LF)				
8" Sewer	625	LF	\$26.02	\$16,262.50
10" Sewer	0	LF	\$36.18	\$0.00
12" Sewer	0	LF	\$37.22	\$0.00
Manhole	2	EA	\$3,021.49	\$6,042.98
				\$0.00
				\$0.00
				\$0.00
				\$22,305.48
Street U - 4C - (Length = 8735 LF)				
8" Sewer	2,000	LF	\$26.02	\$52,040.00
10" Sewer	5,650	LF	\$36.18	\$204,417.00
12" Sewer	0	LF	\$37.22	\$0.00
Manhole	22	EA	\$3,021.49	\$66,472.78
				\$0.00
				\$0.00
				\$0.00
				\$322,929.78

March AFB - Planning Areas 1 and 2 PRELIMINARY OPINION OF PROBABLE COSTS

Prepared For: Lennar Partners
Prepared By: Steve Moreland
LFR Reimer

Date: 7/20/2001

Revised:

SEWER IMPROVEMENTS

Item	Quantity	Unit	Unit Price	Total
Street V - 3C - (Length = 1992 LF)				
8" Sewer	1,990	LF	\$26.02	\$51,779.80
10" Sewer	0	LF	\$36.18	\$0.00
12" Sewer	0	LF	\$37.22	\$0.00
Manhole	6	EA	\$3,021.49	\$18,128.94
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$69,908.74
Sub Total				
Street W - 4C - (Length = 2601 LF)				
8" Sewer	2,100	LF	\$26.02	\$54,642.00
10" Sewer	0	LF	\$36.18	\$0.00
12" Sewer	0	LF	\$37.22	\$0.00
Manhole	6	EA	\$3,021.49	\$18,128.94
				\$0.00
				\$0.00
				\$0.00
				\$72,770.94
Sub Total				
Street X - 3C/2IC - (Length = 4424 LF)				
8" Sewer	4,100	LF	\$26.02	\$106,682.00
10" Sewer	0	LF	\$36.18	\$0.00
12" Sewer	0	LF	\$37.22	\$0.00
Manhole	12	EA	\$3,021.49	\$36,257.88
				\$0.00
				\$0.00
				\$0.00
				\$142,939.88
Sub Total				

WEST MARCH BUSINESS PARK
PARTICIPATION MODEL

March AFB - Planning Areas 1 and 2
PRELIMINARY OPINION OF PROBABLE COSTS

Prepared For: Lennar Partners
Prepared By: Steve Moreland
LFR Reimer

Date: 7/20/2001

Revised:

SEWER IMPROVEMENTS

Item	Quantity	Unit	Unit Price	Total
Street Y - 21C - (Length = 1628 LF)				
8" Sewer	1,430	LF	\$26.02	\$37,208.60
10" Sewer	0	LF	\$36.18	\$0.00
12" Sewer	0	LF	\$37.22	\$0.00
Manhole	4	EA	\$3,021.49	\$12,085.96
				\$0.00
				\$0.00
				\$0.00
				\$49,294.56
Street Z - 21C - (Length = 1176 LF)				
8" Sewer	1,170	LF	\$26.02	\$30,443.40
10" Sewer	0	LF	\$36.18	\$0.00
12" Sewer	0	LF	\$37.22	\$0.00
Manhole	3	EA	\$3,021.49	\$9,064.47
				\$0.00
				\$0.00
				\$0.00
				\$39,507.87
Street AA - 21C - (Length = 573 LF)				
8" Sewer	550	LF	\$26.02	\$14,311.00
10" Sewer	0	LF	\$36.18	\$0.00
12" Sewer	0	LF	\$37.22	\$0.00
Manhole	2	EA	\$3,021.49	\$6,042.98
				\$0.00
				\$0.00
				\$0.00
				\$20,353.98

Prepared For: Lennar Partners
Prepared By: Steve Moreland
LFR Reimer

Revised:

<i>Item</i>	<i>Quantity</i>	<i>Unit</i>	<i>Unit Price</i>	<i>Total</i>
Street BB - 21C - (Length = 1163 LF)				
8" Sewer	1,510	LF	\$26.02	\$39,290.20
10" Sewer	0	LF	\$36.18	\$0.00
12" Sewer	0	LF	\$37.22	\$0.00
Manhole	4	EA	\$3,021.49	\$12,085.96
				\$0.00
				\$0.00
				\$0.00
				\$51,376.16
Street CC - 21C - (Length = 980 LF)		<i>Sub Total</i>		
8" Sewer	0	LF	\$26.02	\$0.00
10" Sewer	0	LF	\$36.18	\$0.00
12" Sewer	0	LF	\$37.22	\$0.00
Manhole	0	EA	\$3,021.49	\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
Street DD - 21C - (Length = 629 LF)		<i>Sub Total</i>		
8" Sewer	630	LF	\$26.02	\$16,392.60
10" Sewer	0	LF	\$36.18	\$0.00
12" Sewer	0	LF	\$37.22	\$0.00
Manhole	2	EA	\$3,021.49	\$6,042.98
				\$0.00
				\$0.00
				\$0.00
				\$22,435.58

March AFB - Planning Areas 1 and 2

Prepared By: Steve Moreland
Date: 7/20/2001

SEWER IMPROVEMENTS

Item	Quantity	Unit	Unit Price	Total
Street CCC - 3C - (Length = 1263 LF)				
8" Sewer	550	LF	\$26.02	\$14,311.00
10" Sewer	0	LF	\$36.18	\$0.00
12" Sewer	0	LF	\$37.22	\$0.00
Manhole	2	EA	\$3,021.49	\$6,042.98
			\$0.00	\$0.00
			\$0.00	\$0.00
Sub Total				\$20,353.98

Printed: 12/21/2001
Sheet 81 of 85

WEST MARCH BUSINESS PARK
PARTICIPATION MODEL

March AFB - Planning Areas 1 and 2
PRELIMINARY OPINION OF PROBABLE COSTS

Prepared For: Lennar Partners
Prepared By: Steve Moreland
LFR Reimer

Date: 7/20/2001

Revised:

SEWER IMPROVEMENTS - OFFSITE

Item	Quantity	Unit	Unit Price	Total
Pump Station & Force Main				
8" Gravity to North	2,900	LF	\$26.02	\$75,458.00
10" Gravity	3,350	LF	\$36.18	\$121,203.00
8" Force Main	3,300	LF	\$28.02	\$92,466.00
18" Sewer	9,265	LF	\$75.81	\$702,379.65
24" Sewer	7,550	LF	\$114.20	\$862,210.00
Pump Station	1	EA	\$150,000.00	\$150,000.00
Manhole	66	EA	\$3,021.49	\$199,418.34
		Sub Total		\$2,203,134.99
Van Buren				
8" Sewer	2,550	LF	\$26.02	\$66,351.00
10" Sewer	0	LF	\$36.18	\$0.00
12" Sewer	3,900	LF	\$37.22	\$145,158.00
18" Sewer	1,240	LF	\$75.81	\$94,004.40
24" Sewer	0	LF	\$114.20	\$0.00
Manhole	22	EA	\$3,020.49	\$66,450.78
		Sub Total		\$371,964.18
		Total		\$2,575,099.17

WEST MARCH BUSINESS PARK
PARTICIPATION MODEL

Confidential

Street Name	Phase	Split Betw Phases				Street Length	Mstr Dvpr Streets	Mstr Dvpr Cost	Phase					
		North	South	East	West				1	2	3	4	5	6
A	3	2	1			5145	5145	\$540,225	\$101,850	\$438,375	\$0	\$0	\$0	\$0
B	3					735	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C	3					905	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
D	1					493	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
E	1					8175	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
F	1	1	2			8801	8801	\$924,105	\$417,375	\$506,730	\$0	\$0	\$0	\$0
G	1					1253	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
H	2			2	3	1358	750	\$78,750	\$0	\$39,375	\$39,375	\$0	\$0	\$0
I	2					1481	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
J	2					801	400	\$42,000	\$0	\$42,000	\$0	\$0	\$0	\$0
K	2					3565	3565	\$374,325	\$0	\$374,325	\$0	\$0	\$0	\$0
L	2					2621	950	\$99,750	\$0	\$99,750	\$0	\$0	\$0	\$0
M	2					3329	2679	\$281,295	\$0	\$281,295	\$0	\$0	\$0	\$0
N	3					1957	1957	\$205,485	\$0	\$205,485	\$0	\$0	\$0	\$0
O	3					443	443	\$46,515	\$0	\$46,515	\$0	\$0	\$0	\$0
P	2					368	200	\$21,000	\$0	\$21,000	\$0	\$0	\$0	\$0
Q	4					1773	1773	\$186,165	\$0	\$0	\$186,165	\$0	\$0	\$0
R	4					819	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
S	4					625	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
T	4					625	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
U	4			4	5	8735	8735	\$917,175	\$0	\$0	\$0	\$701,925	\$215,250	\$0
V	4					1992	1992	\$209,160	\$0	\$0	\$0	\$209,160	\$0	\$0
W	4					2601	2601	\$273,105	\$0	\$0	\$0	\$273,105	\$0	\$0
X	4	4	5			1800	1800	\$189,000	\$0	\$0	\$0	\$89,250	\$99,750	\$0
Y	4					1628	930	\$97,650	\$0	\$0	\$0	\$97,650	\$0	\$0
Z	4			4	5	1176	1176	\$123,480	\$0	\$0	\$0	\$60,480	\$63,000	\$0
AA		5	4			1073	0	\$0	\$0	\$0	\$0	\$52,500	-\$52,500	\$0
BB		4	5			1163	0	\$0	\$0	\$0	\$0	\$68,250	-\$68,250	\$0
CC	5					980	980	\$102,900	\$0	\$0	\$0	\$0	\$102,900	\$0
DD	5					629	430	\$45,150	\$0	\$0	\$0	\$0	\$45,150	\$0
CCC	1					1263	1113	\$116,865	\$116,865	\$0	\$0	\$0	\$0	\$0
						68312	46420	\$4,874,100	\$636,090	\$1,802,850	\$291,375	\$1,738,485	\$405,300	\$4,874,100
							68%							

WEST MARCH BUSINESS PARK
PARTICIPATION MODEL

Off-site Dry Utilities	Street Length	Phase					
		1	2	3	4	5	6
Van Buren	12750	\$0	\$378,000	\$0	\$693,000	\$267,750	\$0
		\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$378,000	\$0	\$693,000	\$267,750	\$0
							\$1,338,750

WEST MARCH BUSINESS PARK
PARTICIPATION MODEL

Planning Area	Existing Acreage	Impacted Acreage	Remaining Acreage	Mitigation Costs*	Potential On-Site Restoration Areas **
PA1	15.41	2.40	13.01	\$288,009	11.31
PA2	28.59	3.35	25.24	\$585,870	0.72
PA3	7.59	0.00	7.59	\$0	0.00
Total	51.59	5.75	45.84	\$873,879	12.03

* Calculation assumes \$60,000/acre for installation + 5 years monitoring, and mitigation ratios of 2:1 for unvegetated drainages and 3:1 for vegetated drainages. Does not include mitigation for vernal pools or sensitive species.

** Potential on-site restoration areas include degraded portions of vegetated streams identified as possible candidates for restoration and/or enhancement.

West March Business Park Entitled

ID	Task Name	Duration	Start	Finish	Oct '01 B M E	Nov '01 B M E	Dec '01 B M E	Jan '02 B M E	Feb '02 B M
1	Specific Plan	90 days	Mon 1/7/02	Fri 5/10/02					
2	Biological Survey	30 days	Mon 1/7/02	Fri 2/15/02					
3	Infrastructure Analysis	30 days	Tue 1/15/02	Mon 2/25/02					
4	Traffic Study	45 days	Wed 1/30/02	Tue 4/2/02					
5	Fiscal Impacts/Financing Plan.	15 days	Fri 3/1/02	Thu 3/21/02					
6	Staff Review	30 days	Mon 3/25/02	Fri 5/3/02					
7									
8	JPA hearing(s) 2	26 days	Wed 5/1/02	Wed 6/5/02					
9	APPROVAL	1 day?	Wed 6/5/02	Wed 6/5/02					
10									
11	EIR Process	89 days	Mon 3/11/02	Thu 7/11/02					
12	Notice of Preparation	1 day?	Wed 4/3/02	Wed 4/3/02					
13	Prepare Document	78 days?	Mon 3/11/02	Wed 6/26/02					
14	Technical documents	68 days?	Mon 3/11/02	Wed 6/12/02					
15	staff Screencheck	23 days	Mon 6/3/02	Wed 7/3/02					
16	finalize DRAFT	10 days	Wed 7/3/02	Tue 7/16/02					
17	Public Review Period	35 days	Wed 7/24/02	Tue 9/10/02					
18	Response to Comments Prep	15 days	Tue 9/3/02	Mon 9/23/02					
19	Issues Resolution	7 days	Tue 10/1/02	Wed 10/9/02					
20	JPA Hearings	1 day?	Wed 10/16/02	Wed 10/16/02					
21	Notice of Determination	3 days	Wed 10/16/02	Fri 10/18/02					
22									
23	Parcel Map	121 days?	Wed 5/15/02	Wed 10/30/02					
24	Prepare Initial Map	34 days	Wed 5/15/02	Mon 7/1/02					
25	Staff Review	14 days	Wed 7/3/02	Mon 7/22/02					
26	Correct Map	14 days	Thu 8/1/02	Tue 8/20/02					
27	Staff Comments/Conditions	14 days	Mon 8/26/02	Thu 9/12/02					
28	Approve Tentative Map	1 day?	Wed 10/16/02	Wed 10/16/02					

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

LNR California Investments, Inc.
18401 Von Karman Ave., Suite 540
Irvine, CA 92612
Att'n: Jeffery J. Gordon

SPACE ABOVE THIS LINE FOR RECORDER'S USE

GRANT DEED

FOR VALUE RECEIVED, THE MARCH JOINT POWERS REDEVELOPMENT AGENCY, ("Grantor"), grants to LNR CALIFORNIA INVESTMENTS, INC., a Florida corporation ("Grantee"), all that certain real property (the "Property") situate in the County of Riverside, State of California, more particularly described on **Exhibit A** attached hereto and by this reference incorporated herein.

THE PROPERTY IS CONVEYED TO GRANTEE WITHOUT WARRANTY OR COVENANT OF ANY KIND EXPRESS OR IMPLIED EXCEPT THAT GRANTOR WARRANTS THAT (i) GRANTOR HAS NOT CONVEYED THE SAME ESTATE OR ANY RIGHT, TITLE OR INTEREST THEREIN TO ANY PERSON OTHER THAN GRANTEE, AND (ii) THERE ARE NO ENCUMBRANCES ON THE PROPERTY THAT AROSE SINCE THE DATE GRANTOR ACQUIRED ITS INTEREST IN THE PROPERTY.

Grantee's exercise of its rights hereunder shall constitute acceptance of the following conditions:

1. During the term of that certain West March Disposition and Development Agreement between March Joint Powers Redevelopment Agency, LNR California Investments, Inc., and March Joint Powers Authority, dated as of December 27, 2001, as evidenced by that certain Memorandum of Disposition and Development Agreement, recorded on _____, 2002 in the Official Records of Riverside County as Instrument No. _____ (the "Agreement"), the Grantee agrees to devote the Property to the "Permitted Uses," as defined by the Agreement, provided, however, that such requirement shall not limit Grantee's right to continue a legal non-conforming use on the Property or request a variance to or amendment of the "Entitlements," as defined by the Agreement.
2. The Grantee herein covenants by and for itself, its assigns and successors in interest to the Property or any part thereof, that, during all times that Grantor is permitted to receive property tax increment from the Property pursuant to California Health and Safety Code Section 33670 (as that statute may be substituted or amended), the Property or any portion thereof may not be used, or otherwise sold, transferred, conveyed, assigned, leased, leased back, or hypothecated to or for any use that is

partially or wholly exempt from the payment of real property taxes or which would cause the exemption of all or any portion of such real property taxes, unless such use is approved in advance by Grantor, which approval shall not be unreasonably withheld.

3. The Grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, relegation, sex, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises herein conveyed, nor shall the transferee establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the premises herein conveyed.

The foregoing covenants shall run with the land.

[INSERT AGENCY POWER OF TERMINATION CONSISTENT WITH
SECTION 8.04 OF THE DISPOSITION AND DEVELOPMENT AGREEMENT.]

IN WITNESS WHEREOF, the undersigned has executed this Grant Deed as of this
_____ day of _____, 200__.

GRANTOR: MARCH JOINT POWERS REDEVELOPMENT AGENCY

By: _____
Name: _____
Its: _____

ATTEST:

By: _____
Clerk

APPROVED AS TO FORM:

State of _____)

)

County of _____)

On _____ before me, _____,
personally appeared

\ personally known to me, or

\ 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.

WITNESS my hand and official seal

(Seal)

State of _____)

)

County of _____)

On _____ before me, _____,
personally appeared

\ personally known to me, or

\ 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.

WITNESS my hand and official seal

(Seal)

State of _____)
)
County of _____)

On _____ before me, _____,
personally appeared

\ personally known to me, or

\ 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.

WITNESS my hand and official seal

(Seal)

State of _____)
)
County of _____)

On _____ before me, _____,
personally appeared

\ personally known to me, or

\ 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.

WITNESS my hand and official seal

(Seal)

EXHIBIT "E"
PERFORMANCE SCHEDULE
PART 1

Benchmark Date	Cumulative Required Investment (\$)
December 31, 2001	\$580,000
December 31, 2002	\$4,110,000
December 31, 2003	\$9,200,000
December 31, 2004	\$13,960,000
December 31, 2005	\$23,670,000
December 31, 2006	\$33,910,000
December 31, 2007	\$44,670,000
December 31, 2008	\$49,480,000
December 31, 2009	\$53,330,000
December 31, 2010	\$63,630,000
December 31, 2011	\$75,320,000
December 31, 2012	\$87,560,000
December 31, 2013	\$91,940,000
December 31, 2014	\$96,030,000
December 31, 2015	\$99,120,000
December 31, 2016	\$100,750,000
December 31, 2017	\$101,720,000
December 31, 2018	\$102,010,000
December 31, 2019	\$102,310,000
December 31, 2020	\$102,540,000

EXHIBIT "E"
Performance Schedule
Part 2

ACTION	DATE
<p>1. <u>Project Entitlements</u>. Developer shall complete all necessary studies and planning required to apply for entitlements for the scope of development planned for the total project.</p>	<p>Within twelve (12) months following approval of the Agreement by the Agency but in no event later than December 31, 2002.</p>
<p>2. <u>Submission – Infrastructure Drawings and Design Plans</u>. Developer shall submit to the Agency for approval, infrastructure drawings and design plans for the Phase I infrastructure improvements.</p>	<p>Within six (6) months following approval and receipt of entitlements for the project, but in no event later than June 30, 2003.</p>
<p>3. <u>Approval – Infrastructure Drawings and Design Plans</u>. The Agency shall approve or disapprove the infrastructure drawings and design plans submitted by the Developer for Phase I of the project.</p>	<p>Within sixty (60) days following submission by the Developer.</p>
<p>4. <u>Construction of Phase I Infrastructure Improvements</u>. Developer shall commence construction of Phase I infrastructure improvements.</p>	<p>Within thirty (30) days following approval of Infrastructure Drawings and Plans by the Agency.</p>
<p>5. <u>Completion of Construction of Phase I Infrastructure</u>. Developer shall substantially complete construction of Phase I infrastructure improvements.</p>	<p>Within one (2) years following commencement of construction of Phase I infrastructure improvements.</p>
<p>6. <u>Submission</u>. The Developer shall submit to the Agency for review, approval and incorporation into the Agreement, a revised Schedule of Performance for Phases II, III, IV and V illustrating the timing for design and construction of infrastructure improvements and vertical construction.</p>	<p>On or before completion of infrastructure improvements for the preceding phase of development. For example, the revised Schedule of Performance for Phase II shall be submitted no later than June 30, 2005.</p>

EXHIBIT "G"
Project Management Services

Developer shall provide the following services in accordance with the Project Schedule (Exhibit I):

Land Use Entitlements:

1. Prepare Specific Plan to delineate development boundaries, SKR habitat, development standards and related items in accordance with California Government Code Section 6450 and submit to the JPA for review and approval.
2. Prepare a Draft Environmental Impact Report addressing the Specific Plan in accordance with local JPA and California CEQA guidelines and submit to JPA.
3. Prepare first draft Development Agreement in accordance with California Government Code section 65864 and submit to JPA for review and approval.
4. Prepare, process and record subdivision and parcel maps in accordance with the California Subdivision Map Act.

Financing:

1. Develop a financing program describing the investments by the Developer, the Agency and other sources necessary to finance the project phasing.
2. Coordinate with the Agency to solicit grants to assist in project financing.
3. Obtain third party loans as necessary.
4. Prepare loan draws and lien releases.

Utilities and Roadways:

1. Generally coordinate with all utility providers and road authorities including neighboring jurisdictions and CalTrans to plan, design, fund and construct needed infrastructure. This shall include preparation of the PSR for the Van Buren interchange.
2. Fund and coordinate the design of on and off site utility and roadway improvements.
3. Coordinate and process approvals for construction of utility and roadway improvements.
4. Prepare bid documents, contracts and other documents as necessary to construct infrastructure.

Administration:

1. Establish On-Site Project Office with adequate staff to coordinate with the Agency, utility providers, contractors and others, and to provide a marketing office to support the activities outlined in Exhibit H.
2. Monitor all requirements of the DDA and Development Agreement and provide quarterly updates to the Agency.

From Debra Deann

05/10/2006 2:19 p.m.

Debra has sig. To ck. w/
LNR if they want her to return to them.

**FIRST AMENDMENT TO WEST MARCH DISPOSITION
AND DEVELOPMENT AGREEMENT**

among

I like originals
Recd. from LNR 05/11/06
and forwarded to
March/Lori Stone 06/09/06

MARCH JOINT POWERS REDEVELOPMENT AGENCY

a California public agency,

NOTE: 3 blank notary
acknowledgment forms
removed from each

LNR RIVERSIDE, LLC Copy.

a California limited liability company,

and

MARCH JOINT POWERS AUTHORITY

a California joint powers agency

[Dated as of May 1, 2006 for reference purposes only]

**FIRST AMENDMENT TO WEST MARCH DISPOSITION
AND DEVELOPMENT AGREEMENT**

among

**MARCH JOINT POWERS REDEVELOPMENT AGENCY
a California public agency,**

**LNR RIVERSIDE, LLC
a California limited liability company,**

and

**MARCH JOINT POWERS AUTHORITY
a California joint powers agency**

[Dated as of May 1, 2006 for reference purposes only]

**FIRST AMENDMENT TO WEST MARCH DISPOSITION
AND DEVELOPMENT AGREEMENT**

among

**MARCH JOINT POWERS REDEVELOPMENT AGENCY
a California public agency,**

**LNR RIVERSIDE, LLC
a California limited liability company,**

and

**MARCH JOINT POWERS AUTHORITY
a California joint powers agency**

[Dated as of May 1, 2006 for reference purposes only]

**FIRST AMENDMENT
TO
WEST MARCH DISPOSITION AND DEVELOPMENT AGREEMENT**

This FIRST AMENDMENT TO WEST MARCH DISPOSITION AND DEVELOPMENT AGREEMENT ("First Amendment") is entered into this first day of May, 2006, among MARCH JOINT POWERS REDEVELOPMENT AGENCY, a California public agency ("Agency"), MARCH JOINT POWERS AUTHORITY, a California joint powers agency ("Authority") and LNR RIVERSIDE, LLC, a California limited liability company ("LNR").

RECITALS

A. To ensure the timely, efficient, orderly, and proper development of the former March Air Force Base (the "Former Base"), on December 27, 2001, Agency, LNR, and Authority entered into that certain West March Disposition and Development Agreement (the "Disposition and Development Agreement").

B. The 115.48 acre portion of the Property identified on Exhibit A attached hereto (the "D-3 West Parcel") is subject to certain reservations contained in Public Law 100-526 and the quitclaim deeds pursuant to which the United States of America conveyed certain portions of the Former Base to Authority. These reservations are set forth in (i) that certain Instrument of Release made by the United States of America on September 23, 2005 and accepted by the Authority on September 29, 2005 and recorded as Instrument No. 2005-0823891, dated October 5, 2005 in the Official Records of the Recorder of Riverside County (the "Instrument of Release"), a copy of which is attached as Exhibit C, and (ii) a September 26, 2005 letter from the Federal Aviation Administration (the "FAA") to Authority (the "FAA Letter"), a copy of which is attached as Exhibit D.

C. Pursuant to the Instrument of Release and the FAA Letter, Authority is obligated to sell the D-3 West Parcel at fair market value and to use all proceeds from such sale for airport improvement and development.

D. With respect to the D-3 West Parcel, the Instrument of Release and the FAA Letter are inconsistent with the Disposition and Development Agreement. Consequently, the parties desire to amend the Disposition and Development Agreement so that it is consistent with the Instrument of Release and the FAA Letter and to achieve the other purposes set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Agency, Authority, and LNR agree as follows:

AGREEMENT

1. Recitals. The foregoing recitals are true and correct and hereby made a part of this First Amendment.

2. **Defined Terms.** All capitalized terms not defined herein shall have the meanings ascribed to them in the Disposition and Development Agreement.

3. **New Section 4.07 (D-3 West Parcel).** A new Section 4.07 (D-3 West Parcel) shall be added to the Disposition and Development Agreement, as follows:

- (a) **D-3 West Parcel Acquisition Cost.** Notwithstanding any contrary provisions of this Agreement, for any D-3 West Acquisition Parcel (defined below) that LNR elects to acquire from Agency, LNR shall pay Agency a portion of the fair market value of the entire D-3 West Parcel, calculated as set forth below. As used herein, the term "**D-3 West Acquisition Parcel**" means any parcel or portion of the Property situated, in whole or in part, within the D-3 West Parcel. As used herein and in accordance with the Instrument of Release and the FAA Letter, the fair market value of the entire D-3 West Parcel is four million three hundred thousand dollars (\$4,300,000). For purposes of the initial calculation of the D-3 West Parcel Unit Price (defined below), the parties have assumed that 85.76 acres (net following street dedication) of the D-3 West Parcel (the "**Developable D-3 West Acreage**") is developable and will be acquired by LNR. LNR's purchase price to acquire any D-3 West Acquisition Parcel shall be the product of multiplying one dollar and fifteen cents (\$1.15) (the "**D-3 West Parcel Unit Price**") by the number of gross square feet (less street dedications and rounded to the nearest one-hundredth) of the D-3 West Acquisition Parcel which are situated within the D-3 West Parcel (the "**D-3 West Acquisition Parcel Purchase Price**"). For each sale of a D-3 West Acquisition Parcel to LNR, the D-3 West Acquisition Parcel Purchase Price applicable to such Parcel shall be paid by LNR to Agency from the funds received by LNR from its sale of such Parcel as provided by Section 8.09 hereof and such D-3 West Acquisition Parcel Purchase Price shall be a Project Cost incurred as of the close of escrow. The portion (if any) of any D-3 West Acquisition Parcel not situated within the D-3 West Parcel shall be subject to the payment of consideration as provided for the balance of the Property other than the D-3 West Parcel by this Agreement, including, without implied limitation, Section 4.01. Section 4.01(a) herein shall not apply to any portion of a D-3 West Acquisition Parcel situated within the D-3 West Parcel; provided, however, Section 4.01(b) shall apply to such portion.
- (b) **D-3 West Parcel Sale Proceeds.** Agency shall expend all funds it receives from the conveyance of the D-3 West Parcel in a manner consistent with the Instrument of Release and the FAA Letter.
- (c) **Recalculation of D-3 West Parcel Acquisition Cost.**
 - (i) **Recalculation Following Date Certain.** Immediately following the earlier to occur of June 30, 2008 or the close of escrow of the transaction by which LNR acquires the D-3 West Acquisition

Parcel which includes the sixtieth (60th) acre of the Developable D-3 West Acreage, the parties shall meet in good faith for the purposes of determining whether there is a need to restate the remaining Developable D-3 West Acreage, and, if so, whether the gross square footage of the remaining and/or restated Developable D-3 West Acreage is sufficient to ensure that, when multiplied by the then-current D-3 West Parcel Unit Price, the Agency will have received D-3 West Acquisition Parcel Purchase Prices totaling in the aggregate not less or more than four million three hundred thousand dollars (\$4,300,000) following the close of escrow for the final D-3 West Acquisition Parcel, subject to adjustment pursuant to Section 4.07(c)(ii) herein. If the parties determine that an insufficient number of gross square feet remain, the parties agree to also adjust the D-3 West Parcel Unit Price to an amount which, when multiplied by the gross square footage of the remaining and/or restated Developable D-3 West Acreage will insure that the Agency will have received D-3 West Acquisition Parcel Purchase Prices totaling in the aggregate not less or more than four million three hundred thousand dollars (\$4,300,000) following the close of escrow for the final D-3 West Acquisition Parcel, subject to adjustment pursuant to Section 4.07(c)(ii) herein.

- (ii) ***Recalculation Based on Perris Valley Pipeline.*** In the event Agency, Authority, or March Inland Port Airport Authority receives funds from the Metropolitan Water District ("MWD"), Western Municipal Water District ("WMWD"), or Eastern Municipal Water District ("EMWD") in exchange for the granting of any rights of way, fee title, or easements for the proposed Perris Valley pipeline or and appurtenant structures (the "Pipeline-Related Conveyances") on or through any part of D-3 West Parcel, Agency and LNR shall meet in good faith to determine the amount, if any, by which the D-3 West Parcel Unit Price shall be reduced on a going forward basis. Agency, Authority, and March Inland Port Airport Authority, as applicable, shall receive not less than fair market value in funds for any Pipeline-Related Conveyances. Agency and LNR shall reduce the amount of the D-3 West Parcel Unit Price if necessary to ensure that following the close of escrow for the final D-3 West Acquisition Parcel, the aggregate of all D-3 West Acquisition Parcel Purchase Prices, plus the amount of funds received by Agency from MWD, WMWD, and/or EMWD in exchange for the granting any Pipeline-Related Conveyances on or through any part of the D-3 West Parcel, is not less or more than four million three hundred thousand dollars (\$4,300,000). If the funds are attributable to the granting of Pipeline-Related Conveyances on or through both the D-3 West Parcel and other property, then the total funds or credits shall be allocated pro rata

(square footage basis) between the D-3 West Parcel and such other property.

(d) **Riverside County Transportation Commission Conveyances.**

- (i) Upon written request from the Riverside County Transportation Commission ("RCTC") Agency shall convey by quitclaim deed an approximately fifteen (15) acre portion of the D-3 West Parcel to the RCTC for use as a Metrolink passenger rail station (the "Metrolink Site"). To the extent any portion of the Metrolink Site is within the D-3 West Parcel, it shall be considered, for purposes of this Section 4.07 only, a D-3 West Acquisition Parcel and LNR shall pay to the Agency, within fifteen (15) days following the conveyance of the Metrolink Site from the Agency to the RCTC, the D-3 West Acquisition Parcel Purchase Price applicable to such D-3 West Acquisition Parcel. The D-3 West Acquisition Parcel Purchase Price attributable to the Metrolink Site shall be a Project Cost incurred as of the date it is paid by LNR to the Agency. Authority acknowledges and agrees that the conveyance of the Metrolink Site to the RCTC as provided in this Section 4.07(d)(i) fully satisfies LNR's obligations under Section 3.1.5.8 of that certain Development Agreement between Authority and LNR dated June 18, 2004 and recorded in the Official Records of the County of Riverside as Instrument No. 2004-0433039.

- (e) **Rail Spur Easement.** Within ninety (90) days of receipt of a written request from LNR, Agency shall grant to LNR, at no cost to LNR other than documentation and recording costs, a rail spur easement over the extreme northwestern corner area of portion of the D-3 West Parcel commonly known as the Clear Zone.

4. **New Section 8.09 (D-3 West Parcel Escrow).** A new Section 8.09 (D-3 West Parcel Escrow) shall be added to the Disposition and Development Agreement as follows:

Any conveyance of a D-3 West Acquisition Parcel shall be accomplished through concurrently closing escrows providing for the conveyance of the D-3 West Acquisition Parcel from Agency to LNR and then immediately from LNR to LNR's purchaser, which closing shall also provide for the payment to the Agency of the applicable D-3 West Acquisition Parcel Purchase Price determined in accordance with Section 4.07. Alternatively, LNR may elect to acquire all or a portion of the D-3 West Acquisition Parcel from Agency in a single escrow without having identified a subsequent purchaser, in which case the closing shall provide for the payment of the applicable D-3 West Acquisition Parcel Purchase Price to Agency directly from LNR. The handling of the escrows and related matters for each D-3 West Acquisition Parcel shall be as set forth in this Agreement for any other portion of the Property, except as otherwise specifically set forth in Section 4.07 of this Agreement. Agency shall cooperate with LNR to ensure that each closing

contemplated in this Section 8.09 occurs within a timeframe reasonably agreed to by both parties upon the giving of an option notice.

5. **New Exhibit H (D-3 West Parcel).** A new Exhibit H shall be added to the Disposition and Development Agreement, which Exhibit H is attached hereto as Exhibit A.

6. **Effect of this Amendment.** Except as expressly modified by this First Amendment, the Disposition and Development Agreement shall continue in full force and effect according to its terms, and Authority, Agency, and LNR hereby ratify and affirm all their respective rights and obligations under the Disposition and Development Agreement. In the event of any conflict between this First Amendment and the Disposition and Development Agreement, the provisions of this First Amendment shall govern.

7. **Entire Agreement.** This First Amendment is executed in three (3) duplicate originals, each of which is deemed to be an original. A memorandum of this First Amendment reasonably acceptable to the parties (the "**Memorandum of First Amendment**") shall be recorded by the Agency against the D-3 West Parcel within thirty (30) days of the effective date of this First Amendment. The Memorandum of First Amendment shall be substantially in the form attached hereto as Exhibit B. Upon the written request made following the expiration or termination of the Disposition and Development Agreement, either party shall execute in recordable form any documents that may be necessary to remove the Memorandum of First Amendment Agreement from record title to the D-3 West Parcel.

8. **Counterparts.** This First Amendment may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, when taken together, shall constitute the same document.

IN WITNESS WHEREOF, this First Amendment has been entered into by and between Authority, Agency, and LNR as of the date and year first above written.

[Signatures on following pages]

SIGNATURE PAGE
TO
FIRST AMENDMENT TO WEST MARCH DISPOSITION
AND DEVELOPMENT AGREEMENT

AGENCY:

MARCH JOINT POWERS
REDEVELOPMENT AGENCY, a
California public agency

Dated: 5/1/06

By: Philip A. Rizzo
Philip A. Rizzo
Its: Executive Director

ATTEST:

[Signature]
Agency Secretary

APPROVED AS TO LEGAL FORM:

BEST BEST & KRIEGER LLP

[Signature]
Agency Counsel

STATE OF California)

County of Riverside)

On May 1, 2006 before me, Carey L. Allen, Notary Public,
personally appeared Philip A. Rizzo,

☒ personally known to me

or

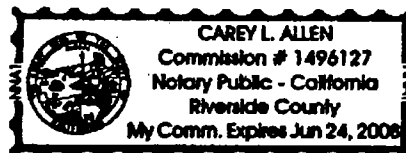
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to be the person(s) whose name(s) is/are subscribed to the within instrument and
acknowledged to me that he/~~she~~/they executed the same in his/~~her~~/their authorized
capacity(s), and that by his/~~her~~/their signature(s) on the instrument the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

WITNESS my hand and official seal



Signature of Notary Public



SIGNATURE PAGE
TO
FIRST AMENDMENT TO WEST MARCH DISPOSITION
AND DEVELOPMENT AGREEMENT

AUTHORITY:

MARCH JOINT POWERS AUTHORITY
a California joint powers agency

Dated: 5/1/06

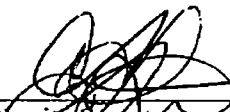
By:


Philip A. Rizzo

Its:

Executive Director

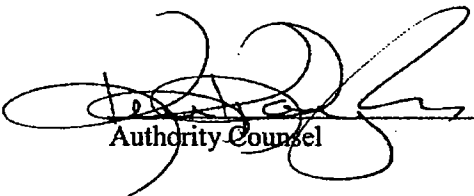
ATTEST:



Authority Secretary

APPROVED AS TO LEGAL FORM:

BEST BEST & KRIEGER LLP



Authority Counsel

STATE OF California)

County of Riverside)

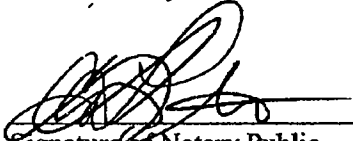
On May 1, 2006 before me, Carey L. Allen, Notary Public,
personally appeared Philip A. Rizzo,

☒ personally known to me
or

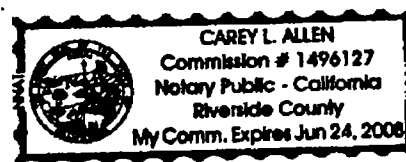
☐ proved to me on the basis of satisfactory evidence

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(s), 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.

WITNESS my hand and official seal



Signature of Notary Public



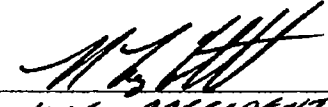
SIGNATURE PAGE
TO
FIRST AMENDMENT TO WEST MARCH DISPOSITION
AND DEVELOPMENT AGREEMENT

DEVELOPER:

LNR RIVERSIDE, LLC
a California limited liability company

By: LNR Riverside Holdings, Inc.
a California corporation, its member

Dated: 5-9-06

By: 
Its: VICE PRESIDENT

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of

Orange

SS.

On

May 9, 2006

before me,

Loretta Gauthier

personally appeared

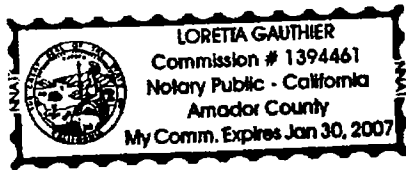
R. Lang Co. Arel

Name and Title of Officer (e.g., "Jane Doe, Notary Public")

Name(s) of Signer(s)

☒ personally known to me

☐ 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.

WITNESS my hand and official seal.

Loretta Gauthier

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:

Document Date:

Number of Pages:

Signer(s) Other Than Named Above:

Capacity(ies) Claimed by Signer

Signer's Name:

☐ Individual

☐ Corporate Officer — Title(s):

☐ Partner — ☐ Limited ☐ General

☐ Attorney-in-Fact

☐ Trustee

☐ Guardian or Conservator

☐ Other:

Signer Is Representing:



EXHIBIT A
TO
FIRST AMENDMENT TO WEST MARCH DISPOSITION
AND DEVELOPMENT AGREEMENT

D-3 West Parcel

[Attached Behind This Page]

EXHIBIT "B"

MARCH PARCEL D-3 WEST

In the County of Riverside, State of California, being that portion of Sections 14, 15, 22 and 23 of Township 3 South, Range 4 West, San Bernardino Base and Meridian, also shown as Parcel 3 on Record of Survey 00-135 filed in Book 110, Pages 30 through 40, inclusive, of Records of Survey, in the County Records Office of said County, more particularly described as follows:

Beginning at the westerly terminus of that certain course, as shown on sheet 6 of 11 sheets of said Record of Survey, said course bears North 89°53'24" East 1201.72 feet, said course also being on the southerly line of Alessandro Boulevard as shown on California Department of Transportation Map No. 435571-7 on file with the County of Riverside as Map No. 205-253; thence along said southerly line North 89°53'24" East 1,201.72 feet, to the true point of beginning; thence continuing along said southerly line North 89°53'24" East 792.42 feet to the westerly Right-of-Way line of State Route 215 as shown on California Department of Transportation Map No. 435571, Pages 5 through 8, inclusive, on file with the County of Riverside as Map No. 205, pages 251 through 254, inclusive, also being the beginning of a non-tangent curve concave easterly having a radius of 1,860.00 feet, a radial line to said beginning of curve bears South 81°48'14" West; thence along said westerly Right-of-Way Line the following 21 courses:

1. southerly 34.81 feet along said curve through a central angle of 01°04'20" to the beginning of a non-tangent curve concave southwesterly having a radius of 775.00 feet, a radial line to said beginning of curve bears South 00°21'22" East;
2. easterly and southeasterly 787.46 feet along said curve through a central angle of 58°3'00";
3. South 32°08'22" East 748.36 feet to the beginning of a non-tangent curve concave northeasterly having a radius of 5,125.00 feet, a radial line to said beginning bears South 56°40'31" West;
4. southcasterly 643.21 feet along said curve through a central angle of 07°11'27";
5. South 40°30'56" East 328.40 feet;
6. South 34°48'19" East 264.26 feet to the beginning of a curve concave westerly having a radius of 1,147.00 feet;
7. Southeasterly and southerly along said curve 554.37 feet through a central angle of 27°41'31";
8. South 07°06'47" East 289.23 feet;
9. South 80°37'30" West 65.33 feet to the beginning of a curve concave northerly having a radius of 1,556.00 feet;
10. westerly along said curve 154.53 feet through a central angle of 05°41'25";

11. South 36°34'39" East 103.65 feet to the beginning of a non-tangent curve concave northerly having a radius of 1,644.00 feet, a radial line to said beginning of curve bears North 05°38'49" West;
12. easterly 106.97 feet along said curve through a central angle of 03°43'41";
13. North 80°37'30" East 45.41 feet;
14. South 11°41'33" East 197.18 feet to the beginning of a curve concave northeasterly having a radius of 375.00 feet;
15. southerly and southeasterly along said curve 327.27 feet through a central angle of 50°00'13";
16. South 61°41'46" East 732.96 feet to the beginning of a curve concave southwesterly having a radius of 797.00 feet;
17. southeasterly along said curve 261.98 feet through a central angle of 18°50'01 ";
18. South 19°23'37" East 1,521.93 feet;
19. South 70°36'45" West 140.02 feet;
20. South 19°23'15" East 279.98 feet;
21. North 70°36'45" East 140.05 feet to the northerly prolongation of the westerly Line of Atchison, Topeka and Santa Fe Railroad Right-of-Way, as shown on said California Department of Transportation Map, thence along said northerly prolongation and westerly line the following 2 courses:
 1. South 19°23'37" East 2,303.13 feet;
 2. South 19°22'37" East 319.87 feet;thence leaving said westerly line South 59°52'39" West 211.38 feet; thence North 30°07'21" West 6865.62 feet; thence North 38°39'15" West 2,811.22 feet to the true point of beginning.

Containing 6,598,613 square feet or 151.48 acres, more or less, based upon grid distances.

The distances used in the above description are grid distances based on the California Coordinate System of 1983, Zone 6. Multiply distances shown by 1.00007058 to obtain ground distances.

**EXHIBIT B
TO
FIRST AMENDMENT TO WEST MARCH DISPOSITION
AND DEVELOPMENT AGREEMENT**

Form of Memorandum of DDA Amendment

**RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:**

March Joint Powers Redevelopment Agency
Attn: Executive Director
3430 Bundy Drive, Suite 107
March Air Force Base, CA 92518-1504

(Space above this line for Recorder's use)

**MEMORANDUM OF FIRST AMENDMENT TO WEST MARCH
DISPOSITION AND DEVELOPMENT AGREEMENT**

This MEMORANDUM OF FIRST AMENDMENT TO WEST MARCH DISPOSITION AND DEVELOPMENT AGREEMENT dated as of May 1, 2006 (this "Memorandum of First Amendment"), is made by MARCH JOINT POWERS REDEVELOPMENT AGENCY, a California public agency ("Agency"), LNR RIVERSIDE, LLC, a California limited liability company ("LNR"), and MARCH JOINT POWERS AUTHORITY, a California joint powers agency ("Authority").

1. On December 27, 2001, Agency and LNR entered into that certain West March Disposition and Development Agreement (the "Disposition and Development Agreement"). The Authority is a party to Article 5, Section 6.16(b), Section 10.03 and Section 11.02 of the Disposition and Development Agreement.

2. On December 27, 2001, Agency, LNR, and Authority entered into that certain Memorandum of Disposition and Development Agreement, which agreement was recorded in the Official Records of the County of Riverside on February 11, 2002 as Instrument No. 2002-074167.

3. On May 1, 2006, Agency, Authority, and LNR entered into that certain First Amendment to West March Disposition and Development Agreement (the "First Amendment to DDA").

4. The purpose of this Memorandum of First Amendment is to give notice of the rights and obligations of the parties hereto under the First Amendment to DDA, and all the terms and conditions of the First Amendment to DDA are incorporated herein by reference as if they were fully set forth herein. The First Amendment to DDA relates solely to the real property known as Parcel D-3 West and more particularly described on the attached Exhibit A hereto, which property is a portion of the property subject to the Disposition and Development Agreement.

EXHIBIT B-1

5. Subject to the terms of the First Amendment to DDA, this Memorandum of First Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors in interest and assigns.

IN WITNESS WHEREOF, this Memorandum of First Amendment has been entered into by and between Authority, Agency, and LNR as of the date and year first above written.

[Signatures on following pages]

SIGNATURE PAGE
TO
MEMORANDUM OF FIRST AMENDMENT TO WEST MARCH
DISPOSITION AND DEVELOPMENT AGREEMENT

AGENCY:

MARCH JOINT POWERS
REDEVELOPMENT AGENCY, a
California public agency

Dated: _____

By: _____
Philip A. Rizzo
Its: Executive Director

ATTEST:

Agency Secretary

APPROVED AS TO LEGAL FORM:

BEST BEST & KRIEGER LLP

Agency Counsel

EXHIBIT B-3

SIGNATURE PAGE
TO
MEMORANDUM OF FIRST AMENDMENT TO WEST MARCH
DISPOSITION AND DEVELOPMENT AGREEMENT

DEVELOPER:

LNR RIVERSIDE, LLC
a California limited liability company

By: LNR Riverside Holdings, Inc.
a California corporation, its member

Dated: _____

By: _____
Its: _____

EXHIBIT B-4

SIGNATURE PAGE
TO
MEMORANDUM OF FIRST AMENDMENT TO WEST MARCH
DISPOSITION AND DEVELOPMENT AGREEMENT

AUTHORITY:

MARCH JOINT POWERS AUTHORITY
a California joint powers agency

Dated: _____

By: _____

Philip A. Rizzo

Its: Executive Director

ATTEST:

Authority Secretary

APPROVED AS TO LEGAL FORM:

BEST BEST & KRIEGER LLP

Authority Counsel

EXHIBIT B-5

**EXHIBIT C
TO
FIRST AMENDMENT TO WEST MARCH DISPOSITION
AND DEVELOPMENT AGREEMENT**

Instrument of Release

[To Be Attached]

EXHIBIT C

DOC # 2005-0823891

10/05/2005 08:00A Fee:59.00

Page 1 of 16

Recorded in Official Records

County of Riverside

Larry W. Ward

Assessor, County Clerk & Recorder

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

March Joint Powers Authority
March Inland Port
3430 Bundy Avenue
Riverside, CA 92518
Attn: Executive Director



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INSTRUMENT OF RELEASE

59-
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SG

This 2005 Instrument of Release (the "Release") made by the United States of America, acting by and through the Administrator of the Federal Aviation Administration (the "FAA"), pursuant to the provisions contained in Title 49 United States Code Section 47107(h) and 47153, hereby grants to the March Joint Powers Authority, a joint powers authority established under the laws of the State of California (the "Grantee"), a release from certain obligations in favor of the FAA, affecting certain lands more particularly described herein, which are located at the public airport known as the "March Inland Port," in Riverside County, California.

WITNESSETH:

WHEREAS, pursuant to the provisions of the Base Closure and Realignment Act of 1988, as amended, Public Law 100-526 Title 10 United States Code Section 2687 ("Public Law 100-525"), the Surplus Property Act of 1944, as amended and Title 49 United States Code Section 47151, the United States of America acting by and through the Secretary of the Air Force, did by the certain Quitclaim Deeds identified as Recorded Instrument No. 2001-622399 dated December 14, 2001, and Recorded Instrument No. 2002-742244 dated December 11, 2002, Official Records of the Recorder of Riverside County, California (the "Quitclaim Deed"), convey certain portions of the former March Air Force Base to the March Joint Powers Authority (the within Grantee) subject to certain reservations set forth in Public Law 100-526 and the Quitclaim Deed; and

WHEREAS, the Grantee is the fee owner and operator of the March Inland Port (the "Airport"), a public airport located on portions of the former March Air Force Base; and

WHEREAS, pursuant to Title 49 United States Code Section 47107, et seq., the Grantee, as the grant recipient, and as a condition for receiving federal airport grant aid, has provided written assurances to the FAA that the Grantee will comply with conditions specified in the

following Airport Improvement Program grant agreements (collectively, the "Grant Agreements"):

START DATE	DESCRIPTION	GRANT SHARE	FAA GRANT NO.
2001	Taxiway, Apron & Fuel Farm	\$2,585,000	3-06-0201-01
2002	Perimeter Fencing	\$555,555	3-06-0201-02
2003	Lighting & Fuel Farm Phase II	\$722,200	3-06-0201-03
2004	Apron Expansion (East)	\$1,500,000	3-06-0201-04

WHEREAS, the Grantee has requested that the FAA Administrator approve a release of a portion of the lands at the Airport which are subject to the aeronautical and aviation conditions, reservations, restrictions, and assurances contained in the Quitclaim Deed and each of the Grant Agreements; and

WHEREAS, Grantee is requesting the release of certain lands as more particularly described below, from the aeronautical restrictions set forth in the Quitclaim Deed and the Grant Agreements since such lands are not needed for aviation purposes by the Grantee for the proper operation and maintenance of the Airport; and

WHEREAS, the FAA, pursuant to the provisions contained in Title 49 United States Code Sections 47107(h) and 47153, is authorized to grant a release from the conditions, reservations, restrictions, and assurances contained in Quitclaim Deed and the Grant Agreements between the United States of America and the Grantee for the lands hereinafter more particularly described; and

WHEREAS, the FAA Administrator has determined that the lands hereinafter described and shown in the following exhibits no longer serve an airport purpose and these exhibits are identified as follows:

Exhibit "A" (Parcel D3-East)

Exhibit "B" (Parcel D3-West)

WHEREAS, collectively, the lands described in the exhibits identified above are referred to in this Release as the "Release Parcels"; and

WHEREAS, the Grantee pursuant to its Resolution No. JPA 05-04R, dated February 16, 2005 a copy of which is attached hereto as Exhibit "C" and Resolution No. JPA 05-06, dated February 16, 2005 a copy of which is attached hereto as Exhibit "D", agrees and covenants to the FAA to use all proceeds derived from the release parcels to fully and completely satisfy the obligations incurred by the Grantee for the benefit of the March Inland Port, pursuant to the terms of Resolution No. JPA 05-04R and Resolution No. JPA 05-06 by the March Joint Powers Authority resolving to use all proceeds for the improvement, development, and maintenance of the March Inland Port in accordance with the terms of Resolution No. JPA 05-04R and Resolution No. JPA 05-06.

NOW THEREFORE, in consideration of the benefits to accrue to the United States of America and to civil aviation, the United States of America, acting by and through the FAA, hereby agrees to release the rights and interests reserved to the FAA in the March Release Parcels, containing a total area of 184.70 acres, more or less, and more particularly described in Exhibits "A" and "B", attached hereto, from the aeronautical and aviation conditions, reservations, restrictions, and assurances contained in Quitclaim Deed and the Grant Agreements.

This Release is granted subject to the following conditions:

1. Covenants and Conditions. The instrument used by the Grantee to transfer the real property described in this Release, namely, D-3 East and D-3 West, shall include the following covenants, conditions, restrictions and reservations.

a) Right of Flight. There is hereby reserved to the March Joint Powers Authority, its successors and assignees, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the premises herein conveyed, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used for navigation of or flight in the air, using said airspace, or landing at, taking off from, or operating at the March Inland Port and March Air Reserve Base.

b) No Obstructions. The transferee, recipient, or grantee of the land conveyed herein, by accepting this conveyance from the March Joint Powers Authority, expressly agrees for itself, its successors and assignees that it will not erect nor permit the erection of any structure, objects of natural growth or other obstructions, on the land conveyed here in, above a height that is determined pursuant to the requirements of Title 14 Code of Federal Regulations Part 77. In the event the aforesaid covenant is breached, the March Joint Powers Authority, its successors and assigns herein reserves the right to enter on the land conveyed hereunder and to remove the offending structure or object, and to cut the offending natural growth, all of which shall be at the expense of said transferee, recipient, or grantee.

c) No Interference. The transferee, recipient, or grantee of the land conveyed herein, by accepting this conveyance from the March Joint Powers Authority expressly agrees for itself, its successors, and assignees that it will not make use nor permit the use of the land conveyed herein in any manner which might interfere with the landing and taking off of aircraft from said airports or which might otherwise constitute an airport hazard. In the event the aforesaid covenant is breached, the March Joint Powers Authority, its successors and assigns reserves the right to enter on the land conveyed herein and cause the abatement of such interference at the expense of the transferee, recipient, or grantee.

2. Purpose of Release. This Release is granted to authorize the disposal of airport property that was deemed to have no airport purpose for the Airport or the Grantee and to

recognize the use of the sale proceeds for the purpose of acquiring property located near the March Inland Port that has value to the Airport and the Grantee for airport purposes.

3. Use of Proceeds. The sale proceeds from the disposal of airport land subject to this release, as well as land acquired with the proceeds from a released parcel, will only be used for airport purposes and all proceeds or revenue derived therefrom will be devoted to the improvement, development, and maintenance of the March Inland Port.

(Signatures to follow)

IN WITNESS WHEREOF, the United States of America has caused this Instrument of Release to be executed on the 23rd day of September, 2005.

UNITED STATES OF AMERICA,
acting by and through the Administrator of the
Federal Aviation Administration

By: Mark A. McClary
Mark A. McClary
Manager, Airports Division
Western-Pacific Region
Federal Aviation Administration



(NOTARY SEAL)

Kesha Smith
Notary Signature

My Commission expires: Dec. 10, 2005

MARCH JOINT POWERS AUTHORITY

ACCEPTANCE BY A PUBLIC AGENCY OF THE TERMS AND CONDITIONS OF THE 2005 INSTRUMENT OF RELEASE AFFECTING CERTAIN LANDS OWNED BY THE MARCH JOINT POWERS AUTHORITY

On behalf of the March Joint Powers Authority, the Grantee of the within Release, the undersigned officer hereby acknowledges the acceptance of the terms and conditions of the Release by the governing board of the Grantee.

By: Philip A. Rizzo
Signature
Philip A. Rizzo
Print Name

Executive Director
Title
September 29, 2005
Date

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of

Los Angeles

SS.

On September 23, 2005 before me,

Kesha Smith Notary Public

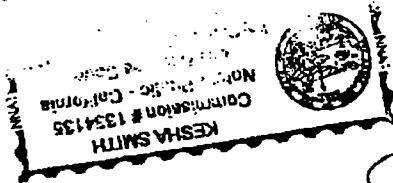
personally appeared

Mark A. McClardy

Name(s) of Signer(s)

☐ personally known to me

☒ 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.

WITNESS my hand and official seal.

[Signature]
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: Instrument of Release

Document Date: September 23, 2005 Number of Pages: 15

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: Mark A. McClardy

☐ Individual

☐ Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

☐ Attorney-in-Fact

☐ Trustee

☐ Guardian or Conservator

or Other: Manager

Signer Is Representing: Federal Aviation Administration



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Riverside

} ss.

On September 29, 2005 before me, Carey L. Allen, Notary Public

Date

Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Philip A. Rizzo

Name(s) of Signer(s)

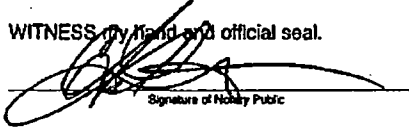
☒ personally known to me

☐ proved to me on the basis of satisfactory evidence



to be the person ~~XX~~ whose name ~~XX~~ is ~~XX~~ subscribed to the within instrument and acknowledged to me that he ~~XX~~ executed the same in his ~~XX~~ authorized capacity ~~XX~~ and that by his ~~XX~~ signature ~~XX~~ on the instrument the person ~~XX~~ or the entity upon behalf of which the person ~~XX~~ acted, executed the instrument.

WITNESS my hand and official seal.


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: Instrument of Release

Document Date: September 29, 2005 Number of Pages: 14

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: Philip A. Rizzo

☐ Individual

☒ Corporate Officer — Title(s): Executive Director

☐ Partner — ☐ Limited ☐ General

☐ Attorney-in-Fact

☐ Trustee

☐ Guardian or Conservator

☐ Other: _____

Signer is Representing: March Joint Powers Authority



EXHIBIT "A"

MARCH PARCEL D-3 EAST

In the County of Riverside, State of California, being that portion of Section 15 of Township 3 South, Range 4 West, San Bernardino Base and Meridian, also shown as Parcel 3 on Record of Survey 000-135 filed in Book 110, Pages 30 through 40, inclusive, of Records of Survey, in the County Recorder's Office of said County, more particularly described as follows:

Beginning at the northerly terminus of that certain course in the westerly line of the Atchison, Topeka and Santa Fe Railroad Right-of-Way, as shown on sheet 7 of 11 sheets of said Record of Survey, said course bears South $19^{\circ}23'04''$ East 2,577.64 feet, also being shown on California Department of Transportation Map No. 435571-8 on file with the County of Riverside as Map No. 205-254; thence South $19^{\circ}23'04''$ East 2,577.64 feet to the beginning of a non-tangent curve concave northeasterly having a radius of 875.00 feet, a radial line to said beginning of bears South $33^{\circ}26'41''$ West, said beginning also being a point on the easterly Right of Way line of State Route 215 as shown on California Department of Transportation Map No. 435571-6 on file with the County of Riverside as Map No. 205.251; thence along said easterly line the following 9 courses:

1. Northwesterly 171.38 feet along said curve through a central angle of $11^{\circ}13'20''$;
2. North $45^{\circ}20'00''$ West 391.10 feet;
3. North $40^{\circ}30'27''$ West 878.53 feet to the beginning of a curve concave northeasterly having a radius of 4,875.00 feet;
4. northwesterly along said curve 508.50 feet through a central angle of $05^{\circ}58'35''$;
5. North $28^{\circ}08'58''$ West 486.75 feet;
6. North $17^{\circ}49'57''$ West 447.33 feet;
7. North $30^{\circ}29'16''$ East 42.45 feet;
8. North $39^{\circ}54'38''$ East 415.29 feet to the southerly line of Alessandro Boulevard as shown on California Department of Transportation Map No. 435571-8 on file with the County of Riverside as Map No. 205-254;
9. thence along said southerly line South $89^{\circ}51'58''$ East 314.75 feet to the Point of Beginning.

Containing 1,447,263 square feet or 33.22 acres, more or less, based upon grid distances.

The bearings and distances used in the above description are grid distances based on the California Coordinate System of 1983, Zone 6. Multiply distances shown by 1.00007058 to obtain ground distances.

EXHIBIT "B"

MARCH PARCEL D-3 WEST

In the County of Riverside, State of California, being that portion of Sections 14, 15, 22 and 23 of Township 3 South, Range 4 West, San Bernardino Base and Meridian, also shown as Parcel 3 on Record of Survey 00-135 filed in Book 110, Pages 30 through 40, inclusive, of Records of Survey, in the County Records Office of said County, more particularly described as follows:

Beginning at the westerly terminus of that certain course, as shown on sheet 6 of 11 sheets of said Record of Survey, said course bears North 89°53'24" East 1201.72 feet, said course also being on the southerly line of Alessandro Boulevard as shown on California Department of Transportation Map No. 435571-7 on file with the County of Riverside as Map No. 205-253; thence along said southerly line North 89°53'24" East 1,201.72 feet, to the true point of beginning; thence continuing along said southerly line North 89°53'24" East 792.42 feet to the westerly Right-of-Way line of State Route 215 as shown on California Department of Transportation Map No. 435571, Pages 5 through 8, inclusive, on file with the County of Riverside as Map No. 205, pages 251 through 254, inclusive, also being the beginning of a non-tangent curve concave easterly having a radius of 1,860.00 feet, a radial line to said beginning of curve bears South 81°48'14" West; thence along said westerly Right-of-Way Line the following 21 courses:

1. southerly 34.81 feet along said curve through a central angle of 01°04'20" to the beginning of a non-tangent curve concave southwesterly having a radius of 775.00 feet, a radial line to said beginning of curve bears South 00°21'22" East;
2. easterly and southeasterly 787.46 feet along said curve through a central angle of 58°13'00";
3. South 32°08'22" East 748.36 feet to the beginning of a non-tangent curve concave northeasterly having a radius of 5,125.00 feet, a radial line to said beginning bears South 56°40'31" West;
4. southeasterly 643.21 feet along said curve through a central angle of 07°11'27";
5. South 40°30'56" East 328.40 feet;
6. South 34°48'19" East 264.26 feet to the beginning of a curve concave westerly having a radius of 1,147.00 feet;
7. Southeasterly and southerly along said curve 554.37 feet through a central angle of 27°41'31";
8. South 07°06'47" East 289.23 feet;
9. South 80°37'30" West 65.33 feet to the beginning of a curve concave northerly having a radius of 1,556.00 feet;
10. westerly along said curve 154.53 feet through a central angle of 05°41'25";

11. South $36^{\circ}34'39''$ East 103.65 feet to the beginning of a non-tangent curve concave northerly having a radius of 1,644.00 feet, a radial line to said beginning of curve bears North $05^{\circ}38'49''$ West;
12. easterly 106.97 feet along said curve through a central angle of $03^{\circ}43'41''$;
13. North $80^{\circ}37'30''$ East 45.41 feet;
14. South $11^{\circ}41'33''$ East 197.18 feet to the beginning of a curve concave northeasterly having a radius of 375.00 feet;
15. southerly and southeasterly along said curve 327.27 feet through a central angle of $50^{\circ}00'13''$;
16. South $61^{\circ}41'46''$ East 732.96 feet to the beginning of a curve concave southwesterly having a radius of 797.00 feet;
17. southeasterly along said curve 261.98 feet through a central angle of $18^{\circ}50'01''$;
18. South $19^{\circ}23'37''$ East 1,521.93 feet;
19. South $70^{\circ}36'45''$ West 140.02 feet;
20. South $19^{\circ}23'15''$ East 279.98 feet;
21. North $70^{\circ}36'45''$ East 140.05 feet to the northerly prolongation of the westerly Line of Atchison, Topeka and Santa Fe Railroad Right-of-Way, as shown on said California Department of Transportation Map, thence along said northerly prolongation and westerly line the following 2 courses:
 1. South $19^{\circ}23'37''$ East 2,303.13 feet;
 2. South $19^{\circ}22'37''$ East 319.87 feet;thence leaving said westerly line South $59^{\circ}52'39''$ West 211.38 feet; thence North $30^{\circ}07'21''$ West 6865.62 feet; thence North $38^{\circ}39'15''$ West 2,811.22 feet to the true point of beginning.

Containing 6,598,613 square feet or 151.48 acres, more or less, based upon grid distances.

The distances used in the above description are grid distances based on the California Coordinate System of 1983, Zone 6. Multiply distances shown by 1.00007058 to obtain ground distances.

EXHIBIT "C"

MJPA RESOLUTION NO. JPA 05-04R, DATED FEBRUARY 16, 2005

Parcel D-3 East

EXHIBIT C

D-3 East

RESOLUTION JPA #05-04R

A RESOLUTION OF THE MARCH JOINT POWERS COMMISSION OF THE MARCH JOINT POWERS AUTHORITY, OBLIGATING THE MARCH JOINT POWERS AUTHORITY TO REIMBURSE THE AIRPORT FUND IN THE AMOUNT EQUAL TO THE APPRAISED FAIR MARKET VALUE OF THE D-3 EAST LAND.

WHEREAS, The Federal Aviation Administration (FAA) has advised the March Joint Powers Authority that Federal law and FAA policy require, as part of a land release, that the land be disposed at its fair market value and that all sale proceeds be expended for the capital or operating costs of the airport in accordance with applicable Federal law and FAA policy;

WHEREAS, the March Joint Powers Commission of the March Joint Powers Authority approved the sale of March Inland Port (the Airport) lands designated as D-3 East land, and now seeks FAA concurrence for its proposed action to comply with all applicable Federal law and FAA policy and for the continued provision of adequate public airport facilities to be provided the citizens of Riverside County, California;

WHEREAS, the March Joint Powers Commission of the March Joint Powers Authority approved the acquisition of an approximate 45-acre site with the proceeds of the sale of D-3 East land to preclude incompatible development in the vicinity of the Airport; and

NOW, THEREFORE, BE IT RESOLVED by the March Joint Powers Commission of the March Joint Powers Authority, that the March Joint Powers Authority shall hold title to the 45-acre parcel and facilitate the marketing of wetland mitigation credits for multi-species habitats subject to the following to meet FAA release requirements and to comply with applicable Federal law and FAA policy with regard to the sale and release of D-3 East. The proceeds of sale of the wetland mitigation credits shall be deposited into the Airport fund up to the fair market value of the D-3 East land, plus interest from the date of sale of the D-3 East land. The fair market value of the D-3 East land shall be established by appraisal;


BE IT FURTHER RESOLVED, that the March Joint Powers Commission of the March Joint Powers Authority further agrees with the FAA that expenditures of funding on the Airport will follow the following priority categories, and it is further provided that all currently needed development within the highest priority category must be accomplished before improvements in the next category are begun:

- A. Approved items of airport development set forth in USC 47101 et seq. to be accomplished in accordance with currently applicable FAA design criteria and FAA completion schedules.

- B. Any aeronautical items of airport development ineligible for direct Federal aid under the Airport Improvement Program.
- C. Current expenses for repair, maintenance and operation of airport use properties.

The March Joint Powers Commission hereby empowers, authorizes, and directs the Executive Director to enter in an agreement with the Federal Aviation Administration for the purpose of binding the March Joint Powers Authority to all its promises, covenants, and agreements, as set forth in this Resolution.

ADOPTED, by the members of the Joint Powers Commission of the March Joint Powers Authority this 16th day of February 2005.


Daryl R. Busch, Chairman
March Joint Powers Commission

I, Carey L. Allen, Clerk of the March Joint Powers Commission of the March Joint Powers Authority, do hereby certify that the foregoing Resolution #JPA 05-04R was duly and regularly introduced, passed, and adopted by the March Joint Powers Commission of the March Joint Powers Authority at the regular meeting thereof held on the 16th day of February, 2005, and the foregoing is a full, true, and correct copy of said Resolution, and it has not been amended or repealed.

Ayes:	White, Buster, Schiavone, Adkison, Ashley, Stewart, Busch
Noes:	None
Abstain:	None
Absent:	Yarbrough

Date: February 16, 2005



Carey L. Allen, Clerk
March Joint Powers Commission

EXHIBIT "D"

MJPA RESOLUTION NO. JPA 05-06, DATED FEBRUARY 16, 2005

Parcel D-3 West

EXHIBIT D

D-3 West

RESOLUTION JPA #05-06

A RESOLUTION OF THE MARCH JOINT POWERS COMMISSION OF THE MARCH JOINT POWERS AUTHORITY, AUTHORIZING THE MARCH JOINT POWERS AUTHORITY TO SEEK FEDERAL AVIATION ADMINISTRATION RELEASE FROM APPLICABLE OBLIGATIONS OF THE D-3 WEST LAND IN ACCORDANCE WITH APPLICABLE FEDERAL LAW AND FAA POLICY.

WHEREAS, the Federal Aviation Administration (FAA) has advised the March Joint Powers Authority that Federal law and FAA policy require, as part of a land release that airport land be disposed of at its fair market value and that all sale proceeds be expended for the capital or operating costs of the airport in accordance with applicable Federal law and FAA policy and that such requirements apply to the sale of March Inland Port (the Airport) lands designated as the D-3 West;

WHEREAS, the March Joint Powers Commission of the March Joint Powers Authority seeks an FAA release for the Airport lands designated as D-3 West from applicable Federal obligations and recognizes the need for the continued provision of adequate public airport facilities to be provided the citizens of Riverside County, California;

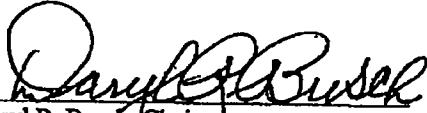
NOW, THEREFORE, BE IT RESOLVED by the March Joint Powers Commission of the March Joint Powers Authority that the March Joint Powers Authority shall establish the fair market value of D-3 West by appraisal and sell, at fair market value, D-3 West, and deposit the proceeds in the Airport fund in accordance with applicable Federal law and FAA policy in order to secure FAA release from the applicable Federal obligations;

BE IT FURTHER RESOLVED, that the March Joint Powers Commission for the March Joint Powers Authority further agrees with the FAA that expenditures of funding on the Airport will follow the following priority categories, and it is further provided that all currently needed development within the highest priority category must be accomplished before improvements in the next category are begun:

- A. Approved items of airport development set forth in USC 47101 et seq. to be accomplished in accordance with currently applicable FAA design criteria and FAA completion schedules.
- B. Any aeronautical items of airport development ineligible for direct Federal aid under the Airport Improvement Program.
- C. Current expenses for repair, maintenance and operation of airport use properties.

The March Joint Powers Commission hereby empowers, authorizes, and directs the Executive Director to enter in an Agreement with the Federal Aviation Administration for the purpose of binding the March Joint Powers Authority to all its promises, covenants, and agreements, as set forth in this Resolution.

ADOPTED, by the members of the Joint Powers Commission of the March Joint Powers Authority this 16th day of February 2005.



Daryl R. Busch, Chairman
March Joint Powers Commission

I, Carey L. Allen, Clerk of the March Joint Powers Commission of the March Joint Powers Authority, do hereby certify that the foregoing Resolution #JPA 05-06 was duly and regularly introduced, passed, and adopted by the March Joint Powers Commission of the March Joint Powers Authority at the regular meeting thereof held on the 16th day of February, 2005, and the foregoing is a full, true, and correct copy of said Resolution, and it has not been amended or repealed.

Ayes:	White, Buster, Schiavone, Adkison, Ashley, Stewart, Busch
Noes:	None
Abstain:	None
Absent:	Yarbrough

Date: February 16, 2005



Carey L. Allen, Clerk
March Joint Powers Commission

EXHIBIT D
TO
FIRST AMENDMENT TO WEST MARCH DISPOSITION
AND DEVELOPMENT AGREEMENT

FAA Letter

[To Be Attached]

EXHIBIT D



U.S Department
of Transportation

Federal Aviation
Administration

Western-Pacific Region
Airports Division

Federal Aviation Administration
P.O. Box 92007
Los Angeles, CA 90009-2007

September 26, 2005

Philip A. Rizzo
Executive Director
March Joint Powers Authority
P.O. Box 7480
Moreno Valley, CA

Dear Mr. Rizzo:

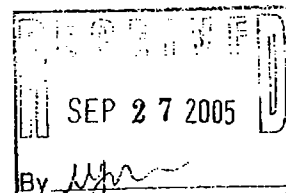
**March Inland Port
March Joint Powers Authority**

This letter provides the Federal Aviation Administration (FAA)'s determination regarding March Joint Powers Authority's request to be released from the federal obligations attached to a portion of land at March Inland Port that requires the land to be used for airport purposes. The property being released consists of two parcels of land containing approximately 185 acres. One parcel (D-3 East) was already sold to acquire noise mitigation land. The release will extinguish the airport-use obligations of parcel D-3 East and obligate all proceeds derived from the noise mitigation land to be used for airport purposes. The other parcel (D-3 West) will be sold and the net proceeds used for airport improvement and development.

This letter communicates the FAA's consent to the release of 185 acres of land, more or less, at March Inland Port. The enclosed Instrument of Release and its exhibits represent the FAA's approval of a release for the subject property from the assurances contained in the grant agreements and the conditions, covenants, and restrictions in the Quitclaim Deed for March Inland Port, as more fully described in the release document.

By accepting this release, the March Joint Powers Authority, in accordance with 49 USC 47107(a)(9, 10, & 16); (b); and (c)(2)(B), agrees to:

- Deposit the net proceeds of the appraised fair market value of the released land or mitigation credits in an interest-bearing account and utilize the proceeds on deposit for approved airport purposes.
- Use the net proceeds derived from the sale of the land or mitigation credits exclusively for airport development purposes within a period of five years from the date of receipt of sale proceeds, in accordance with Resolution 2005-106,



which is attached as an exhibit to the Instrument of Release.

- Maintain accurate records of the expenditures of the net proceeds in accordance with the customary accounting practices and keep the records available for FAA inspection, as needed.
- Provide the FAA with a sales report after parcel D-3 West is sold.
- Provide the FAA with recurring sales reports whenever mitigation credits on the Victoria Church property are sold.
- Retain sufficient rights and interests over future land use to ensure that the released property will only be used for purposes that are compatible with and do not interfere with airport operations and aircraft using the airport, which is contained as a condition in the Instrument of Release.
- Ensure that an airspace evaluation is obtained from the FAA in accordance with Title 14 Code of Federal Regulations Part 77 for any construction proposed on the released land by making sure that FAA Form 7460-1, *Notice of Proposed Construction or Alteration*, is prepared and submitted to the FAA before any construction commences or equipment is placed on the released land.
- Update the Airport Layout Plan and Exhibit A Property Map to reflect the new airport boundary.

The FAA decision to grant this land release was made only after due consideration of the environmental effects of the proposed federal action. Pursuant to FAA Order 5050.4A, *Airport Environmental Handbook*, an Environmental Assessment (EA) was prepared for the release of the subject property. The FAA made a "Finding of No Significant Impact" based on the EA, determining that the release will not have a significant effect on the environment.

Follow-up Action

Enclosed are four copies of the FAA-approved Instrument of Release, which have been signed by the FAA approving official. Please return two copies after the required four copies of the Instrument of Release are executed, showing the original signature and title of the official authorizing acceptance of the release for the March Joint Powers Authority.

Please return the two fully executed Instruments of Release to:

Tony Garcia
FAA Airports Division
P.O. Box 92007
Los Angeles, CA 90009-2007

Sincerely,

A handwritten signature in black ink, appearing to read "Mark A. McClardy", with a stylized flourish at the end.

Mark A. McClardy
Manager, Airports Division