

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Corona
400 South Vicentia Avenue
Corona, California 92882

Attention: City Clerk

(Space Above For Recorder's Use)
(Exempt from recording fee per Cal. Gov. Code section 6103)

FIRST AMENDMENT
TO
ARANTINE HILLS DEVELOPMENT AGREEMENT

This First Amendment ("**First Amendment**") to the Arantine Hills Development Agreement is entered into this ____ day of _____, 2018 ("**Effective Date**"), by and between the CITY OF CORONA, a municipal corporation ("**City**"), and ARANTINE HILLS HOLDINGS, L.P., a Delaware limited partnership ("**Developer**"). The City and Developer are sometimes referred to individually as "Party" and collectively as "Parties throughout this First Amendment.

RECITALS

A. City and Developer entered into that certain Arantine Hills Development Agreement dated as of June 1, 2016, and recorded in the official records of the County of Riverside, California on July 21, 2016 as Instrument No. 2016-0306565 ("**Development Agreement**") against certain real property consisting of approximately 276 acres specifically described in Exhibit "A" of the Development Agreement.

B. Recital E of the Development Agreement provides that the Developer may seek to expand the Project area in the City in the future and that the Parties intend that the Development Agreement may be amended to include and govern any such after-acquired property in the City.

C. The Developer has acquired a legal or equitable interest in that certain real property immediately adjacent to the Property consisting of approximately 31.2 acres, which is legally described and depicted in Exhibit "E," attached hereto and incorporated herein by reference ("**Annexed Property**"). The McMillan Trust Under Declaration dated November 9, 2005 ("**Fee Owner**") is the current owner of the fee title interest in the Annexed Property. The Fee Owner has, by executing the Consent to Recordation, attached hereto as Exhibit "F" and incorporated herein by reference, acknowledged the terms and conditions of this First Amendment, including, without limitation, Section 10, and consented to Developer entering into this First Amendment and the recordation of this First Amendment.

D. The Developer desires to amend the Development Agreement to expand the Project area described in the Development Agreement to include the Annexed Property and to thereby require Development of the Annexed Property in a manner consistent with the Development Agreement.

E. In conjunction with the execution of this First Amendment, the City has approved: (i) General Plan Amendment 2018-0001, which, among other things, changes the General Plan designation on 17.4 acres of the Annexed Property from Agriculture to Medium Density Residential and 11.2 acres of the Annexed Property from Agriculture to Open Space (“**GPA2018-0001**”); (ii) Amendment No. 2 to the Arantine Hills Specific Plan (“**SPA2018-0001**”) which, among other things, adds the Annexed Property to the Arantine Hills Specific Plan; and (iii) Parcel Map 37036 (“**PM 37036**”) that creates a legal lot over the Annexed Property for conveyance purposes. The Parties acknowledge that GPA2018-0001, SPA2018-0001, and PM 37036 are “Subsequent Land Use Regulations” as that term is defined in Section 1.1.31 of the Development Agreement.

F. All terms, phrases and words indicated to be defined terms by initial capitalization in this First Amendment that are not specifically defined in this First Amendment shall have the same meaning ascribed to the same term, phrase, or word, respectively, in the Development Agreement.

G. The City Council finds and determines that this First Amendment is in the best public interest of the City and its residents and adopting this First Amendment constitutes a present and valid exercise of the City's police power. The City and its City Council have determined that the Project, as amended by the Subsequent Land Use Regulations described in Recital E above, is consistent with the Development Agreement and this First Amendment and the Existing Land Use Regulations, as defined in the Development Agreement and this First Amendment. This First Amendment will facilitate the accomplishment of the public benefits described in the Development Agreement.

H. The City finds and determines that all actions required of City precedent to approval of this First Amendment by Ordinance No. 3286 have been duly and regularly taken.

I. As part of the process of approving this First Amendment, GPA2018-0001, SPA2018-0001, and PM 37036, the City Council has required the preparation of an Addendum to the previously certified Supplemental Environmental Impact Report (“**SEIR**”) and Initial Environmental Impact Report (“**EIR**”) for the Arantine Hills Specific Plan and has otherwise carried out all requirements of the California Environmental Quality Act (Public Resources Code Section 21000 et seq.) (“**CEQA**”), the State CEQA Guidelines and the City of Corona Local CEQA Guidelines.

J. On October 22, 2018, following a duly noticed and conducted public hearing, the City Planning and Housing Commission recommended that the City Council approve this First Amendment along with GPA2018-001, SPA2018-0001 and PM 37036.

K. On November 7, 2018, following a duly noticed and conducted public hearing and pursuant to CEQA, the City Council certified the Addendum for the above actions.

L. On November 7, 2018, following a duly noticed and conducted public hearing, the City Council determined that the provisions of this First Amendment are, or upon the adoption of GPA2018-0001, SPA 2018-0001 and PM 37036 will be, consistent with the City's General Plan and zoning designation, and introduced Ordinance No. 3286 approving and authorizing the execution of this First Amendment.

M. On November 21, 2018, the City Council adopted Ordinance No. 3286 approving and authorizing the execution of this First Amendment. A copy of Ordinance No. 3286 is on file at the office of the City Clerk, with adopted findings and conditions pertaining thereto, including those relating to the environmental documentation for the First Amendment.

COVENANTS

NOW, THEREFORE, in consideration of the above recitals and of the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. **Subsequent Land Use Regulations.** As provided in Section 3.13.3.5 of the Development Agreement, Developer hereby provides written consent to the application of the Subsequent Land Use Regulations described in Recital E of this First Amendment to the Development of the Property and the Annexed Property.
2. **Section 3.9.2 – Traffic Signal Improvements.** Section 3.9.2 of the Development Agreement is hereby deleted in its entirety and replaced with the following:

“3.9.2 Traffic Signal Improvements.

3.9.2.1 Bedford Canyon Road / Georgetown Drive. Prior to issuance of the first production building permit for the Project, Developer shall pay to the City one hundred percent (100%) of the estimated cost to construct a traffic signal at Bedford Canyon Road and Georgetown Drive ~~and sixty-four percent (64%) of the estimated cost to construct a traffic signal at Masters Drive and California Avenue,~~ based upon the estimated costs of construction at the time such fees are paid to the City. Concurrent with the issuance of the first building permit, Developer's and City's rights and obligations set forth in this Section 3.9.2 shall survive expiration or termination of this Agreement.

3.9.2.2 Masters Drive / California Avenue. Developer shall pay to the City sixty-four (64%) of the estimated cost to construct traffic signal improvements at Masters Drive and California Avenue based upon the estimated costs of construction at the time such fees are paid to the City. The Parties acknowledge and agree that the Total Cost of construction of the traffic signal improvements at Masters Drive and California Avenue may change

during the term of this Agreement and the City's Public Works Director shall, in his sole and absolute discretion, determine the estimated costs of construction of the traffic signal improvements at Masters Drive and California Avenue based upon the most recent engineering estimates and other reasonably available data.

To secure Developer's obligation under this Section 3.9.2.2, Developer shall, on or before November 16, 2018 provide a performance bond in an amount equal to sixty-four percent (64%) of the estimated Total Cost of the traffic signal improvements at Masters Drive and California Avenue. The performance bond may include an annually renewable clause provided the bond is in substantially the same form as that bond included in Exhibit "G" of this Agreement and the terms of the bond include all of the following:

(A) The surety to provide written notice to the City and the Developer of its intent to not extend the bond ("Potential Non-Renewed Bond") at least sixty (60) days prior to the date the Potential Non-Renewed Bond expires;

(B) In the event the surety provides such notice, Developer shall, at least thirty (30) days prior to the expiration of the Potential Non-Renewed Bond, either post a new performance bond that satisfies the requirements of this Section 3.9.2.2 or provide a cash payment to the City for the full amount of the Potential Non-Renewed Bond;

(C) If Developer is unable, or otherwise fails, to provide a new performance bond acceptable to the City pursuant to the terms of this Section 3.9.2.2 and fails to provide a cash payment to the City for the full amount of the Potential Non-Renewed Bond at least thirty (30) days prior to the date the Potential Non-Renewed Bond expires, the Developer shall be deemed to be in default under this Agreement and the surety shall, without complying with any procedures set forth in Section 5 or 6 of this Agreement:

(i) cure the default; or

(ii) assume and perform the Developer's obligations under this Section 3.9.1.2; or

(iii) tender to the City funds sufficient to satisfy Developer's obligations under this Section 3.9.2.2 up to the amount of the Potential Non-Renewed Bond; and

(D) The performance bond may not be cancelled during a term for any reason, such as lack of a premium payment by Developer or default of Developer.

(E) Any performance bond provided pursuant to this Section 3.9.2.2 shall also further provide that no change or alteration of this Agreement, extensions of time, or modifications of the time, terms, or conditions of the construction of the traffic signal at Masters Drive and California Avenue, will release the surety. The performance bonds required under this Section 3.9.2.2 must be provided by a surety which is satisfactory to the City and which meets either of the following criteria: (1) a surety with a current A.M. Best's rating no less than A:VII and licensed as an admitted surety insurer in California; or (2) a surety with a current A.M. Best's rating no less than A:X and authorized to issue the required bonds in California.

(F) The City will review the need for the traffic signal improvements at Masters Drive and California Avenue on an annual basis as development of the Project progresses. At such time that the City's Public Works Director determines, in his sole and absolute discretion, that the traffic signal improvements at Masters Drive and California Avenue are warranted, the City will provide written notice to Developer of the City's intent to construct the traffic improvements at Masters Drive and California Avenue. Within thirty (30) days of receiving the City's notice, Developer shall deposit with the City a cash payment in an amount equal to sixty-four percent (64%) of the then-current estimated Total Cost of the traffic signal improvements at Masters Drive and California Avenue. Any performance bond provided pursuant to this Section 3.9.2.2 shall not expire or be exonerated unless and until the Developer deposits with the City a cash payment in an amount equal to sixty-four percent (64%) of the then-current estimated Total Cost of the traffic signal improvements at Masters Drive and California Avenue."

3. **Section 3.18.5 – Parkland and Open Space.** Section 3.18.5 of the Development Agreement is hereby deleted in its entirety and replaced with the following:

“3.18.5**Parkland and Open Space.** Developer shall receive a credit up to a maximum amount of \$7,550,262 against the applicable DIF parkland and open space / Quimby fees attributable to the Project, which shall be determined by the following formula: $\$1,187,148 \times 0.5 \times$ acreage of flat or usable Private Parks, as determined by the City's Department of Water and Power General Manager, constructed or installed by Developer within the Project plus $\$1,187,148 \times 1.0 \times$ acreage of Public Trail constructed or installed by Developer within the Project ("**Parkland DIF Credit**"). The Parkland DIF Credit shall not be given for any portions of the

Private Parks that are slopes or for any Private Parks that are less than 0.30 acres in size, as determined by the City's Department of Water and Power General Manager. The Parkland DIF Credit shall only apply to and be given for Public Trails that provide dedicated public access for recreational purposes. The approximate acreage of Private Parks and Public Trails to be constructed or installed by Developer within the Project is as follows:

- (a) Lot H, private park – 1.12 acre
- (b) Lot I, private park – ~~3.23~~ 2.00 acres
- (c) Lot J, private park – ~~4.08~~ 2.47 acres
- (d) Lot L, private park – 0.30 acres
- (e) Public trail – ~~1.92~~ 2.3 acres
- (f) Planning Area 18, private park – 1.2 acres

Additional Private Parks may be constructed within the Project by the Developer provided that the maximum Parkland DIF Credit shall not exceed \$7,550,262. The neighborhood park in Planning Area 7, Lot "J", as described in the Arantine Hills Specific Plan, shall be completed prior to the issuance of a certificate of occupancy for the 390th production residential unit in the Project. The neighborhood park in Planning Area 4, Lot "I", as described in the Arantine Hills Specific Plan, shall be completed prior to the issuance of a certificate of occupancy for the 1,300th production residential unit in the Project. The mini parks within Planning Areas 15 and 3, Lots "H" and "L", as described in the Arantine Hills Specific Plan, shall be constructed concurrently with the construction of the residential units in the adjacent Planning Areas 14 and 2 respectively. The Public Trail along Street "A" and Street "B" up to the intersection with Street "C" as identified in the Arantine Hills Specific Plan shall be completed prior to the issuance of a certificate of occupancy for the last production residential unit in Phase 1. The Public Trail along Street "B" from the intersection with Street "C" to the southwest border of the Property as identified in the Arantine Hills Specific Plan shall be completed prior to the issuance of a certificate of occupancy for the first production residential unit in the third phase of the Project, as defined in the Arantine Hills Specific Plan. The Parkland DIF Credit shall be applied on a per unit basis upon issuance of building permits or recordation of final map, as applicable. Developer shall pay the balance between the Parkland DIF Credit and the total DIF parkland and open space Quimby fees attributable to the Project shall be paid as follows:

(a) Prior to issuance of a certificate of occupancy for the last production residential unit in Phase 1, Developer shall pay \$1,500,000 of Parkland DIF Fees to City to be credited towards the applicable DIF parkland and open space / Quimby fees attributable to the Project prior to issuance of a certificate of occupancy for the last production residential unit in Phase 1.

(b) Developer shall pay the remaining balance to City on a per unit basis upon issuance of building permits or recordation of final map, as applicable once the Parkland DIF Credit has been exhausted.

(c) Concurrent with the issuance of the first building permit, Developer's and City's rights and obligations set forth in this Section 3.18.5 shall survive expiration or termination of this Agreement.”

4. **Exhibit “A”.** Exhibit "A" of the Development Agreement is hereby deleted in its entirety and replaced with Exhibit "A-1" attached hereto and incorporated herein by reference. From and after the date of this First Amendment, whenever the term “Property” appears in the Development Agreement, it shall mean the Property described and depicted in Exhibit “A-1” of this First Amendment.

5. **Exhibit “B”.** Exhibit "B" of the Development Agreement is hereby deleted in its entirety and replaced with Exhibit "B-1" attached hereto and incorporated herein by reference. From and after the date of this First Amendment, whenever the term “Existing Project Approvals” appears in the Development Agreement, it shall mean the Project Approvals listed in Exhibit “B-1” of this First Amendment.

6. **Exhibit “D”.** Exhibit "D" of the Development Agreement is hereby deleted in its entirety and replaced with Exhibit "D-1" attached hereto and incorporated herein by reference.

7. **Continuing Effect of Agreement.** Except as amended by this First Amendment, all provisions of the Agreement shall remain unchanged and in full force and effect. From and after the date of this First Amendment, whenever the term “Agreement” appears in the Development Agreement, it shall mean the Development Agreement as amended by this First Amendment.

8. **Adequate Consideration.** The Parties hereto irrevocably stipulate and agree that they have each received adequate and independent consideration for the performance of the obligations they have undertaken pursuant to this First Amendment.

9. **Counterparts.** This First Amendment may be executed in duplicate originals, each of which is deemed to be an original, but when taken together shall constitute but one and the same instrument.

10. **Automatic Termination.** Without complying with any procedures set forth in Section 5 or 6 of the Development Agreement, this First Amendment shall immediately and automatically terminate and be of no force or effect if Developer fails to acquire fee title ownership of the Annexed Property by December 31, 2020 or otherwise ceases to have a legal or equitable interest in the Annexed Property prior to December 31, 2020.

**CITY'S SIGNATURE PAGE FOR
FIRST AMENDMENT
TO
ARANTINE HILLS DEVELOPMENT AGREEMENT**

**CITY OF CORONA,
a California municipal corporation**

By: _____
Karen Spiegel
Mayor

Attest:

Sylvia Edwards
City Clerk

Approved as to Form:

Dean Derleth
City Attorney

**DEVELOPER'S SIGNATURE PAGE FOR
FIRST AMENDMENT
TO
ARANTINE HILLS DEVELOPMENT AGREEMENT**

ARANTINE HILLS HOLDINGS, L.P.,
a Delaware limited partnership

By: _____

Its: _____

By: _____

Its: _____

As to Lots 1 and 12 of Tract No. 37030:

TRI POINTE HOMES, INC.,
a Delaware corporation

By: _____

Its: _____

By: _____

Its: _____

As to Lot 18 and Units 111 to 122 on Lots 19 and 20 of Tract No. 37030:

THE NEW HOME COMPANY SOUTHERN CALIFORNIA LLC,
a Delaware limited liability company

By: _____

Its: _____

By: _____

Its: _____

As to Lot 13 of Tract No. 37030:

WOODSIDE 05S, LP,
a California limited partnership

By: WDS GP, Inc.
Its: General Partner

By: _____

Its: _____

State of California)
County of _____)

On _____, before me,
_____, Notary Public, personally appeared
_____, 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.

Signature _____ (Seal)

State of California)
County of _____)

On _____, before me,
_____, Notary Public, personally appeared
_____, 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.

Signature _____ (Seal)

EXHIBIT "A-1"

LEGAL DESCRIPTION AND DEPICTION OF THE PROPERTY

Real property in the City of Corona, State of California, described as follows:

[SEE ATTACHED ****INSERT NUMBER**** PAGES]

EXHIBIT "B-1"

EXISTING PROJECT APPROVALS

General Plan Amendment (GPA 15-001)

Arantine Hills Specific Plan Amendment (SPA 15-002)

Tentative Tract Map 36294R (TTM 36294R)

Certified Final Supplemental Environmental Impact Report
for Arantine Hills Specific Plan Amendment (SCH # 2006091093)

General Plan Amendment (GPA2018-0001)

Arantine Hills Specific Plan Amendment No. 2 (SPA2018-0001)

Parcel Map 37036 (PM 37036)

Addendum No. 1 to Certified Environmental Impact Report and Final Supplemental
Environmental Impact Report for Arantine Hills Specific Plan Amendment No. 2 (SCH #
2006091093)

EXHIBIT "D-1"
PROJECT DEPICTION

[SEE ATTACHED ONE (1) PAGE]

EXHIBIT "E"

LEGAL DESCRIPTION AND DEPICTION OF THE ANNEXED PROPERTY

Real property in the City of Corona, State of California, described as follows:

[SEE ATTACHED ****INSERT NUMBER**** PAGES]

EXHIBIT "F"
FEE OWNER CONSENT

[SEE ATTACHED ****INSERT NUMBER**** PAGES]

CONSENT TO RECORDATION

The undersigned is the owner, or the duly authorized representative(s) of such owner ("Owner"), of the real property described in Attachment "1" attached hereto and incorporated herein by reference ("Annexed Property"), and, in such capacity, possesses all legal authority necessary to execute this Consent to Recordation.

The Owner understands, acknowledges and consents to the following:

1. Arantine Hills Holdings, L.P., a Delaware limited partnership ("Developer"), has a legal and equitable interest in the Annexed Property in the form of an option to purchase the Annexed Property.

2. The Developer desires to enter into that certain First Amendment to the Arantine Hills Development Agreement dated November 21, 2018 ("First Amendment") with the City of Corona to amend the Arantine Hills Development Agreement dated June 1, 2016 and recorded in the official records of the County of Riverside, California on July 21, 2016 as Instrument No. 2016-0306565 ("Development Agreement") in order to include and extend the development rights and obligations of the Development Agreement to the Annexed Property. The Owner has reviewed and understands the terms and conditions of the First Amendment, including, without limitation, Section 10, which provides the First Amendment will automatically terminate if the Developer does not acquire fee title to the Annexed Property on or before December 31, 2020 or ceases to have a legal or equitable interest in the Annexed Property prior to December 31, 2020.

3. The Developer desires to record the First Amendment prior to Developer's acquisition of the Annexed Property and the transfer of fee title from the Owner to the Developer.

4. The Owner consents to and expressly authorizes the recordation of the First Amendment against the Annexed Property in the Official Records of the County of Riverside.

THIS CONSENT TO RECORDATION was executed this ____ day of _____,
20____, in _____, _____.
(City) (State)

THE MCMILLAN TRUST UNDER
DECLARATION DATED DECEMBER 9, 2005

By: _____
GARY L. MCMILLAN, Trustee of the
McMillan Trust under Declaration dated
November 9, 2005

By: _____
PATRICIA A. MCMILLAN, Trustee of the
McMillan Trust under Declaration dated
November 9, 2005

**ATTACHMENT "1"
TO
EXHIBIT "F"**

LEGAL DESCRIPTION OF THE PROPERTY

Real property in the City of Corona, State of California, described as follows:

[SEE ATTACHED ****INSERT NUMBER**** PAGES]