

MODIFICATION NO. 6

TO

DISPOSITION AND DEVELOPMENT AGREEMENT

THIS MODIFICATION NO. 6 ("Modification No. 6") is entered into by and between the Indian Wells Redevelopment Agency, a public body, corporate and politic (the "Agency"), and Jerson Investments, LLC, an Illinois limited liability company (the "Developer"). (The effective date of this Modification No. 6 shall be the date it is executed by the Agency.)

RECITALS

A. On May 6, 2004, Agency and the Developer entered into a Disposition and Development Agreement (the "Agreement" or the "DDA") relating to certain real property located in the City of Indian Wells. On or about August 17, 2004, Agency and Developer entered into Proposed Modification to the Agreement ("Modification No. 1"). On or about October 6, 2004, the Agency and the Developer entered into Proposed Modification No. 2 to the Agreement ("Modification No. 2"). On or about July 21, 2005, the Agency and the Developer entered into Modification No. 3 to Disposition and Development Agreement ("Modification No. 3"). On or about May 9, 2006, the Agency and the Developer entered into Modification No. 4 to Disposition and Development Agreement ("Modification No. 4"). On or about June 25, 2007, the Agency and the Developer entered into Modification No. 5 to Disposition and Development Agreement ("Modification No. 5"). The Agreement and Modification Nos. 1 through 5 are incorporated herein by reference as though set forth in full, and, unless otherwise provided or indicated, all defined terms in those documents shall have the same meanings in this Modification No. 6.

B. By this Modification No. 6, the parties desire to modify the Agreement (as previously modified), as provided herein.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Escrow Closings - Repurchase of Condo-Hotel Property. Section 7.A(ii) of Modification No. 5 is hereby replaced with the following:

“(ii) Repurchase Agreement. In the event Developer has not commenced substantial construction of improvements on the Condo-Hotel Property pursuant to building permits properly issued by the City within sixty (60) months after closing, the City will have the right to buy (and the Developer will have the obligation to sell) the Condo-Hotel Property, and the Developer will have the right to sell (and the City will have the obligation to buy) the Condo-Hotel Property for the same Four Million Three Hundred Ninety One Thousand Two Hundred Forty Four Dollar (\$4,391,244) all cash price referenced in Section 7(A)(i) above (without any interest accrual). For purposes of the preceding sentence, “substantial construction of

improvements” means that construction of footings and foundations for principal project structures has been commenced and is being actively pursued. In order to exercise the rights to sell and/or purchase as described above, the party desiring to do so must deliver written notice thereof to the other party within thirty (30) days immediately following expiration of the sixty (60) month period. An escrow will then be established through the same escrow company through which the Condo-Hotel Property was initially conveyed to Developer. Title will be conveyed to the City free and clear of all liens and encumbrances other than (a) current, non-delinquent real property taxes and assessments (which will be prorated through escrow); and (b) those title exceptions that encumbered the Condo-Hotel Property upon its conveyance to Developer. Developer will pay for and provide (through the same title company that insured Developer’s acquisition of the Condo-Hotel Property) a title insurance policy in the full amount of the purchase price, insuring such status of title in favor of the City. Escrow will close not later than thirty (30) days following delivery of such written notice. Costs of escrow will be allocated between the parties in accordance with standard practices for escrows closing in Riverside County, California. (Consent of Miles Lodge, L.L.C. is attached.)”

2. Escrow Closings - Commercial Property. Section 7.B of Modification No. 5 is hereby replaced with the following:

“B. Commercial Property. With respect to Planning Area 1 as shown on the Specific Plan approved by the City, the following will apply:

(i) Phase 1 Commercial Property. Escrow with respect to the property depicted and legally described on **Exhibit “A”** attached (“Phase 1 Commercial Property”) will close no later than February 29, 2008, for a purchase price of \$2,317,406, to be paid either all cash or in the form of a promissory note secured by deed of trust and approved in form and substance by the City Attorney. At closing, title to the Phase 1 Commercial Property will be taken in the name of Miles Crossing Retail, L.L.C. (as referenced in Modification No. 5 and hereinafter sometimes referred to as the “Phase 1 Transferee). (Consent of Miles Crossing Retail, L.L.C. as the Phase 1 Transferee is attached.)”

(ii) Phase 2 Commercial Property. Escrow with respect to the property depicted and legally described on **Exhibit “B”** attached (“Phase 2 Commercial Property”) will close no later than February 29, 2008, for a purchase price of \$2,024,233, to be paid either all cash or in the form of a promissory note secured by deed of trust and approved in form and substance by the City Attorney. At closing, title to the Phase 2 Commercial Property will be taken in the name of Miles Crossing Retail, L.L.C. (hereinafter sometimes referred to as the “Phase 2 Transferee) (Consent of Miles Crossing Retail, L.L.C. as the Phase 2 Transferee is attached.)”

(iii) Form of Notes and Deeds of Trust. If applicable, the promissory notes and deeds of trust referenced in Sections 2.B(i) and 2.B(ii) above shall be in form and substance and approved by the City Attorney as set forth on **Exhibit “C”** and **“D”**, respectively, attached.

(iv) CVWD Whitewater Channel Properties.

(a) CVWD Fee Channel Property. Substantially concurrently with the closings of the Phase 1 and Phase 2 Commercial Property, Agency (or City) shall convey by grant deed to Developer (Jerson Investments, LLC), free and clear of any monetary encumbrances, fee title to the property depicted and legally described on **Exhibit "E"** attached (which will become part of the Whitewater Channel), and concurrently therewith or as soon thereafter as CVWD approval is obtained, Developer shall convey such property to CVWD. (Note: Consideration for the Exhibit "E" property is included in the cost of the Phase 1 and/or Phase 2 Commercial Property.)

(b) CVWD Lissoy Channel Property. Concurrently with the earlier of the closings of the Phase 1 and Phase 2 Commercial Property, Agency shall (i) acquire from City and convey by assignment to Developer all rights to possessory use and control (as referenced in Section 5 of Modification No. 3) of the property depicted and legally described on **Exhibit "F"** attached (which will become part of the Whitewater Channel), and (ii) acquire from City and convey by grant deed to Developer, free and clear of any monetary encumbrances, fee title to the undivided interests then held by City (as referenced in Section 5 of Modification No. 3), and concurrently therewith or as soon thereafter as CVWD approval is obtained, Developer shall (x) assign such rights to possessory use and control to CVWD, and (y) convey such then held undivided interests to CVWD. In addition, from time to time in the future, as the City acquires undivided interests (as referenced in Section 5 of Modification No. 3), Agency shall promptly acquire same from City and similarly convey same to Developer (or its authorized successor), and Developer (or its authorized successor) shall promptly convey same to CVWD. (Note: Consideration for the Exhibit "F" property is included in the cost of the Phase 1 and/or Phase 2 Commercial Property.)

(v) Lissoy Commercial Properties.

(a) Lissoy Phase 1 Commercial Property. Concurrently with the earlier of the closings of the Phase 1 and Phase 2 Commercial Property, Agency and/or City shall (i) acquire and convey by assignment to the Phase 1 Transferee, all rights to possessory use and control (as referenced in Section 5 of Modification No. 3) of the property depicted and legally described on **Exhibit "G"** attached (which will become part of the Phase 1 Commercial Property), and (ii) acquire and convey by grant deed to the Phase 1 Transferee, free and clear of any monetary encumbrances, fee title to the undivided interests then held by City (as referenced in Section 5 of Modification No. 3). In addition, from time to time in the future, as the City acquires undivided interests (per Section 5 of Modification No. 3), Agency shall promptly acquire same from City and similarly convey same to the Phase 1 Transferee (or its authorized successor). (Note: Consideration for the Exhibit "G" property is included in the cost of the Phase 1 and/or Phase 2 Commercial Property. The Transferee shall pay all escrow, closing, title insurance and other incidental costs incurred in connection with the above referenced assignments and grant deeds.)

(b) Lisoy Phase 2 Commercial Property. Concurrently with the earlier of the closings of the Phase 1 and Phase 2 Commercial Property, Agency and/or City shall (i) acquire and convey by assignment to the Phase 2 Transferee all rights to possessory use and control (as referenced in Section 5 of Modification No. 3) of the property depicted and legally described on **Exhibit "H"** attached (which will become part of the Phase 2 Commercial Property), and (ii) convey by grant deed to the Phase 2 Transferee, free and clear of any monetary encumbrances, fee title to the undivided interests then held by City (as referenced in Section 5 of Modification No. 3). In addition, from time to time in the future, as the City and/or Agency acquires undivided interests (per Section 5 of Modification No. 3), Agency and/or City shall promptly acquire same from City and/or Agency and similarly convey same to the Phase 2 Transferee (or its authorized successor). (Note: Consideration for the Exhibit "H" property is included in the cost of the Phase 1 and/or Phase 2 Commercial Property. The Transferee shall pay all escrow, closing, title insurance and other incidental costs incurred in connection with the above referenced assignments and grant deeds.)

(vi) Certificates of Compliance. If requested by Developer, the Phase 1 Transferee, Phase 2 Transferee, or a title insurance company, at closing with respect to the Phase 1 or Phase 2 Commercial Property or any property referenced on Exhibit C, D, E and/or F attached hereto, Agency and/or City shall cause City to issue a Certificate of Compliance certifying the legal existence of thereof.

(vii) Form of Assignments and Grant Deeds. The assignments and grant deeds referenced in Sections 2.B(iv)(b), 2.B(v)(a) and 2.B(v)(b) above shall be in form and substance as set forth on **Exhibit "I"** and **"J"**, respectively, attached.

3. Bifurcation of Rights and Obligations. Section 627 is hereby added to the DDA to read as follows:

"Bifurcation of Rights and Obligations. In recognition of the fact that the Site will be divided into four discrete properties (i.e., the Condo-Hotel Property, the Phase 1 Commercial Property, the Phase 2 Commercial Property, and the Residential Property), and that each property will be conveyed to and acquired by a separate legal entity (i.e., Miles Lodge, L.L.C., the Phase 1 Transferee, the Phase 2 Transferee, and Miles Accent Homes, L.L.C., respectively), it is understood and agreed that rights and obligations under the DDA (as modified) running to and from the Agency and to and from the Developer shall be bifurcated so that Miles Lodge, L.L.C. shall be responsible only for (and have rights only with respect to) matters pertaining to the Condo-Hotel Property, the Phase 1 Transferee shall be responsible only for (and have rights only with respect to) matters pertaining to the Phase 1 Commercial Property, the Phase 2 Transferee shall be responsible only for (and have rights only with respect to) matters pertaining to the Phase 2 Commercial Property, and Miles Accent Homes, L.L.C. shall be responsible only for (and have rights only with respect to) matters pertaining to the Residential Property. Thus, by way of illustration only, if there is a claim of *default* by the Agency with respect to performance by Miles Lodge, L.L.C. and/or development of the Condo-Hotel Property, such claim shall be pursued only against Miles Lodge, L.L.C. and/or the Condo-Hotel Property, and shall not in any way affect any of the other legal entities or properties. It is understood and

agreed that matters in the DDA (as modified) of general applicability, including, without limitation, *General Provisions* under Article 600, shall continue to effective, applicable and enforceable, but in a bifurcated manner as contemplated above. Thus, by way of illustration only, to the extent that Section 309 of the DDA requires performance and payment bonds, Miles Lodge, L.L.C. shall post any bonds applicable to the Condo-Hotel Property. It is also understood and agreed that with respect to *entitlements* granted by the City, those that relate to the Condo-Hotel Property will be assigned to Miles Lodge, L.L.C., those that relate to the Phase 1 Commercial Property will be assigned to the Phase 1 Transferee, those that relate to the Phase 2 Commercial Property will be assigned to the Phase 2 Transferee, and those that relate to the Residential Property will be assigned to Miles Accent Homes, L.L.C. It is also understood and agreed that with respect to *Conditions of Approval* and Developer Improvements pertaining to entitlements granted and permits issued by the City, those that relate to the Condo-Hotel Property will be performed by Miles Lodge, L.L.C., those that relate to the Phase 1 Commercial Property will be performed by the Phase 1 Transferee, those that relate to the Phase 2 Commercial Property will be performed by the Phase 2 Transferee, and those that relate to the Residential Property will be performed by Miles Accent Homes, L.L.C. *Anything* herein to the contrary notwithstanding (but generally consistent with the above and subject to Section 4 of Modification No. 4 and Section 4 of Modification No. 5), it is understood and agreed, as between developers of various portions of the Project, as follows: (i) improvements to Highway 111 abutting and south of the Phase 1 Commercial Property shall be paid for solely by the Phase 1 Transferee; (ii) improvements to Highway 111 abutting and south of the Phase 2 Commercial Property shall be paid for solely by the Phase 2 Transferee; (iii) improvements to Highway 111 south of the Condo-Hotel Property shall be paid for solely by Miles Lodge, L.L.C.; (iv) improvements at the intersection of Highway 111 and Miles Avenue and improvements to Miles Avenue between the Phase 1 Commercial Property and the Condo-Hotel Property (and in the Whitewater Channel) shall be shared, prorata based on built-out traffic generation models, by the Phase 1 Transferee, the Phase 2 Transferee and Miles Lodge, L.L.C. (or their respective authorized successors in interest as applicable), or in any other manner as they otherwise agree; (v) improvements to Miles Avenue north of the Whitewater Channel and the Residential Property shall be paid for solely by Miles Accent Homes, L.L.C. (Consents with respect to Section 627 of the DDA are attached.) Regardless of which entity holds title or is responsible for improvements, the following shall apply: All public improvements within the Highway 111 right of way south of Phases 1 and 2 of the Commercial Property (and all intersection improvements at the Manitou/Miles/Highway 111 intersection) shall be built concurrently; all public improvements within the Highway 111 right of way south of the Condo-Hotel Property shall be built concurrently; all public improvements within the Miles Avenue right of way south of the Whitewater Channel shall be built concurrently; and all public improvements within the Miles Avenue right of way north of the Whitewater Channel shall be built concurrently. The division or responsibility or funding source of any entity as referenced above is not to be concern to Agency or City, and the objective shall at all times be to achieve seamless construction in accordance with the above concepts.

4. Modification of Attachment "8". Consistent with the bifurcation provisions set forth in Section 627 referenced above, *Attachment "8" to the DDA* (the Schedule of Performance), as previously modified in Modification No. 5, is hereby replaced in its entirety by revised

Attachment "8" affixed to this Modification No. 6 which separates the Developer obligations among the Commercial Property, Condo Hotel Property and Residential Property. (Note: Close of Escrow with respect to the Residential Property shall be on or before December 31, 2008.)

5. Status of Conditions of Closing.

Section 205.1 - Agency's Conditions of Closing. With respect to Section 205.1 of the DDA (as modified), it is acknowledged and agreed as follows:

- a. As of the date of this Modification No. 6, Developer is not in default of any of its obligations under the DDA (as modified).
- b. Execution of Closing documents by Developer shall be done at or about the time of Close of Escrow.
- c. Payment of Closing costs by Developer shall be done at or about the time of Close of Escrow.
- d. The Planning Commission has made the consistency filing in accordance with Government Code Section 65402.
- e. Performance and payment bonds shall be posted at the time of obtaining permits for each of the Developer Improvements.
- f. Agency and/or City has acquired fee title to the City Parcels, or will at or prior to Closing, acquire fee title as referenced in this Modification No. 6.
- g. There is no litigation or other challenge pending which may affect the DDA (as modified) or the ability of the Agency or the City to fulfill obligations or functions under or as described in the DDA (as modified).
- h. The Agency has approved in writing a coordinated plan of development for the Site.

Section 205.2 - Developer's Conditions of Closing. With respect to Section 205.2 of the DDA (as modified), it is acknowledged and agreed as follows:

- a. As of the date of this Modification No. 6, Agency is not in default of any of its obligations under the DDA (as modified).
- b. Execution of Closing documents by Agency shall be done at or about the time of Close of Escrow.
- c. As of the effective date of this Modification No. 6, Developer has approved the condition of title of the Site.

d. As of the effective date of this Modification No. 6, the Title Company has committed to issue the Title Policy for the Site at the Closing.

e. As of the effective date of this Modification No. 6, Developer has approved the environmental condition of the Site, has found that the Site is suitable for Developer's intended use, and has not elected to cancel Escrow or terminate the DDA.

f. Developer has received all land use approvals and permits contemplated by Section 303 of the DDA (as modified), with the exception of architectural approvals and issuance of building permits for public and private improvements.

g. The Agency and/or City has removed or released any deeds of trust or other non-statutory monetary liens on the Site.

6. Status of Representations and Warranties.

Section 206.1 - Agency Representations. As of the effective date of this Modification No. 6, representations of Agency are substantially the same as those set forth in Section 206.1 of the DDA (as modified).

Section 206.2 - Developer's Representations. As of the effective date of this Modification No. 6, representations of Developer are substantially the same as those set forth in Section 206.1 of the DDA (as modified).

7. Synopsis of Modified DDA Attached. Attached hereto is a Synopsis of DDA as Modified by Modifications Nos. 1 - 6. The Synopsis attempts to set forth the current status of DDA provisions and modifications thereto. To the extent provisions of the original DDA remain unmodified, such status is indicated by a "no change" notation in the Synopsis. Additional comments and/or paraphrased summaries are set forth in the Synopsis in an effort to further clarity and understanding. In the event of any inconsistency between the Synopsis and the DDA (as modified), the DDA (as modified) shall control.

8. Attachments. All Exhibits and Attachments affixed to this Modification No. 6 are incorporated herein by reference as though set forth in full.

9. Effect of Modification. This Modification No. 6 shall amend and supercede the original DDA (and Modification Nos. 1, 2, 3, 4 and 5) to the extent provided herein and to the extent of any inconsistency between this Modification No. 6 and the original DDA (and Modification Nos. 1, 2, 3, 4, and 5); provided, however, the original DDA (as modified by Modifications Nos. 1, 2, 3, 4 and 5) shall otherwise remain in full force and effect as originally written.

IN WITNESS WHEREOF, the Agency and the Developer have signed this Modification No. 6 on the respective dates set forth below.

INDIAN WELLS REDEVELOPMENT AGENCY

Dated: January 29, 2008

By: Mary Roche
Mary Roche, Chairperson

ATTEST


Greg Johnson, Agency Secretary

APPROVED AS TO FORM:

Stephen P. Deitsch
Stephen P. Deitsch, Agency Counsel

Dated: 2/13, 2008

DEVELOPER:

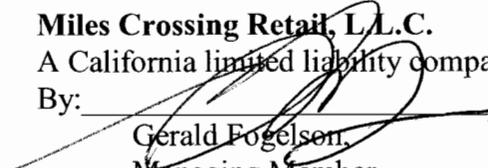
Jerson Investments, L.L.C.
An Illinois limited liability company

By: Gerald Fogelson
Gerald Fogelson, Managing Member

CONSENT, AGREEMENT AND ASSUMPTION:

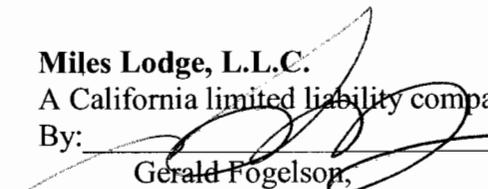
By signature below, **Miles Crossing Retail, L.L.C.**, consents and agrees to the terms and provisions of Modification No. 6, including, without limitation, new Section 627 of the DDA (as modified), and, with respect to said Section 627, assumes responsibility for full performance of (and shall have rights only with respect to) matters pertaining to the Phase 1 and 2 Commercial Property, with the understanding and agreement that such assumption does not in any way serve to relieve Jerson Investments, LLC, from primary responsibility for its obligations under the DDA, as modified.

Dated: 2/13, 2008

Miles Crossing Retail, L.L.C.
A California limited liability company
By: 
Gerald Fogelson,
Managing Member

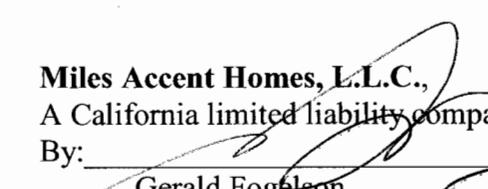
By signature below, **Miles Lodge, L.L.C.**, consents and agrees to the terms and provisions of Section 627 referenced above, and assumes responsibility for full performance of (and shall have rights only with respect to) matters pertaining to the Condo-Hotel Property, with the understanding and agreement that such assumption does not in any way serve to relieve Jerson Investments, LLC, from primary responsibility for its obligations under the DDA, as modified.

Dated: 2/13, 2008

Miles Lodge, L.L.C.
A California limited liability company
By: 
Gerald Fogelson,
Managing Member

By signature below, **Miles Accent Homes, L.L.C.**, consents and agrees to the terms and provisions of Section 627 referenced above, and assumes responsibility for full performance of (and shall have rights only with respect to) matters pertaining to the Residential Property, with the understanding and agreement that such assumption does not in any way serve to relieve Jerson Investments, LLC, from primary responsibility for its obligations under the DDA, as modified.

Dated: 2/13, 2008

Miles Accent Homes, L.L.C.,
A California limited liability company
By: 
Gerald Fogelson,
Managing Member

NOTARIES ARE ATTACHED.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Riverside }

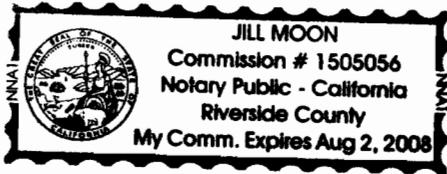
On February 25, 2008 before me, Jill Moon, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Mary Roche
Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.



Place Notary Seal Above

Signature Jill Moon
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: Disposition and Development Agreement

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

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

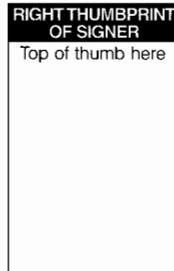
Signer Is Representing: _____



Signer's Name: _____

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

Signer Is Representing: _____



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Riverside }

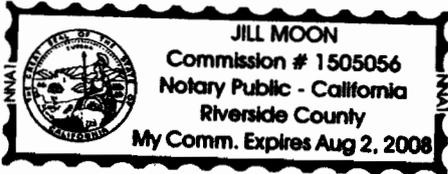
On February 25, 2008 before me, Jill Moon, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Breg Johnson
Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.



Place Notary Seal Above

Signature Jill Moon
Signature of Notary Public

OPTIONAL

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Description of Attached Document

Title or Type of Document: Disposition and Development Agreement

Document Date: _____ Number of Pages: _____

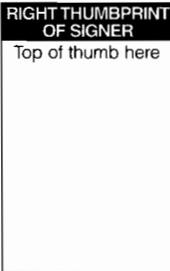
Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

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

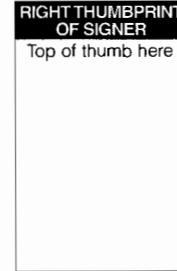
Signer Is Representing: _____



Signer's Name: _____

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

Signer Is Representing: _____



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Riverside }

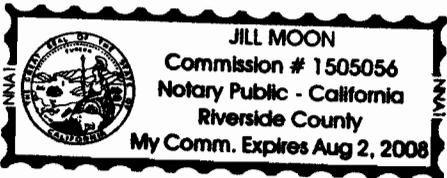
On February 13, 2008 before me, Jill Moon, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Gerald Fogelson
Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.



Place Notary Seal Above

Signature Jill Moon
Signature of Notary Public

OPTIONAL

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Signer's Name: _____

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

Signer Is Representing: _____



Signer's Name: _____

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

Signer Is Representing: _____

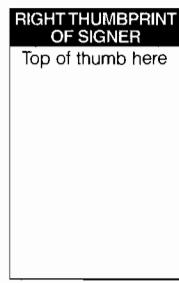


EXHIBIT "A"

DEPICTION AND LEGAL DESCRIPTION OF PHASE 1 COMMERCIAL PROPERTY

EXHIBIT "A"
LEGAL DESCRIPTION

PHASE 1:

IN THE CITY OF INDIAN WELLS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, THAT PORTION OF SECTION 24, TOWNSHIP 5 SOUTH, RANGE 6 EAST, S.B.M., MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE CENTER OF SAID SECTION 24 AS SHOWN ON RECORD OF SURVEY ON FILE IN BOOK 94, AT PAGES 27 THROUGH 40, INCLUSIVE, OF RECORDS OF SURVEY, RIVERSIDE COUNTY RECORDS;

THENCE SOUTH 00°07'12" EAST ALONG THE NORTH/SOUTH CENTER SECTION LINE A DISTANCE OF 134.67 FEET TO THE **TRUE POINT OF THE BEGINNING**;

THENCE SOUTH 72°30'21" EAST A DISTANCE OF 15.74 FEET TO A LINE PARALLEL WITH AND 15.00 FEET EASTERLY OF THE NORTH/SOUTH CENTER SECTION LINE OF SAID SECTION 24;

THENCE SOUTH 00°07'12" EAST ALONG SAID PARALLEL LINE A DISTANCE OF 122.07 FEET TO THE SOUTHERLY LINE OF THE PARCEL OF LAND DESCRIBED IN GRANT OF EASEMENT TO THE COACHELLA VALLEY WATER DISTRICT RECORDED DECEMBER 28, 1962 AS INSTRUMENT NO. 120089, RIVERSIDE COUNTY RECORDS;

THENCE SOUTH 74°02'26" EAST ALONG SAID SOUTHERLY LINE A DISTANCE OF 272.16 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE SOUTHERLY, HAVING A RADIUS OF 4,000.00 FEET;

THENCE CONTINUING EASTERLY ALONG SAID SOUTHERLY LINE AND ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 02°04'26", AN ARC DISTANCE OF 144.78 FEET;

THENCE LEAVING SAID SOUTHERLY LINE SOUTH 21°08'28" WEST A DISTANCE OF 45.98 FEET;

THENCE SOUTH 21°02'39" WEST A DISTANCE OF 25.60 FEET;

THENCE SOUTH 23°12'41" WEST A DISTANCE OF 19.00 FEET;

THENCE NORTH 57°16'00" WEST A DISTANCE OF 13.93 FEET;

THENCE NORTH 65°10'11" WEST A DISTANCE OF 38.65 FEET;

THENCE NORTH 68°01'06" WEST A DISTANCE OF 10.54 FEET;

EXHIBIT "A"
LEGAL DESCRIPTION

THENCE SOUTH 24°17'28" WEST A DISTANCE OF 28.54 FEET;

THENCE SOUTH 23°28'58" WEST A DISTANCE OF 11.50 FEET TO THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE WESTERLY, HAVING A RADIUS OF 3.00 FEET, A RADIAL LINE PASSING THROUGH SAID POINT BEARS NORTH 23°28'58" EAST;

THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 97°11'25", AN ARC DISTANCE OF 5.09 FEET;

THENCE SOUTH 30°40'23" WEST A DISTANCE OF 28.35 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 88.00 FEET;

THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 19°56'54", AN ARC DISTANCE OF 30.64 FEET TO THE BEGINNING OF A REVERSE CURVE, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 112.00 FEET, A RADIAL LINE PASSING THROUGH SAID POINT BEARS NORTH 39°22'43" WEST;

THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 19°56'54", AN ARC DISTANCE OF 38.99 FEET;

THENCE SOUTH 30°40'23" WEST A DISTANCE OF 35.97 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 23.00 FEET;

THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 15°07'18", AN ARC DISTANCE OF 6.07 FEET TO THE ULTIMATE NORTHERLY RIGHT-OF-WAY LINE OF HIGHWAY 111, SAID LINE BEING PARALLEL WITH AND 85.00 FEET NORTHERLY OF THE CENTERLINE OF HIGHWAY 111 AS SHOWN ON SAID RECORD OF SURVEY;

THENCE ALONG SAID ULTIMATE NORTHERLY RIGHT-OF-WAY LINE THROUGH THE FOLLOWING FOUR (4) COURSES:

(1) THENCE NON-TANGENT TO SAID CURVE NORTH 59°19'37" WEST A DISTANCE OF 22.23 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE SOUTHERLY, HAVING A RADIUS OF 2,410.00 FEET;

(2) THENCE WESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 24°43'09", AN ARC DISTANCE OF 1,039.75 FEET;

EXHIBIT "A"
LEGAL DESCRIPTION

(3) THENCE NORTH 84°02'46" WEST A DISTANCE OF 693.12 FEET;

(4) THENCE NORTH 39°03'26" WEST A DISTANCE OF 44.24 FEET TO THE EXISTING EASTERLY RIGHT-OF-WAY LINE OF MILES AVENUE AS SHOWN ON SAID RECORD OF SURVEY;

THENCE LEAVING SAID ULTIMATE NORTHERLY RIGHT-OF-WAY LINE NORTH 05°55'54" EAST AONG SAID EASTERLY RIGHT-OF-WAY LINE A DISTANCE OF 160.00 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE EASTERLY, HAVING A RADIUS OF 550.00 FEET;

THENCE CONTINIUNG NORTHERLY ALONG SAID EASTERLY RIGHT-OF-WAY LINE AND ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 31°57'10", AN ARC DISTANCE OF 306.73 FEET;

THENCE LEAVING SAID EASTERLY RIGHT-OF-WAY LINE SOUTH 72°30'21" EAST A DISTANCE OF 976.68 FEET TO A POINT IN THE SECTION 24 EAST/WEST CENTER SECTION LINE AS SHOWN ON SAID RECORD OF SURVEY;

THENCE SOUTH 89°56'33" WEST ALONG SAID CENTER SECTION LINE A DISTANCE OF 469.98 FEET TO THE SOUTHERLY LINE OF THE PARCEL OF LAND DESCRIBED IN DEED TO THE COACHELLA VALLEY WATER DISTRICT RECORDED MARCH 16, 1965 AS INSTRUMENT NO. 29975, RIVERSIDE COUNTY RECORDS;

THENCE SOUTH 74°02'26" EAST ALONG SAID SOUTHERLY LINE A DISTANCE OF 932.06 FEET TO A POINT IN SAID NORTH/SOUTH CENTER SECTION LINE;

THENCE NORTH 00°07'12" WEST ALONG SAID CENTER SECTION LINE A DISTANCE OF 122.51 FEET TO THE **POINT OF BEGINNING**.

SUBJECT TO EXISTING EASEMENTS, COVENANTS, RIGHTS AND RIGHTS-OF-WAY OF RECORD.

CONTAINING 534,938 SQUARE FEET OR 12.280 ACRES, MORE OR LESS.



EXHIBIT "B"

DEPICTION AND LEGAL DESCRIPTION OF PHASE 2 COMMERCIAL PROPERTY

EXHIBIT "B"
LEGAL DESCRIPTION

LOT "A" PHASE 2:

IN THE CITY OF INDIAN WELLS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, THAT PORTION OF THE SOUTHEAST QUARTER OF SECTION 24, TOWNSHIP 5 SOUTH, RANGE 6 EAST, S.B.M., MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE CENTER OF SAID SECTION 24 AS SHOWN ON RECORD OF SURVEY ON FILE IN BOOK 94, AT PAGES 27 THROUGH 40, INCLUSIVE, OF RECORDS OF SURVEY, RIVERSIDE COUNTY RECORDS;

THENCE SOUTH $00^{\circ}07'12''$ EAST ALONG THE NORTH/SOUTH CENTER OF SECTION LINE A DISTANCE OF 257.18 FEET TO POINT IN THE SOUTHERLY RIGHT-OF-WAY LINE OF THE COACHELLA VALLEY WATER DISTRICT STORMWATER CHANNEL AS DESCRIBED IN INSTRUMENT RECORDED DECEMBER 28, 1962 AS INSTRUMENT NO. 120089, RIVERSIDE COUNTY RECORDS;

THENCE ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE THROUGH THE FOLLOWING THREE (3) COURSES;

(1) THENCE SOUTH $74^{\circ}02'26''$ EAST A DISTANCE OF 287.77 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE SOUTHERLY, HAVING A RADIUS OF 4,000.00 FEET;

(2) THENCE EASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF $02^{\circ}04'26''$, AN ARC DISTANCE OF 144.78 FEET TO THE **TRUE POINT OF BEGINNING**, A RADIAL LINE PASSING THROUGH SAID POINT BEARS NORTH $18^{\circ}02'00''$ EAST;

(3) THENCE CONTINUING EASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF $05^{\circ}37'48''$, AN ARC DISTANCE OF 393.05 FEET;

THENCE LEAVING SAID SOUTHERLY RIGHT-OF-WAY LINE SOUTH $30^{\circ}40'23''$ WEST A DISTANCE OF 156.47 FEET;

THENCE NORTH $59^{\circ}19'37''$ WEST A DISTANCE OF 372.78 FEET;

THENCE NORTH $23^{\circ}12'41''$ EAST A DISTANCE OF 19.00 FEET;

THENCE NORTH $21^{\circ}02'39''$ EAST A DISTANCE OF 25.60 FEET;

THENCE NORTH $21^{\circ}08'28''$ EAST A DISTANCE OF 45.98 FEET TO THE **TRUE POINT OF BEGINNING**.

EXHIBIT "B"
LEGAL DESCRIPTION

LOT "A" PHASE 2:

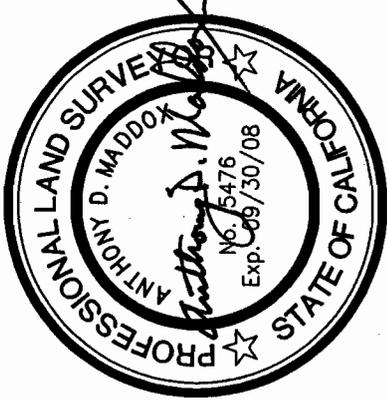
SUBJECT TO EXISTING EASEMENTS, COVENANTS, RIGHTS AND RIGHTS-OF-WAY OF RECORD.

**CONTAINING 48,197 SQUARE FEET
OR 1.106 ACRES, MORE OR LESS.**



EXHIBIT "B"

LOT "A" PHASE 2



1" = 100'

CVWD STORMWATER CHANNEL
 APN 633-410-026

P.O.C.
 CENTER SEC. 24
 T.5S., R.6E., S.B.M.

RS 94/27-40

S 74°02'26" E 287.77'

N/S CTR.
 SEC. LINE

APN 633-410-017

EX. CWWD S'LY R/W
 PER OR 62/120089

N 18°02'00" E
 (R)

T.P.O.B.
 PAR. "A"

L4
 L3

N 23°39'48" E
 (R)

LOT "A" PHASE 2

1.106 AC.

N 59°19'37" W 372.78'

LINE DATA		
NO.	BEARING	LENGTH
L1	S 00°07'12" E	257.18'
L2	N 30°40'23" E	156.47'
L3	S 23°12'41" W	19.00'
L4	S 21°02'39" W	25.60'
L5	S 21°08'28" W	45.98'

CURVE DATA			
NO.	DELTA	RADIUS	LENGTH TANGENT
C1	02°04'26"	4000.00'	144.78' 72.40'
C2	05°37'48"	4000.00'	393.05' 196.68'

HIGHWAY 111



MSA CONSULTING, INC.

MAINIERO, SMITH & ASSOCIATES, INC.
 PLANNING ■ CIVIL ENGINEERING ■ LAND SURVEYING
 34200 BOB HOPE DRIVE ■ RANCHO MIRAGE ■ CA 92270
 TELEPHONE (760) 320-9811 ■ FAX (760) 323-7893

J.N. 1844

SHEET 1 OF 1

EXHIBIT "B"
LEGAL DESCRIPTION

LOT "B" PHASE 2:

IN THE CITY OF INDIAN WELLS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, THAT PORTION OF THE SOUTHEAST QUARTER OF SECTION 24, TOWNSHIP 5 SOUTH, RANGE 6 EAST, S.B.M., MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE CENTER OF SAID SECTION 24 AS SHOWN ON RECORD OF SURVEY ON FILE IN BOOK 94, AT PAGES 27 THROUGH 40, INCLUSIVE, OF RECORDS OF SURVEY, RIVERSIDE COUNTY RECORDS;

THENCE SOUTH 00°07'12" EAST ALONG THE NORTH/SOUTH CENTER SECTION LINE A DISTANCE OF 499.97 FEET TO THE NORTHERLY RIGHT-OF-WAY LINE OF HIGHWAY 111 AS SHOWN ON SAID RECORD OF SURVEY, SAID POINT BEING ON A NON-TANGENT CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 2,380.00 FEET, A RADIAL LINE PASSING THROUGH SAID POINT BEARS SOUTH 25°23'16" WEST;

THENCE SOUTHEASTERLY ALONG SAID NORTHERLY RIGHT-OF-WAY LINE AND ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 05°17'07", AN ARC DISTANCE OF 219.55 FEET;

THENCE CONTINUING ALONG SAID NORTHERLY RIGHT-OF-WAY LINE SOUTH 59°19'37" EAST A DISTANCE OF 95.97 FEET;

THENCE LEAVING SAID NORTHERLY RIGHT-OF-WAY LINE NORTH 29°01'51" EAST A DISTANCE OF 30.00 FEET TO THE **TRUE POINT OF BEGINNING**;

THENCE CONTINUING NORTH 29°01'51" EAST ALONG SAID LINE A DISTANCE OF 160.40 FEET;

THENCE SOUTH 59°19'37" EAST A DISTANCE OF 372.09 FEET;

THENCE SOUTH 30°40'23" WEST A DISTANCE OF 160.34 FEET;

THENCE NORTH 59°19'37" WEST A DISTANCE OF 367.50 FEET TO THE **TRUE POINT OF BEGINNING**.

SUBJECT TO EXISTING EASEMENTS, COVENANTS, RIGHTS AND RIGHTS-OF-WAY OF RECORD.

CONTAINING 59,292 SQUARE FEET OR 1.361 ACRES, MORE OR LESS.



EXHIBIT "B"

LOT "B" PHASE 2

P.O.C.
CENTER SEC. 24
T.5S., R.6E., S.B.M.

APN 633-410-026

APN 633-410-017

N/S CTR.
SEC. LINE

S 25°23'16" W
(R)

N'LY R/W
LINE

C1

T.P.O.B.
LOT "B"

HIGHWAY 111

LOT "B" PHASE 2
1.361 AC.

S 59°19'37" E 372.09'

N 59°19'37" W 367.50'

1" = 100'



LINE DATA

NO.	BEARING	LENGTH
L1	S 59°19'37" E	95.11'
L2	N 30°40'23" E	30.00'
L3	N 29°01'51" E	160.40'
L4	S 30°40'23" W	160.34'

CURVE DATA

NO.	DELTA	RADIUS	LENGTH	TANGENT
C1	05°17'07"	2380.00'	219.54'	109.85'



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TELEPHONE (760) 320-9811 ■ FAX (760) 323-7893

J.N. 1844

SHEET 1 OF 1

EXHIBIT "C"

FORM OF PROMISSORY NOTES

(SEE ATTACHED)

SECURED PROMISSORY NOTE

\$ _____, 2007

For value received, the undersigned promises to pay to the Indian Wells Redevelopment Agency, a public body, corporate and politic, or order, at Indian Wells, California, the principal sum of _____ (\$_____). Said principal shall bear interest at a rate equal to the portfolio rate of the City of Indian Wells, California, plus 2.5% (as the same may change from time to time), compounded annually, and be payable in full by a balloon payment of principal and interest due no later than 5 years from the date of this Note. (The City's portfolio rate is the yield to maturity on a 365 day equivalent for all investments and cash holdings held within the City's portfolio whether interest bearing or not. Investments of City funds are governed by the California Government Code Sections 53600 et seq, as amended from time to time. Within the context of the limitations, the following investments are authorized: US Treasury Bills, US Treasury Bonds and Notes, Federal Agency Securities, Bankers Acceptance Notes, Certificates of Deposit - Private Placement (CDARS) & Negotiable, Local Agency Investment Fund, and Medium-term Corporate Bonds.)

This Note is secured by a Deed of Trust of even date herewith encumbering real property described in said Deed of Trust.

The undersigned shall have the right to prepay all or any part of the outstanding balance of principal and interest at any time without penalty, and, in the event of any prepayment, the undersigned will be entitled to receive partial releases as provided in the Deed of Trust.

Should interest not be paid when due it shall thereafter bear like interest as the principal, but in no event shall interest be paid in excess of the maximum amount permitted by applicable laws.

The undersigned shall pay all costs, expenses and reasonable attorneys fees incurred by the holder of this Note in connection with any default under this Note. Principal and interest are payable in lawful money of the United States of America.

a California limited liability company

By: _____
Managing Member

EXHIBIT "D"

FORM OF DEEDS OF TRUST

(SEE ATTACHED)

SPACE ABOVE THIS LINE FOR RECORDER'S USE

SHORT FORM DEED OF TRUST AND ASSIGNMENT OF RENTS

THIS DEED OF TRUST, made this ___ day of _____, 2007, by _____, a limited liability company, hereinafter called TRUSTOR, whose address is _____ California 922__, and

ORANGE COAST TITLE INSURANCE COMPANY, a California corporation, herein called TRUSTEE, and the Indian Wells Redevelopment Agency, a public body, corporate and politic, herein called BENEFICIARY,

Witnesseth: That Trustor IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS to TRUSTEE IN TRUST, WITH POWER OF SALE, Trustor's fee title interest in and to the real property in the City of Indian Wells, County of Riverside, State of California, described on Exhibit "A" attached, herein called PROPERTY, subject to the following:

Trustor shall have the right, from time to time, to request and obtain releases of portions of the Property from the lien of this Deed of Trust by paying, for each such release, a fraction of the then outstanding balance of the promissory note referenced below, the numerator of which fraction shall be equal to the number of acres to be released and the denominator of which shall be the number of acres encumbered by the deed of trust at the time of the release (including the acres to be released);

TOGETHER WITH the rents, issues and profits thereof, SUBJECT, HOWEVER, to the right, power and authority given to and conferred upon Beneficiary by paragraph (10) of the provisions incorporated herein by reference to collect and apply such rents, issues and profits. For the Purpose of Securing: 1. Performance of each agreement of Trustor incorporated by reference or contained herein. 2. Payment of the indebtedness evidenced by one promissory note of even date herewith, and any extension or renewal thereof, in the principal sum of \$ _____ executed by Trustor in favor of Beneficiary or order.

To Protect the Security of This Deed of Trust, and with respect to the property above described, Trustor expressly makes each and all of the agreements, and adopts and agrees to perform and be bound by each and all of the terms and provisions set forth in subdivision A of that certain Fictitious Deed of Trust referenced herein, and it is mutually agreed that all of the provisions set forth in subdivision B of that certain Fictitious Deed of Trust recorded in the book and page of Official Records in the office of the county recorder of the county where said property is located, noted below opposite the name of such county, namely:

Table with 12 columns: COUNTY, BOOK, PAGE, COUNTY, BOOK, PAGE, COUNTY, BOOK, PAGE, COUNTY, BOOK, PAGE. Lists various counties and their corresponding book and page numbers.

(which provisions, identical in all counties, hereby are adopted and incorporated herein and made a part hereof as fully as though set forth herein at length) and Trustor will observe and perform said provisions; and that the references to property, obligations, and parties in said provisions shall be construed to refer to the property, obligations and parties set forth in this Deed of Trust.

The undersigned Trustor requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to him at his address hereinbefore set forth.

_____ a California limited liability company

By: _____ Managing Member

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE)

On _____, before me, _____, personally appeared _____ personally known to me on the basis of satisfactory evidence, to be the person whose name is subscribed to the within instrument and acknowledged to same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the instrument.

Witness my hand and official seal.

EXHIBIT "E"

DEPICTION AND LEGAL DESCRIPTION OF CVWD FEE CHANNEL PROPERTY

EXHIBIT "E-2"
LEGAL DESCRIPTION

PARCEL "E-2" (PORTION APN 633-310-008):

IN THE CITY OF INDIAN WELLS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, THAT PORTION OF SECTION 24, TOWNSHIP 5 SOUTH, RANGE 6 EAST, S.B.M., MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE CENTER OF SAID SECTION 24 AS SHOWN ON RECORD OF SURVEY ON FILE IN BOOK 94, AT PAGES 27 THROUGH 40, INCLUSIVE, OF RECORDS OF SURVEY, RIVERSIDE COUNTY RECORDS

THENCE SOUTH $89^{\circ}56'33''$ WEST ALONG THE EAST/WEST CENTER SECTION LINE A DISTANCE OF 425.62 FEET;

THENCE NORTH $72^{\circ}30'21''$ WEST A DISTANCE OF 976.68 FEET TO A POINT IN THE SOUTHEASTERLY RIGHT-OF-WAY LINE OF MILES AVENUE AS SHOWN ON SAID RECORD OF SURVEY, SAID POINT BEING ON A NON-TANGENT CURVE, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 550.00 FEET, A RADIAL LINE PASSING THROUGH SAID POINT BEARS NORTH $52^{\circ}06'55''$ WEST;

THENCE NORTHEASTERLY ALONG SAID SOUTHEASTERLY RIGHT-OF-WAY LINE AND ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF $49^{\circ}36'36''$, AN ARC DISTANCE OF 476.22 FEET;

THENCE LEAVING SAID SOUTHEASTERLY RIGHT-OF-WAY LINE AND NON-TANGENT TO SAID CURVE SOUTH $19^{\circ}03'08''$ EAST A DISTANCE OF 122.93 FEET;

THENCE SOUTH $74^{\circ}02'22''$ EAST A DISTANCE OF 958.65 FEET TO A LINE PARALLEL WITH AND 15.00 FEET EASTERLY OF THE NORTH/SOUTH CENTER SECTION LINE OF SAID SECTION 24;

THENCE SOUTH $00^{\circ}07'12''$ EAST ALONG SAID PARALLEL LINE A DISTANCE OF 264.50 FEET;

THENCE NORTH $72^{\circ}30'21''$ WEST A DISTANCE OF 15.74 FEET TO A POINT IN SAID NORTH/SOUTH CENTER SECTION LINE;

THENCE NORTH $00^{\circ}07'12''$ WEST ALONG SAID NORTH/SOUTH CENTER SECTION LINE A DISTANCE OF 134.67 FEET TO THE POINT OF **BEGINNING**.

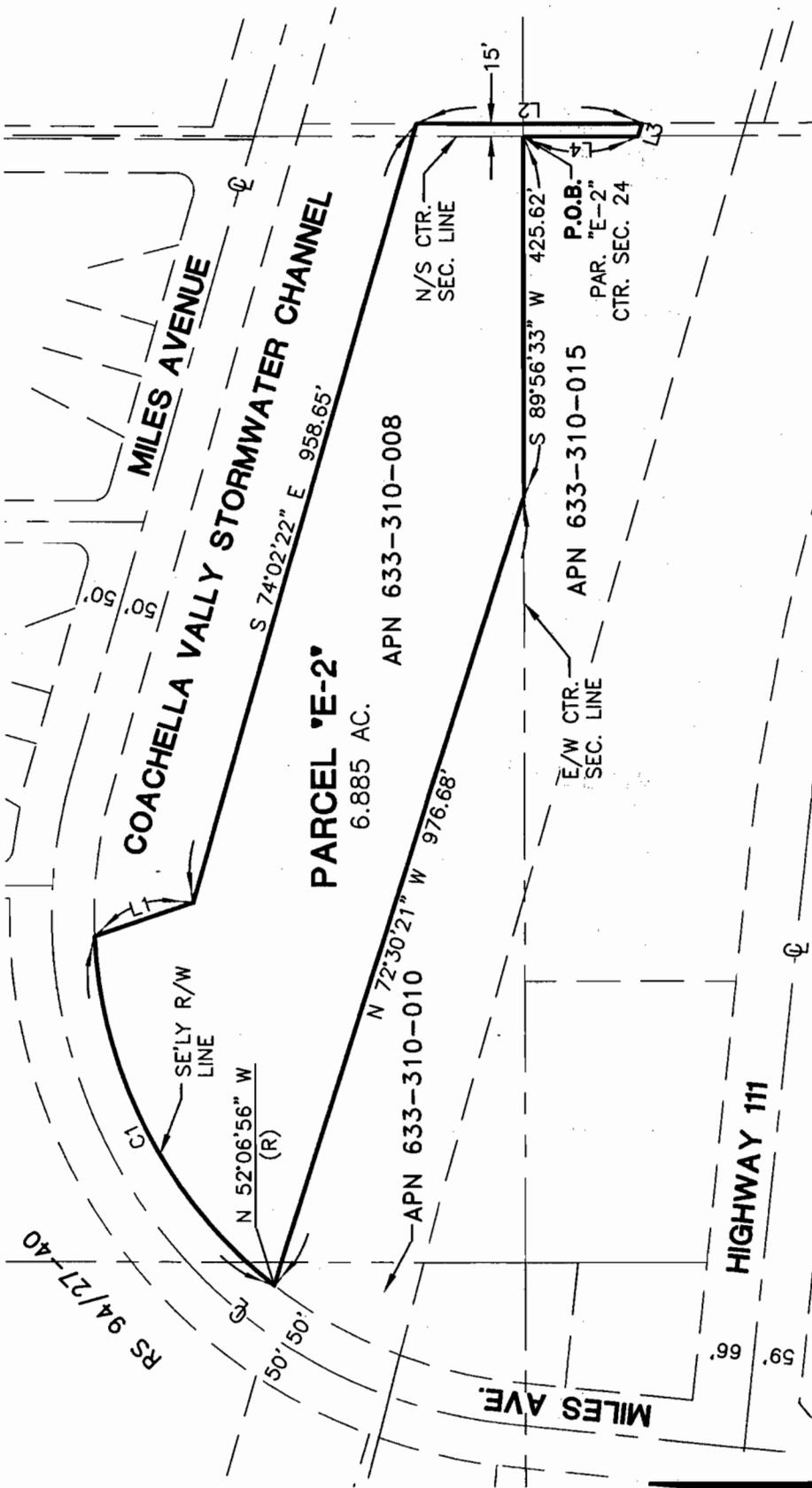
EXHIBIT "E-2"
LEGAL DESCRIPTION

SUBJECT TO EXISTING EASEMENTS, COVENANTS, RIGHTS AND RIGHTS-OF-WAY OF RECORD.

**CONTAINING 299,919 SQUARE FEET
OR 6.885 ACRES, MORE OR LESS.**



EXHIBIT "E-2"
(PORTION APN 633-310-008)



LINE DATA

NO.	BEARING	LENGTH
L1	S 19°03'08" E	122.93'
L2	S 00°07'12" E	264.50'
L3	N 72°30'21" W	15.74'
L4	N 00°07'12" W	134.67'

CURVE DATA

NO.	DELTA	RADIUS	LENGTH	TANGENT
C1	49°36'36"	550.00'	476.22'	254.19'



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 MAINERO, SMITH & ASSOCIATES, INC.
 PLANNING ■ CIVIL ENGINEERING ■ LAND SURVEYING
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 TELEPHONE (760) 320-9811 ■ FAX (760) 323-7893

1" = 200'

J.N. 1844

SHEET 1 OF 1

EXHIBIT "F"

DEPICTION AND LEGAL DESCRIPTION OF CVWD LISSOY CHANNEL PROPERTY

EXHIBIT "F"
LEGAL DESCRIPTION

PARCEL "F" (PORTION APN 633-410-026):

IN THE CITY OF INDIAN WELLS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, THAT PORTION OF THE PARCEL OF LAND DESCRIBED IN GRANT OF EASEMENT TO THE COACHELLA VALLEY COUNTY WATER DISTRICT RECORDED DECEMBER 28, 1962 AS INSTRUMENT NO. 120089, RIVERSIDE COUNTY RECORDS, BEING IN THE EAST HALF OF SECTION 24, TOWNSHIP 5 SOUTH, RANGE 6 EAST, S.B.M., MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE CENTER OF SAID SECTION 24 AS SHOWN ON RECORD OF SURVEY ON FILE IN BOOK 94, AT PAGES 27 THROUGH 40, INCLUSIVE, OF RECORDS OF SURVEY, RIVERSIDE COUNTY RECORDS;

THENCE NORTH 89°56'14" EAST ALONG THE EAST/WEST CENTER SECTION LINE A DISTANCE OF 15.00 FEET TO A LINE PARALLEL WITH AND 15.00 FEET EASTERLY OF THE NORTH/SOUTH CENTER SECTION LINE, SAID PARALLEL LINE ALSO BEING THE WESTERLY LINE OF SAID DESCRIBED PARCEL OF LAND AND THE **TRUE POINT OF THE BEGINNING;**

THENCE NORTH 00°07'12" WEST ALONG SAID WESTERLY LINE A DISTANCE OF 125.09 FEET;

THENCE LEAVING SAID WESTERLY LINE SOUTH 74°02'22" EAST A DISTANCE OF 838.51 FEET;

THENCE NORTH 03°45'15" EAST A DISTANCE OF 25.58 FEET;

THENCE SOUTH 74°02'22" EAST A DISTANCE OF 506.44 FEET TO A POINT IN THE NORTHERLY LINE OF SAID PARCEL OF LAND, SAID POINT BEING ON A NON-TANGENT CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 4,500.00 FEET, A RADIAL LINE PASSING THROUGH SAID POINT BEARS NORTH 28°18'10" EAST;

THENCE SOUTHEASTERLY ALONG SAID NORTHERLY LINE AND ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 00°17'50", AN ARC DISTANCE OF 23.34 FEET TO THE EASTERLY LINE OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION ;

THENCE LEAVING SAID NORTHERLY LINE AND ALONG SAID EASTERLY LINE SOUTH 00°09'20" EAST A DISTANCE OF 579.42 FEET TO A POINT IN THE SOUTHERLY RIGHT-OF-WAY LINE OF SAID PARCEL OF LAND DESCRIBED IN INSTRUMENT NO. 120089, O.R.;

EXHIBIT "F"
LEGAL DESCRIPTION

THENCE LEAVING SAID EASTERLY LINE NORTH 59°06'02" WEST ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE A DISTANCE OF 116.63 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 4,000.00 FEET;

THENCE CONTINUING NORTHWESTERLY ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE AND ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 07°14'10", AN ARC DISTANCE OF 505.18 FEET;

THENCE LEAVING SAID SOUTHERLY RIGHT-OF-WAY LINE NORTH 30°40'23" EAST A DISTANCE OF 24.20 FEET;

THENCE NORTH 03°45'15" EAST A DISTANCE OF 28.04 FEET;

THENCE NORTH 59°19'37" WEST A DISTANCE OF 350.87 FEET;

THENCE NORTH 72°30'21" WEST A DISTANCE OF 503.23 FEET TO A POINT IN SAID WESTERLY LINE OF THE PARCEL OF LAND DESCRIBED IN INSTRUMENT NO. 120089, O.R.;

THENCE NORTH 00°07'12" WEST ALONG SAID WESTERLY LINE A DISTANCE OF 139.41 FEET TO THE TRUE POINT OF BEGINNING.

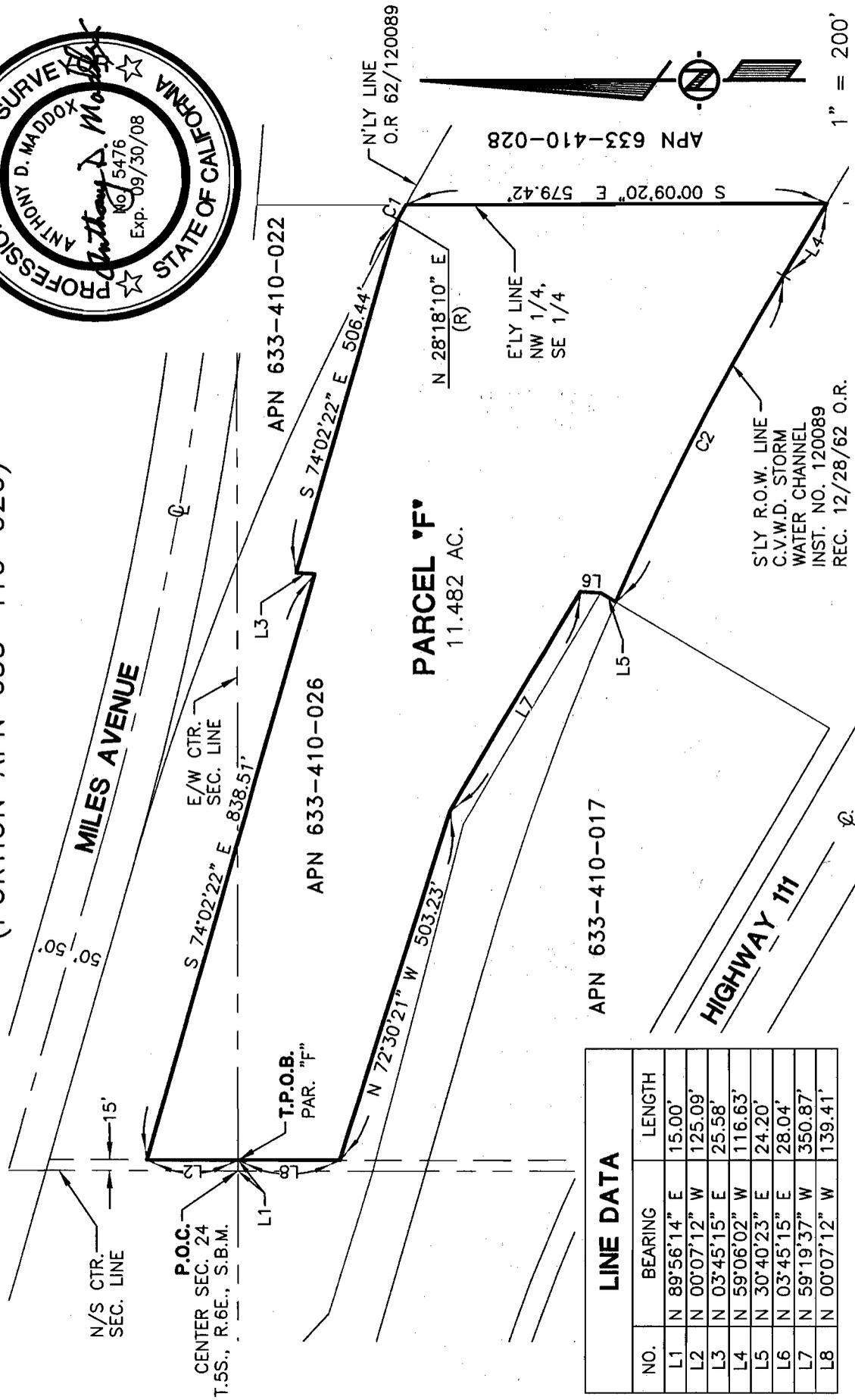
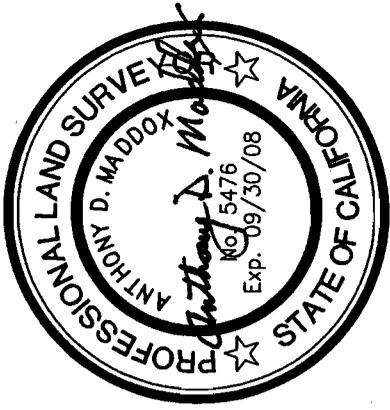
SUBJECT TO EXISTING EASEMENTS, COVENANTS, RIGHTS AND RIGHTS-OF-WAY OF RECORD.

CONTAINING 500,156 SQUARE FEET OR 11.482 ACRES, MORE OR LESS.



EXHIBIT "F"

(PORTION APN 633-410-026)



LINE DATA		
NO.	BEARING	LENGTH
L1	N 89°56'14" E	15.00'
L2	N 00°07'12" W	125.09'
L3	N 03°45'15" E	25.58'
L4	N 59°06'02" W	116.63'
L5	N 30°40'23" E	24.20'
L6	N 03°45'15" E	28.04'
L7	N 59°19'37" W	350.87'
L8	N 00°07'12" W	139.41'

CURVE DATA				
NO.	DELTA	RADIUS	LENGTH	TANGENT
C1	00°17'50"	4500.00'	23.34'	11.67'
C2	07°14'10"	4000.00'	505.18'	252.92'



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J.N. 1844

SHEET 1 OF 1

EXHIBIT "G"

**DEPICTION AND LEGAL DESCRIPTION OF LISSOY PHASE I COMMERCIAL
PROPERTY**

EXHIBIT "G"
LEGAL DESCRIPTION

PARCEL "G":

IN THE CITY OF INDIAN WELLS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, THAT PORTION OF THE SOUTHEAST QUARTER OF SECTION 24, TOWNSHIP 5 SOUTH, RANGE 6 EAST, S.B.M., MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE CENTER OF SAID SECTION 24 AS SHOWN ON RECORD OF SURVEY ON FILE IN BOOK 94, AT PAGES 27 THROUGH 40, INCLUSIVE, OF RECORDS OF SURVEY, RIVERSIDE COUNTY RECORDS;

THENCE SOUTH 00°07'12" EAST ALONG THE NORTH/SOUTH CENTER SECTION LINE A DISTANCE OF 134.67 FEET;

THENCE SOUTH 72°30'21" EAST A DISTANCE OF 15.74 FEET TO A LINE PARALLEL WITH AND 15.00 FEET EASTERLY OF SAID NORTH/SOUTH CENTER SECTION LINE AND THE **TRUE POINT OF BEGINNING**;

THENCE CONTINUING SOUTH 72°30'21" EAST A DISTANCE OF 460.64 FEET;

THENCE SOUTH 21°08'28" WEST A DISTANCE OF 108.02 FEET TO THE SOUTHERLY LINE OF THE PARCEL OF LAND DESCRIBED IN GRANT OF EASEMENT TO THE COACHELLA VALLEY WATER DISTRICT RECORDED DECEMBER 28, 1962 AS INSTRUMENT NO. 120089, RIVERSIDE COUNTY RECORDS SAID POINT ALSO BEING ON A NON-TANGENT CURVE, CONCAVE SOUTHERLY, HAVING A RADIUS OF 4,000.00 FEET, A RADIAL LINE PASSING THROUGH SAID POINT BEARS NORTH 18°02'00" EAST;

THENCE WESTERLY ALONG SAID SOUTHERLY LINE AND ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 02°04'26", AN ARC DISTANCE OF 144.78 FEET;

THENCE CONTINUING ALONG SAID SOUTHERLY LINE NORTH 74°02'26" WEST A DISTANCE OF 272.16 FEET TO AFORESAID PARALLEL LINE;

THENCE LEAVING SAID SOUTHERLY LINE NORTH 00°07'12" WEST ALONG SAID PARALLEL LINE A DISTANCE OF 122.07 FEET TO THE **TRUE POINT OF BEGINNING**.

SUBJECT TO EXISTING EASEMENTS, COVENANTS, RIGHTS AND RIGHTS-OF-WAY OF RECORD.

CONTAINING 48,816 SQUARE FEET OR 1.121 ACRES, MORE OR LESS.

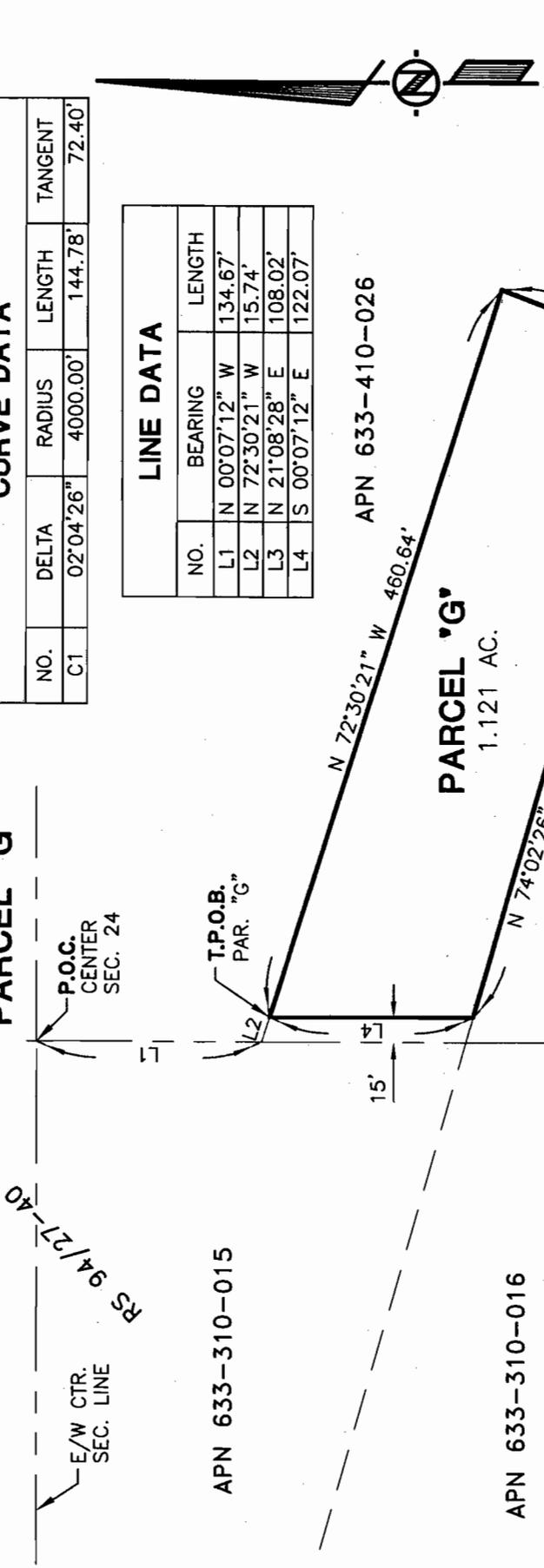


EXHIBIT "G"

PARCEL "G"

CURVE DATA				
NO.	DELTA	RADIUS	LENGTH	TANGENT
C1	02°04'26"	4000.00'	144.78'	72.40'

LINE DATA		
NO.	BEARING	LENGTH
L1	N 00°07'12" W	134.67'
L2	N 72°30'21" W	15.74'
L3	N 21°08'28" E	108.02'
L4	S 00°07'12" E	122.07'



APN 633-410-026

PARCEL "G"
1.121 AC.

1" = 100'



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J.N. 1844

SHEET 1 OF 1

EXHIBIT "H"

**DEPICTION AND LEGAL DESCRIPTION OF LISSOY PHASE 2 COMMERCIAL
PROPERTY**

EXHIBIT "H"
LEGAL DESCRIPTION

LOT "H" PHASE 2:

IN THE CITY OF INDIAN WELLS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, THAT PORTION OF THE SOUTHEAST QUARTER OF SECTION 24, TOWNSHIP 5 SOUTH, RANGE 6 EAST, S.B.M., MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE CENTER OF SAID SECTION 24 AS SHOWN ON RECORD OF SURVEY ON FILE IN BOOK 94, AT PAGES 27 THROUGH 40, INCLUSIVE, OF RECORDS OF SURVEY, RIVERSIDE COUNTY RECORDS;

THENCE SOUTH 00°07'12" EAST ALONG THE NORTH/SOUTH CENTER OF SECTION LINE A DISTANCE OF 257.18 FEET TO A POINT IN THE SOUTHERLY RIGHT-OF-WAY LINE OF THE COACHELLA VALLEY WATER DISTRICT STORMWATER CHANNEL AS DESCRIBED IN INSTRUMENT RECORDED DECEMBER 28, 1962 AS INSTRUMENT NO. 120089, RIVERSIDE COUNTY RECORDS;

THENCE SOUTH 74°02'26" EAST ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE A DISTANCE OF 287.77 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE SOUTHERLY, HAVING A RADIUS OF 4,000.00 FEET;

THENCE CONTINUING ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE AND EASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 02°04'26", AN ARC DISTANCE OF 144.78 FEET TO THE **TRUE POINT OF BEGINNING**;

THENCE LEAVING SAID SOUTHERLY RIGHT-OF-WAY LINE NORTH 21°08'28" EAST A DISTANCE OF 108.02 FEET;

THENCE SOUTH 72°30'21" EAST A DISTANCE OF 42.59 FEET;

THENCE SOUTH 59°19'37" EAST A DISTANCE OF 350.87 FEET;

THENCE SOUTH 03°45'15" WEST A DISTANCE OF 28.04 FEET;

THENCE SOUTH 30°40'23" WEST A DISTANCE OF 24.20 FEET TO A POINT IN SAID SOUTHERLY RIGHT-OF-WAY LINE OF THE COACHELLA VALLEY WATER DISTRICT STORMWATER CHANNEL, SAID POINT ALSO BEING ON A NON-TANGENT CURVE, CONCAVE SOUTHERLY, HAVING A RADIUS OF 4,000.00 FEET, A RADIAL LINE PASSING THROUGH SAID POINT BEARS SOUTH 23°39'48" WEST;

EXHIBIT "H"
LEGAL DESCRIPTION

THENCE WESTERLY ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE AND ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 05°37'48", AN ARC DISTANCE OF 393.05 FEET TO THE **TRUE POINT OF BEGINNING.**

SUBJECT TO EXISTING EASEMENTS, COVENANTS, RIGHTS AND RIGHTS-OF-WAY OF RECORD.

CONTAINING 31,528 SQUARE FEET OR 0.724 ACRES, MORE OR LESS.



EXHIBIT "H" LOT "H" PHASE 2



RS 94/27-40
CVWD STORMWATER CHANNEL
APN 633-410-026

P.O.C.
CENTER SEC. 24
T.5S., R.6E., S.B.M.

EX. CVWD S'LY R/W
PER OR 62/120089

S 74°02'26" E 287.77'

N/S CTR.
SEC. LINE

APN 633-410-017

LOT "H" PHASE 2
0.724 AC.

T.P.O.B.
PAR. "H"

N 18°02'00" E
(R)

S 59°19'37" E 350.87'

N 23°39'48" E
(R)

1" = 100'



LINE DATA		
NO.	BEARING	LENGTH
L1	S 00°07'12" E	257.18'
L2	N 21°08'28" E	108.02'
L3	S 72°30'21" E	42.59'
L4	S 03°45'15" W	28.04'
L5	S 30°40'23" W	24.20'

CURVE DATA				
NO.	DELTA	RADIUS	LENGTH	TANGENT
C1	02°04'26"	4000.00'	144.78'	72.40'
C2	05°37'48"	4000.00'	393.05'	196.68'

SS
SS
HIGHWAY 111



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J.N. 1844

SHEET 1 OF 1

EXHIBIT "I"

FORM OF ASSIGNMENTS

(SEE ATTACHED)

EXHIBIT "I"

ASSIGNMENT
OF
CONTRACTUAL RIGHTS TO POSSESSORY USE AND CONTROL

For valuable consideration, the receipt and sufficiency of which is acknowledged, the undersigned Assignor, as the owner of contractual rights to possessory use and control of the real property legally described on Exhibit ____ attached hereto, hereby assigns all such rights to the undersigned Assignee.

ASSIGNOR:

a _____

By: _____

Printed Name: _____

Title: _____

ACCEPTANCE
OF
CONTRACTUAL RIGHTS TO POSSESSORY USE AND CONTROL

For valuable consideration, the receipt and sufficiency of which is acknowledged, the undersigned Assignee hereby accepts the foregoing assignment of contractual rights to possessory use and control of the real property legally described on the attached Exhibit, and assumes all obligations and responsibilities attendant thereto and agrees to indemnify and hold Assignor free and harmless therefrom.

ASSIGNEE:

a _____

By: _____

Printed Name: _____

Title: _____

EXHIBIT "J"

FORM OF GRANT DEEDS

(SEE ATTACHED)

MAIL TAX STATEMENTS TO:

DOCUMENTARY TRANSFER TAX \$

- _____ Computed on the consideration or value of property conveyed; OR
- _____ Computed on the consideration or value less liens or encumbrances remaining at time of sale.

Signature of Declarant or Agent determining tax - Firm Name

GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the undersigned

the City of Indian Wells, a municipal corporation, does hereby

GRANT to the Indian Wells Redevelopment Agency, a public body, corporate and politic, an undivided _____ tenths (____/10ths) interest in and to the real property in the City of Indian Wells, County of Riverside, State of California, described as:

That portion of the Northwest Quarter of the Southeast Quarter and that portion of the Southwest Quarter of the Northeast Quarter of Section 24, Township 5 South, Range 6 East, San Bernardino Meridian, in the City of Indian Wells, County of Riverside, State of California, lying within the land conveyed to the Coachella Valley County Water District per document recorded December 28, 1962 as Instrument No. 120089 of official Records of said County.

subject to any and all non-monetary matters of record, including, but not limited to, easements, rights, rights of way, reservations, covenants, conditions and restrictions, if any.

Executed on this _____ day of _____, 20__ at _____.

City of Indian Wells,
a municipal corporation

By: _____

Its:

STATE OF CALIFORNIA)
) ss
COUNTY OF _____)

On _____, 20__, before me, _____, a notary public, personally appeared _____ personally known to me - OR - proved to me on the basis of satisfactory evidence, to be the person(s) whose name 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 on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

Witness my hand and official seal.

SIGNATURE OF NOTARY

ATTACHMENT NO. 8A

**Schedule of Performance
Planning Area 1 – Commercial Property**

PHASE A – Phase completed

PHASE B – Phase completed

PHASE C – Phase completed

PHASE D – Phase completed

PHASE E – Phase completed

PHASE F – Close of Escrow

Planning Area 1 – Commercial Property

1. Close of Escrow: Planning Area 1 shall close escrow no later than February 29, 2008

PHASE G – Permits for and Commencement of Developer Improvements

1. **Planning Area 1 – Phase 1 Commercial Property (18 months after Phase F-1), but no later than August 31, 2009**
 - a. Developer submits and City approves CC&R's
 - b. City issues permits for Private Road Improvements as defined in Paragraph 5.A of Modification No. 5.
 - c. Developer pays release price for first commercial parcels to be released from Agency's trust deed as provided for within DDA Modification No. 5 or unless property is purchased in full with cash.
 - d. Developer commences construction of Private Road Improvements.
 - e. City issues permits for new signalized intersection per Attachment 10, (DDA Modification No. 4)
 - f. Developer commences construction of signalized intersection.
 - g. City issues the first building permits on the first commercial parcels.
 - h. Developer commences construction on the first buildings on the first commercial parcels.

**PHASE H – Completion of Developer Improvements referenced in Phase G
(18 months after commencement), but no later than February 28, 2011**

1. **Planning Area 1 – Phase 1 Commercial Property**
 - a. Developer completes Private Road improvements
 - b. Developer completes new signalized intersection per Attachment 10.
 - c. Developer completes improvements of first buildings on first commercial parcels.

ATTACHMENT NO. 8A

**Schedule of Performance
Planning Area 1 – Commercial Property**

PHASE I – Sale (or lease) of lots within Phase 1 Commercial Property portion of Planning Area 1 (3 years after Phase H-1), but no later than February 28, 2014

- a. Agency, Developer, and Successor Owners enter into Assumption Agreements
- b. Developer closes escrow on sales (or leases) of selected lots within Phase 1 Commercial Property portion of Planning Area 1.

PHASE J – Intentionally Blank

PHASE K – Completion of all improvements in Planning Area 1 (within time Limits in Assumption Agreements, not to exceed 3 years after Phase I), but no later than August 31, 2017

- a. All private improvements within Planning Area 1 are completed, as evidenced by issuance of Certificates of Completion.

ATTACHMENT NO. 8B

**Schedule of Performance
Planning Area 2 – Condo Hotel Property**

PHASE A – Phase completed

PHASE B – Phase completed

PHASE C – Phase completed

PHASE D – Phase completed

PHASE E – Phase completed

PHASE F – Close of Escrow

Planning Area 2 – Condo Hotel Property

1. Close of Escrow: Phase completed.

PHASE G – Permits for and Commencement of Developer Improvements

1. Planning Area 2 – Condo Hotel Property (60 months after Phase F-1, on/or before June 29, 2007) or re-purchased by the City or Agency no later than June 29, 2012

- a. Developer submits and City approves CC&R's.
- b. City issues permits for off-site Highway 111 improvements.
- c. Developer commences construction for off-site Highway 111 improvements.
- d. Developer receives permits for condo-hotel improvements (1st phase) or what is known as the main Condo-Hotel Tower.
- e. Developer commences construction.

**PHASE H – Completion of 1st Phase Developer Improvements
(27 months after commencement, but no later than September 29, 2014)**

1. Planning Area 2 – Condo-Hotel Property

- a. Developer completes off site Highway 111 improvements prior to Certificate of Occupancy of 1st phase
- b. Developer completes construction of condo-hotel improvements (1st phase).
- c. City issues certificates of occupancy.

PHASE I – Intentionally Blank

PHASE J – Intentionally Blank

ATTACHMENT NO. 8B

**Schedule of Performance
Planning Area 2 – Condo Hotel Property**

PHASE K – Completion of all improvements in Planning Area 2 (not to exceed 3 years after Phase H), but no later than September 29, 2017

- a. All private improvements within Planning Area 2 are completed, as evidenced by issuance of Certificates of Completion.

ATTACHMENT NO. 8C

**Schedule of Performance
Planning Area 3 – Residential Property**

PHASE A – Phase completed

PHASE B – Phase completed

PHASE C – Phase completed

PHASE D – Phase completed

PHASE E – Phase completed

PHASE F – Close of Escrow

Planning Area 3 – Residential Property

1. Close of Escrow: Planning Area 3 shall close escrow on or before 12/31/08.

PHASE G – Permits for and Commencement of 1st Phase Developer Improvements

1. **Planning Area 3 – Residential Property (18 months after Phase F-1), but no later than June 30, 2010**
 - a. Developer submits and City approves CC&R's
 - b. City issues permits for off-site Miles Avenue improvements.
 - c. Developer commences construction.
 - d. Developer receives permits for residential parcels (1st phase).
 - e. Developer commences construction of 1st phase.

PHASE H – Completion of 1st Phase of Developer Improvements

(18 months after commencement), but no later than December 31, 2011

1. **Planning Area 3 – Residential Property**
 - a. Developer completes off site Miles Avenue improvements
 - b. Developer completes residential parcels (1st phase).
 - c. City issues certificates of occupancy.

PHASE I – Intentionally Blank

PHASE J – Intentionally Blank

ATTACHMENT NO. 8C

**Schedule of Performance
Planning Area 3 – Residential Property**

PHASE K – Completion of all improvements in Planning Area 3 (not to exceed 3 years after Phase H), but no later than December 31, 2014

- a. All private improvements within Planning Area 3 is completed, as evidenced by issuance of Certificates of Completion.

SYNOPSIS OF DDA - AS MODIFIED BY MODIFICATION NOS. 1-6

100. DEFINITIONS

Same as in original DDA with some additions set forth in Modifications.

200. CONVEYANCE OF THE SITE

201. Purchase and Sale of Site.

Site (and sale thereof) broken into 4 parts per §7 of Mod 5 and §2 of Mod 6:

Condo-Hotel Property:

Per §7.A of Mod 5:

Was purchased for \$4,391,244 with closing on 6/30/07.

Per §7.A of Mod 5 and §1 of Mod 6:

Is subject to repurchase if construction has not substantially commenced within 60 months of closing of purchase.

Phase 1 Commercial Property:

Per §2.B(i) of Mod 6:

Purchase will close on or before 2/29/08.

Price to be \$2,317,406 to be paid cash or note and TD

Note and TD forms are attached to Mod 6

Phase 2 Commercial Property:

Per §2.B(ii) of Mod 6:

Purchase will close on or before 2/29/08.

Price to be \$2,024,233 to be paid cash or note and TD

Note and TD forms are attached to Mod 6

Residential Property:

Per §2.C of Mod 5 and §4 (and revised Attachment 8) of Mod 6:

Purchase will close on or before 12/31/08.

Price to be \$231,250 to be paid in cash.

201.1 Good Faith Deposit.

Developer deposited \$100,000. \$50,000 used in Condo-Hotel purchase.

Developer paid \$15,000 negotiation fee.

202. Escrow.

202.1 Costs of Escrow. No change. Costs to be paid by buyer.

202.2 Escrow Instructions. DDA (as modified) constitutes escrow instructions.

202.3 Authority of Escrow Agent. No change. Normal provisions.

202.4 Closing. Closings changed as per §201 above.

202.5 Termination. No change but closings changed per §201 above.

202.6 Closing Procedures. No change. Normal provisions.

203. Review of Title.

Title exceptions have been approved by Developer.

Certificates of Compliance may be needed from City per §2 of Mod. #6.

204. Title Insurance. No change. Normal provisions.

205. Conditions of Closing.

205.1 Agency's Conditions of Closing. See §5 of Mod 6 for current status.

205.2 Developer's Conditions of Closing. See §5 of Mod 6 for current status.

206. Representations and Warranties.

206.1 Agency Representations. See §6 of Mod 6 for current status.

206.2 Developer's Representations. See §6 of Mod 6 for current status.

207. Studies and Reports. No change. Developer has approved.

208. Due Diligence Review; Environmental Condition and Suitability of Site.

208.1 Environmental Disclosure. No change. Developer has approved.

208.2 Due Diligence Investigation of Site. No change. Developer has approved.

208.3 Review of Documents/Materials. No change. Developer has approved.

208.4 No further Warranties as to Site. No change. Normal provisions.

300. DEVELOPMENT OF THE SITE

301. Development of the Site. No change, except as follows:

Site (and development thereof) broken into 4 parts per §7 of Mod 5 and §3 of Mod 6:

Condo-Hotel Property

Phase 1 Commercial Property

Phase 2 Commercial Property

Residential Property

Streets/highways (Overall Public Improvements) - Agreements added per §4 of Mod 4:

(a) Background. No change. Contains recital information.

(b) Design and Construction Methods. No change, but summarized as follows:

(i) Actual Design and Construction. Subject to reasonable approval by Agency/City, actual design and construction to be managed by Developer. Agency/City to reimburse Developer up to \$40,000 for overhead at conclusion of substantial construction. Developer to comply with applicable Public Contract Code (Prevailing Wage) requirements.

(c) Financing of Design and Construction. No change, but summarized as follows:

(i) Cost Sharing. Costs of Overall Public Improvements shall be shared 50% by Agency and/or City, and 50% by Developer.

(ii) Arrangements for Cost Sharing. Joint escrow account shall be set up into which 100% of estimated costs of Overall Public Improvements due from each party shall be deposited and from which construction costs shall be paid.

(iii) Document Maintenance. Developer shall maintain all appropriate documentation.

(d) Construction Scheduling. No change, but summarized as follows:

Overall Public Improvements (except for signalized intersection into Phase 1 Commercial Property) will be scheduled so as to be completed by Developer on or before first occupancy of Condo-Hotel improvements (but if Phase 1 Commercial Property improvements are ready for occupancy before Condo-Hotel improvements, then signalized intersection into Phase 1 Commercial Property will be completed before any occupancy of Phase 1 Commercial Property improvements). (Note: This was added per §4 of Mod 5.) (Additional Note: Scheduling of construction of Overall Public Improvements to be as set forth in §3 of Mod 6.)

Private Road and Improvements - Agreements restated per §5 of Mod 5 as follows:

- (a) Definition of Private Road and Improvements. Private Road shall refer to Lot A of TTM 34257 and Private Road Improvements shall refer to improvements to be constructed thereon. (Private Road and Improvements shall be owned by Agency, subject to easement rights in favor of Developer.)
- (b) Design and Construction. Developer shall (after issuance of building permits) cause construction of Private Road Improvements to commence no later than 180 days after Agency submits request to do so, and diligently complete same. Developer shall manage construction and comply with applicable Public Contract Code (Prevailing Wage) requirements.
- (c) Financing Design and Construction. Developer shall advance amounts necessary for design and construction of Private Road Improvements, and Agency shall promptly (at least monthly) reimburse 100% of same. Developer shall keep proper documentation.
- (d) Ongoing Maintenance. Subsequent to completion, Developer shall maintain all Private Road Improvements, and Agency shall promptly (at least quarterly) reimburse 50% of same. Developer to keep proper documentation.
- (e) Easement Rights in Favor of Developer. Agency shall grant Developer an easement for access and utilities across the Private Road. Said easement shall benefit Developer and its successors.

Condo-Hotel Agreements added per §4 of Mod 3 and §1 of Mod 4:

- A. Intent of parties. No change. Contains recital information.
- B. Development of units, hotel and/or condo-hotel. No change.
- C. Declaration of CC&Rs. No change.
Each unit owner pays Resort Amenity Fee monthly to Owner Association.
Owner Association pays Resort Amenity Fee monthly to City.
If Association fails to pay, City has lien rights.
If Association fails to pay, City can suspend Resort Amenity Package.
- D. Resort Amenity Fee:
Initial amount was \$1,500/unit/year per §4.D of Mod 3.
Increased to \$2,400/unit/year and made subject to CPI per §1 of Mod 4.
- E. Resort Amenity Package:
Originally set forth in §4.E of Mod 3.
Revised as set forth in §1 of Mod 4.
- F. Transient Occupancy Tax Guarantee:
Originally inserted as guarantee of \$500,000/year in §4.F of Mod 3.
Deleted as a requirement per §1 of Mod 4.

Lissoy Agreements:

- Originally referenced in §5 of Mod 3.
- City's obligation to assign possessory rights (under Lissoy Agreement) and deed undivided interests (as received from Lissoy) are set forth in §2 of Mod 6.
- Assignment and grant deed forms are attached to Mod 6.

CVWD Parcel (APN #633-310-015):

Agreed to be added to Site per §6 of Mod 3.

City agreed to release rec easement over CVWD Parcel per §7 of Mod 3.

Housing covenants:

To be removed by Agency prior to conveyance of applicable portion of APN #633-410-017 per §8C of Mod 3.

Other agreements:

Per §8D of Mod 3:

Agency grants Developer a license to temporarily erect and maintain a sales office and three marketing signs, and

Developer agrees to indemnify City/Agency and provide insurance.

302. Schedule of Performance (etc.):

Schedule of Performance: See revised Attachment 8 to Mod 6.

Submission of Proposed Land Use Site Plan to Agency: Done and approved.

Submission of Land Use Application to City: Done and approved.

Request for Issuance of Building Permits for Improvements: To be done.

Completion of Developer Improvements: To be done.

Sale of Lots and Parcels within Site: To be done.

Completion of Private Improvements on Lots and Parcels: To be done.

303. Land Use and CEQA Approvals. No change.

304. Costs of Construction. No change. All costs to be borne by Developer except as provided in §4 and §5 of Mod 4.

305. Construction Schedule. See revised Attachment 8 to Mod 6.

306. Indemnity.

306.1 Developer's Indemnity. No change.

306.2 Agency's Indemnity. No change.

307. Compliance With Laws. No change.

308. [Reserved]. No change.

309. Performance and Payment Bond. No change.

310. Right of Access. No change. City/Agency to have access during construction.

311. Insurance. Per §9 of Mod 3, insurance requirements increased.

312. Developer to Prepare Parcels; Sale to Successor Owners.

(I) **Developer Identifies Proposed Successor Owner.** No change.

(II) **Developer Enters Conditional Sales Agreement.** No change.

(III) **Preliminary Approval by Agency.** No change.

(IV) **Assumption Agreement.** No change.

(V) **Conveyance to Successor Owner and Completion Bonds.** No change.

313. Certificates of Completion. No change.

400. COVENANTS AND RESTRICTIONS

401. Time Share Prohibited. No change.

402. No Discrimination. No change.

403. Repair and Maintenance of Landscaping. No change.

500. DEFAULTS AND REMEDIES

(Note: See bifurcation of rights and obligations per §3 of Mod 6.)

501. Default Remedies. No change.

502. Institution of Legal Actions. No change.

- 503. **Termination by the Developer Prior to Closing.** No change.
- 503.5 **Termination by Developer Subsequent to Closing.** No change.
- 504. **Termination by the Agency Prior to Closing.** No change.
- 505. **Termination by Agency Subsequent to Closing.** No change.
- 506. **Acceptance of Service of Process.** No change.
- 507. **Rights and Remedies Are Cumulative.** No change.
- 508. **Inaction Not a Waiver of Default.** No change.
- 509. **Applicable Law.** No change.
- 600. **GENERAL PROVISIONS**
 - 601. **Notices, Demands and Communications Between Parties.** No change.
 - 601.1 **Demand for Assurance.** No change.
 - 602. **Enforced Delay; Extension of Times of Performance.** No change.
 - 603. **Transfers of Interest in Site or Agreement.** No change.
 - 603.1 **Prohibition.** No change.
 - 603.2 **Permitted Transfers.** No change.
 - 603.3 **Agency Consideration of Requested Transfer.** No change.
 - 603.4 **Successors and Assigns.** No change.
 - 604. **Non-Liability of Officials/Employees of City/Agency/Developer.** No change.
 - 605. **Relationship Between Agency and Developer.** No change.
 - 606. **Agency Approvals and Actions.** No change.
 - 607. **Counterparts.** No change.
 - 608. **Integration and Incorporation of Recitals.** No change.
 - 609. **Real Estate Brokerage Commission.** No change.
 - 610. **Attorneys' Fees Applicable Law and Forum.** No change.
 - 611. **Titles and Captions.** No change.
 - 612. **Interpretation.** No change.
 - 613. **No Waiver.** No change.
 - 614. **Modifications.** No change.
 - 615. **Severability.** No change.
 - 616. **Computation of Time.** No change.
 - 617. **Legal Advice.** No change.
 - 618. **Time of Essence.** No change.
 - 619. **Cooperation.** No change.
 - 620. **Conflicts of Interest.** No change.
 - 621. **Time for Acceptance of Agreement by Agency.** No change.
 - 622. **Effective Date of Agreement.** No change.
 - 623. **Corporate Authority.** No change.
 - 624. **Prevailing Wages.** No change.
 - 625. **City as Third Party Beneficiary.** No change.
 - 626. **Good Faith and Fair Dealing.** No change.
 - 627. **Bifurcation of Rights and Obligations.** Added per §3 of Mod 6.