



**CITY OF LAKE ELSINORE
SUPPLEMENTAL REPORT TO PLANNING COMMISSION**

TO: Honorable Chairman
Members of the Planning Commission

FROM: Justin Kirk, Principal Planner

DATE: February 7, 2017

PROJECT: Planning Application 2016-04 Supplemental Report: A proposed development agreement for an approximately 520,000 square foot indoor commercial sports facility on 23.12 acres of disturbed vacant land.

APPLICANT: Stephen Harrison, The Harrison Company

Recommendation

Staff Recommends the Planning Commission:

adopt A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF LAKE ELSINORE, CALIFORNIA, RECOMMENDING TO THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE APPROVAL OF A DEVELOPMENT AGREEMENT FOR AN APPROXIMATELY 520,000 SQUARE FOOT INDOOR COMMERCIAL SPORTS FACILITY ON 23.12 ACRES OF DISTURBED VACANT LAND.

Discussion

After the posting of the February 7, 2017, Planning Commission Agenda two (2) modifications to the proposed Development Agreement were identified as needing to be made. These modifications are identified in the attached redline version of the Development Agreement and include the following:

- Update the "Vested Party" to LE Diamond Holdings, LLC
- Specification of the limitation of Traffic Impact Fees (TIF) of \$500,000.00 to be allocated to the project area.

Attachment(s)

A. Redline DA

RECORDING REQUESTED BY)
AND WHEN RECORDED MAIL TO:)
)
City of Lake Elsinore)
130 South Main Street)
Lake Elsinore, California 92530)
Attention: City Clerk)
)

(Space above for Recorder's use.)

(Exempt from Recording Fees Per Govt Code §27383.)

DEVELOPMENT AGREEMENT

by and between

CITY OF LAKE ELSINORE

and

LE DIAMOND ~~SPORTS CENTER~~HOLDINGS, LLC

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DEVELOPMENT AGREEMENT

BY AND BETWEEN

THE CITY OF LAKE ELSINORE AND LE DIAMOND ~~SPORTS CENTER~~HOLDINGS, LLC

This Development Agreement (“Agreement”) dated for identification purposes only as of _____, 2017 (“Date of Agreement”) is entered into by and between the City of Lake Elsinore, California, a municipal corporation (“City”) and **LE DIAMOND ~~SPORTS CENTER~~HOLDINGS, LLC**, a California limited liability company (“Vested Party”). The City and the Vested Party are hereinafter sometimes referred to individually as a “Party” and collectively as “Parties.”

RECITALS

A. To strengthen the public planning process, encourage private participation in comprehensive planning, and reduce the economic risk of development, the legislature of the State of California adopted the “Development Agreement Act,” Government Code Sections 65864 through 65869.5. The Development Agreement Act authorizes the City to enter into an agreement with any person having a legal or equitable interest in real property regarding the future development of such property.

B. Pursuant to the Development Agreement Act, the City adopted Ordinance No. 996 establishing procedures and requirements for consideration of development agreements as set forth in Lake Elsinore Municipal Code Chapter 19.12 (the “Development Agreement Ordinance”).

C. JIC-CP Diamond Development, LLC, a California limited liability company (“JIC-CP”), is the current fee owner of approximately twenty-three (23) acres consisting of nine (9) parcels of unimproved land generally located north of Pete Lehr Drive and west of Diamond Drive within the Diamond Specific Plan in the City of Lake Elsinore, California (collectively, the “JIC-CP Property”) more particularly described in the LEGAL DESCRIPTION attached hereto as Attachment No. 1 and incorporated by this reference herein.

D. Subsequent to the execution of this Agreement, Vested Party will be acquiring fee ownership of the JIC-CP Property.

E. The parcels of land comprising the JIC-CP Property, as well as other parcels of land in the JIC-CP Property’s vicinity, are legally described and depicted in the “TITLE REPORT EXHIBIT LAND OWNERSHIP” attached hereto as Attachment No. 2 and incorporated by this reference herein. The JIC-CP Property is identified in Attachment No. 2, as is that portion of Campbell Road owned by the City (the “City Parcel”), color-coded yellow and green, respectively. By Resolution No. 2016-122, the City Council approved the sale of the City Parcel to JIC-CP Diamond Development, LLC for the Project. In the aggregate, the JIC-CP Property and the City Parcel comprise the property that will be owned by Vested Party and is subject to this Agreement (the “Property”).

F. Vested Party wishes to develop a multi-use sports complex facility (“Project”) on the Property and has obtained the following Land Use Entitlements from the City: (i) Tentative Parcel Map 37149, (ii) Conditional Use Permit 2016-02 and Commercial Design Review 2016-02. The City Council has determined that the Project is consistent with the sports-themed development encouraged in the City’s General Plan and the Diamond Specific Plan and would generate significant economic benefits to the City, including without limitation, creation of new jobs, generation of increased sales taxes and increased name recognition and status.

G. The proposed Project requires significant financial investment by Vested Party and in order to bring certainty and stability to the City’s regulations applicable to the processing of the Land Use Entitlements and future Development of the Property, the Vested Party and the City intend to vest the General Plan, the Specific Plan and Existing Land Use Regulations.

H. On February 7, 2017, the City of Lake Elsinore Planning Commission held a duly noticed public hearing to consider Vested Party’s application for this Agreement and recommended to the City Council approval of this Agreement.

I. On February 14, 2017, the City Council held a duly noticed public hearing to consider this Agreement and found and determined that (a) this Agreement is compatible with the orderly development of the Property and the surrounding area; (b) this Agreement will have an overall positive effect on the health, safety and welfare of the residents of and visitors to the City; (c) this Agreement constitutes a lawful, present exercise of the City’s police power and authority under the Development Agreement Act and Development Agreement Ordinance; (d) this Agreement is entered into pursuant to and in compliance with the requirements of the Development Agreement Act and the Development Agreement Ordinance; and did therefore, in approving this Agreement introduce for first reading Ordinance No. __ (the “Enabling Ordinance”). On February 28, 2017 the City Council conducted the second reading of the Enabling Ordinance thereby approving this Agreement, to become effective thirty (30) days after the adoption thereof (i.e., effective on March 30, 2016).

J. This Development Agreement has been processed, considered and executed in accordance with the Development Agreement Act and the Development Agreement Ordinance.

The foregoing true and correct Recitals constitute a substantive part of this Agreement, and the Parties have materially relied upon them as such in their respective determinations to execute this Agreement.

1. DEFINITIONS.

All initially-capitalized words, terms, and phrases used, but not otherwise defined, in the Recitals and this Agreement shall have the meanings assigned to them in this Section 1, unless the context clearly indicates otherwise.

1.1. “Affiliate” means (i) JIC-CP, RJ LEDSC Management, LLC, a California limited liability company, LE Diamond Holding Company, LLC, a Delaware limited liability company, LE Diamond Sports Park, LLC, a California limited liability company, ~~LE Diamond Holdings, LLC, a California limited liability company~~ and LE Diamond Sports Center, LLC, a California limited liability company (each an “Enumerated Entity,” (ii) any limited liability

company named after the Date of Agreement, *via* filing with the Secretary of State of the State of California by Vested Party or an Enumerated Entity, of an “LLC-2,” *i.e.*, an “Amendment to Articles of Organization of a Limited Liability Company (LLC),” (a “Renamed Entity”), (iii) any member or manager of, or investor in Vested Party, any Enumerated Entity, and/or a Renamed Entity, (iv) any legal entity, unformed as of the time of this Agreement’s execution, that includes Vested Party, an Enumerated Entity, or any Renamed Entity, as a member or manager thereof, or an investor therein, and/or (v) any person or entity that individually or collectively, directly or indirectly, controls, is controlled by, or is under common control with Vested Party, an Enumerated Entity, and/or a Renamed Entity.

1.2. “Agreement” means this Development Agreement.

1.3. “CEQA” means the California Environmental Quality Act, Public Resources Code Section 21000, *et seq.* and the implementing regulations promulgated thereunder as the “CEQA Guidelines” (Title 14, California Code of Regulations Section 15000 *et seq.*) and the City’s local guidelines.

1.4. “City” means the City of Lake Elsinore, a municipal corporation.

1.5. “City Council” means the duly elected City Council of the City.

1.6. “Development” means grading, construction and/or installation of public improvements, infrastructure and facilities related to the Project (whether located within or outside the Property) and the construction and/or installation of private improvements, structures, buildings and facilities and the installation of landscaping.

1.7. “Development Agreement Act” is defined in Recital A of this Agreement.

1.8. “Development Agreement Ordinance” is defined in Recital B of this Agreement.

1.9. “Diamond Specific Plan” means that certain specific plan adopted pursuant to California Government Code Section 65450 *et seq.* and LEMC Chapter 17.204 by the City Council by Ordinance No. CC-2010-1278 on June 22, 2010 and Amendment No. 1 thereto adopted by the City Council by Ordinance No. 2015-1340 on June 9, 2015.

1.10. “Effective Date” means the date the Enabling Ordinance approving this Agreement becomes effective which is 30 days after the Date of Agreement first entered above.

1.11. “Existing Development Fees” means any Land Use Entitlement application and permit processing fees and charges, development impact fees, linkage fees, or exactions or other similar impact fees or charges (whether collected as a condition to issuance of grading and/or building permits, or otherwise) imposed by the City on and in connection with new development pursuant to the Existing Land Use Regulations and set forth in Attachment No. 3, the “Selected Analysis of Estimated Permit Fees” attached to this Agreement and incorporated by this reference herein.

1.12. “Existing Land Use Regulations” means all ordinances, resolutions, codes, rules, regulations and official policies of the City governing the development and use of land in effect on the Effective Date, including, without limitation, the Development Agreement

Ordinance, the City's General Plan, the Diamond Specific Plan, Tentative Parcel Map 37149, Conditional Use Permit 2016-02 and Commercial Design Review 2016-02 and/or any other ordinance, resolution or Land Use Entitlement governing the permitted use of land, the Existing Development Fees imposed by the City and reflected in Attachment No. 3, the density or intensity of use, subdivision requirements, the maximum height and size of proposed buildings, the provisions for reservation or dedication of land for public purposes (including without limitation the action taken by the City in Resolution No. 2016-137 approving Tentative Parcel Map 37253, adopted on December 13, 2016 and providing for the dedication of that portion of Diamond Drive owned by "CIVIC PARTNERS IDAHO, LLC," reflected on Attachment No. 2 as a portion of the parcel of land color coded orange) the granting of encroachment permits and the conveyance of rights and interests that provide for the use of or the entry upon public property, and the design, improvement and construction standards and specifications applicable to the processing of Land Use Entitlements and Development of the Property.

1.13. "Land Use Entitlements" means Tentative Parcel Map 37149, Conditional Use Permit 2016-02, Commercial Design Review 2016-02 and all other future land use and development entitlements and approvals applied for by the Vested Party and approved by the City, including without limitation variances, design review, review of building, landscaping or signage plans, subdivision or tract maps, conditional use permits and building permits and certificates of occupancy subject to and including all conditions of approval and any mitigation measures identified and adopted pursuant to the Existing Land Use Regulations and applicable CEQA review, if any, in accordance with the terms of this Agreement.

1.14. "LEMC" means the Lake Elsinore Municipal Code.

1.15. "Project" means the Development of the proposed multi-use sports complex facility on the Property pursuant to the Land Use Entitlements.

1.16. "Project-Related Improvements" means public improvements located in proximity to, and designed and constructed in connection with the Project to be completed by Vested Party in accordance with the Conditions of Approval attached hereto as Attachment No. 5 and incorporated herein by reference.

1.17. "Property" means the real property which is the subject of this Agreement and which is described in Recitals C and D, and more particularly described in Attachment No. 1.

1.18. "Term" is defined in Section 5.1 of this Agreement.

1.19. "Vested Party" means LE Diamond ~~Sports Center~~Holdings, LLC, a California limited liability company, and its successors in interest to all or any part of the Property, and/or to any of the rights and obligations hereunder.

2. PURPOSE AND ANALYSIS.

2.1. Vested Right in Existing Land Use Regulations.

The City has determined that the proposed Project is of a high quality and would provide significant public benefits to the City and its residents, businesses and visitors and that entry into this Agreement will further the goals and objectives of the City's land use

planning policies, by encouraging sports-themed Development of the Property in accordance with the Existing Land Use Regulations and eliminating uncertainty in the planning, entitlement and Development processes.

In exchange for the Project benefits to the City and its residents, businesses and visitors, the Vested Party wishes to receive the assurances permitted by the Development Agreement Act and the Development Agreement Ordinance such that the Vested Party will be deemed to have a vested interest in the applicability of the Existing Land Use Regulations to the Development and implementation of the Project and each portion thereof. As such, the Vested Party, if it chooses, may proceed to develop the Property in accordance with the Existing Land Use Regulations, with certainty that Vested Party will have the ability to expeditiously and economically complete the Project.

2.2. Agreement Does Not Authorize Development.

The Parties agree and acknowledge that this Agreement itself does not authorize Vested Party to undertake any Development of the Property and that before any Development activity can occur (a) the Vested Party must have submitted all necessary applications for all Land Use Entitlements and (b) the City must have approved such Land Use Entitlement applications pursuant to the Existing Land Use Regulations, including undertaking whatever environmental documentation the City determines is required pursuant to CEQA.

This Agreement does not require the City to approve any Land Use Entitlement, but only obligates the City to process all Land Use Entitlement applications submitted by Vested Party during the Term of this Agreement pursuant to the Existing Land Use Regulations, including without limitation consistency with Attachment No. 3 described below in Sections 4.1 and 4.2. Consequently, the City may approve, conditionally approve or deny such Land Use Entitlement applications on the basis of the Existing Land Use Regulations. Upon approval by City of any of the Land Use Entitlements, as they may be amended from time to time, such Land Use Entitlements shall become part of the Existing Land Use Regulations, and the Vested Party shall have a “vested right,” as that term is defined under California law, in and to such Land Use Entitlements by virtue of this Agreement.

2.3. No Significant Environmental Impact.

The environmental documentation prepared and adopted/approved by the City, as lead agency, for the Diamond Specific Plan pursuant to CEQA adequately addresses the potential environmental impacts under this Agreement. In particular, there are no substantial changes to the Property or the circumstances under which the Property is to be regulated and developed under this Agreement when viewed against the Existing Land Use Regulations, including the Diamond Specific Plan, and there is no new information of substantial importance which would require preparation of another CEQA document pursuant to CEQA Guidelines Section 15162. The vesting of the Existing Land Use Regulations, including the General Plan and Diamond Specific Plan through this Agreement is exempt from the requirements of CEQA pursuant to CEQA Guidelines Section 15061(b)(3) because there is no possibility that this Agreement will have any significant direct, indirect, or cumulative environmental impacts apart from or beyond those already analyzed, addressed, and mitigated as stated in the environmental documentation prepared and adopted/approved for the Diamond Specific Plan pursuant to CEQA.

3. RULES, REGULATIONS AND OFFICIAL POLICIES GOVERNING DEVELOPMENT.

3.1. Existing Land Use Regulations.

During the Term of this Agreement, Vested Party shall have a vested right to pursue Development of the Property in accordance with the Existing Land Use Regulations and the City shall have authority over the Development of the Property in accordance with the Existing Land Use Regulations. "Existing Land Use Regulations" as defined in Section 1.11 of this Agreement does not include any City ordinance, resolution, code, rule regulation or official policy, governing: (a) the conduct of business, professions and occupations and the issuance of business licenses; (b) taxes and assessments; or (c) the control and abatement of nuisances.

3.2. New Rules.

Although Existing Land Use Regulations will govern uses of the Property and any potential Development of the Property, this Agreement will not prevent the City from applying the following new rules, regulations and policies.

3.2.1. Procedural Regulations.

Procedural regulations relating to hearing bodies, petitions, applications, notices, findings, records, hearings, reports, recommendations, appeals and any other matter of procedure.

3.2.2. Regulations Governing Construction Standards.

Regulations governing construction standards and specifications including, without limitation, the City's Building Code, Plumbing Code, Mechanical Code, Electrical Code and Fire Code, provided that such construction standards and specifications are applied on a City-wide basis.

3.2.3. Non-Conflicting Regulations.

Written regulations approved by the City that are not in material conflict with the Existing Land Use Regulations and do not materially and adversely impact the Development of the Property.

3.2.4. Certain Conflicting Regulations.

Written regulations approved by the City that are in material conflict with the Existing Land Use Regulations only if Vested Party has given its written consent to the application of such regulations to development of the Property.

3.2.5. Regulations Needed to Protect the Health and Safety.

Regulations which are in conflict with the Existing Land Use Regulations if the City determines that enforcement is reasonably necessary to protect City residents, businesses and visitors from conditions dangerous to their health, safety or both.

3.3. Regulation by Other Public Agencies.

The Parties acknowledge that other public agencies, not within the control of the City, possess authority to regulate aspects of the Development of the Project and the Property separately from the City. This Agreement does not limit the authority of such other public agencies.

3.4. State and Federal Laws.

If State or Federal laws or regulations enacted after the Effective Date hereof, prevent or preclude compliance with one or more of the provisions of this Agreement, such provisions of this Agreement will be modified or suspended as may be necessary to comply with such State or Federal laws or regulations; provided, however that this Agreement will remain in full force and effect to the extent it is not inconsistent with such State or Federal laws or regulations and to the extent such laws or regulations do not render such remaining provisions impractical to enforce.

3.5. Police Power and Taxing Power.

The City will not impose, or enact any additional conditions, exactions, dedications, fees or regulations through the exercise of either the police power or the taxing power with respect to the Development of the Property except as provided in the Existing Land Use Regulations or except as provided in this Agreement. Nothing stated in Section 3.2.5 above shall limit the applicability of this Section 3.5.

4. FEES AND FINANCIAL RESPONSIBILITY.

4.1. Existing Development Fees.

During the Term of this Agreement, City shall impose and Vested Party shall be required to pay only Existing Development Fees in connection with the use or Development of the Property and the processing of applications for Land Use Entitlements submitted by Vested Party. "Existing Development Fees" as defined in Section 1.11 do not include impact fees, exactions, assessments or fair share charges or other similar fees or charges imposed by other governmental entities regardless of whether the City is required to collect or assess such fees (e.g., school district impact fees pursuant to Government Code Section 65995). Existing Development Fees and the formulas for calculating such fees to be imposed on the Project are set forth in the Selected Analysis of Estimated Permit Fees Attachment No. 3, which is attached hereto and incorporated herein.

4.2. Deferred Development Impact Fees.

Notwithstanding the time for payment of development impact fees pursuant to the Existing Land Use Regulations and as identified in the Selected Analysis of Estimated Permit Fees (Attachment No. 3), payment of all development impact fees in connection with the Development shall be deferred and paid at the time a certificate of occupancy is issued for the Project. All development impact fees shall be calculated in accordance with the fee schedule in effect as of the Effective Date and set forth in Attachment No. 2.

4.3. Allocation of Project TIF.

In furtherance of the City's desire to incentivize sports related development, City agrees that all Traffic Impact Fees (TIF) paid by Vested Party in accordance with LEMC Section 16.74.040 for the Development of the Project shall be exclusively allocated by City to (a) reimburse Vested Party for any Project Related Improvements that qualify as eligible "traffic infrastructure" in an amount not exceeding Five Hundred Thousand Dollars (\$500,000), or (b) to fund eligible "traffic infrastructure" within the boundaries of the Diamond Specific Plan ~~or~~ the East Lake Specific Plan. For purposes of this paragraph, the term "traffic infrastructure" shall have the meaning as that term is defined in LEMC Section 16.74.020 within the TIF network as specified in the City's approved Traffic Fee Study related to TIF, as that study may be amended from time to time.

4.4. Financial Responsibility.

To ensure implementation of their shared understanding and intent as to the allocation of financial responsibility for the design, construction, and implementation of certain Project-Related Improvements, to wit, off-site improvements to Diamond Drive and in the vicinity of the intersection of Diamond Drive and Pete Lehr Drive, the Parties have agreed upon the inclusion in this Agreement of Attachment No. 4, incorporated by this reference herein. Notwithstanding the content of Attachment No. 4, the Parties note that (i) Vested Party shall bear the costs of designing those Project-Related Improvements identified in Attachment No. 4 as "City Financial Responsibility," and (ii) Attachment No. 4 shall not limit, to any extent or degree, the applicability of the Conditions of Approval reflected in Attachment No. 5 to the Project, or any duty of Vested Party reflected in the Conditions of Approval.

5. DURATION OF AGREEMENT.

5.1. Term.

This Agreement's "Term" shall be defined as follows. This Agreement shall become operative and commence upon the Effective Date. It shall remain in effect until seven (7) years from and after the Effective Date, unless this Agreement is terminated, modified, or extended upon mutual written consent of the Parties hereto or as otherwise provided in this Agreement. Following the expiration or termination of the Term hereof, this Agreement shall be deemed terminated and of no further force and effect; provided, such expiration or termination shall not automatically affect any right or duty of the City or the Vested Party arising from Land Use Entitlements relating to the Property approved or issued prior to the expiration or termination of the Term.

5.2. Timing of Development.

The City and the Vested Party acknowledge that the Vested Party cannot at this time accurately predict the time schedule within which Development of the Property will occur, if Development occurs at all. Therefore, Vested Party will have the right to pursue Development of the Property, if at all, at the rate and in the sequence deemed appropriate by the Vested Party within the exercise of its sound business judgment. Since the California Supreme Court held in Pardee Construction Co. v. City of Camarillo, 37 Cal.3d 465 (1984), that the failure of the parties therein to provide for the timing of development resulted in a later-adopted

initiative restricting the timing of development to prevail over such parties' agreement, it is the Parties' intent to cure that deficiency by acknowledging and providing that Vested Party shall have the right to develop the Property, if such development occurs, in such order, at such rate, and at such time as Vested Party deems appropriate within the exercise of its subjective business judgment. For purposes of this Agreement, completion of Development of the Property will mean the date on which a certificate of occupancy or comparable instrument issued by the City for the last improvement or structure constructed pursuant to this Agreement and the Existing Land Use Regulations. Upon expiration of this Agreement, unless the Parties mutually agree to extend this term, this Agreement will be deemed terminated and of no further force and effect.

5.3. Periodic Review.

The City will, in accordance with Government Code Section 65865.1, review this Agreement at least once every twelve (12) months from and after the Effective Date hereof in order to review the extent of the good faith substantial compliance by Vested Party with the terms and provisions of this Agreement and the performance of the City of its obligations under this Agreement. During each such periodic review, the City and the Vested Party will have the duty to demonstrate their good faith compliance as may be reasonably necessary, or required. The City's failure to review the Vested Party's compliance with this Agreement, at least annually, will not constitute or be asserted by either Party as a breach by the other Party.

6. OPERATING MEMORANDA AND AMENDMENTS.

6.1. Operating Memoranda.

The provisions of this Agreement require a close degree of cooperation between the City and the Vested Party. The Development of the Property may demonstrate that clarifications to this Agreement and the Existing Land Use Regulations are appropriate with respect to the details of performance of the City and the Vested Party. To the extent allowable by law, the Vested Party shall retain a certain degree of flexibility as provided herein with respect to all matters, items and provisions covered in general under this Agreement, except for those which relate to the (i) term; (ii) permitted uses; or (iii) density or intensity of use. When and if the Vested Party finds it necessary or appropriate to make changes, adjustments or clarifications to matters, items or provisions not enumerated in (i), (ii) or (iii) above, the Parties shall effectuate such changes, adjustments or clarifications through operating memoranda (the "Operating Memoranda") approved by the Parties in writing which reference this Section 6.1. Operating Memoranda are not intended to constitute an amendment to this Agreement but mere ministerial clarifications; therefore public notices and hearings shall not be required. The City Manager shall be authorized, upon consultation with, and approval of, the Vested Party, to determine whether a requested clarification may be effectuated pursuant to this Section or whether the requested clarification is of such character to constitute an amendment to this Agreement which requires compliance with the provisions of Section 6.2 below.

6.2. Amendment.

Subject to the notice and hearing requirements of the Government Code, this Agreement may be modified or amended from time to time only with the written consent of both the Vested Party and the City or their successors and assigns in accordance with the

provisions of the Lake Elsinore Municipal Code and Sections 65867 and 65868 of the Government Code.

7. COOPERATION AND COVENANT OF FURTHER ASSURANCES.

7.1. Third Party Actions.

Vested Party shall defend, at its expense, including costs and attorneys' fees, indemnify, and hold harmless City, its agents, officers, officials, commissions, councils, committees, boards and employees from any claim, action or proceeding against City, its agents, officers, officials, commissions, councils, committees, boards or employees to attack, set aside, void, or annul the approval of this Agreement, the validity of any provision of this Agreement, any breach hereunder, or any action taken or decision made hereunder, including the approval of any permit granted pursuant to this Agreement. City shall promptly notify Vested Party of any such claim, action or proceeding, and City shall cooperate in the defense. In any defense of City and/or Vested Party against such an action, Vested Party shall have the right to select legal counsel and any experts or consultants deemed necessary and appropriate by Vested Party, subject to City's approval which shall not be unreasonably withheld. In addition, any action instituted by any third party challenging this Agreement or any other permit or approval required from the City or any other governmental entity, for the Development of the Project, will constitute a permitted delay under Section 10. Notwithstanding the foregoing, the filing of any third party action against the City and/or the Vested Party with respect to this Agreement or any provision hereof will not be a reason to delay or stop the Development of the Property (including, without limitation, the processing of any application of the Vested Party with respect to the Property, the issuance of any building permit or the issuance of any certificate of occupancy) unless the third party obtains a court order preventing such activity. Vested Party's obligation to indemnify City hereunder shall survive any termination of this Agreement.

7.2. Further Assurances.

Each Party covenants on behalf of itself and its successors and assigns to take all actions and do all things, and to execute with acknowledgments or affidavits if required, any and all documents and writings that may be necessary or proper to achieve the purposes and objectives of this Agreement. Each Party will take all necessary measures to see that the provisions of this Agreement are carried out in full.

7.3. Covenant of Good Faith and Fair Dealing.

Except as may be required by law, neither Party will do anything which will have the effect of harming or injuring the right of the other Party to receive the benefits of this Agreement and each Party will refrain from doing anything which would render performance under this Agreement impossible or impractical. In addition, each Party will do everything which this Agreement describes that such Party will do.

8. PERMITTED DELAYS.

Any period of delay caused by acts of G-d; civil commotion; war; insurrection; riots; strikes; walk outs; picketing or other labor disputes; unavoidable shortages of materials or supplies; damages to work in progress by reason of fire, flood, earthquake or other casualty; litigation which prohibits or delays performance of the Agreement, including without limitation

actions addressed by Section 7.1; moratoria; judicial decisions; or any other cause which is not within the reasonable control of the Parties may extend the duration of the Agreement. Each Party will promptly notify the other Party of any delay hereunder as soon as possible after the same has been ascertained, and the term of this Agreement will be extended by the period of any such delay. Notwithstanding Section 13.3, any claim for delay must be presented within 30 days of knowledge of the cause of such delay or any entitlement to time extension will be deemed waived. Notwithstanding the foregoing, in no event shall Vested Party be entitled to a permitted delay due to an inability to obtain financing or proceed with development as a result of general market conditions, interest rates, or other similar circumstances that make development impossible, commercially impracticable, or infeasible.

9. ESTOPPEL CERTIFICATES.

Either Party may at any time, and from time to time, deliver written notice to the other Party, requesting that the other Party certify in writing to the knowledge of the certifying Party that: (a) this Agreement is in full force and effect and is a binding obligation of the certifying Party; (b) this Agreement has not been amended or modified, except as expressly identified; (c) no default in the performance of the requesting Party's obligations pursuant to Agreement exists, except as expressly identified. A Party receiving a request hereunder will execute and return the requested certificate within 30 days after receipt of the request.

10. RECORDATION BY CITY CLERK.

Pursuant to Government Code Section 65868.5, within 10 days after the Entry Date, the City Clerk will record a copy of the Agreement in the Records of the County Recorder.

11. DEFAULT.

11.1. Events of Default.

Subject to any written extension of time by mutual consent of the Parties, and subject to the provisions of Section 8 regarding permitted delays, the uncured failure of either Party to perform any material term or provision of this Agreement will constitute a default. On written notice to a Party of its failure of performance, such Party will have forty-five (45) days to cure such failure of performance; provided, however that if the nature of the failure of performance is such that it cannot be cured within such period, then the diligent prosecution to completion of the cure will be deemed to be cure within such period. Any notice of default given hereunder will be in writing and specify in detail the nature of the alleged default and the manner in which such default may be satisfactorily cured in accordance with this Agreement. During the time period herein be in writing and specified for the cure of a failure of performance, the Party charged with such failure of performance will not be considered to be in default for purposes of termination of this Agreement or for purposes of institution of legal proceedings with respect thereto and, if the Vested Party is the Party that has failed to perform, then the City will not be excused from its performance under this Agreement during that period.

11.2. Remedies.

Upon the occurrence of a default under this Agreement and the expiration of any applicable cure period, the non-defaulting Party will have such rights and remedies

against the defaulting Party as it may have at law or in equity including, without limitation, the right to terminate this Agreement.

11.3. No Waiver.

The failure by a Party to insist on the strict performance of any of the provisions of this Agreement by the other Party will not constitute a waiver of such Party's right to demand strict performance by such other Party in the future. All waivers must be in writing to be effective or binding on the waiving Party and no waiver will be implied from any omission by a Party to take action. No express written waiver of any default will affect any other default or cover any other period of time except that specified in such express waiver.

11.4. Effect of Termination.

Termination of this Agreement by one Party due to the default of the other Party will not affect any right or duty emanating from any then existing Land Use Entitlement or approvals with respect to the Property, but the rights and obligations of the Parties will otherwise cease as of the date of such termination. If the City terminates this Agreement because of a default of the Vested Party, then the City will retain any and all benefits including, without limitation, money or land received by the City hereunder. The obligations of Vested Party to indemnify City shall survive any termination of this Agreement.

12. INCORPORATION BY REFERENCE.

12.1. Recitals.

The Recitals in this Agreement are material and are incorporated herein by reference as though fully set forth herein.

12.2. Exhibits.

Any Exhibit to this Agreement is incorporated herein by reference as though fully set forth herein.

13. APPLICABLE LAW.

This Agreement will be construed and enforced in accordance with the laws of the State of California.

14. NO JOINT VENTURE, PARTNERSHIP OR THIRD PARTY BENEFICIARY.

The City and the Vested Party hereby renounce the existence of any form of joint venture or partnership between them and expressly agree that nothing contained herein or in any document executed in connection herewith will be construed as making the City and the Vested Party joint venturers or partners. It is understood that the contractual relationship between the City and the Vested Party is such that the Vested Party is an independent contractor and not an agent of the City. Furthermore, this Agreement is not intended or construed to create any third party beneficiary rights in any person who is not a party to this Agreement.

15. COVENANTS RUNNING WITH THE LAND.

All of the terms, provisions, covenants and obligations contained in this Agreement will be binding upon the Parties and their respective successors and assigns, and all other persons or entities acquiring all or any part of the Property, and will inure to the benefit of such Parties and their respective successors and assigns. All the provisions of this Agreement will be enforceable as equitable servitudes and constitute covenants running with the land pursuant to applicable law including, without limitation, California Civil Code Section 1468. Each covenant to or refrain from doing some act on the Property is expressly for the benefit of the Property and is a burden upon the Property, runs with the Property and is binding upon each Party and each successive Vested Party during its ownership of the Property or any part thereof, and will benefit each Party and its property hereunder, and each Party succeeding to an interest in the Property.

16. CONSISTENCY FINDING.

By approving and executing this Agreement, the City finds that its provisions are consistent with the City's General Plan and with the Diamond Specific Plan, and the City further finds and determines that execution of this Agreement is in the best interests of the public health, safety and general welfare of the City's present and future residents, property owners and taxpayers.

17. TERMS AND CONSTRUCTION.

17.1. Severability.

If any term, provision, covenant or condition of this Agreement is determined to be invalid, void or unenforceable by judgment or court order, then the remainder of this Agreement will remain in full force and effect, unless enforcement of this Agreement, as so invalidated, would be unreasonable or grossly inequitable under all the circumstances or would frustrate the stated purposes of this Agreement.

17.2. Entire Agreement.

This Agreement contains all the representations and constitutes the entire agreement between the City and the Vested Party as to each and all matters addressed herein. Any prior correspondence, memoranda, agreements, warranties or representations, whether written or oral, are superseded in total by this Agreement.

17.3. Signature Pages.

For convenience, the signatures of the Parties may be placed and acknowledged on separate pages and, when attached to this Agreement, will constitute this document as one complete Agreement.

17.4. Time.

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

17.5. Notices.

Any notice shall be in writing and given by delivering the same in person or by sending the same by registered, or certified mail, return receipt requested, with postage prepaid, by overnight delivery, or by facsimile to the respective mailing addresses, as follows:

If to City: City of Lake Elsinore
130 S. Main Street
Lake Elsinore, CA 92530
Attn: City Manager
Facsimile: (951) 674-2392

With a copy to: Leibold McClendon & Mann PC
9841 Irvine Center Drive, Suite 230
Irvine, CA 92618
Attention: Barbara Leibold
Facsimile: (949) 585-6305

If to Vested Party: LE Diamond ~~Sports Center~~Holdings, LLC
13974 Boquita Drive
Del Mar, CA 92014
Attn.: Gary Jacobs
Facsimile: (858) 481-3792

With a copy to: The Law Offices of Edward Z. Kotkin
250 El Camino Real, Suite 102
Tustin, CA 92780
Attn.: Edward Kotkin
Facsimile: (714) 384-4550

Either City or Vested Party may change its mailing address at any time by giving written notice of such change to the other in the manner provided herein at least ten (10) days prior to the date such change is effected. All notices under this Agreement shall be deemed given, received, made or communicated on the earlier of the date personal delivery is effected or on the delivery date or attempted delivery date shown on the return receipt, air bill or facsimile.

18. CONSENT OF OTHER PARTIES.

The Vested Party may, at its discretion, elect to have other holders of legal, equitable or beneficial interests in the Property or parts thereof, acknowledge and consent to the execution and recordation of this Agreement by executing an appropriate instrument therefor. It is understood by the Parties that the execution of such document by other holders of legal, equitable or beneficial interests in the Project is not a condition precedent to this Agreement.

19. ASSIGNMENT AND NOTICE.

19.1. Assignment (General)

The rights and obligations of Vested Party hereunder shall not be assigned or transferred, except that on thirty (30) days written notice to City, Vested Party, may assign all or a portion of Vested Party's rights and obligations thereunder to any person or persons, partnership or corporation who purchases all or a portion of Vested Party's right, title and interest in the Property, provided such assignee or grantee assumes in writing each and every obligation of Vested Party hereunder yet to be performed, and further provided that Vested Party obtains the consent of City to the assignment, which consent shall not be unreasonably withheld. Any assignment pursuant to this Section 19 shall relieve Vested Party, as assignor, of any and all rights and obligations hereunder in accord with the nature and scope of the assignment in question.

19.2. Requirements of Notice, Consent

Provided the Vested Party's thirty (30) day notice includes the assumption by the assignee or grantee, the consent of the City shall be deemed to occur upon the thirtieth (30th) day of the notice period unless within that period the City provides written notice withholding consent and explaining the reasons it is withholding consent. The notice to City shall include the identity of any such assignee and a copy of the written assumption of the assignor's obligations hereunder pertaining to the portion assigned or transferred. After such notice and the receipt of such consent, the assignor shall have no further obligations or liabilities hereunder.

19.3. Assignment to Affiliate as a Matter of Right

Notwithstanding anything in this Section 19 the Parties understand and agree that Vested Party shall be permitted as a matter of right to assign all or a portion of Vested Party's ~~its~~ rights and obligations hereunder to any Affiliate so long as Vested Party's right, title and interest in the ~~Property~~, or corresponding portion thereof, is transferred to such Affiliate prior to or concurrent with such assignment and such Affiliate assumes in writing each and every obligation of Vested Party hereunder as to the Property, or corresponding portion thereof, yet to be performed. City shall not have the authority to withhold consent to such an assignment pursuant to this Section 19.3.

20. ENCUMBRANCES AND RELEASES ON REAL PROPERTY.

20.1. Discretion to Encumber.

The Parties agree that this Agreement will not prevent or limit the Vested Party in any manner, at the Vested Party's sole discretion, from encumbering the Property, or any part of the same including, without limitation, improvement thereon, by any mortgage, deed of trust or other security device securing financing with respect to the Property or the Project. The City agrees that it will not unreasonably withhold its consent to any modification to this Agreement requested by a lender so long as the modification does not materially alter this Agreement to the detriment of the City.

20.2. Entitlement to Written Notice of Default.

Any lender of the Vested Party which has filed a written request with the City for notice of default of Vested Party will be entitled to receive written notification from the City of any uncured default by the Vested Party in the performance of the obligations of the Vested Party under this Agreement.

20.3. Property Subject to Pro Rata Claims.

Any mortgagee or beneficiary which comes into possession of the Property or any part thereof, pursuant to foreclosure of the mortgage or deed of trust, or deed in lieu of such foreclosure, will take the Property or part thereof, subject to (i) any pro rata claims for payments or charges against the Property or part thereof secured by such mortgage or deed of trust, which accrued prior to the time that such mortgagee or beneficiary comes into possession of the Property or part thereof; and (ii) the terms and conditions of the Agreement.

21. CONSTRUCTION, NUMBER AND GENDER.

This Agreement will be construed as a whole according to its common meaning and not strictly for or against either Party in order to achieve the objectives and purposes of the Parties hereunder. Whenever required by the context of this Agreement, the singular will include the plural and vice versa, and the masculine gender will include the feminine and neuter genders. In addition, “will” is the mandatory and “may” is the permissive.

22. INSTITUTION OF LEGAL ACTION.

In addition to any other rights or remedies, either Party may institute legal action to cure, correct or remedy any uncured default, to enforce any covenants or agreements herein, to enjoin any threatened or attempted violation thereof or obtain any remedies consistent with the purpose of this Agreement. In the event of any such legal action involving or arising out of this Agreement, the prevailing Party will be entitled to recover from the losing Party, reasonable litigation expenses, attorneys’ fees and costs incurred. The Parties acknowledge that if a breach of this Agreement by the City occurs, irreparable harm is likely to occur to the Vested Party and damages may be an inadequate remedy. Therefore, to the extent permitted by law, the Parties agree that specific enforcement of this Agreement by the Parties is an appropriate and available remedy, in addition to any and all other remedies which may be available to the Parties under law or at equity.

23. INDEMNIFICATION.

The Vested Party agrees to and will hold the City, its officers, agents, employees, officials, commissions, councils, committees, boards and representatives harmless from liability for damage or claims for damage for personal injury, including death and claims for property damage which may arise out of Vested Party’s negligence with respect to its direct or indirect activities with respect to the Project. Vested Party agrees to and will defend the City and its officers, agents, employees, officials, commissions, councils, committees, boards and representatives from actions for any damages caused by or alleged to have been caused by reasons of the Vested Party’s activities with respect to the Project. The obligation of Vested Party to indemnify the City hereunder shall survive any termination of this Agreement. In the event and course of any indemnification by Vested Party pursuant to this Section 23, Vested

Party shall have the right to select legal counsel and any experts or consultants deemed necessary and appropriate by Vested Party subject to City's approval which shall not be unreasonably withheld. This "hold harmless" agreement applies to all damages and claims for damages suffered or alleged to have been suffered by reason of the activities of Vested Party.

24. RIGHT OF ENTRY/ENCROACHMENT PERMITS.

It may be that entry on property adjacent to the Property will be required in order for Vested Party to complete the Development of the Project. City shall cooperate with Vested Party in any effort to obtain any required right of entry or encroachment permits. Vested Party shall reimburse City for any legal or other expense incurred by City in City's performance under this Section 25.

25. PROCESSING OF APPLICATIONS AND PERMITS.

City will accept and process the any and all applications for Land Use Entitlements on as expedited a basis as may prove practicable, with each Party using its best and good faith efforts to achieve this result. Vested Party may request that City utilize private contract planners, plan checkers or inspectors and any other available means to expedite the processing of the applications for Land Use Entitlements hereunder, including concurrent processing of such applications by various City departments. Vested Party shall reimburse City, on a deposit-based cost recovery system, for all costs of processing Land Use Entitlements by City staff and/or private contractors.

26. FINANCING OF IMPROVEMENTS.

26.1. Potential Improvements Financing District.

Upon request by Vested Party, City shall commence its best efforts to form a capital improvements financing district to assist Vested Party in funding the Development of the Project to the maximum extent necessary, including without limitation the Development of any and all Project-Related Improvements and City development impact fees (e.g., TIF, Fire, Parks, City Hall, etc.) that can reasonably be included within said district in conformance with the Diamond Specific Plan and applicable laws; provided, however, that permit fees and MSHCP fees cannot be financed and TUMF fees can be financed only through the Western Riverside Council of Governments (WRCOG).

26.2. Maintenance Financing District.

In accordance with Condition 172 of the Conditions of Approval (Attachment No. 5), prior to the issuance of the first building permit, the Vested Party shall consent to the formation of Community Facilities District or annex into the proposed Community Facilities District No. 2015-2 (Maintenance Services) to fund the on-going operation and maintenance of the public right of way landscaped areas and neighborhood parks to be maintained by the City and for street lights in the public right of way for which the City will pay for electricity and a maintenance fee to Southern California Edison, including parkways, open space and public storm drains constructed within the development and federal NPDES requirements to offset the annual negative fiscal impacts of the project. Vested Party shall, make a ten thousand dollar (\$10,000) non-refundable deposit to cover the cost of the formation or annexation process, as applicable.

SIGNATURE PAGE FOLLOWS

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IN WITNESS WHEREOF, City and Vested Party have executed this Agreement as of the date first hereinabove written.

“CITY”

CITY OF LAKE ELSINORE,
a municipal corporation

By: _____
Robert E. Magee, Mayor

ATTEST:

By: _____
Susan M. Domen, City Clerk

APPROVED AS TO FORM:

By: _____
Barbara Leibold, Esq.,
City Attorney

“VESTED PARTY”

LE DIAMOND ~~SPORTS CENTER~~HOLDINGS,
LLC
a California limited liability company

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM:

THE LAW OFFICES OF EDWARD Z. KOTKIN

By: _____

Edward Z. Kotkin, Esq.

STATE OF CALIFORNIA)
)
) §
County of _____)

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

Signature of Notary

EZK REDLINE - LE DIAMOND HOLDINGS DA – 020617

STATE OF CALIFORNIA)
)
) §
County of _____)

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

Signature of Notary

EZK REDLINE - LE DIAMOND HOLDINGS DA – 020617

STATE OF CALIFORNIA)
)
) §
County of _____)

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

Signature of Notary

EZK REDLINE - LE DIAMOND HOLDINGS DA – 020617

ATTACHMENT NO. 1

PROPERTY LEGAL DESCRIPTION

Real property in the City of Lake Elsinore, County of Riverside, State of California, described as follows:

PARCEL A:

LOT 1, BLOCK 6 OF HEALDS FIRST ADDITION TO ELSINORE, IN THE CITY OF LAKE ELSINORE, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 6, PAGE 308 AND IN BOOK 4, PAGE 205 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, CALIFORNIA.

EXCEPTING THEREFROM THAT PORTION DESCRIBED AS FOLLOWS:

THE NORTHERLY 60 FEET AND THAT PORTION LYING EASTERLY OF THE SOUTHERLY PROLONGATION OF THE WESTERLY RIGHT OF WAY LINE OF DIAMOND DRIVE, FORMERLY KNOWN AS KUHN'S STREET (60 FEET WIDE) AS SHOWN ON SAID HEALDS FIRST ADDITION TO ELSINORE; SAID SOUTHERLY PROLONGATION TERMINATING AT THE SOUTHERLY LINE OF SAID LOT 1, BLOCK 6 OF SAID HEALDS FIRST ADDITION TO ELSINORE.

SAID LEGAL DESCRIPTION IS PURSUANT TO CERTIFICATE OF COMPLIANCE RECORDED JULY 28, 1980 AS INSTRUMENT NO. 135636 OF OFFICIAL RECORDS OF SAID COUNTY.

PARCEL B:

THE NORTHERLY 60 FEET OF LOT 1, BLOCK 6 OF HEALDS FIRST ADDITION TO ELSINORE, IN THE CITY OF LAKE ELSINORE, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 6, PAGE 308 AND IN BOOK 4, PAGE 205 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, CALIFORNIA.

PARCEL C:

LOTS 2, 3 AND 4 AND THE SOUTHERLY 10 FEET OF LOT 5, BLOCK 6 OF HEALDS FIRST ADDITION TO ELSINORE, IN THE CITY OF LAKE ELSINORE, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 6, PAGE 308 AND IN BOOK 4, PAGE 205 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, CALIFORNIA.

SAID LEGAL DESCRIPTION IS PURSUANT TO CERTIFICATE OF COMPLIANCE RECORDED JULY 28, 1980 AS INSTRUMENT NO. 135636 OF OFFICIAL RECORDS OF SAID COUNTY.

PARCEL D:

LOT 6 AND THE SOUTHERLY 50 FEET OF LOT 7 AND THE NORTHERLY 40 FEET OF LOT 5, BLOCK 6 OF HEALDS FIRST ADDITION TO ELSINORE, IN THE CITY OF LAKE ELSINORE, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 6, PAGE 308 AND IN BOOK 4, PAGE 205 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, CALIFORNIA.

SAID LEGAL DESCRIPTION IS PURSUANT TO CERTIFICATE OF COMPLIANCE RECORDED JULY 28, 1980 AS INSTRUMENT NO. 135636 OF OFFICIAL RECORDS OF SAID COUNTY.

PARCEL E:

LOTS 8 AND 9 AND THE SOUTHERLY 30 FEET OF LOT 10 AND THE NORTHERLY 10 FEET OF LOT 7, BLOCK 6 OF HEALDS FIRST ADDITION TO ELSINORE, IN THE CITY OF LAKE ELSINORE, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 6, PAGE 308 AND IN BOOK 4, PAGE 205 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, CALIFORNIA.

SAID LEGAL DESCRIPTION IS PURSUANT TO CERTIFICATE OF COMPLIANCE RECORDED JULY 28, 1980 AS INSTRUMENT NO. 135636 OF OFFICIAL RECORDS OF SAID COUNTY.

PARCEL F:

LOTS 11 AND 12 AND THE SOUTHERLY 2 FEET OF LOT 13 AND THE NORTHERLY 20 FEET OF LOT 10, BLOCK 6 OF HEALDS FIRST ADDITION TO ELSINORE, IN THE CITY OF LAKE ELSINORE, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 6, PAGE 308 AND IN BOOK 4, PAGE 205 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, CALIFORNIA.

SAID LEGAL DESCRIPTION IS PURSUANT TO CERTIFICATE OF COMPLIANCE RECORDED JULY 28, 1980 AS INSTRUMENT NO. 135636 OF OFFICIAL RECORDS OF SAID COUNTY.

PARCEL G:

LOTS 14 AND 15 AND THE NORTHERLY 40 FEET OF LOT 13, BLOCK 6 OF HEALDS FIRST ADDITION TO ELSINORE, IN THE CITY OF LAKE ELSINORE, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 6, PAGE 308 AND IN BOOK 4, PAGE 205 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY; CALIFORNIA.

SAID LEGAL DESCRIPTION IS PURSUANT TO CERTIFICATE OF COMPLIANCE RECORDED JULY 28, 1980 AS INSTRUMENT NO. 135636 OF OFFICIAL RECORDS OF SAID COUNTY.

PARCEL H:

LOTS 16 AND 17, BLOCK 6 OF HEALDS FIRST ADDITION TO ELSINORE, IN THE CITY OF LAKE ELSINORE, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 6, PAGE 308 AND IN BOOK 4, PAGE 205 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, CALIFORNIA.

PARCEL J:

PARCEL 1 OF PARCEL MAP 27852, IN THE CITY OF LAKE ELSINORE, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 182, PAGES 19 THROUGH 24, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ATTACHMENT NO. 2

TITLE REPORT EXHIBIT LAND OWNERSHIP

(ATTACHED)

ATTACHMENT NO. 3

SELECTED ANALYSIS OF ESTIMATED PERMIT FEES

(ATTACHED)

ATTACHMENT NO. 4
FINANCIAL RESPONSIBILITY
(ATTACHED)

ATTACHMENT NO. 5
CONDITIONS OF APPROVAL
(ATTACHED)