

Exhibit A

Legal Description

The Land referred to herein below is situated in the City of Coachella, County of Riverside, State of California, and is described as follows:

LOTS 1 THROUGH 49, B THROUGH Z AND AA THROUGH BG OF TRACT NO. 36494, IN THE CITY OF COACHELLA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN [BOOK 458, PAGES 1 THROUGH 20](#), INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THE OIL, GAS, MINERALS, AND OTHER HYDROCARBON SUBSTANCES LYING BELOW THE SURFACE OF SAID LAND, AS PROVIDED IN DEEDS OF RECORD.

Exhibit B
Specific Plan Land Use Summary

Table 2-1 Land Use Summary						
Land Use	Gross Acres (AC)	% Area	Density (DU/AC)	Dwelling Units (DU)	FAR	Square Footage (SF)
Residential						
Very Low Density Residential (VLDR)	66.4	3.02%	0.5-2.9	133	-	-
Low Density Residential (LDR)	448.7	20.40%	3.0-5.9	2,055	-	-
Medium Density Residential (MDR)	374.2	17.01%	6.0-12.9	3,060	-	-
High Density Residential (HDR)	91.6	4.16%	13.0-25	1,832	-	-
<i>Subtotal Residential</i>	980.9	44.6%	7.1	7,080	-	-
Mixed Use (MU)						
Retail Commercial	99.0	4.5%	-	-	0.35	1,260,879
Office Commercial			-	-		250,000
High Density Residential (HDR)	36.0	1.64%	13.0-25	720	-	-
Community/Public Facilities*	*	-	-	-	-	-
<i>Subtotal Mixed Use</i>	135.0	6.14	-	720	0.35	1,510,879
School						
Elementary School	44.8	2.04%	-	-	-	-
Middle School	25	1.14%				
<i>Subtotal Schools</i>	69.8	3.2%				
Parks/Recreation						
Regional Park	176.6	8.03%	-	-	-	-
Community Parks	44.4	2.03%	-	-	-	-
Neighborhood Parks/Vista Points	14.1	0.64%	-	-	-	-
Village Paseo/Linear Park	27.8	1.26%	-	-	-	-
Desert Wash Paseos/Linear Parks	81.8	3.72%	-	-	-	-
<i>Subtotal Parks/Recreation</i>	344.7	15.67%	-	-	-	-
Open Space						
Open Space	381.1	17.33%	-	-	-	-
Drainage/Wash	175.8	7.99%	-	-	-	-
<i>Subtotal Open Space</i>	556.9	25.32%	-	-	-	-
Roadways						
Right-of-Way	99.9	4.54%	-	-	-	-
Interchange Grading	12.3	0.56%	-	-	-	-
<i>Subtotal Roadways</i>	112.2	5.1%	-	-	-	-
Specific Plan Totals	2,199.5	100%	3.5	7,800		1,510,879

Exhibit C

La Entrada

Development Impact Fees-Satisfaction and Credits

Fee Satisfactions	
Impact Fee	Fee Status
Governmental Facilities	Fully Satisfied upon pro rata payment of bond proceeds pursuant to Section. 22.7
Fire Facilities	Fully Satisfied upon completion of improvements as per Section 14.2.1 (ii)
Parks and Recreation/Quimby	Fully Satisfied upon completion of improvements as per Section 14.2.1 (i)
Streets and Transportation	
Segment 8: Avenue 50 Avenue 50 from end of existing road to 1-10.	Actual credit will be based on right-of-way acquisition and final construction cost as reasonably determined by the City Engineer, in accordance with Section 14.2.2, Exhibit D and Chapter 4.45.110 of the City's Municipal Code.
Interchange	
Avenue 50 Bridge over Canal	
Segment 16: Avenue 52 Avenue 52 from Fillmore to the Canal.	
Segment 7: Avenue 50 Avenue 50 (SR86 to end of existing road)	
Water and Wastewater	
Improvements to City of Coachella Wastewater Facilities and City Wastewater Treatment Facility	Actual credit will be based on final construction cost as reasonably determined by the City Engineer, in accordance with Section 14.2.2-3 and Exhibit E.

Exhibit D

Development Fee Credit Process•

(In accordance with Section 4.45.110 of the City of Coachella Municipal Code)

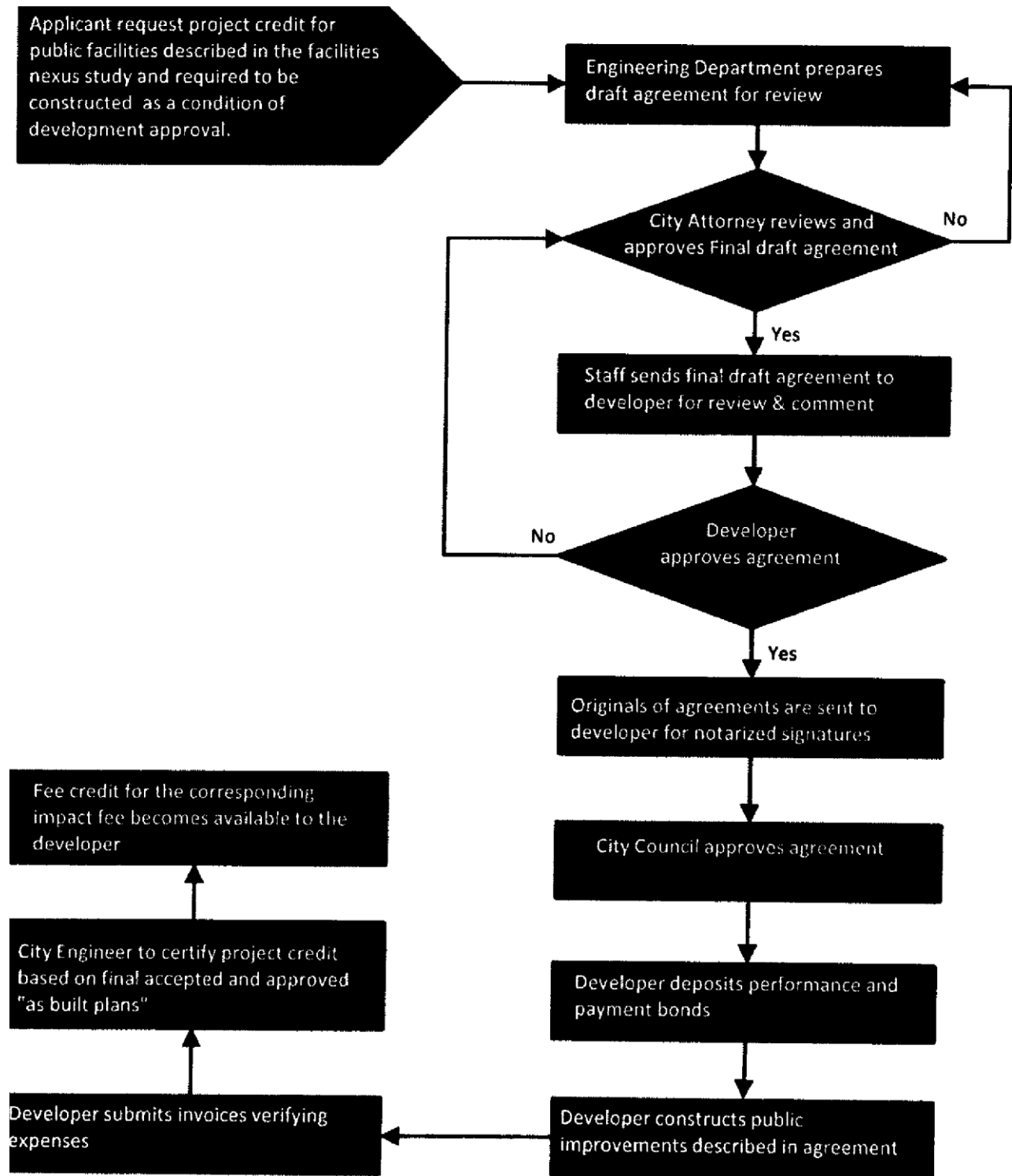


Exhibit E

Third Party Reimbursement Process*

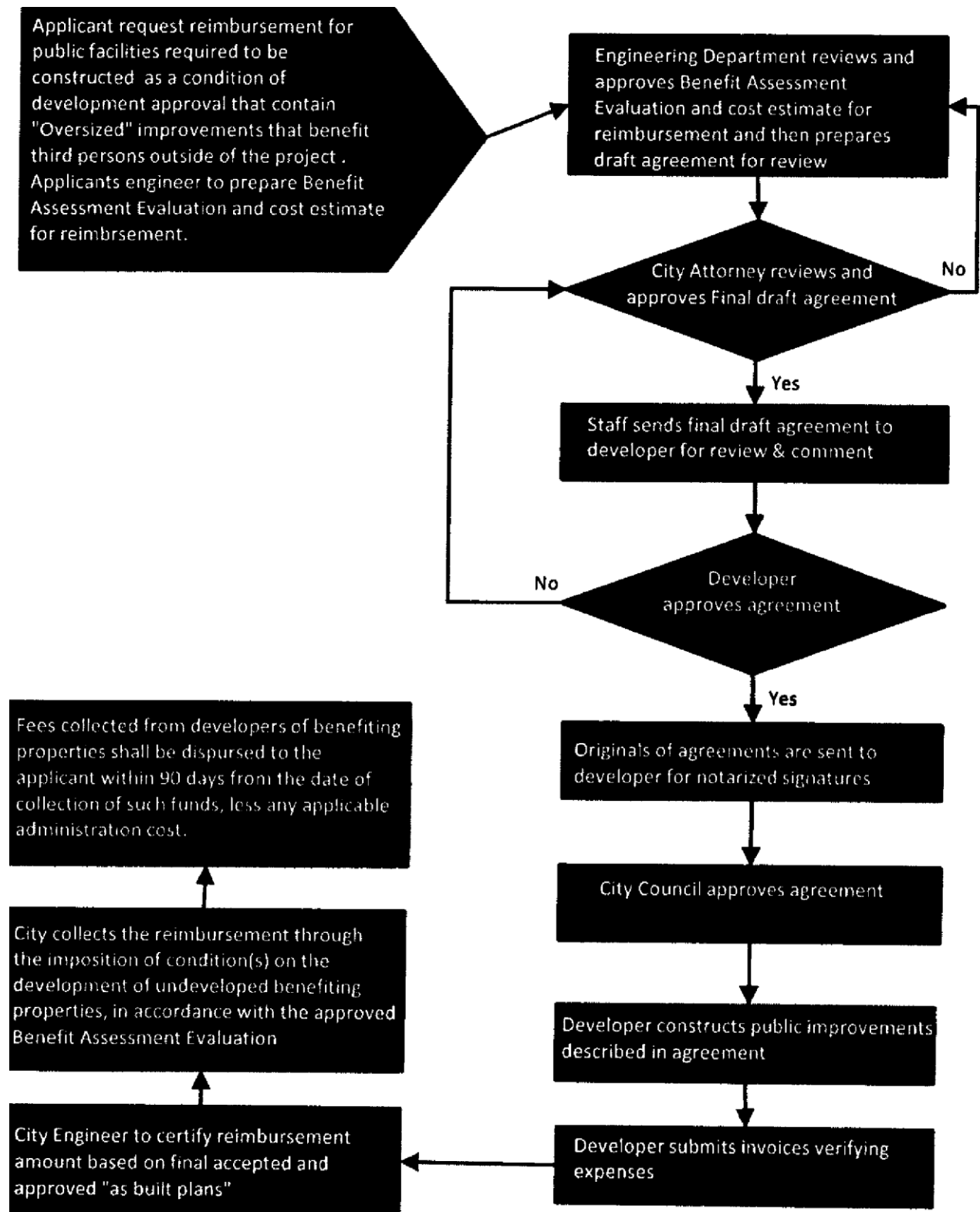


Exhibit F

Conditions of Approval

La Entrada Specific Plan Conditions of Approval

CONDITIONS OF APPROVAL FOR TENTATIVE TRACT MAP NO. 36494

1. The applicant shall defend, indemnify and hold harmless the City of Coachella, its officials, officers, employees, and agents from and against any claim, action, or proceeding against the City, its officials, officers, employees or agents to attack, set aside, void or annul any project approval or condition of approval of the City concerning this project, including but not limited to any approval or condition of approval or mitigation measure imposed by the City Council or Planning Commission. The City shall promptly notify the applicant of any claim, action, or proceeding concerning the project and the City shall cooperate fully in the defense of the matter. The City reserves the right, at its own option, to choose its own attorney to represent the City, its officials, officers, employees and agents in the defense of the matter. The applicant shall execute an indemnification agreement, in a form acceptable to the City Attorney, within five days of the effective date of this approval.
2. This map is for financing and conveyance purposes only. No development entitlements are associated with Tentative Tract Map No. 36494.
3. The following statement must be clearly printed on the face of Tentative Tract Map No. 36494:

FOR FINANCE AND CONVEYANCE PURPOSES ONLY. THIS MAP
DOES NOT CREATE ANY LEGAL BUILDING SITES. FURTHER
APPLICATIONS ARE NECESSARY TO DEVELOP THIS PROPERTY.
4. The approval of Tentative Tract Map No. 36494 shall remain in effect as specified in the La Entrada Development Agreement.
5. Tentative Tract Map No. 36494 must be consistent with Specific Plan Amendment No. 88-3, the La Entrada Specific Plan.
6. No development or improvement, including grading, of any portion of this map shall be permitted until a subsequent Builder's Tentative Map or Commercial Map is recorded in accordance with the applicable provisions of the La Entrada Specific Plan Conditions of Approval, Subdivision Map Act, and the City of Coachella Subdivision Ordinance for the subdivision described in this map.

- ~~7. The Final Tract Map may not record until such time as Annexation 13-XX is complete.~~
8. The Final Tract Map shall comply with the Subdivision Map Act and City of Coachella Subdivision Ordinance.

- ~~9. Prior to recordation of Tentative Tract Map No. 36494, the existing Rights-of-Way for Pierce Street, Buchanan Street, Avenue 50 and Avenue 52 shall be vacated.~~
10. In accordance with and compliance with the Conditions of Approval for Specific Plan 88-3 (Amendment), Developer's facilities obligations may be financed through the use of one or more Financing Districts including, without limitation, a Community Facilities Financing District for improvements, public services, including without limitation police and fire services, fees or maintenance costs. Any La Entrada specific Financing District must include a component for police and fire services at service levels equivalent to current police staffing and fire response times. In the event that a La Entrada-specific Financing District is not formed, prior to recordation of the Final Map, the applicant or successor in interest shall annex the subject property into the City's Community Facilities District (CFD 2005-01) for City Police, Fire and Paramedic services, and the applicant shall cooperate with the City to include the subject property, including the 588-acre Annexation area, in CFD 2005-01.
- ~~11. Approval of Tentative Tract Map No. 36494 is contingent upon City Council certification of EIR 12-01 and City Council approval of General Plan Amendment 12-02, General Plan Amendment 12-03 and Specific Plan No. 88-03 (Amendment).~~

**Conditions of Approval For Specific Plan Amendment No. 88-3 (Amendment): La
Entrada**

General Conditions

1. The applicant shall defend, indemnify and hold harmless the City of Coachella, its officials, officers, employees, and agents from and against any claim, action, or proceeding against the City, its officials, officers, employees or agents to attack, set aside, void or annul any project approval or condition of approval of the City concerning this project, including but not limited to any approval or condition of approval or mitigation measure imposed by the City Council or Planning Commission. The City shall promptly notify the applicant of any claim, action, or proceeding concerning the project and the City shall cooperate fully in the defense of the matter. The City reserves the right, at its own option, and subject to reasonable approval of the applicant, to choose its own attorney to represent the City, its officials, officers, employees and agents in the defense of the matter. The applicant shall execute an indemnification agreement, in a form acceptable to the City Attorney, within five days of the effective date of this approval.
2. The words identified in the following list appear in capitals in the attached Conditions of Approval for Specific Plan Amendment No. 88-3: The La Entrada Project ("City Approvals") and shall be henceforth defined as follows:

SPECIFIC PLAN = Specific Plan Amendment No. 88-3: La Entrada

CHANGE OF ZONE = Change of Zone No. I 2-03

GPA = General Plan Amendment Nos. 12-02 (land use designation) and 12-03 (text amendment)

DEVELOPMENT AGREEMENT = La Entrada Development Agreement

ANNEXATION = La Entrada Annexation

EIR = Environmental Impact Report No. 12-01

TTM = Financing Tentative Tract Map No. 36494

BUILDER'S TENTATIVE MAP = A Builder's Tentative Map created for the purpose of designing individual residential lots or multi-family units for sale to end-user homeowners.

BUILDING PERMITS = The number of dwelling units constructed within an implementing project. Any condition of approval that uses the term "Building Permit" to trigger an event or to cause another action to take place shall be interpreted to mean "Dwelling Units" as enumerated within the TOTAL DWELLING UNIT TRACKING MATRIX.

COMMERCIAL MAP = A Commercial Map is the division of a lot or parcel of land into two or more lots for the purpose of creating a development for commercial or business related purposes. This definition includes, but is not limited to, retail commercial and office commercial uses.

FINAL MAP or MAP = The terms Final Map, Final Tract Map or Map shall have the same meaning as those terms are defined in the California Subdivision Map Act (California Government Code Sections 66410 et seq.).

IMPLEMENTING PROJECT = An Implementing Project is a subsequent project, located in the Specific Plan area, pursuant to either a Builder's Tentative Map or Commercial Map.

MASTER SUBDIVISION MAP = A Master Subdivision Map is a map that subdivides large tracts of land into smaller parcels for the purpose of later selling or otherwise transferring the parcels for further subdivision together with planning and construction of infrastructure elements, but not for the purpose of creating individual commercial parcels or individual residential lots for sale to end-user homeowners. The purpose and intent of the Master Subdivision Map process is to allow subdivision of land to correspond to Specific Plan Planning Areas, open space, and infrastructure elements without allowing the creation of individual commercial or residential lots. For nonresidential property, while the Master Subdivision Map process may create parcels which may or may not be subdivided further, no building may be undertaken on any master parcel unless and until all other required discretionary entitlements have been lawfully obtained, as required by applicable land use and development regulations of the Specific Plan. The boundary lines on any Master Subdivision Map shall correspond to applicable Planning Area plan land use designations and infrastructure elements.

SPECIFIC PLAN AMENDMENT NO. 88-3 = Specific Plan Amendment No. 88-3, the La Entrada Specific Plan shall include the following:

- a. Specific Plan Document, which shall include the following:
 1. City Council General Plan Amendment No. 12-02 resolution;
 2. City Council Specific Plan Amendment No. 88-3 ordinance including the Conditions of Approval;
 3. Specific Plan Zoning District Ordinance; and
 4. Specific Plan text, land use map and supporting exhibits.
- b. Final Environmental Impact Report No.12-01 which includes the following:
 1. Mitigation Monitoring and Reporting Program;
 2. Draft Environmental Impact Report;
 3. Comments received on DEIR either verbatim or in summary;

4. A list of persons, organizations and public agencies commenting on the DEIR;
5. Responses of the City to significant environmental points raised in the review and consultation process;
6. Errata;
7. Technical Appendices on CD;
8. Findings; and
9. Statement of Overriding Considerations.

TOTAL DWELLING UNIT TRACKING MATRIX = A chart for tracking the total build out of the Specific Plan maintained by the City, Development Services Department. The matrix shall differentiate between individual Building Permits and the total number of dwelling units that are represented by the Building Permits that have been issued for the entire Specific Plan.

All other terms not specifically defined herein shall have the same meaning set forth in the Specific Plan.

3. In the event of an inconsistency between these Conditions of Approval and the Specific Plan or Development Agreement, the terms and conditions of the Specific Plan and Development Agreement, as applicable, shall prevail. All implementing actions associated with the City Approvals shall be consistent with the Specific Plan and the Development Agreement.
4. The development of the property shall be in accordance with the mandatory requirements of all City of Coachella ordinances and state laws and shall conform substantially to the adopted Specific Plan and Environmental Impact Report as approved by the City of Coachella.
5. All Planning Area numbers shall be retained throughout the life of the Specific Plan, in accordance with Section 5.4 of the Specific Plan.
6. Density transfers between Planning Areas are permitted in accordance with Section 5.3 of the Specific Plan.
7. Prior to the approval of any Implementing Project, the applicant shall provide a Total Dwelling Unit Tracking Matrix. The Matrix Table will track Planning Area entitled units, Tentative Tract Map units, Final Map recorded units, and units actually built within every planning area in the Specific Plan. The purpose of this tracking sheet is to enable the Community Development Department to ensure compliance with the established Planning Area development ranges as outlined in Table 2-1 of the Specific Plan.
8. A minimum of 25% of the dwelling units (a minimum of 1,950 dwelling units) within the La Entrada Specific Plan shall include installation of renewable energy facilities including, without limitation, solar technology. The following minimums shall be required for each development phase:
 - a. Phase 1 - 368 units
 - b. Phase 2 - 348 units
 - c. Phase 3 - 311 units
 - d. Phase 4 - 258 units
 - e. Phase 5 - 665 units

9. Planning Areas C-10, C-11, G-6, G-7, G-9, G-10, and G-11 shall include the installation of renewable energy facilities including, without limitation, solar technology.
10. No development shall occur within the 588-acre Annexation area of the Specific Plan until such time as the Annexation process is complete.
11. Mitigation measures included in the project Mitigation Monitoring and Reporting Program and the letter from the Riverside County Fire Department dated October 16, 2013 (attached and incorporated by reference as project conditions of approval).
12. The Planning Director or his/her designee may allow minor modifications or adjustments to these Conditions of Approval through a Director's Administrative Review process, so long as those minor modifications and adjustments are consistent with the City Approvals and the Specific Plan.
13. The applicant has ninety (90) days from the date of the approval of these conditions to protest, in accordance with the procedures set forth in Government Code Section 66020, the imposition of any and all fees, dedications, reservations and/or exactions imposed on this project as a result of the approval or conditional approval of this project.
14. Fee credits or reimbursements are allowed as set forth in the City of Coachella Ordinance No. 1013 or as may be allowed in the La Entrada Development Agreement.
15. The Specific Plan must be consistent with all aspects of the approved Water Supply Assessment dated October 2013. Development within the project area of Specific Plan Amendment 88-03 must comply with the City's fee requirements for supplemental water purchases.

Prior to Grading Permit

The following conditions shall be included as conditions of all subsequent Tentative Tract Maps:

16. All grading shall be performed in accordance with the applicable provisions of the California Building Code, project's Mitigation Monitoring and Reporting Program, the Specific Plan and its Appendix A (Grading Standards), and the City General Plan, as amended.
17. Prior to the issuance of a grading permit(s), all certifications affecting grading shall have written clearances, including, but not limited to additional environmental assessments, erosion control plans and geotechnical/soils reports.
18. Grading of the site will be done in substantial conformance with a mass grading plan submitted at the time of the first Master Tentative Tract Map.
19. Per the requirements of CVWD, prior to the issuance of grading permits, the developer shall provide the following for those drainage facilities impacted by the proposed grading:

- a. Provide flood control plans that incorporate the required mitigation measures to protect existing CVWD facilities and satisfy all applicable regulations and standards.
- b. Obtain a Conditional Letter of Map Revision (CLOMR) through the Federal Emergency Management Agency (FEMA).
- c. Execute an agreement with CVWD, which shall include provisions outlined in CVWD Ordinance No. 1234.1.
- d. Submit to CVWD a Flood Control Facility Operations and Maintenance Manual for review and approval.
- e. Grant flooding easements over the flood control facilities in a form and content reasonably acceptable to CVWD.
- f. Submit final construction plans for the proposed flood control facilities and a detailed hydrologic and hydraulic design report for review and approval.

Prior to or concurrent with submittal of a Master Tentative Map

20. The first Master Tentative Map must provide for all requisite on-site and off-site easements, rights-of-way and alignments for vehicular access and extension of utility infrastructure, including reclaimed water facilities, to the project site from both Avenue 50 and Avenue 52.
21. The first Master Tentative Map must provide a plan for the expansion of the City's wastewater treatment facility, or provide for project specific wastewater treatment facilities, as may be required to address the additional capacity needs generated by the La Entrada development.
22. The Avenue 52 access, with the exception of the canal crossing, shall be designed with interim improvements as approved by the City Engineer and the Fire Department. Timing of the ultimate improvement of Avenue 52 shall be in accordance with the requirements of the Specific Plan and EIR.
23. Plans including, without limitation, financing details, preliminary design plans and a construction phasing schedule for the project's Primary Community Gateways, in accordance with Section 3.4.3 and Exhibit 3-2 (Master Landscape Plan) of the Specific Plan shall be part of the first Master Tentative Map that includes Avenue 50 and Avenue 52.
24. Ultimate parkway and median landscaping for Avenue 52 and "B" Street shall be installed in conjunction with development of the planning area immediately adjacent to the road segment.
25. A recreation and open space concept plan that includes trails, parks, the paseo and the drainage trail connections and provides detail on layout, grading, utilities, plant palette and lighting is required for each phase of the project. The plan shall be submitted and approved by the City's Planning Director or his/her designee concurrently with the first Tract Map for the particular phase of development.
26. A transit plan, illustrating the location and spacing of transit facilities, shall be submitted to SunLine Transit Agency in conjunction with the first Master Tentative Map that includes Street A.
27. In accordance with Section 5.2 of the Specific Plan, a Master Signage Program shall be prepared and approved by the City's Planning Director or his/her designee to provide for design continuity within the La Entrada Community.

28. In accordance with Section 3.4.8 of the Specific Plan, a Master Wall and Fencing Plan shall be prepared and approved by the City's Planning Director or his/her designee to provide for design continuity within the La Entrada Community.

29. All improvement plans for landscaped elements including, without limitation, parkways, medians, paseos and trails shall conform to the standards contained in Section 3.4 of the Specific Plan.

30. All parks shall be constructed in accordance with table 5-2 (Park Phasing) of the Specific Plan.

Prior to or concurrent with submittal of a Builder's Tentative Map or Commercial Map

31. Prior to or concurrent with approval of a Builder's Tentative Map or Commercial Map, traffic studies shall be prepared in accordance with Mitigation Measures 4.16.1 through 4.16.5.

32. Prior to approval of the first Builder's Tentative Map or Commercial Map that includes Planning Areas C-10 and C-11 or the first Builder's Tentative Map in the Central Village, whichever comes first, the applicant shall work with the Fire Department to identify the location, design and siting for the future fire station.

33. Prior to approval of the first Builder's Tentative Map or Commercial Map that includes Planning Areas C-10 and C-11 or the first Builder's Tentative Map in the Central Village, whichever comes first, the applicant shall work with the Police Department to identify the need, location, design and siting for the potential future police station site.

34. In accordance with Section 5.2 of the Specific Plan, a detailed Sign Plan in conformance with the Master Signage Program shall be prepared and approved by the City's Planning Director or his/her designee as part of the design review process.

35. In accordance with Section 3.4.8 of the Specific Plan, a detailed Wall and Fencing Plan in conformance with the Master Wall and Fencing Plan shall be prepared and approved by the City's Planning Director or his/her designee as part of the design review process.

36. All improvement plans for landscaped elements including, without limitation, parkways, medians, paseos and trails shall conform to the standards contained in Section 3.4 of the Specific Plan.

37. Commercial and residential builders shall design all structures in accordance with the guidelines set forth in the US Green Building Council LEED, and GreenPoint Rated standards. LEED certification is not required. All commercial and residential builders shall comply with or exceed the most current Title 24 energy efficiency and CALGreen building standards.

38. All Final maps may be phased. The number of phased final maps that may be filed shall be determined by the Developer and Planning Director or his/her designee at the time of the approval or conditional approval of the tentative map.

Prior to Recordation of a Builder's or Commercial Final Map

39. In accordance with and compliance with the Conditions of Approval for Specific Plan 88-3 (Amendment), Developer's facilities obligations may be financed through the use of one or more Financing Districts including, without limitation, a Community Facilities Financing District for improvements, public services, including without

limitation police and fire services, fees or maintenance costs. Any La Entrada specific Financing District must include a component for police and fire services at service levels equivalent to current police staffing and fire response times. In the event that a La Entrada-specific Financing District is not formed, prior to recordation of the Final Map, the applicant or successor in interest shall annex the subject property into the City's Community Facilities District (CFD 2005-01) for City Police, Fire and Paramedic services, and the applicant shall cooperate with the City to include the subject property, including the 588-acre Annexation area, in CFD 2005-01

40. Prior to Map recordation, a permanent master maintenance organization shall be established for the Specific Plan area to assume ownership and maintenance responsibility for all common recreation, open space, stormwater drainage, circulation systems and landscaped areas. The organization may be public or private.
 - a. If the organization is a private organization, then neighborhood associations shall be established for each residential development where required and such associations may assume ownership and maintenance responsibility for neighborhood common areas.
 - b. Common open areas shall be conveyed to the maintenance organization as implementing development is approved or any subdivision is recorded.
 - c. The maintenance organization shall be established prior to or concurrent with recordation of the first land division.
 - d. Covenants, Conditions and Restrictions (CC&Rs) shall be prepared by the applicant, reviewed and approved by the City Attorney.
 - i. The CC&Rs shall be consistent with the Sustainable Community Design Strategies, and Section 3 (Design Guidelines) of the adopted Specific Plan.
 - ii. The CC&Rs shall include a disclosure to residential owners in substantially the same form as: "The La Entrada property is located, partially or wholly, adjacent to land zoned for agricultural purposes by the City of Coachella. No agricultural activity, operation, or facility or appurtenances thereof, conducted or maintained for commercial purposes in the City of Coachella and in a manner consistent with proper and accepted customs and standards, as established and followed by similar agricultural operations in the same locality shall be or become a nuisance, private or public, due to any changed condition in or after the locality, after the same has been in operation for more than three years, if it was not a nuisance at the time it began."
 - iii. The CC&Rs shall include a disclosure to residential owners in substantially the same form as: "A substantial portion of La Entrada is within an earthquake fault zone that has been designated by the California State Geologist as the San Andreas fault zone under a California law called the Alquist-Priolo Earthquake Fault Zoning Act (California Public Resources Code Sections 2621 through 2630). This Act prohibits the construction of structures for human occupancy over the trace of an active fault line. An active fault trace is the location of an earthquake fault that has broken the ground surface in about the last 11,000 years."
 - iv. The CC&Rs shall include a disclosure and provide information to future residential owners and business owners on the benefits of installing and utilizing energy conservation measures and renewable energy resources as a means of reducing dependence on non-renewable

energy sources.

Prior to Occupancy Permits of a Builder's Map or Commercial Map

41. Per the requirements of CVWD, prior to the issuance of occupancy permits, the developer shall:
 - a. Obtain a Letter of Map Revision (LOMR) through FEMA.
 - b. At the completion of the construction of the flood control facilities, submit "as-built" topography, construction drawings, and engineering analysis for CVWD review to verify that the design capacity is adequate.
42. The developer is required to install suitable facilities per Coachella Valley Water District and Bureau of Reclamation standards to prohibit access to the Coachella Canal facility and adjacent right-of-way.

Amendments to Specific Plan 88-03 Document Text:

43. Section 4.5.2 of the Specific Plan document shall be amended to allow theaters as a permitted use.
44. Section 4.4.2 of the Specific Plan document shall be amended to allow a maximum building coverage of 50% for Low Density Residential uses.

Exhibit G

TTM 36494

Exhibit H

CFD Financing Parameters

1. Financing Parameters. City agrees to levy special taxes of the La Entrada Facility CFD and issue bonds in one or more series to finance the acquisition and construction of the Public Facilities using the parameters set forth below:

a. A precondition to the issuance of bonds shall be that the value of the real property subject to special taxes required to repay the bonds shall be at least three (3) times the amount of the bonds and any other governmentally-imposed land-secured debt (excluding any proceeds of the bonds to be deposited in an escrow fund); provided, however, that City, its bond counsel, its financial advisor and the underwriter of the bonds do not view such ratio as posing an unusual credit risk. In order to reduce issuance, administrative and interests costs, provide certainty as to the availability of the proceeds of the bonds to fund the Public Facilities, and facilitate efficiency in such funding and the construction of the Public Facilities, bonds may be issued and a portion of the proceeds escrowed that is reasonably expected by the City to be released within three (3) years pending increases in the value of property subject to special taxes to achieve a 3:1 value-to-lien ratio.

b. Each series of bonds shall have a term of thirty (30) years; provided, however, the term of any individual series of bonds may be less than thirty (30) years if the La Entrada Facility CFD's authority to levy the special taxes securing the payment of such bonds or the underwriting conditions in the market for land secured bonds at the time of the issuance of such bonds require the issuance of such bonds with a shorter term.

c. Each series of bonds may include up to twenty four (24) months of capitalized interest or such other lesser amount as may be requested by Master Developer and such amount may exceed the amount necessary to place the special tax installations on the assessment roll.

d. Each series of the La Entrada Facility CFD bonds to be issued for an improvement area shall be sized based upon the estimated annual special tax revenues from such improvement area at build-out being equal to one hundred ten percent (110%) of (i) annual debt service, plus (ii) priority annual administrative expenses. Priority administrative expenses shall not exceed \$30,000 per an improvement area. Nothing herein shall require the City to include in the annual levy of special taxes an amount less than its actual and reasonably estimated La Entrada Facility CFD administrative expenses or permit the City to include an amount greater than such expenses.

e. The total effective tax rate within each improvement area applicable to any residential parcel on which a residential dwelling has or is to be constructed, taking into account all ad valorem property taxes, voter-approved ad valorem property taxes in excess of one percent (1%) of assessed value, the annual special taxes of existing community facilities districts and community facilities districts under consideration and reasonably expected to be established, the annual assessments (including any administrative surcharge) of existing assessment districts and assessment districts under consideration and reasonably expected to be established, and the special taxes of the La Entrada Facility CFO, shall not exceed two percent (2.00%) of the projected initial sales price of the residential dwelling unit and such parcel, as projected at the time of the La Entrada Facility CFD formation.

f. Special taxes shall be levied on Developed Property within an improvement area at the maximum assigned special tax rate prior to the issuance of bonds to finance the Public Facilities. "Developed Property" means a parcel for which a building permit has been issued. "Undeveloped Property" shall mean all other taxable property. Special Taxes may be levied on Undeveloped Property within an improvement area only after the issuance of bonds and only to the extent the annual debt service on the bonds, administrative expenses, the reasonably anticipated delinquent special taxes, and the reserve fund replenishment amount is not able to be paid in full from Developed Property special taxes levied and collected within the applicable improvement area.

g. Full and/or partial prepayment of the special taxes shall be permitted.

h. At Master Developer's election, City shall allow the special taxes to escalate by two percent (2%) per year and debt service on the bonds to escalate at the same average rate as the special tax escalation.

i. The City shall allow the levy and collection of special taxes so as to generate "Surplus Special Taxes." "Surplus Special Taxes" shall mean La Entrada Facility CFD special taxes levied on Developed Property within an improvement area prior to the issuance of bonds for such improvement area and collected by the La Entrada Facility CFD, net of the amount required to pay La Entrada Facility CFO administrative expenses.

Surplus Special Taxes collected by the La Entrada Facility CFD shall be deemed La Entrada Facility CFD Proceeds and disbursed to reimburse, by any mechanism reasonably acceptable to Master Developer and City, Master Developer amounts approved pursuant to payment requests submitted for the Public Facilities.

J. The rate and method of apportionment of special taxes for each improvement area shall include provisions to allow for administrative reductions in the maximum special taxes, prior to the issuance of bonds of such improvement area, with the consent of the owner(s) of 100% of the taxable property within such improvement area. The rate and method of apportionment shall include substantially the following language: "Prior to the issuance of Bonds, the Assigned Special Tax, Backup Special Tax, and Maximum Annual Special Tax (collectively the "Special Tax Rates") on Taxable Property may be reduced in accordance with, and subject to the conditions set forth in this paragraph. Upon the City's receipt of a written request including written consent of 100% of the owners of Taxable Property within the improvement area and the CFD Administrator, the Special Tax Rates on Taxable Property may be reduced to a level which will provide not less than the sum of estimated Administrative Expense Requirement and one hundred ten percent (110%) of the estimated debt service with respect to the amount of bonds requested to be issued in such written request. The reductions permitted pursuant to this paragraph shall be reflected in an amended Notice of Special Tax Lien which the City shall cause to be recorded."

2. Modifications. In order to address economic circumstances, Project revisions, bond underwriting criteria or other factors consistent with the Project's development plan and City and Master Developer's objectives with respect to the Project and the Public Facilities: (i) the provisions of this financing plan may be modified at an administrative level with the consent

of both the City Manager and Master Developer, and (ii) City shall cooperate with Master Developer to amend the La Entrada Facility CPD boundaries, including boundaries of improvement areas thereof, special tax rates, and other relevant aspects of the La Entrada Facility CFD structure. City agrees and acknowledges that in connection with any such amendment it shall not impose or otherwise require any additional infrastructure, development fee or other requirements or conditions with respect to the Project or La Entrada Facility CFD; provided, however, the City may require the Master Developer to advance funds to pay all reasonable costs incurred or to be incurred by the City in considering any such amendment.

3. Compliance with Federal Tax Laws and U.S. Securities and Exchange Commission (SEC) Requirements. In connection with the issuance of each series of bonds of the La Entrada Facility CFD, City and Master Developer shall abide by all federal tax laws and regulations, as well as all applicable SEC laws and regulations regarding both original and continuing disclosure. Failure of Master Developer to comply with SEC disclosure requirements may preclude the issuance of any additional bonds. The Master Developer shall include a provision in the sale of any portion of the Property to a merchant builder that will require the merchant builder to comply with all such laws and regulation.

EXHIBIT I

Form of Assignment and Assumption Agreement

RECORDING REQUESTED BY AND WHEN
RECORDED MAIL TO:

(Space Above line for Recorder's Use Only)

ASSIGNMENT AND ASSUMPTION OF DEVELOPMENT AGREEMENT

This ASSIGNMENT AND ASSUMPTION OF DEVELOPMENT AGREEMENT ("Assignment") is made
this ____ day of _____, 20__ ("Assignment Date") by and between

_____ as successor-in-interest to

_____ ("Assignor"), and

_____ ("Assignee").

RECITALS

A. _____ is currently the owner of certain real property located in the City of Coachella, County of Riverside, State of California, as more fully described on Exhibit A attached hereto and incorporated herein by reference (the "Property").

B. Pursuant to California Government Code Section 65864, et. seq., Assignor's predecessor-in-interest negotiated, finalized, executed and entered into that certain Development Agreement dated _____ and recorded on _____ as Instrument No. _____ in the Official Records of the County of Riverside ("Official Records") with the City of Coachella, a California municipal corporation (the "City") (collectively the "Development Agreement").

C. Assignor has obtained from the City certain development approvals and permits with respect to the development of the Property, including without limitation, approval of the Development Agreement (the "Project Approvals").

D. Assignor and Assignee entered into that certain Agreement of Purchase and Sale and Joint Escrow Instructions dated as of _____ (the "Agreement"), for the sale of the Property.

E. Under the Agreement, Assignor is obligated to assign to Assignee all of Assignor's right, title and interest in and to the Development Agreement and Project Approvals pursuant to this Assignment.

NOW, THEREFORE, in reliance on the foregoing and in consideration of the mutual covenants, agreements and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Assignment. Assignor hereby assigns and transfers to Assignee **all** of the Assignor's **right**, title and interest in and to the Development Agreement and the Project Approvals with respect to the Property. Assignee hereby accepts such assignment from Assignor.
2. Assumption. Assignee expressly assumes and agrees to keep, perform, and fulfill all of the terms, conditions, covenants and obligations required to be kept, performed and fulfilled by Assignor under the Development Agreement and Project Approvals with respect to the Property.
3. Representations and Warranties of Assignor. Assignor hereby makes the following representations and warranties to the Assignee as of the date of this Assignment:
 - a. Assignor is the holder of that portion of the Property currently encumbered by the Development Agreement and Project Approvals, and has not previously transferred or assigned any interest in the same.
 - b. The Development Agreement is unmodified and in full force and effect.
 - c. To the actual knowledge of Assignor, no default on the part of Assignor, and no breach or failure of condition that, with notice or lapse of time or both, would constitute a default on the part of Assignor, exists under the Development Agreement.
 - d. The execution, delivery, and performance by Assignor of this Assignment (i) will not contravene any legal requirements applicable to Assignor, (ii) will not conflict with, breach or contravene any other agreement binding on Assignor, and (iii) will not result in the creation or imposition of any liens on any portion of the Property except as may otherwise be permitted under the terms of the Development Agreement.

- e. Prior to the date hereof, Assignor has provided the City with written notice of this Assignment and requested from Assignee the appropriate documentation required by the City in connection with this Assignment.
4. Counterparts. This Assignment may be executed in counterparts, each of which shall be deemed an original, and all of which shall, taken together, be deemed one document.
5. Survival. This Assignment and the provisions hereof shall inure to the benefit of and be binding upon the parties to this Assignment and their respective successors, heirs and permitted assigns.
6. No Third Party Beneficiaries. Except as otherwise expressly set forth herein, Assignor and Assignee do not intend, and this Assignment shall not be construed, to create a third-party beneficiary status or interest in, nor give any third-party beneficiary rights or remedies to, any other person or entity not a party to this Assignment.
7. Further Assurances. Each party hereto hereby covenants that it will, at any time and from time to time upon written request therefor, execute and deliver to the other party and its successors, nominees or assigns, such documents as such other party or they may reasonably request in order to fully consummate the transactions contemplated by this Assignment.
8. Governing Law. This Assignment shall be governed by, interpreted under, and construed and enforceable in accordance with the laws of the State of California, without regard to chaise of law principles.

[Signatures on Following Page]

IN WITNESS WHEREOF, Assignor and Assignee have executed and delivered this Assignment as of the day and year first written above.

"ASSIGNOR"

Dated: _____

By: _____

Its: _____

"ASSIGNEE"

Dated: _____

By: _____

Its: _____

{Attach Notary Acknowledgements}