

DEVELOPMENT AGREEMENT

This Development Agreement (the Agreement) is made this ____ day of _____, 2020, by and between the CITY OF FRESNO, a municipal corporation, (the City) and 2500 MLK, LLC, a California limited liability company (the Master Developer). City and Master Developer are hereinafter sometimes collectively referred to as the "Parties" and each may be referred to as a "Party".

RECITALS

A. Pursuant to Sections 65864 through 65869.5 of the California Government Code (the Development Agreement Laws), the City is authorized to enter into binding development agreements with Persons (as hereinafter defined) having legal or equitable interest in real property for the development of such real property. As a Charter City, the City may not be limited to the Development Agreement Laws to enter into development agreements. Nevertheless, the City has elected to enter this Agreement under the Development Agreement Laws and in accordance with Fresno Municipal Code Sections 15-6001 et seq.

B. Master Developer owns the real property legally described on attached Exhibit A-1, which is referred to herein as the "Master Developer Property", and comprises an area that is approximately 89.68 gross acres within the West Creek Village Project Area described below.

C. Master Developer conveyed to State Center Community College District (SCCCD) the real property described on Exhibit A-2, referred to herein as the Fresno City College-West Fresno Satellite Parcel.

D. The property described on Exhibits A-1 and A-2 is referred to herein collectively as the West Creek Village Project Area (formerly known as the MLK Activity Center Project Area). The West Creek Village Project Area is an approximately 115 acre area in the City, bounded generally by Martin Luther King Blvd. on the east, East Church Avenue on the north, South Knight Avenue on the west, and East Jensen Avenue on the south.

E. The following entitlements (the Prior West Creek Village Approvals) were previously adopted by the City in connection with the planning of a West Creek Village Project Area for the development of a master planned project comprising Medium Density Residential for 54.48 acres, Community Commercial for 2.4 acres, Regional Commercial for 22.52 acres, Park for 9.63 acres and Public Facility - College designation for 26.55 acres: (i) Plan Amendment No. A-17-007 (Resolution No. 2017-231); (ii) Prezone Application No. R-17-010 (Ordinance No. 2017-43/Bill No. B-43); and, (iii) Tentative Parcel Map No. TPM-17-06 (Resolution No. 2017-232).

F. The Prior West Creek Village Approvals were approved by the Fresno City Council on August 24, 2017, at a duly noticed public meeting and after due review and consideration of: (i) the report of City staff on the Prior West Creek Village Approvals; (ii)

the recommendations of the Planning Commission; (iii) all other evidence heard and submitted at the duly noticed public hearing conducted August 24, 2017; and, (iv) all other appropriate documentation and circumstances, subject to the express conditions of approval set forth therein.

G. The Prior West Creek Village Approvals were further supported by the approval of MND (EA No. A-17-007/R-17-010/TPM-17-06/ANX-17-005) pursuant to the requirements of the California Environmental Quality Act (California Public Resources Code Section 21000 e seq.) and the Guidelines thereunder (14 California Code of Regulations Section 15000, et seq.) (collectively, CEQA). A Notice of Determination in support of that MND was filed with, and posted by, the Fresno County Clerk on August 25, 2017.

H. The West Creek Village Project Area was annexed to the City pursuant to proceedings conducted by the Fresno Local Agency Formation Commission, pursuant to the Jensen-Martin Luther King No. 4 Reorganization (LAFCO File No. R0-17-7).

I. Among the Conditions of Approval imposed by the City for the approval of Tentative Parcel Map No. TPM-17-06 (the Parcel Map COA(s) is a requirement that the Master Developer enter into a Development Agreement with the City. This Development Agreement satisfies that Parcel Map COA.

J. Development of public improvements within the boundary of the West Creek Village Project Area is the subject of funding to be obtained through the City of Fresno pursuant to Transformative Climate Communities (TCC) Program established by Assembly Bill (AB) 2722, administered by the Strategic Growth Council (SGC); namely, (i) a \$4,500,000.00 funding request for development of a Park Amenity (defined below), and, (ii) a \$16,900,000.00 funding request for development of the Fresno City College–West Fresno Satellite Project (collectively, the TCC Project Funds). The TCC Project Funds were sought pursuant to applications the City filed as the lead applicant with the SGC. To attain TCC Project Funds, the City committed to a match of such funds by developing the Perimeter Off-Sites (defined below), which the City estimated to the SGC would require expenditures by the City in the amount of \$11,600,000.00.

K. Subsequent to attaining the Prior West Creek Village Approvals, Master Developer engaged an architect and land planner to the entitlements for the Prior West Creek Village Approvals, and to recommend certain refinements and enhancements to such entitlements. Those evaluations resulted in the West Creek Village Master Plan, a copy of which is on file with the City.

L. To implement the West Creek Village Master Plan, Master Developer has filed new applications to implement desired revisions to the Prior West Creek Village Approvals, which are detailed below (the "Subsequent Approvals"):

- (i) Plan Amendment Application No. P18-03290; and,
- (ii) Rezone application No. P18-03290.

M. The Subsequent Approvals establish the following land use designations for the Master Developer's Property (referenced acreages are gross acres): Community Park for 11.74 acres; Medium High Density Residential, for 21.32 acres; Medium Density Residential for 26.58 acres; Community Commercial for 3.08 acres; and, Regional Commercial for 26.96 acres.

N. The Subsequent Approvals further establish the following zone districts for the Master Developer's Property (referenced acreages are gross acres): PR for 11.74 acres; RM-1 Residential Multi Family, for 21.32 acres; RS-5 Residential Single Family for 26.58 acres; CC - Community Commercial for 3.08 acres; and, CR Regional Commercial for 26.96 acres.

O. The West Creek Village Project means the development of Master Developer's Property consistent with the land uses and zonings designated in the Prior West Creek Village Approvals, as revised by the Subsequent Approvals. The Prior West Creek Village Approvals, as revised by the Subsequent Approvals, are referred to herein as the West Creek Village Approvals.

(i) Master Developer has filed an additional application consistent with the Subsequent Approvals to amend the previous Tentative Parcel Map No. TPM-17-06. This application, Tentative Parcel Map Application No. 2019-02 will be assessed pursuant to CEQA and processed consistent with the procedures set forth in the Fresno Municipal Code and this Agreement subsequent to any action on the Subsequent Approvals and this Agreement.

P. The West Creek Village Project is a vital tool for implementing the objectives and policies of the Southwest Fresno Specific Plan, adopted by Council on October 26, 2017. Specifically, it directly implements Policy LU-1. 1 which calls for the establishment of a magnet core at the West Creek Village Project Site designed to attract a significant amount of new development. It implements Goal LU-5 which calls for a diverse range of housing types in Southwest Fresno, preserving Southwest Fresno's character as a primarily single-family residential community while providing higher-density housing in high activity areas. Through the commercial portions of the West Creek Village Project, it implements Policy LU-6. 1 which calls for encouragement of larger regional retail development at key locations, including the West Creek Village Project Site. Through the inclusion of the Park Amenity, it directly implements Goal PF-2 of increasing the overall amount of usable parkland within Southwest Fresno by adding a new park over 11 gross acres. It directly implements Policy PF-6. 3 by facilitating a new community college campus within the West Creek Village Project Area. By implementing these vital goals and policies in the Southwest Fresno Specific Plan, the West Creek Village Project provides substantial benefit to the City and its residents.

Q. Master Developer filed the DA Application for approval of this Agreement in order to: (1) vest the land use and zoning policies established in the Existing City Requirements (as hereinafter defined) as of the Adoption Date (as hereinafter defined)

of this Agreement for the duration of the Term (as hereinafter defined) with respect to the West Creek Village Project; and, (2) memorialize certain other agreements made between the City and Master Developer with respect to the West Creek Village Project Area. The City and Master Developer acknowledge the development and construction of the West Creek Village Project is a large-scale undertaking involving major investments by Master Developer, with development occurring over a period of years. Certainty that the West Creek Village Project can be developed and used in accordance with the Existing City Requirements as of the Adoption Date of this Agreement, will benefit the City and Master Developer and will provide the Parties certainty with respect to implementation of the policies set forth in the Fresno General Plan, the Southwest Fresno Specific Plan, and the Existing City Requirements.

R. On February 5, 2020, at a duly noticed public meeting and after due review and consideration of: (i) the report of City staff on the Subsequent Approvals and this Development Agreement; (ii) all other evidence heard and submitted at the public hearing; and, (iii) all other appropriate documentation and circumstances, the Planning Commission of the City adopted resolutions recommending the City Council: (1) approve an Addendum to the MND on the basis that the Subsequent Approvals and this Agreement necessitate some changes and additions to the project pursuant to CEQA Guidelines Section 15164, but none of the conditions described in CEQA Guidelines Section 15162 calling for a further negative declaration (or an EIR) have occurred; (2) approve Plan Amendment No. P18-03290 /Rezone No. P18-03290; and, (3) adopt this Development Agreement; and, (4) approve the filing of a Notice of Determination to confirm that the adoption of this Development Agreement is in furtherance of the project described in the Addendum to the MND.

S. On _____, at a duly noticed public meeting and after due review and consideration of: (i) the Subsequent Approvals; (ii) this Agreement; (iii) the recommendations of the Planning Commission; (iv) all other evidence heard and submitted at the duly noticed public hearing conducted and closed on _____; and, (v) all other appropriate documentation and circumstances, the City Council: (a) adopted a resolution approving an Addendum to the MND on the basis that the Subsequent Approvals and this Agreement necessitate some changes and additions to the project pursuant to CEQA Guidelines Section 15164, but none of the conditions described in CEQA Guidelines Section 15162 calling for a further negative declaration (or an EIR) have occurred, (b) adopted Resolution No.____ approving Plan Amendment No. P18-03290; (c) adopted Ordinance No.____ approving Rezone No.____P18-03290; (d) introduced and subsequently on _____, adopted an ordinance to approve this Agreement; and, (e) authorized the City Manager to finalize and execute this Agreement on behalf of the City (collectively, the City Council Resolutions and Ordinances) consistent with Council action; and, (f) directed City Staff to file a Notice of Determination to confirm that the adoption of this Development Agreement is in furtherance of the project described in the Addendum to the MND.

T. The City has determined this Agreement furthers the public health, safety, and general welfare, and the provisions of this Agreement are consistent with the goals and policies of the Fresno General Plan and the Southwest Fresno Specific Plan. For the reasons recited herein, the City and Master Developer have determined the West Creek Village Project is a development for which this Agreement is appropriate. This Agreement will eliminate uncertainty regarding the West Creek Village Project and certain subsequent development approvals, thereby encouraging planning for, investment in and commitment to use and develop the West Creek Village Project Area. Continued use and development of the West Creek Village Project Area is anticipated to, in turn, provide the following substantial benefits and contribute to the provision of needed infrastructure for area growth, thereby achieving the goals and purposes for which the Development Agreement Laws were enacted: (1) Provide for the development of unused land; (2) Provide increased tax revenues for the City; (3) Provide for jobs and economic development in the City; (4) Provide infrastructure improvements; (5) Meet the goals of the Fresno General Plan and the Southwest Fresno Specific Plan to create Complete Neighborhoods that will reduce vehicle trips and serve all segments of the City; and, (6) implement important projects associated with the City's intended investment of TCC Project Funds. It is based upon these benefits to the City that the City is agreeable to approval of this Agreement for the West Creek Village Project.

U. The City has further determined it is appropriate to enter into this Agreement to: (1) provide certainty to encourage investment in the comprehensive development and planning of the West Creek Village Project; (2) secure orderly development and progressive fiscal benefits for public services, improvements and facilities planning for the West Creek Village Project Area and neighboring areas; and, (3) fulfill and implement adopted City plans, goals, policies and objectives.

V. This Agreement will survive beyond the term or terms of the present City Council.

NOW, THEREFORE, with reference to the above Recitals, and in consideration of the mutual covenants and agreements contained in this Agreement, the City and the Master Developer agree as follows:

AGREEMENT

ARTICLE 1.

INTERESTS OF MASTER DEVELOPER

Section 1.1 Definitions. For purposes of this Agreement, the following terms shall have the meanings set forth below:

“The Fresno City College-West Fresno Satellite Parcel” means that certain unimproved real property consisting of approximately 26.06 gross acres of land described on Exhibit A-2 and illustrated on Exhibit C.

“The Park Amenity Site” means that certain unimproved real property, consisting of approximately 10.00 gross acres to be conveyed to the City

pursuant to Section 6.1 and to be developed by the City with the Park Amenity. The presently intended area of the Park Amenity Site, as reflected by the Minor Amendments, is illustrated on Exhibit C.

“The Church Avenue Commercial Site” means that certain unimproved real property, consisting of approximately 3.08 gross acres illustrated on Exhibit C.

“The Jensen Avenue Commercial Site” means that certain unimproved real property, consisting of approximately 26.93 gross acres illustrated on Exhibit C.

“The West Creek Village Residential Property” means that certain unimproved real property consisting of approximately 47.92 gross acres that are delineated as Medium High Density Residential or Medium Density Residential, on Exhibit C.

Section 1.2 Recordation of Agreement. Within ten (10) business days following mutual execution of this Agreement by the City and Master Developer, the City shall cause this Agreement to be recorded in the official records of Fresno County, California (the Official Records) with respect to Master Developer’s Property described on Exhibit A-1. Following the recordation of this Agreement in the Official Records, the City shall deliver to Master Developer a conformed copy of this Agreement evidencing the recording information.

Section 1.3 Binding Covenants. The Master Developer represents that it has a legal or equitable interest in the Master Developer’s Property and all other persons holding legal title in the Master Developer’s Property are bound by this Agreement. It is intended and determined that the provisions of this Agreement shall constitute covenants that shall run with the Master Developer’s Property, and the burdens and benefits hereof shall bind and inure to all successors in interest to the Parties.

ARTICLE 2. TERM OF AGREEMENT

Section 2.1 Definitions. For purposes of this Agreement, the following shall have the meanings set forth below:

"Adoption Date" means the date on which the City Council adopted the ordinance approving this Agreement and authorizing the City Manager to execute this Agreement on behalf of the City.

"Effective Date" means the later of: (a) thirty days after the Adoption Date; or, (b) if a referendum petition is timely and duly circulated and filed with respect to this Agreement, the date the election results on the ballot measure by City voters approving this Agreement are certified by the City Council in the manner provided in the Elections Code.

"Laws" means the Constitution and laws of the State, the Constitution of the United States, and any codes, statutes, regulations, or executive mandates thereunder, and any court decision, State or federal, thereunder.

"State" means the State of California.

"Terminate" means the expiration of the Term of this Agreement, whether by the passage of time or by any earlier occurrence pursuant to any provision of this Agreement. The term "Terminate" includes any grammatical variant thereof, including "Termination" or "Terminated".

Section 2.2 Term. The term of this Agreement (the Term) shall commence on the Effective Date and shall continue for a period of ten (10) years following the Effective Date; provided that such period shall be extended for any events of Force Majeure pursuant to Section 13.1 and during the pendency of any legal action challenging: (a) approval of this Agreement; (b) the finding of the City Council that this Agreement is a project in furtherance of the project evaluated in the MND; or, (c) the approval of the Future Discretionary Approvals defined below in section 3.4. Any extension based upon an event described in this Section 2.2 shall be granted pursuant to the procedures set forth Section 13.2. Master Developer shall also have the option to extend the Term for one additional period of ten (10) years, upon written request to the City Manager, the approval of which shall be processed in a timely manner and shall not be unreasonably withheld. Master Developer shall also have the option to thereafter subsequently extend the Term for one additional period of five (5) years, upon written request to the City Manager, the approval of which shall be processed in a timely manner and shall not be unreasonably withheld. If Master Developer chooses to extend the term pursuant to either of the preceding sentences, then the fees applicable to any development conducted during the Term of such extension shall be based upon the Master Fee Schedule and Fresno Municipal Code in effect at the time the extension is approved (except for such fees that may be otherwise vested pursuant to a Subsequent Map).

Section 2.3 Effect of Termination. Termination of this Agreement shall not: (a) alter, impair or otherwise affect any City Permits for the Master Developer's Property issued by the City prior to the date of Termination; or, (b) prevent, impair or delay Master Developer from (i) commencing, performing or completing the construction of any buildings or improvements in the Master Developer's Property or, (ii) obtaining any certificates of occupancy or similar approvals from the City for the use and occupancy of completed buildings or improvements in the Master Developer's Property, that were authorized pursuant to City Permits for such construction issued by the City prior to the date of Termination. Nothing herein shall preclude the City, in its discretion, from taking any action authorized by Laws or Existing City Requirements to prevent, stop or correct any violation of Laws or Existing City Requirements occurring before, during or after construction of the buildings and improvements on the Master Developer's Property.

ARTICLE 3.
DEVELOPMENT OF THE PROJECT

Section 3.1 For purposes of this Agreement, the following shall have the meanings set forth below:

"Applicable Rules" collectively means: (a) the terms and conditions of the West Creek Village Approvals, as amended by this Agreement; (b) the terms and conditions of this Agreement; and, (c) the Existing City Requirements. In addition, with respect to the Amended Tentative Parcel Map and all Subsequent Maps, such maps shall comply with all applicable requirements of Government Code Section 66473.7.

"City Agency" means any office, board, commission, department, division or agency of the City.

"City Permits" collectively means any and all permits or approvals that are required under the City Requirements in order to develop, use and operate the Master Developer's Property, other than: (a) Subsequent Maps; and, (b) Future Discretionary Approvals (as defined below) that the Master Developer may elect to obtain from the City pursuant to Section 3.4. "City Permits" specifically include, without limitation, building permits and Technical City Permits.

"City Requirements" collectively means all of the following that are in effect from time to time: (a) the Charter of the City of Fresno; (b) the Fresno Municipal Code; and, (c) all rules, regulations and official plans and policies, including the Fresno General Plan and the Southwest Fresno Specific Plan governing development, subdivision and zoning. The City Requirements include, without limitation, requirements governing building height, maximum floor area, permitted and conditionally permitted uses, floor area ratios, maximum lot coverage, building setbacks and stepbacks, parking, signage, landscaping, Exactions (as hereinafter defined) and dedications, growth management, environmental consideration, grading, and construction.

"Master Developer Approved Changes" means those amendments, revisions or additions to the City Requirements adopted or enacted after the Adoption Date that: (a) Master Developer elects, in its sole discretion, to have applied to the development and occupancy of the Master Developer's Property (or a portion thereof) during the Term of this Agreement; and (b) the Director approves such application, which approval shall not be unreasonably withheld.

"Existing City Requirements" means the City Requirements that are in effect as of the Adoption Date of this Agreement.

"Final Map" means a Final Parcel Map or a Final Subsequent Map.

"Permitted Rules Revisions" collectively means the following: (a) any Minor Changes to this Agreement that are proposed by Master Developer and approved by the City in accordance with Section 3.3; (b) any Future Discretionary Approvals applied for by Master Developer and approved by the City pursuant to Section 3.4; (c) any Authorized Code Revisions under Section 3.5 that are uniformly applied on a City-wide basis; and (d) written amendments to this Agreement mutually executed by City and Master Developer pursuant to Section 16.2.

"Director" means the Director of the Development and Resources Management Department of the City of Fresno.

"Subdivision Maps" means Vesting Tentative Subdivision Maps, Tentative Subdivision Maps, and Final Subdivision Maps, as those terms are defined in the Subdivision Map Act (Government Code Section 66410 et seq).

"Technical City Permits" collectively means any of the following technical permits issued by the City or any City Agency in connection with any building or improvement of Master Developer's Property: (a) demolition, excavation and grading permits; (b) foundation permits; (c) permits for the installation of underground lines and facilities for utilities, including without limitation, water, sewer, storm drain and dry utilities (electrical, gas, phone and cable); (d) any encroachment permits; and, (e) any street improvement permits, including without limitation, permits for street lighting and traffic signals. "Technical City Permits" specifically excludes building permits from the City or any City Agency for the construction of particular buildings or improvements of Master Developer's Property.

Section 3.2 Applicable Rules.

(a) Except for the Permitted Rules Revisions and any Master Developer Approved Changes, Master Developer shall have the right to develop and occupy the Master Developer's Property during the Term in accordance with the Applicable Rules. In the event of any conflict between the provisions in this Agreement, the West Creek Village Approvals and the Existing City Requirements, such conflict shall be resolved in the following order of priority: (a) first, this Agreement; (b) then, the West Creek Village Approvals; and (c) finally, the Existing City Requirements.

(b) Except for the Permitted Rules Revisions and any Master Developer Approved Changes, no amendment to, revision of, or addition to any of the City Requirements that is adopted or enacted after the Adoption Date shall (i) be effective or enforceable by the City with respect to the Master Developer's Property or (ii) modify or impair the rights of Master Developer under this Agreement during the Term without the Master Developer's written approval, whether such amendment, revision or addition is adopted or approved by: (a) the City Council; (b) any City Agency; or (c) by the people of the City through charter amendment, referendum or initiative measure.

Section 3.3 Minor Changes.

(a) The Parties acknowledge further planning and development of the Master Developer's Property may demonstrate refinements and changes are appropriate with respect to the details and performance of the Parties under this Agreement. The Parties desire that Master Developer retain a certain degree of flexibility with respect to the details of the development of the Master Developer's Property and with respect to those items covered in general terms under this Agreement, pursuant to the authorities established by Fresno Municipal Code Section 15-6009-B. Therefore, if and when Master Developer finds that Minor Changes (as hereinafter defined) are necessary or appropriate, then, upon written request by Master Developer, the Parties shall, unless otherwise required by Laws, effectuate such changes or adjustments through administrative amendments executed by the Master Developer and the City Manager or his or her designee, which, after execution, shall be attached hereto as addenda and become a part hereof; and may be further changed and amended from time to time as necessary, with approval by the City Manager and the Master Developer.

(b) The term "Minor Changes" collectively means: (a) minor deviations to the West Creek Village Approvals that are permitted under the Existing City Requirements and are reasonably approved by the Director; (b) changes or modifications to Amended Tentative Parcel Map No. TPM-17-06 that are implemented by Master Developer prior to recordation by Master Developer of the final parcel map associated with Amended Tentative Parcel Map No. TPM-17-06 (the West Creek Village Parcel Map) in the Official Records, provided that: (i) the total number of Permitted Parcels established by the West Creek Village Parcel Map does not exceed four Parcels plus one remainder parcel; and, (ii) the changes and modifications are approved by the Director, which approval shall not be unreasonably withheld or denied.

(c) In effecting any Minor Changes, the City shall cooperate with the Master Developer, provided the aggregate total density and intensity of the Master Developer's Property are not increased, the permitted uses are not modified from those in the West Creek Village Approvals and any changes are in accordance with the Existing City Requirements. Minor Changes shall not be deemed an amendment to this Agreement under California Government Code Section 65868 but are ministerial clarifications and adjustments, and unless otherwise required by law, no such administrative amendments shall require prior notice or hearing by the Planning Commission and City Council. All changes not considered Minor Changes will be considered Major Changes and shall require Council approval. Any amendment or change requiring a subsequent or supplemental environmental impact report pursuant to CEQA shall not be considered a Minor Change, but shall be considered a substantive amendment that shall be reviewed and approved by the Planning Commission or the City Council as determined by the applicable provisions of the Fresno Municipal Code relating to the hearing and approval procedures for the specific West Creek Village Approval.

Section 3.4 Future Discretionary Approvals.

(a) In General. Nothing in this Agreement is intended, should be construed or shall operate to preclude or otherwise impair the rights of Master Developer from applying to the City during the Term of this Agreement for any of the following new approvals with respect to any proposed subdivision, buildings, and improvements in the West Creek Village Project Area (collectively, the Future Discretionary Approvals): (a) any new variance, Development Permit, Conditional Use Permit, Parcel Map, Tract Map or Rezoning, or Plan Amendment that is required under the Existing City Requirements, or desired by Master Developer; and, (b) any other approval (i) which is not otherwise addressed or set forth in this Agreement and (ii) which the Existing City Requirements mandate must be reviewed and approved by the Planning Commission or City Council. The City shall process, review and approve or disapprove any application for a Future Discretionary Approval filed by Master Developer in accordance with the City Requirements then in effect. Master Developer may be required dedicate right of way necessary to improve streets within the West Creek Village Project area as a condition of approval for a Future Discretionary Approval consistent with City Requirements then in effect. Future Discretionary approvals must comply with the requirements of the California Environmental Quality Act (CEQA). The approval by the City of an application by Master Developer for a Future Discretionary Approval shall not require an amendment of this Agreement, unless requested by Master Developer.

(b) Consistency with Cortese-Knox-Hertzberg Act. Notwithstanding the above, the Parties understand and agree that to the extent modification to parcel boundaries requires rezoning any part of the West Creek Village Project Area, such rezoning shall be processed consistent with the requirements of California Government Code Section 56375(e).

Section 3.5 Authorized Code Revisions. This Agreement shall not prevent the City from applying to the development of Master Developer's Property the following rules, regulations and policies adopted or enacted after the Adoption Date, if uniformly applied on a City-wide basis (collectively, the Authorized Code Revisions):

(a) Procedural regulations relating to hearing bodies, petitions, applications, notices, findings, records, hearings, reports, recommendations, appeals and any other matter of procedure, provided that such changes in procedural regulations do not have the effect of materially interfering with the substantive benefits conferred to Master Developer by this Agreement.

(b) Regulations which are not in conflict with this Agreement and which would not, alone or in the aggregate, cause development of the Master Developer's Property to be materially different, more burdensome, time consuming or expensive.

(c) Regulations which are necessary to avoid serious threats to the public health and safety, provided that, to the maximum extent possible, such regulations shall be construed and applied in a manner to preserve the substantive benefits conferred to Master Developer by this Agreement.

(d) Mandatory regulations of the State and the United States of America applicable to the Master Developer's Property, provided that, to the maximum extent possible, such regulations shall be construed and applied in a manner to preserve to the Master Developer the substantive benefits conferred to Master Developer by this Agreement.

(e) City Requirements imposing life safety, fire protection, mechanical, electrical and/or building integrity requirements with respect to the design and construction of buildings and improvements, including the then current applicable building codes.

Section 3.6 No Obligation to Develop. Nothing in this agreement should be construed nor shall require Master Developer to proceed with the construction of any improvements on the Master Developer's Property. The decision to proceed or to forbear or delay in proceeding with the implementation or construction on Master Developer's Property or any building or improvements on Master Developer's Property shall be in the sole discretion of Master Developer and the failure of Master Developer to proceed with construction on Master Developer's Property or any such buildings or improvements on Master Developer's Property shall not: (a) give rise to any rights of the City to terminate this agreement; or, (b) constitute and Event of Default (as hereinafter defined) or give rise to any liability, claim for damages or cause of action against Master Developer.

Section 3.7 Hold on Certificate of Occupancy. Except as otherwise provided in this Agreement the City reserves the right to place a hold on the issuance of a Certificate of Occupancy for a building on the Master Developer's Property in the event the Existing City Requirements or Conditions of Approval with respect to that building have not been substantially completed by Master Developer or in the interest of preserving health and safety as reasonably determined by the Director.

Section 3.8 Final Map. Pursuant to the requirements of the Subdivision Map Act and the City's Parcel Map Ordinance, if at the time the Master Developer requests the City approve and record a Final Map for all or some of the parcels delineated in Amended Tentative Parcel Map No. TPM-17-06 or subsequent Subdivision Maps that conform to the uses and densities detailed in Exhibits B and C (the Applicable Parcels), Master Developer has not complied with the applicable conditions of approval for a Final Map, as reasonably determined by the City Engineer, Master Developer shall execute a Subdivision Agreement with respect to the Applicable Parcels, provided that the Subdivision Agreement shall not impose City Development Fees or Exactions beyond those provided for in Section 5.2 and Section 5.4 below, and provided that the obligations of the Master Developer under the Subdivision Agreement shall acknowledge the obligations of the City established in ARTICLE 6 that pertain to the applicable conditions of approval of such Final Map. In addition, any Subdivision Agreement shall not impose security requirements with respect to improvements to be constructed by the City pursuant to ARTICLE 6.

Section 3.9 Compliance with West Creek Village Approvals. Master Developer covenants and agrees to comply with all conditions of approval for the West Creek Village Approvals, including compliance with all required mitigation measures set forth in EA No. A-17-007/R-17-010/TPM-17-06/ANX-17-005, except as modified by this Agreement.

(a) Density Limitation. Master Developer covenants and agrees to develop Master Developer's Property within the density limits articulated by the West Creek Village Approvals and shall not exceed the number of residential units which are set forth in those approvals as a total of 481 residential units comprised of 92 single-family detached, 25 single-family attached, 264 multi-family, and 100 lofts over ground floor retail.

(i) Notwithstanding Fresno Municipal Code Section 15-310-C relating to density transfers, Master Developer shall not be required to obtain a Planned Development Permit to transfer the number of units per acre for one zone district to another zone district within the West Creek Village Project Area so long as the total residential units do not exceed the limits described in Section 3.9(a), above.

(ii) Nothing in this Section shall preclude Master Developer from applying for and seeking approval of an amendment to this Section pursuant to Section 16.2 of this Agreement. However, amendment of this Section shall not be processed as a Minor Change pursuant to Section 3.3.

ARTICLE 4. CITY PERMITS AND SUBSEQUENT APPROVALS

Section 4.1 Review and Processing of City Permits. Except as otherwise expressly provided in this Agreement or by applicable law, all City Permits required for the construction and development of the Master Developer's Property and any buildings and improvements thereon which comply with the requirements of the Applicable Rules: (a) shall be issued over-the-counter by the Director or the director of the other applicable City Agency having responsibility for the issuance of such City Permits; (b) shall not require the approval of the Planning Commission, City Council or any other City board or commission; and (c) shall not require a public hearing. Notwithstanding the above, any approval required to be subject to a public hearing or the approval of the Planning Commission, City Council or any other City board or commission by either the Fresno Municipal Code or applicable state or federal law, shall be required to follow the procedures set forth in that applicable law.

Section 4.2 Review and Processing of City Permits for Off-Site Improvements. City Permits required for Off-Site Improvements (as hereinafter defined), including, but not limited to, construction plans for the streets, sidewalks, street lighting, median landscaping, sewer lines, water lines, recycled/reclaimed water mains and system and traffic signals, must comply with the requirements of the Applicable Rules; provided the City may impose policies, ordinances and standards in effect at the time the applications for City Permits for the Off-Site Improvements are submitted to the City, if and only if, all

of the following conditions are met: (i) such policies, ordinances and standards shall not impose any new City Development Fees (as hereinafter defined) or increase the amount of any City Development Fees for development of Master Developer's Property over and above the Required Development Fees (as hereinafter defined); (ii) such policies, ordinances and standards shall not impose any Exaction on the Master Developer's Property other than the Required Exactions (as hereinafter defined); and, (iii) in the reasonable determination of the City Engineer, such policies, ordinances and standards shall not substantially increase the costs to Master Developer of the construction of the Off-Site Improvements or substantially increase the time required by Master Developer for the construction of the Off-Site Improvements. The foregoing provisions shall not be interpreted in a manner to diminish or otherwise affect the obligations of the City to construct Off-Site Improvements established in ARTICLE 6.

Section 4.3 Review and Processing of Subsequent Maps and Duration of Subsequent Maps. Except as otherwise expressly provided in this Agreement, for all Subsequent Maps required for the West Creek Village Project which comply with the Vested Uses and the requirements of the Applicable Rules, the City shall endeavor to process and schedule final approval of such applications within the following time frames: where the CEQA compliances are based on: (a) the approved MND or an addendum thereto, ninety (90) days; (b) a subsequent MND or Negative Declaration, one hundred twenty (120) days; and, (c) an EIR, one hundred eighty (180) days. In addition, the term of vesting established by all Subsequent Maps shall be the longer of the Term of this Agreement, or the term of such Subsequent Map as otherwise established by for such Map by the Subdivision Map Act (Government Code Section 66410 et seq).

Section 4.4 Duration of City Permits and West Creek Village Approvals. Notwithstanding any provisions in the West Creek Village Approvals, Future Discretionary Approvals, the City Permits, the Existing City Requirements and the Permitted Rules Revisions that may establish earlier expiration dates for the West Creek Village Approvals, Future Discretionary Approvals, or the City Permits, the Parties mutually acknowledge and agree, pursuant to the provisions of California Government Code Sections 66452.6(a) and 65863.9, that any Future Discretionary Approvals and any City Permits for development of Master Developer's Property shall remain valid and effective throughout the Term.

ARTICLE 5.

PHASING, EXACTIONS, AND CITY DEVELOPMENT FEES

Section 5.1 Definitions. For purposes of this Agreement, the following terms shall have the meanings set forth below:

"City Application Fees" means fees levied or assessed by the City and any City Agency to review and process applications for City Permits and Future Discretionary Approvals.

"City Development Impact Fees" means any and all fees and assessments, other than City Application Fees, charged or required by the City or any City Agency as a condition of, or in connection with, the development of Master Developer's

Property consistent with the West Creek Village Approvals or any City Permits or Future Discretionary Approvals: (a) to defray, offset or otherwise cover the cost of public services, improvements or facilities; or (b) that are imposed for a public purpose.

"Park Amenity Site" means the land described in Section 1.1, to be acquired by the City pursuant to 6.1(a).

"Park Amenity" means the improvements to be developed as part of the Park Amenity Site, as detailed in Section 6.1 below.

"Exaction" means any exactions or mitigation measures, other than the payment of City Development Impact Fees and City Application Fees imposed by the City or any City Agency, as a condition of, or in connection with the development of Master Developer's Property consistent with the West Creek Village Project or any Future Discretionary Approvals. Exactions includes, without limitation: (a) a requirement for the dedication of any portion of the Master Developer's Property to the City or any City Agency; (b) an obligation for the construction of any on-site or off-site improvements; (c) an obligation to provide services; or, (d) the requirement to dedicate any easements, rights or privileges with respect to the Master Developer's Property or any portion thereof to the City or any City Agency.

Section 5.2 Exactions (Including Off-Site Improvements).

(a) Parcel Map Exactions. All of the Exactions that Master Developer shall be required to perform or cause to be performed in connection with the development, construction, use and occupancy of the Master Developer's Property pursuant to the requirements of the Amended Tentative Parcel Map No. TPM-17-06, during the term of the Agreement (collectively, the Parcel Map Exactions), and the timing requirements for the performance of such Parcel Map Exactions, are set forth in the Conditions of Approval adopted by the City Council on August 24, 2017 with respect to 2017 Vesting Tentative Parcel Map No. 2017-06, subject to the updated Fire Impact Fees set forth in Council Resolution No. 2019-125 made applicable by the findings set forth in Council Resolution 2019-126. Those Conditions of Approval are incorporated herein by this reference. The Parcel Map Exactions include, without limitation, all Conditions of Approval imposed by the City to fully mitigate adverse impacts resulting from, and reasonably related to, the development of the improvements associated with the West Creek Village Project, all mitigation measures required by EA No. A-17-007/R-17-101/TPM-17-06/ANX-17-005, a Mitigated Negative Declaration, and the updated Fire Impact Fees set forth in Council Resolution No. 2019-125 made applicable by the findings set forth in Council Resolution 2019-126. A table describing certain exactions and their required timing is referred to generally as the Exactions Table and is attached to this Agreement as Exhibit D. Notwithstanding the foregoing, Master Developer shall not be required to perform those Parcel Map Exactions that are designated in Section 6.1 or Exhibit D to be obligations of the City. In the event of a conflict between this Agreement and Exhibit D, this Agreement shall prevail.

(b) Other Exactions. No Off-Site Improvements or other Exactions shall be imposed by the City in connection with the development, construction, use and occupancy of the Master Developer's Property except pursuant to the application of the Applicable Rules and Existing City Requirements on Future Discretionary Approvals including, but not limited to, Subsequent Maps or subsequent Special Permits (the Required Other Exactions). Notwithstanding any provision in this Agreement to the contrary, if any Future Discretionary Approval provides for uses, densities, or development patterns not contemplated by this Agreement or the West Creek Village Master Plan, which will generate the need for additional exactions related to transportation infrastructure or the installation of utilities, such additional exactions shall be imposed consistent with the Existing City Requirements in place at the time of application.

(c) Off-Site Acquisition. City acknowledges and agrees in the event the performance by Master Developer of any off-site improvements listed as a Parcel Map Exactions or a Required Other Exaction (collectively, the Off-Site Improvements) requires construction or installation on land in which neither the City or Master Developer has sufficient legal title or interest to allow such construction or installation to be performed, then: (a) City shall acquire the necessary Required ROW (as hereinafter defined) in accordance with the provisions of this Subsection of this Agreement at the sole cost of Master Developer and, upon such acquisition, the City shall make such Required ROW available to Master Developer for the construction and installation of such Off-Site Improvements; and, (b) provided that Master Developer performs its obligations under this Subsection, Master Developer shall not be required to construct or install such Off-Site Improvements until: (i) City acquires title or interest in such Required ROW sufficient to allow such construction or installation to be performed, and, (ii) City promptly makes such Required ROW available to Master Developer for the construction and improvement of such Off-Site Improvements. The City shall neither postpone nor refuse approval of a Final Map, nor of any City Permits, because Master Developer has failed to construct or install any or all of the Off-Site Improvements if neither Master Developer nor City has sufficient title or interest in the Required ROW to permit such Off-Site Improvements to be constructed or installed so long as Master Developer has provided the improvement security required by the Subdivision Agreement for the such Final Map or, with regard to other City permits has otherwise provided appropriate improvement Security, as determined by the City Engineer, to ensure improvements are constructed once the right-of-way is acquired. The term Required ROW means all land that: (i) is not owned by the City, any City Agency or Master Developer as of the Adoption Date of this Agreement; and, (ii) is necessary for the construction or installation of any Off-Site Improvements pursuant to this Agreement. Required ROW may take the form of easement areas, rights-of-way and other land interests.

(d) Construction Standards. All Off-Site Improvements shall be designed and constructed in accordance with the Applicable Rules (subject to any Permitted Rules Revisions). Engineered improvement plans for street improvements, signing, striping, traffic signals, storm drains, sewer and water facilities shall be prepared by a Registered Civil Engineer. Street lighting and traffic signal plans may alternatively be prepared by a Registered Electrical Engineer. Landscaping, planting and irrigation

plans for areas within the public right-of-way shall be prepared by a Registered Civil Engineer or Licensed Landscape Architect. Plans shall be submitted for Department of Public Works and Department of Public Utilities review and approval. The Master Developer shall pay all plan check and inspection fees in accordance with the City of Fresno Master Fee Schedule at the time of plan submittal.

(e) Prevailing Wages. Master Developer shall: (a) be required to pay, and shall cause its contractor and subcontractors to pay, prevailing wages for the construction of those works that are public works under California Labor Code Section 1720(a) (unless exempted pursuant to California Labor Code Section 1720(c)) (collectively, the PW Improvements); and, (b) comply with the other applicable provisions of Labor Code Sections 1720 et seq. and implementing regulations of the Department of Industrial Relations. Master Developer shall or shall cause its contractor and subcontractors to keep and retain such records as are necessary to determine that prevailing wages have been paid as required by law. During the construction of the Public Work Improvements, Master Developer shall, or shall cause its contractor to, post at the Master Developer's Property the applicable prevailing rates of per diem wages. Master Developer shall indemnify, hold harmless and defend (with counsel reasonably acceptable to the City) the City against any claim for damages, compensation, fines, penalties or other amounts arising out of the failure or alleged failure of any person or entity (including Master Developer, its contractors and subcontractors) to pay prevailing wages as required by law or to comply with the other applicable provisions of Labor Code Sections 1720 et seq. and the implementing regulations of the Department of Industrial Relations in connection with construction of the PW Improvements. Master Developer shall also indemnify, hold harmless, and defend (with counsel reasonably acceptable to the City) the City against any claim brought pursuant to California Labor Code Section 1781 for work related to the development of Master Developer's property under this Agreement. The Parties acknowledge and agree that the City is making no representation that development of Master Developer's Property is not a public work subject to prevailing wage and that no City employee or representative is authorized to make such a representation.

(f) Transfer of Off-Site Improvements. Upon completion by Master Developer of any Off-Site Improvements not to be constructed by the City pursuant to ARTICLE 6, and upon City's acceptance of the work performed, the Off-Site Improvements shall be conveyed and transferred by Master Developer to the City, and the City shall accept the Off-Site Improvements and thereafter assume responsibility for the ownership, operation, repair and maintenance thereof.

Section 5.3 City Development Fees.

(a) In General. Development of the Master Developer's Property shall qualify for the incentives provided by the Southwest Revitalization Incentive Program, as adopted by the City on March 21, 2019. The parties acknowledge and agree that pursuant to the Southwest Revitalization Incentive Program, not less than the following reductions in the City Development Impact Fees shall be provided. In addition, the parties acknowledge that the reductions provided by this Section shall not limit or

constrain the ability for Master Developer, or other developers, to apply for and obtain additional reductions for other discrete development projects conducted on the Master Developer's Property. In addition, notwithstanding the below stated minimum reductions, if the time that the Required Development Fee is required to be paid by Developer the amount then charged by the City or the applicable City Agency for the Required Development Impact Fee is less than the amount determined below, the lesser amount shall be charged.

For Single Family Residential Projects:

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| 1. Water Capacity Fee | Reduced to 50% of the Master Fee Schedule rate on August 24, 2019, plus the annual adjustments permitted by Resolution 2017-99 |
| 2. Water Frontage Charge | Reduced to 75% of Master Fee Schedule rate on August 24, 2017, plus the annual adjustments permitted by Resolution 2017-99. |
| 3. Sewer Lateral Charge | Reduced to 75% of Master Fee Schedule rate on August 24, 2017, |
| 4. Wastewater Facilities | Reduced to 75% of Master Fee Schedule rate on August 24, 2017, |
| 5. Parkland Dedication In-Lieu Fee | Reduced to 75% of Master Fee Schedule rate on August 24, 2017, plus the annual adjustments permitted by Resolution 2017-99. |
| 6. Citywide Park Facility | Reduced to 75% of Master Fee Schedule rate on August 24, 2017, plus the annual adjustments permitted by Resolution 2017-99. |
| 7. Citywide Fire Facilities | The Master Fee Schedule rate on August 19, 2019, plus the annual adjustments permitted by Resolution 2017-99. |
| 8. Citywide Police Facility | The Master Fee Schedule rate on August 24, 2017, plus the annual adjustments permitted by Resolution 2017-99. |
| 9. Citywide Regional Street | Reduced to 25% of Master Fee Schedule rate on August 24, 2017, plus the annual adjustments permitted by Resolution 2017-99. |
| 10. New Growth Street | Reduced to 25% of Master Fee Schedule rate on August 24, 2017, plus the annual adjustments |

permitted by Resolution 2017-99.

11. Citywide Traffic Signal Reduced to 25% of Master Fee Schedule rate on August 24, 2017, plus the annual adjustments permitted by Resolution 2017-99.

For Multi-Family Residential Projects:

1. Water Capacity Fee Reduced to 50% of the Master Fee Schedule rate on August 24, 2017, plus the annual adjustments permitted by Resolution 2017-99.
2. Water Frontage Charge Reduced to 75% of Master Fee Schedule rate on August 24, 2017, plus the annual adjustments permitted by Resolution 2017-99.
3. Sewer Lateral Charge Reduced to 75% of Master Fee Schedule rate on August 24, 2017.
4. Wastewater Facilities Reduced to 75% of Master Fee Schedule rate on August 24, 2017.
5. Parkland Dedication In-Lieu Fee Reduced to 75% of Master Fee Schedule rate on August 24, 2017, plus the annual adjustments permitted by Resolution 2017-99.
6. Citywide Park Facility Reduced to 75% of Master Fee Schedule rate on August 24, 2017, plus the annual adjustments permitted by Resolution 2017-99.
7. Citywide Fire Facilities The Master Fee Schedule rate on August 19, 2019, plus the annual adjustments permitted by Resolution 2017-99.
8. Citywide Police Facility The Master Fee Schedule rate on August 24, 2017, plus the annual adjustments permitted by Resolution 2017-99.
9. Citywide Regional Street Reduced to 25% of Master Fee Schedule rate on August 24, 2017, plus the annual adjustments permitted by Resolution 2017-99.
10. New Growth Street Reduced to 25% of Master Fee Schedule rate on August 24, 2017, plus the annual adjustments permitted by Resolution 2017-99.
11. Citywide Traffic Signal Reduced to 25% of Master Fee Schedule rate on August 24, 2017, plus the annual adjustments

permitted by Resolution 2017-99.

For Commercial/Retail Projects:

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| 1. Water Capacity Fee | Reduced to 50% of the Master Fee Schedule rate on August 24, 2017, plus the annual adjustments permitted by Resolution 2017-99. |
| 2. Water Frontage Charge | Reduced to 75% of Master Fee Schedule rate on August 24, 2017, plus the annual adjustments permitted by Resolution 2017-99. |
| 3. Sewer Lateral Charge | Reduced to 75% of Master Fee Schedule rate on August 24, 2017. |
| 4. Wastewater Facilities | Reduced to 75% of Master Fee Schedule rate on August 24, 2017. |
| 5. Parkland Dedication In-Lieu Fee | Not Applicable |
| 6. Citywide Park Facility | Not Applicable |
| 7. Citywide Fire Facilities | The Master Fee Schedule rate on August 19, 2019, plus the annual adjustments permitted by Resolution 2017-99. |
| 8. Citywide Police Facility | The Master Fee Schedule rate on August 24, 2017, plus the annual adjustments permitted by Resolution 2017-99. |
| 9. Citywide Regional Street | Reduced to 60% of Master Fee Schedule rate on August 24, 2017, plus the annual adjustments permitted by Resolution 2017-99. |
| 10. New Growth Street | Reduced to 60% of Master Fee Schedule rate on August 24, 2017, plus the annual adjustments permitted by Resolution 2017-99. |
| 11. Citywide Traffic Signal | Reduced to 60% of Master Fee Schedule rate on August 24, 2017, plus the annual adjustments permitted by Resolution 2017-99. |

With the exception of the Fire Impact Fee, as set forth at the end of this paragraph, any City Development Impact Fees or other Exactions not specifically stated above, shall be the lesser of: (i) the City Development Impact Fees then charged when the application for the Vesting Tentative Parcel Map No. 2017-06 was determined to be complete pursuant to Government Code Section 65349, which the Parties agree was August 24,

2017 (plus the annual adjustments permitted by Resolution No. 2017-99); or, (ii) the amount then charged by the City or the applicable City Agency for the City Development Impact Fees at the time that the Required Development Fee is required to be paid by Developer. Notwithstanding the above, Master Developer shall pay the updated Fire Impact Fees set forth in Council Resolution No. 2019-125 made applicable by the findings set forth in Council Resolution 2019-126

For convenience of reference, the City Development Fees rate on August 24, 2017, as well as the timing of payment, are listed on Exhibit E to this Agreement. Resolution No. 2017-99 provides that City Development Impact Fees are subject to annual adjustment every July 1, beginning July 1, 2019, based on the 20-City Construction Cost Index as reported in the Engineering News Record for the 12-month period ending in May of the year of adjustment

(b) Limitation on Additional City Development Impact Fees. Except for the City Development Impact Fees described in subsection (a) above, no City Development Impact Fees shall be imposed by the City or any City Agency during the Term of this Agreement in connection with: (i) the development, construction, use or occupancy of the Master Developer's Property; or, (ii) any application filed for any City Permit for the development, construction, use or occupancy of the Master Developer's Property. Notwithstanding any provision in this Agreement to the contrary, if any Future Discretionary Approval provides for uses, densities, or development patterns not contemplated by this Agreement or the West Creek Village Master Plan that will generate the need for additional City Development Impact Fees to defray, offset, or otherwise cover the cost of public services, improvements, or facilities, such additional City Development Impact Fees shall be imposed consistent with the Existing City Requirements in place at the time of application.

(c) Community Facilities District for Funding Services. Master Developer covenants and agrees that, as a condition to the issuance of an Occupancy permit for the development of a relevant portion of the Master Developer's Property, Master Developer shall have coordinated to assure either of the following: (i) The West Creek Village shall be annexed into Community Facilities District No. 9 for multi-family and commercial uses, and Community Facilities Districts No. 11 for single family residential uses (collectively "CFD Annexations"). The CFD Annexations shall be for the continued maintenance of the Park Amenity and may be utilized for additional landscape maintenance on public property within the Master Developer's Property. The City and Master Developer agree to consider the feasibility of the Master Developer or its assignee maintaining the CFD area through a CFD Maintenance Agreement; or, (ii) the Master Developer shall establish a stand-alone Community Facilities District, whose improvements may be maintained pursuant to service agreements arranged by the Master Developer, and which shall be guaranteed by service maintenance agreements. It is further the intent that any stand-alone CFD Community Facilities District that is formed may, at the election of Master Developer, provide for enhanced security and enhanced program activities, to benefit the Park Amenity.

(d) Non-City Fees. Notwithstanding the provisions of Section 5.3(a), Master Developer shall be responsible for paying: (a) any fees Master Developer is obligated to directly pay to any Federal, State, County or local agency (other than any City Agency) under applicable Federal, State, County or local law; and, (b) any fees the City is legally required to collect for other State or Federal agencies pursuant to: (i) State or Federal law or (ii) any City agreement or City ordinance the City is legally mandated or required to adopt or enter into to comply with State or Federal law or a judgment of a court of law, but only to the extent necessary to satisfy such compliance.

(e) Quimby Act Requirements. The Parties agree that the Master Developer shall have no obligation for the dedication of land to comply with any requirements of Fresno Municipal Code Section 14-4.705 or Fresno Municipal Code Section 15-3701. Master Developer shall nevertheless remain obligated to pay the Parkland Dedication In-Lieu Fee described in Fresno Municipal Code Section 14-4.705 or Fresno Municipal Code Section 15-3701 for development of the West Creek Village Project, subject, however, to the reduction in such fees provided by the Southwest Revitalization Incentive Program described in Section 5.3(a) above. In addition, the parties agree that the Park Amenity acreage constitutes land dedicated for park or recreational purposes pursuant to the dedication requirements set forth in FMC 15-3701-J. Therefore, in determining the amount of any Parkland Dedication In-Lieu Fees, Master Developer shall be given a credit against any liability for payment of Parkland Dedication In-Lieu Fees based on the value of the Park Amenity dedicated by the Master Developer to the City (the "Parkland In-Lieu Fee Credits"), determined in accordance with the following: one-half of the product of the gross acreage of the Park Amenity multiplied by the per acre value of the gross acres of the Park Amenity determined by the appraisal described in Section 6.1(a) below. Master Developer may assign rights to use of the Parkland In-Lieu Fee Credits in accordance with the provisions of Section 12.2 below.

Section 5.4 City Application Fees. Master Developer shall pay to the City the City Application Fees chargeable in accordance with the City's Master Fee Schedule that is in effect at the time the relevant application for a City Permit is made; provided such City Application Fees are uniformly imposed by the City and any City Agency at similar stages of project development on all similar applications for development in the City.

Section 5.5 City Preparation Costs. Master Developer has paid the City the sum of \$26,530.00 which amount the City has determined to be the reasonable costs to be incurred by the City to negotiate, prepare and execute this Agreement (collectively, the City Preparation Costs). The Master Developer's liability for the city Preparation Costs is capped at the sum of \$26,530.00, and the City shall reimburse Master Developer for any unused portion of the previously paid City Preparation Costs (which such unused portion based upon actually consumed staff time and City Attorney time, based upon reasonable imputed hourly rates).

Section 5.6 No Impact on City Obligations. The foregoing provisions of this ARTICLE 5 shall not be interpreted in a manner to diminish or otherwise affect the obligations of the City to construct Off-Site Improvements established in ARTICLE 6.

Section 5.7 Phasing. Development of the Master Developer Property will include four general components (each a Phase). Notwithstanding such presently intended Phases, any development required or permitted to be conducted by Master Developer detailed below may be conducted in any order of priority, and one or more of such Phases may be developed concurrently with any other Phase (or portion of any Phase):

Phase I: Church Avenue Commercial Site: Development of the Church Avenue Commercial Site.

Phase II Residential Development: Development of the portions of the West Creek Village Residential Property located to the east of the Park Amenity Site and south or west of the Church Avenue Commercial Site (as delineated on the West Creek Village Master Plan).

Phase III Jensen Avenue Commercial Site: Development of the Jensen Avenue Commercial site.

Phase IV Residential Development. Development of the portions of the West Creek Village Residential Property located to north of the Elementary School site.

ARTICLE 6. ACTIONS BY CITY

Section 6.1 Park Amenity

(a) Acquisition of the Park Amenity Site. The City shall acquire from Master Developer, and Master Developer shall sell to City, the Park Amenity Site, subject to availability of the TCC Project Funds allocated for the Park Amenity. The entirety of the Park Amenity Site is 10.00 gross acres. The City shall purchase the Park Amenity Site acreage, and Master Developer agrees to accept a cash payment for One Million Dollars (\$1,000,000.00), which amount reflects one-half of the value of such acreage established by the Appraisal Report prepared by a California certified general appraiser attached hereto as Exhibit "G". Master Developer further agrees to accept Parkland In-Lieu Fee Credits for the remaining value of the acreage, in the amount of One Million Dollars (\$1,000,000.00). City's acquisition of the Park Amenity Site is further subject to the following conditions precedent: (i) The City and Master Developer shall confirm in writing their joint approval of the size and configuration of the Park Amenity Site; (ii) the City shall be in receipt of sufficient TCC Project Funds, or other grant funds sufficient to fund the purchase price of the Park Amenity Site; and, (iii) the City and the Master Developer shall enter into a purchase and sale agreement, consistent with the above terms, and other commercially standard terms, providing for the sale of the Park Amenity Site, free from any consensual monetary encumbrances, pursuant to an escrow established with Fidelity Title Insurance Company as the Escrow Holder, and subject to such other terms and conditions as reasonably required by the Escrow Holder. In addition, the parties acknowledge that a 1.75 acre portion of the Park and Recreation zoned lands within the Master Developer Property is not a part of the Park Amenity Site

being sold to the City. It is the intention of the Master Developer to convey such 1.75 acre site to a non-profit entity to develop a Community Administration and Arts Buildings, to be used by such non-profit to implement several community programs and services.

(b) Temporary Ponding Basin.

(i) Designation of Temporary Ponding Basin Site. To facilitate development of the Park Amenity Site, Master Developer covenants to provide the City a temporary easement for the development of a temporary ponding basin. Such temporary ponding basin may be necessitated by the fact that the Park Amenity Site is planned to be served by future master plan facilities within Fresno Metropolitan Flood Control District (FMFCD) Drainage Area "SS", per the adopted FMFCD Storm Drainage and Flood Control Master Plan (Exhibit "H"), and the storm drain pipelines have not yet been constructed to Basin "SS". The site of the temporary easement for the temporary ponding basin (the "Temporary Basin"), shall be located on a portion of the Master Developer Property that shall be designated by Master Developer, in consultations with the City, and shall be on a site that will support the Temporary Basin sized to handle the capacities required for the Park Amenity Site (the "City Required Capacities") and the development of such other portions of the Master Developer Property as the Master Developer shall determine (the "Master Developer's Required Capacities").

(ii) If the site of the temporary ponding basin provided by the Developer is not immediately adjacent to the Park Amenity, then the Developer shall dedicate the necessary easements to the Fresno Metropolitan Flood Control District for the required segments of master plan pipe to convey the storm water to the temporary ponding basin. The Developer shall either construct the FMFCD storm drain pipeline as set forth in the FMFCD master plan, or reimburse the City its actual costs for construction of the pipeline.

(iii) Development of Temporary Ponding Basin Use. If Master Developer requires development of the Temporary Basin before there is a need to support the City Required Capacities, it shall design, develop and maintain the Temporary Basin at the designated site, including such portion of the Master Developer's Required Capacities as it may determine and which it may add to from time to time. When the City Required Capacities are required, the City shall design, develop the Temporary Basin, or develop additional capacities to the then existing Temporary Basin, necessary to support the City Required Capacities. Before commencing its development or expansion of the Temporary Basin, the City shall also consult with the Master Developer to determine whether Master Developer desires to coordinate to have any portions of the Master Developer's Required Capacities concurrently designed and developed with the City Required Capacities and City shall include such elements of the Master Developer's Required Capacities in its design and development activities. In that event, Master Developer shall reimburse the City a prorated portion of the costs of the design and development of the Temporary Basin conducted by or on behalf of the City, based on the relative percentages of the City Required Capacities and the portion of the Master Developer's Required Capacities that are included in such City activities. Master Developer shall also retain the right to further develop the Temporary Basin to

incorporate any further portions of the Master Developer's Required Capacities that it may require from time to time, which shall be designed and developed at its sole cost and expense.

(iv) Maintenance of Temporary Ponding Basin. Until such time as the City constructs the City Required Capacities, Master Developer shall maintain any Temporary Ponding Basin that it initially develops. After City constructs the City Required Capacities, it shall undertake maintenance of the Temporary Ponding Basin. Master Developer shall, on an annual basis, reimburse City for a portion of the maintenance costs reasonably documented by the City, based on the relative percentages of the City Required Capacities and the portion of the Master Developer's Required Capacities that are then incorporated into the Temporary Ponding Basin.

(v) Decommissioning of Ponding Basin. At such time as the Temporary Basin is no longer needed due to the FMFCD development of required storm drain pipelines, or the availability of options to support the City's Required Capacities, Master Developer shall provide the City written notice of such circumstance. City shall thereupon, within one year following receipt of such notice, backfill the Temporary Basin to 95% relative compaction, remove any perimeter fencing, and conduct a Phase I environmental survey (and any follow on evaluations or remediation recommended by such Phase I environmental survey) (the "Decommissioning Activities") after which time the temporary easement will be extinguished. Master Developer shall reimburse City for a portion of the Decommissioning Activities reasonably documented by the City, based on the relative percentages of the City Required Capacities and the portion of the Master Developer's Required Capacities that are then incorporated into the Temporary Ponding Basin.

(vi) Termination of City Easement. The nonexclusive easement granted to the City to support its use of the Temporary Ponding Basin shall remain in full force and effect until the Decommissioning Activities are completed.

(c) Development of the Park Amenity. Upon acquisition of the Park Amenity Site, the City shall commence and diligently pursue development of the Park Amenity subject to the availability of TCC Project Funds associated with the proposed Park Amenity and issued for its construction. The City will make its best effort to secure the match for the development of the Park Amenity, and will submit additional grant applications as available to pursue funding to complete the Park Amenity. The Park Amenity shall be completed not later than the period required to secure and retain TCC Project Funds for the Park Amenity project, but in all events the City shall expend all TCC Project Funds granted for the Park Amenity no later than five (5) years from the date of the grant execution of April 2, 2019. The Park Amenity shall incorporate such amenities as the City shall determine in its reasonable judgment, in cooperative consultation with the Master Developer and community residing in the Southwest Fresno Specific Plan boundaries. In addition, the City shall provide the Master Development the opportunity to have a representative participate in the selection committee that the City engages to conduct an evaluation of architects, engineers and/or planners, selected

pursuant to any RFQ process that the City conducts to facilitate any concept plans concerning the design of the Park Amenity.

(d) Park Access and Loop Road. The Park Access and Loop Road shall include construction of a local street that connects the Park Amenity Site to Church Avenue and a local street that loops around the perimeter of the Park Amenity Site in the following phases, as illustrated on attached Exhibit F-1, and whose specifications are detailed on attached Exhibit F-2. Master Developer shall dedicate Right of Way to the City sufficient to develop the Park Access and Loop Road at no cost to City. The Right of Way dedication shall be in addition to the Park Amenity Site and shall not be included in calculating the gross acreage of the Park Amenity Site. The first phase of the Park Amenity development shall include construction of a local street that connects the Park Amenity Site to Church Avenue (Initial Phase Park Access Road). A second phase of the Park Access Road (Second Phase Park Access Road) shall be developed by the City, at such time as the Master Developer has commenced construction of either the Phase 1 Church Avenue Commercial Site or the Phase II Residential Development. A third phase of the Park Access Road (Third Phase Park Access Road), which shall complete a loop around the Park Amenity, shall be developed by City at such time as the Master Developer has commenced construction of either the Phase III Jensen Avenue Commercial Site or the Phase IV Residential Development. The Initial Phase Park Access Road construction shall include installation of public utilities, including dry utilities to the site of the Park Amenity. In addition, all phases of the Park Access and Loop Road shall include installation of underground utilities detailed on Exhibit F-2 (including dry utilities), which are intended to provide capacities sufficient to provide services required for the Park Amenity Site and other elements of the intended development of the West Creek Village Project Area. Notwithstanding any of the above, this provision is contingent upon appropriation of funds by City, sufficient for City to complete all phases of the Park Access Road that are the obligation of the City. Should sufficient funds not be appropriated, this provision shall be unenforceable until such time as sufficient funds are appropriate and shall not constitute default or breach on the part of the City. However, the City will make its best efforts to diligently pursue funding in the interests of completing the Park Access Road. In addition, the City Manager shall, in each fiscal period that a phase of the Park Access Road is then intended to be developed, develop and provide to the Mayor, a proposed budget that includes a proposed appropriation of the funds to complete such phase of the Park Access Road.

(e) Master Developer's Contribution to Park Amenity. Master Developer covenants that it shall contribute to the City, one-third of the Costs of Completing the Park Access and Loop Road inclusive of all phases, with the remaining two-thirds of the cost contributed by City. For purposes of this Agreement, the Costs of Completing the Park Access Road shall be the actual costs the City incurs in completing such improvements, including installation of wet and dry utilities. The contribution of Master Developer under this provision shall be paid to the City within ninety (90) days of each phase of the Park Access Road, after the City confirms in writing to Master Developer that all improvements detailed for that phase have been completed and accepted by the City, together with documentation reasonably required by the Master Developer to confirm the Costs of Completing the Park Access and Loop Road. Should State Center

Community College District (SCCCD) contribute funds toward the cost of completing the Park Access and Loop Road, Master Developer and City's contributions shall be reduced proportionately, with Master Developer receiving a reduction in contribution obligation of one-third of SCCC'D's contribution and City receiving a reduction in contribution obligation of two-thirds of SCCC'D's contribution. SCCC'D's contribution shall be used to fund future phases of the Park Access and Loop Road.

(f) Wet and Dry Utilities. As described in Sections 6.1(d) and 6.1(e), the Park Access Road shall include certain wet and dry utilities. The facilities to be included in the City's capital improvement project, toward which the Master Developer shall contribute a one-third share of the costs, are as follows: water mains and sewer mains in each street, sized to serve the future development as described in the land use entitlements, including a sewer house branch and water service to the Park Amenity, sewer manholes, water valves and fire hydrants where appropriate; joint trench conduits for PG&E (electric and gas), AT&T telecommunications and cable, sized to serve the future development as described in the land use entitlements, and electrical conductors of sufficient size to serve the Park Amenity. Future obligations to be designed, constructed and paid for exclusively by the Master Developer are as follows: utility services for each lot (i.e. sewer house branches, water services, gas services, electrical and telecommunications), vaults, pedestals, transformers, cable, conductor, valves and any equipment not needed to serve the Park Amenity; and any system upgrades required by the utility companies as part of serving the new development's application for service. All costs associated with master planning for dry utility infrastructure shall be borne by the Master Developer.

(g) Water Supply Requirements. City further covenants and agrees that the improvements it is to conduct in aid of the Park Amenity and the Fresno City College-West Fresno Satellite Project include development of the water supply facilities referenced as items 2 and 3 in the Memorandum dated July 12, 2019 from the City of Fresno Department of Public Utilities to the City of Fresno Development Department, which is included in the Conditions of Approval for Tentative Parcel Map No. TPM-17-06. The City shall commence and diligently pursue development of such water supply facilities concurrent with the development of the Park Amenity as more particularly described in the Exactions Table attached as Exhibit D. The remaining Water Requirements set forth in the July 12, 2019 Department of Public Utilities Memorandum for Water Requirements remain the responsibility of Master Developer, except as modified by this Agreement (including Exhibit D) or to the extent such improvements are included within the work required for the Park Access Road improvements.

(h) Sewer Requirements. City further covenants and agrees that the improvements it is to conduct in aid of the Park Amenity and the Fresno City College-West Fresno Satellite Project include development of the sanitary sewer facilities set forth in the Memorandum dated July 12, 2019 from the City of Fresno Department of Public Utilities to the City of Fresno Development Department, which is included in the Conditions of Approval for Tentative Parcel Map No. TPM-17-06; except as modified by this Agreement (including Exhibit D), or to the extent such improvements are included within the work required for the Park Access Road improvements.

(i) City Construction of Perimeter Off-Sites. City further covenants and agrees that the improvements it is to conduct in aid of the Park Amenity and the Fresno City College-West Fresno Satellite Project include development of the following off-site improvements: (i) those detailed in Exhibit "A" to the Memorandum dated July 13, 2017 from the City of Fresno Department of Public Works to the City of Fresno Development Department included in the Conditions of Approval for Tentative Parcel Map No. TPM-17-06; (ii) the Existing Plus Project mitigation/improvements and the Class 1 Trail along the south side of Church Avenue described in the Memorandum dated July 19, 2017 from the City of Fresno Department of Public Works to the City of Fresno Development Department included in the Conditions of Approval for Tentative Parcel map No. TPM-17-06; (iii) the improvements allocated to the City on Exhibit D, (collectively, the "Perimeter Off-Sites"). Master Developer shall dedicate sufficient Right of Way necessary to construct the Perimeter Off-Sites to City, at no cost to City upon execution of this Agreement. Following receipt and appropriation of funds sufficient to construct the Perimeter Off-Sites, the City shall diligently pursue development of such Perimeter Off-Sites, except for those items that are specifically allocated to Master Developer on Exhibit D.

Section 6.2 Community Facilities District for Financing Master Developer Improvements. City acknowledges that Master Developer may desire to pursue a Community Facilities District or an Assessment District for the purpose of funding the construction of public improvements required as a condition of development of Master Developer's Property, or to incorporate additional public improvements to the Park Amenity as may be agreed upon by Master Developer and City. To facilitate the financing of such improvements, the Master Developer may desire to use of the Statewide Community Infrastructure Program (SCIP) established by the California Statewide Communities Development Authority (CSCDA). City will apply to become a SCIP participating agency, on terms and conditions required by CSCDA, to facilitate Master Developer's access to and use of SCIP financing of such public improvements, provided that the City shall have no duty or obligation for payment of any financings obtained through the SCIP program.

Section 6.3 Not In Aid of Private Development. The Parties acknowledge and agree that the construction by the City of the improvements described in, Section 6.1, or Exhibit D, and the use of the TCC Project Funds in support of such improvements, are development of a public project to support the Park Amenity, the Fresno City College-West Fresno Satellite Project and the Perimeter Off-Sites. Such work of improvement is separate from development of Master Developer's Property. No part of the work that is intended to be done in support of such separate public projects are intended by the Parties as work done in aid of the any elements of the development of the West Creek Village Project to be developed by the Master Developer. All components of the West Creek Village Project to be developed by the Master Developer constitute a private project development that is independent and separate from such public improvements.

Section 6.4 Letters of Support for Major Retailers. City will provide such letters of support as Master Developer shall reasonably request on a City approved template, to facilitate the marketing of the West Creek Village Project Area for development (or

leasing) by commercial enterprises to provide jobs and improve the extent of services and retail options available to the communities surrounding the West Creek Village Project Area.

Section 6.5 Other Governmental Permits. City agrees to cooperate with Master Developer in Master Developer's endeavors to obtain permits and approvals as may be required from other governmental or quasi-governmental agencies having jurisdiction over the West Creek Village Project Area or portions thereof (such as, for example, but not by way of limitation, public utilities or utility districts and agencies having jurisdiction over storm water transportation facilities, annexation and air quality issues) so long as the cooperation by the City will not require the City to incur any cost, liability or expense without adequate indemnity against or right of reimbursement therefore from Master Developer.

Section 6.6 Cooperation in Dealing with Legal Challenge. If any action or other proceeding is instituted by a third party or parties, other governmental entity or official challenging the validity of any provision of this Agreement (collectively, a Third Party Action), the Parties shall cooperate in the defense of the Third Party Action to the maximum extent reasonably possible under the circumstances. The City shall timely take all actions which are necessary or required to uphold the validity and enforceability of this Agreement. The City shall not enter into any settlement with respect to a Third Party Action without the prior written consent of Master Developer.

ARTICLE 7. INDEMNITY AND INSURANCE

Section 7.1 Indemnification.

(a) Third Party Actions. Except as provided in the last two sentences of this Section, to the furthest extent allowed by law, Master Developer shall indemnify, hold harmless and defend City and each of its officers, officials, employees, agents and volunteers from any and all loss, liability, fines, penalties, forfeitures, damages and costs (including attorney's fees, litigation expenses and administrative record preparation costs) arising from, resulting from, or in connection with any Third Party Action (as hereinafter defined). The term "Third Party Action" collectively means any legal action or other proceeding instituted by: (i) a third party or parties; or, (ii) a governmental body, agency or official other than the City or a City Agency, that: (a) challenges or contests any or all of this Agreement, the West Creek Village Approvals or Subsequent Maps; or, (b) claims or alleges a violation of CEQA or another law in connection with the certification of the Addendum to the MND by the City Council or the grant, issuance or approval by the City of any or all of this Agreement and the West Creek Village Approvals or Subsequent Maps. Master Developer's obligations under this Section 7.1(a) shall apply regardless of whether City or any of its officers, officials, employees, agents or volunteers are actively or passively negligent, but shall not apply to any loss, liability, fines, penalties forfeitures, costs or damages caused solely by the active negligence or willful misconduct of the City or any of its officers, officials, employees, agents or

volunteers. The provisions of this Section 7.1(a) shall survive the termination of this Agreement.

(b) Damage Claims. The nature and extent of Master Developer's obligations to indemnify, defend and hold harmless the City with regard to events or circumstances not addressed in Section 7.1(a) shall be governed by this Section 7.1(b). To the furthest extent allowed by law, Master Developer shall indemnify, hold harmless and defend City and each of its officers, officials, employees, agents and volunteers from any and all loss, liability, fines, penalties, forfeitures, costs and damages (whether in contract, tort or strict liability, including but not limited to personal injury, death at any time and property damage) incurred by City, Master Developer or any other person, and from any and all claims, demands and actions in law or equity (including attorney's fees and litigation expenses), arising or alleged to have arisen directly or indirectly out of performance of this Agreement by Master Developer, or the performance of any or all work to be done by Master Developer or its contractors, agents, successors and assigns pursuant to this Agreement (including, but not limited to design, construction and/or ongoing operation and maintenance of Off-Site Improvements unless and until such Off-Site Improvements are dedicated to and officially accepted by the City). Master Developer's obligations under the preceding sentence shall apply regardless of whether City or any of its officers, officials, employees or agents are passively negligent, but shall not apply to any loss, liability, fines, penalties, forfeitures, costs or damages caused by the active or sole negligence, or the willful misconduct, of City or any of its officers, officials, employees, agents or volunteers.

(c) If Master Developer should subcontract all or any portion of the services to be performed under this Agreement, Master Developer shall require each subcontractor to indemnify, hold harmless and defend City and each of its officers, officials, employees, agents and volunteers in accordance with the terms of the preceding paragraph. The Master Developer further agrees that the use for any purpose and by any person of any and all of the streets and improvements required under this Agreement, shall be at the sole and exclusive risk of the Master Developer, at all times prior to final acceptance by the City of the completed street and other improvements, unless any loss, liability, fines, penalties, forfeitures, costs or damages arising from said use were caused by the active or sole negligence or the willful misconduct, of the City or any of its officers, officials, employees, agents or volunteers.

(d) Notwithstanding the preceding paragraph, to the extent that Subcontractor is a "design professional" as defined in Section 2782.8 of the California Civil Code and performing work hereunder as a "design professional" shall, in lieu of the preceding paragraph, be required to indemnify, hold harmless and defend City and each of its officers, officials, employees, agents and volunteers to the furthest extent allowed by law, from any and all loss, liability, fines, penalties, forfeitures, costs and damages (whether in Agreement, tort or strict liability, including but not limited to personal injury, death at any time and property damage), and from any and all claims, demands and actions in law or equity (including reasonable attorney's fees and litigation expenses) that arise out of; pertain to, or relate to the negligence, recklessness or willful misconduct

of the design professional, its principals, officers, employees, agents or volunteers in the performance of this Agreement.

(e) This Section 7.1 shall survive termination or expiration of this Agreement.

(f) The fact that insurance is obtained by Master Developer and its contractors shall not be deemed to release or diminish the liability of Master Developer, including, without limitation, liability under the indemnity provisions of this Agreement. The duty to indemnify City shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by Master Developer and its contractors. Approval or purchase of any insurance contracts or policies shall in no way relieve from liability nor limit the liability of Master Developer, vendors, suppliers, invitees, contractors, sub-contractors, subcontractors, or anyone employed directly or indirectly by any of them.

Section 7.2 Insurance. Insurance shall be paid for and maintained in full force and effect all policies of insurance described in this section in two phases as set forth in the manner below:

(a) Phase 1 Insurance. Prior to the date that the first building permit application is submitted for the construction by Master Developer of any portion of the West Creek Village Project Area, and prior to such time as construction activity is commenced (the Phase 1 Insurance Period), Master Developer shall pay for and maintain in full force and effect all policies of insurance described in this section with an insurance company(ies) either (i) admitted by the California Insurance Commissioner to do business in the State of California and rated not less than "A- VII" in Best's Insurance Rating Guide, or (ii) authorized by City's Risk Manager. The following policies of insurance are required:

(1) COMMERCIAL GENERAL LIABILITY insurance which shall be at least as broad as the most current version of Insurance Services Office (ISO) Commercial General Liability Coverage Form CG 00 01 and shall include insurance for bodily injury, property damage and personal injury with coverage for premises and operations (including the use of owned and non-owned equipment), products and completed operations, contractual liability (including indemnity obligations under this Agreement), with limits of liability of not less than \$2,000,000 per occurrence for bodily injury and property damage, \$2,000,000 per occurrence for personal and advertising injury, and \$2,000,000 aggregate for products and completed operations and \$5,000,000 general aggregate applying separately to the work performed under this agreement.

(2) COMMERCIAL AUTOMOBILE LIABILITY insurance which shall be at least as broad as the most current version of Insurance Services Office (ISO) Business Auto Coverage Form CA 00 01 and shall include coverage for all owned, hired, and non-owned automobiles or other licensed vehicles (Code 1 B Any Auto), with combined single limits of liability of not less than \$2,000,000 per accident for bodily injury and property damage.

(3) WORKERS' COMPENSATION insurance as required under the California Labor Code.

(4) EMPLOYERS' LIABILITY with minimum limits of liability of not less than \$1,000,000 each accident, \$1,000,000 policy limit and \$1,000,000 for each employee.

(5) In the event Master Developer purchases an Umbrella or Excess insurance policy(ies) to meet the "Minimum Limits of Insurance," this insurance policy(ies) shall "follow form" and afford no less coverage than the primary insurance policy(ies). In addition, such Umbrella or Excess insurance policy(ies) shall also apply on a primary and non-contributory basis for the benefit of the CITY, its officers, officials, employees, agents and volunteers.

(6) Master Developer shall be responsible for payment of any deductibles contained in any insurance policies required hereunder and Master Developer shall also be responsible for payment of any self-insured retentions.

(7) The above-described policies of insurance shall be endorsed to provide an unrestricted thirty-calendar day written notice in favor of City of policy cancellation of coverage, except for the Workers' Compensation policy, which shall provide a ten calendar day written notice of such cancellation of coverage. In the event any policies are due to expire during the term of this Agreement, Master Developer shall provide a new certificate evidencing renewal of such policy not less than fifteen calendar days prior to the expiration date of the expiring policy(ies). Upon issuance by the insurer, broker, or agent of a notice of cancellation in coverage, Master Developer shall file with City a new certificate and all applicable endorsements for such policy(ies).

(8) The General Liability and Automobile Liability insurance policies shall be written on an occurrence form and shall name City, its officers, officials, agents, employees and volunteers as an additional insured. Such policy(ies) of insurance shall be endorsed so Master Developer's insurance shall be primary and no contribution shall be required of City. Any General Liability,

Automobile Liability, and Workers' Compensation insurance policy shall contain a waiver of subrogation as to City, its officers, officials, agents, employees and volunteers. Master Developer shall have furnished City with the certificate(s) and applicable endorsements for all required insurance prior to start of construction of any phase of development. Master Developer shall furnish City with copies of the actual policies upon the request of City's Risk Manager at any time during the life of the Agreement or any extension, and this requirement shall survive termination or expiration of this Agreement.

(9) If at any time during the Phase 1 Insurance Period, Master Developer fails to maintain the required insurance in full force and effect, the Director of Public Works, or his/her designee, may order that the Master Developer, or its contractors or subcontractors, immediately discontinue any further work under this Agreement and take all necessary actions to secure the work site to insure that public health and safety is protected. All payments due or that become due to Master Developer shall be withheld until notice is received by City that the required insurance has been restored to full force and effect and that the premiums therefore have been paid for a period satisfactory to City. The insurance requirements set forth in this Section 7.2 are material terms of this Agreement.

(b) Phase 2 Insurance. From the date that a building permit application is submitted for the construction by Master Developer of any portion of the West Creek Village Project Area, until the date of City's final formal acceptance of the such improvements (the Phase 2 Insurance Period), Master Developer shall pay for and maintain in full force and effect all policies of insurance described in this section with an insurance company(ies) either (i) admitted by the California Insurance Commissioner to do business in the State of California and rated not less than "A- VII" in Best's Insurance Rating Guide, or (ii) authorized by City's Risk Manager. No building permit shall be issued by the City for any portion of the West Creek Village Project Area unless and until the City determines in writing that Master Developer has satisfied the requirement set forth below regarding Phase 2 Insurance. The following Phase 2 policies of insurance are required:

(1) COMMERCIAL GENERAL LIABILITY insurance which shall be at least as broad as the most current version of Insurance Services Office (ISO) Commercial General Liability Coverage Form CG 00 01 and shall include insurance for bodily injury, property damage and personal injury with coverage for premises and operations (including the use of owned and non-owned equipment), products and completed operations, contractual liability (including indemnity obligations under this Agreement), with limits of liability of

not less than \$5,000,000 per occurrence for bodily injury and property damage, \$5,000,000 per occurrence for personal and advertising injury, and \$5,000,000 aggregate for products and completed operations and \$10,000,000 general aggregate applying separately to the work performed under this agreement.

(2) COMMERCIAL AUTOMOBILE LIABILITY insurance which shall be at least as broad as the most current version of Insurance Services Office (ISO) Business Auto Coverage Form CA 00 01 and shall include coverage for all owned, hired, and non-owned automobiles or other licensed vehicles (Code 1 B Any Auto), with combined single limits of liability of not less than \$5,000,000 per accident for bodily injury and property damage.

(3) WORKERS' COMPENSATION insurance as required under the California Labor Code.

(4) EMPLOYERS' LIABILITY with minimum limits of liability of not less than \$1,000,000 each accident, \$1,000,000 policy limit and \$1,000,000 for each employee.

(5) In the event Master Developer purchases an Umbrella or Excess insurance policy(ies) to meet the "Minimum Limits of Insurance," this insurance policy(ies) shall "follow form" and afford no less coverage than the primary insurance policy(ies). In addition, such Umbrella or Excess insurance policy(ies) shall also apply on a primary and non-contributory basis for the benefit of the CITY, its officers, officials, employees, agents and volunteers.

(6) Master Developer shall be responsible for payment of any deductibles contained in any insurance policies required hereunder and Master Developer shall also be responsible for payment of any self-insured retentions.

(7) The above-described policies of insurance shall be endorsed to provide an unrestricted thirty-calendar day written notice in favor of City of policy cancellation of coverage, except for the Workers' Compensation policy, which shall provide a ten calendar day written notice of such cancellation of coverage. In the event any policies are due to expire during the term of this Agreement, Master Developer shall provide a new certificate evidencing renewal of such policy not less than fifteen calendar days prior to the expiration date of the expiring policy(ies). Upon issuance by the insurer, broker, or agent of a notice of cancellation in coverage, Master Developer shall file with City a new certificate and all applicable endorsements for such policy(ies).

(8) The General Liability and Automobile Liability insurance policies shall be written on an occurrence form and shall name City, its officers, officials, agents, employees and volunteers as an additional insured. Such policy(ies) of insurance shall be endorsed so Master Developer's insurance shall be primary and no contribution shall be required of City. Any General Liability, Automobile Liability, and Workers' Compensation insurance policy shall contain a waiver of subrogation as to City, its officers, officials, agents, employees and volunteers. Master Developer shall have furnished City with the certificate(s) and applicable endorsements for all required insurance prior to start of construction of any phase of development. Master Developer shall furnish City with copies of the actual policies upon the request of City's Risk Manager at any time during the life of the Agreement or any extension, and this requirement shall survive termination or expiration of this Agreement.

(9) If at any time during the Phase 2 Insurance Period, Master Developer fails to maintain the required insurance in full force and effect, the Director of Public Works, or his/her designee, may order that the Master Developer, or its contractors or subcontractors, immediately discontinue any further work under this Agreement and take all necessary actions to secure the work site to insure that public health and safety is protected. All payments due or that become due to Master Developer shall be withheld until notice is received by City that the required insurance has been restored to full force and effect and that the premiums therefore have been paid for a period satisfactory to City. The insurance requirements set forth in this Section 7.2 are material terms of this Agreement.

(10) If Master Developer should hire a general contractor to provide all or any portion of the services or work to be performed under this Agreement, Master Developer shall require the general contractor to provide indemnity and insurance protection in favor of City, its officers, officials, employees, volunteers and agents in accordance with the terms of each of the preceding paragraphs, except that the general contractor's certificates and endorsements shall be on file with Master Developer and City prior to the commencement of any work by the general contractor.

(11) If the general contractor should subcontract all or a portion of the services or work to be performed under this Agreement to one or more subcontractors, Master Developer shall require the general contractor to require each subcontractor to provide insurance protection in favor of City, its officers, officials, employees, volunteers and agents in accordance with the terms of each of the preceding paragraphs, except that each subcontractor shall be

required to pay for and maintain Commercial General Liability insurance with limits of liability of not less than \$1,000,000 per occurrence for bodily injury and property damage, \$1,000,000 per occurrence for personal and advertising injury, \$2,000,000 aggregate for products and completed operations and \$2,000,000 general aggregate and Commercial Automobile Liability insurance with limits of liability of not less than less than \$1,000,000 per accident for bodily injury and property damage. All other terms are required in accordance with the terms of each of the preceding paragraphs, except that subcontractors' certificates and endorsements shall be on file with the general contractor, Master Developer and City prior to the commencement of any work by the subcontractor. Master Developer's failure to comply with these requirements shall constitute an "Event of Default" as that term is defined in Section 10.1.

(c) City Manager or designee reserves the right to impose higher insurance limits on elements of the development of the West Creek Village Project in conjunction with conditions established in Subdivision Improvement Agreements adopted by the City for such development, provided such insurance requirements are not more burdensome than those then applied by the City for similar subdivision development.

ARTICLE 8. BENEFITS

Section 8.1 Benefits to the City. The City has extensively reviewed the terms and conditions of this Agreement and, in particular, has specifically considered and approved the impact and benefits of the West Creek Village upon the regional welfare. The terms and conditions of this Agreement have been found by the City to be fair, just and reasonable, and to provide appropriate benefits to the City. This Agreement and the development of the West Creek Village will serve the best interests, and the public health, safety, and welfare of the residents and invitees, of the City and the general public. This Agreement will help provide effective and efficient development of Off-Site Improvements and other Required Parcel Map Exactions or Required Other Exactions in the vicinity of the West Creek Village Project Area; help maximize effective utilization of resources within the City; increase City tax revenues; and provide other substantial public benefits to the City and its residents by achieving the goals and purposes of the Development Agreement Laws, the Charter of the City of Fresno, the Fresno Municipal Code, the Fresno General Plan (as amended by the Plan Amendments) and the Southwest Fresno Specific Plan (as amended by the proposed Plan Amendments). Without limiting the generality of the foregoing, this Agreement helps assure the timely construction and dedication of the Park Amenity, which is an important amenity in achieving the General Plan and Southwest Fresno Specific Plan goals of a Complete Neighborhood development with respect to the West Creek Village Project Area, and which key objective and policies of the Southwest Fresno Specific Plan.

Section 8.2 Benefits to the Master Developer. The Master Developer has expended and will continue to expend substantial amounts of time and money on the planning and development of Master Developer's Property within the West Creek Village Project Area. In addition, the Master Developer will expend substantial amounts of time and money for the construction of the certain Required Exactions and for the payment of the City Development Impact Fees in connection with the West Creek Village Project. The Master Developer would not make such expenditures except in reliance upon this Agreement. The benefit to the Master Developer under this Agreement consists of the assurance the City will preserve the rights of Master Developer to develop the Master Developer's Property as planned and as set forth in the West Creek Village Approvals and this Agreement.

ARTICLE 9. ANNUAL REVIEW OF COMPLIANCE

Section 9.1 Annual Review. City and Master Developer shall annually review this Agreement, and all actions taken pursuant to the terms of this Agreement with respect to the West Creek Village Project in accordance with the provisions of California Government Code Section 65865.1, Fresno Municipal Code Section 15-6008, and this ARTICLE 9. The Parties recognize this Agreement and the West Creek Village Approvals and City Permits referenced herein contain extensive requirements (i.e., construction standards, landscape standards, etc.) and that evidence of each and every requirement would be a wasteful exercise of the Parties' resources. Accordingly, Master Developer shall be deemed to have satisfied its duty of demonstration if it presents evidence satisfactory to the City of its good faith compliance, as that term is used in Government Code, Section 65865.1, with the material provisions of this Agreement.

Section 9.2 Master Developer Report. Not later than the first anniversary date of the Effective Date, and not later than each anniversary date of the Effective Date thereafter during the Term, Master Developer shall apply for annual review of this Agreement. Master Developer shall submit with such application a report to the Director describing Master Developer's good faith compliance with the terms of this Agreement during the preceding year (the Master Developer Report). The Master Developer Report shall include a statement that the report is submitted to City pursuant to the requirements of California Government Code Section 65865.1.

Section 9.3 Finding of Compliance. Within thirty days after Master Developer submits the Master Developer Report under Section 9.2, the Director shall review Master Developer's submission to ascertain whether Master Developer has demonstrated good faith compliance with the material terms of this Agreement. If the Director finds and determines that Master Developer has in good faith complied with the material terms of this Agreement, or does not determine otherwise within thirty days after delivery of the Master Developer Report, the annual review shall be deemed concluded. If the Director initially determines that the Master Developer Report is inadequate in any respect, he or she shall provide written notice to that effect to Master Developer, and Master Developer may supply such additional information or evidence as may be necessary to demonstrate good faith compliance with the material terms of this Agreement. If the Director

concludes that Master Developer has not demonstrated good faith compliance with the material terms of this Agreement, he or she shall so notify Master Developer prior to the expiration of the thirty day period herein specified and prepare a staff report to the City Council with respect to the conclusions of the Director and the contentions of Master Developer with respect thereto (the Staff Report).

Section 9.4 Hearing Before City Council to Determine Compliance. After submission of the Staff Report of the Director, the City Council shall conduct a noticed public hearing to determine the good faith compliance by Master Developer with the material terms of this Agreement. At least sixty days prior to such hearing, the Director shall provide to the City Council, Master Developer, and to all other interested Persons requesting the same, copies of the Staff Report and other information concerning Master Developer's good faith compliance with the material terms of this Agreement and the conclusions and recommendations of the Director. At such public hearing, Master Developer and any other interested Person shall be entitled to submit evidence, orally or in writing, and address all the issues raised in the Staff Report on, or with respect or germane to, the issue of Master Developer's good faith compliance with the material terms of this Agreement. If, after receipt of any written or oral response of Master Developer, and after considering all of the evidence at such public hearing, the City Council finds and determines, on the basis of substantial evidence, that Master Developer has not complied in good faith with the material terms of this Agreement, then the City Council shall specify to Master Developer the respects in which Master Developer has failed to comply, and shall also specify a reasonable time for Master Developer to meet the terms of compliance, which time shall be not less than thirty days after the date of the City Council's determination, and shall be reasonably related to the time adequate to bring Master Developer's performance into good faith compliance with the material terms of this Agreement. If the areas of noncompliance specified by the City Council are not corrected within the time limits prescribed by the City Council hereunder, subject to Force Majeure pursuant to Section 13.1, then the City Council may by subsequent noticed public hearing extend the time for compliance for such period as the City Council may determine (with conditions, if the City Council deems appropriate), Terminate or modify this Agreement, or take such other actions as may be specified in the Development Agreement Laws. Any notice to Master Developer of a determination of noncompliance by Master Developer hereunder, or of a failure by Master Developer to perfect the areas of noncompliance hereunder, shall specify in reasonable detail the grounds therefor and all facts demonstrating such noncompliance or failure, so that Master Developer may address the issues raised in the notice of noncompliance or failure on a point-by-point basis in any hearing held by the City Council hereunder.

Section 9.5 Meet and Confer Process. If either the Director or the City Council makes a determination that Master Developer has not demonstrated good faith substantial compliance with the material terms of this Agreement, the Director and or designated City Council representatives may initiate a meet and confer process with Master Developer pursuant to which the Parties shall meet and confer in order to determine a resolution acceptable to both Parties of the bases upon which the Director or City Council has determined that Master Developer has not demonstrated good faith substantial compliance with the material terms of this Agreement. If, as a result of such

meet and confer process, the Parties agree on a resolution of the bases related to the determination that Master Developer has not demonstrated good faith substantial compliance with the material terms of this Agreement, the results and recommendations of the meet and confer process shall be presented to the City Council for review and consideration at its next regularly scheduled public meeting, including consideration of such amendments to this Agreement as may be necessary or appropriate to effectuate the resolution achieved through such meet and confer process. Master Developer shall be deemed to be in good faith substantial compliance with the material terms of this Agreement, only upon City Council acceptance of the results and recommendations of the meet and confer process.

Section 9.6 Certificate of Compliance. If the Director (or the City Council, if applicable) finds good faith substantial compliance by Master Developer with the material terms of this Agreement, the Director shall issue a certificate of compliance within ten days thereafter, certifying Master Developer's good faith compliance with the material terms of this Agreement through the period of the applicable annual review. Such certificate of compliance shall be in recordable form and shall contain such information as may be necessary in order to impart constructive record notice of the finding of good faith compliance hereunder. Master Developer shall have the right to record the certificate of compliance in the Official Records.

Section 9.7 Effect of City Council Finding of Noncompliance; Rights of Master Developer. If the City Council determines that Master Developer has not substantially complied in good faith with the material terms of this Agreement pursuant to Section 9.4 and takes any of the actions specified in ARTICLE 10 with respect to such determination of noncompliance, Master Developer shall have the right to contest any such determination of noncompliance by the City Council pursuant to a legal action filed in accordance with Section 16.5.

Section 9.8 City Costs. In the event that the Director concludes in its Staff Report pursuant to Section 9.3 of this Agreement, that Master Developer is not in good faith compliance with the material terms of this Agreement, then Master Developer shall reimburse the City for all of the City's reasonable costs, (including but not limited to, staff time, attorney's fees, and administrative costs) incurred in connection with Section 9.4 and Section 9.5 of this Agreement. Pursuant to this section, Master Developer shall remit payment to the City within thirty days of receiving an invoice from the City for its costs. Notwithstanding the foregoing, Master Developer shall have the right to contest any determination by the Director (pursuant to Section 9.4) or the City Council (pursuant to Section 9.7) that Master Developer is not in good faith compliance with the material terms of this Agreement, and if Master Developer prevails in such contest: (a) Master Developer shall have no reimbursement obligation under this Section 9.8; and (b) any monies previously reimbursed by Master Developer to the City pursuant to this Section 9.8 shall be returned to Master Developer by the City within thirty days after the conclusion of the contest.

ARTICLE 10.
EVENTS OF DEFAULT; REMEDIES; ESTOPPEL CERTIFICATES

Section 10.1 Events of Default.

(a) The failure by a Party to perform any material term or provision of this Agreement (including but not limited to the failure of a Party to approve a matter or take an action within the applicable time periods governing such performance under this Agreement) shall, subject to the provisions of this Agreement, constitute an "Event of Default", if: (a) such defaulting Party does not cure such failure within thirty days following delivery of a Notice (as hereinafter defined) of default from the other Party (Notice of Default), where such failure is of a nature that can be cured within such thirty day period; or (b) where such failure is not of a nature which can be cured within such thirty day period, the defaulting Party does not within such thirty day period commence substantial efforts to cure such failure, or thereafter does not within a reasonable time prosecute to completion with diligence and continuity the curing of such failure. Any Notice of Default given hereunder shall specify in reasonable detail the nature of the failures in performance by the defaulting Party and the manner in which such failures of performance may be satisfactorily cured in accordance with the terms and conditions of this Agreement.

(b) Any Notice of Default to the defaulting Party pursuant to Section 10.1(a) shall satisfy the requirements of ARTICLE 15 of this Agreement and shall include a provision in at least fourteen point bold type as follows: "YOU HAVE FAILED TIMELY TO PERFORM OR RENDER AN APPROVAL OR TAKE AN ACTION REQUIRED UNDER THE DEVELOPMENT AGREEMENT: [SPECIFY IN DETAIL]. YOUR FAILURE TO COMMENCE TIMELY PERFORMANCE AND COMPLETE SUCH PERFORMANCE AS REQUIRED UNDER THE AGREEMENT OR RENDER SUCH APPROVAL TO TAKE SUCH ACTION WITHIN THIRTY (30) DAYS AFTER THE DATE OF THIS NOTICE SHALL ENTITLE THE UNDERSIGNED TO TAKE ANY ACTION OR EXERCISE ANY RIGHT OR REMEDY TO WHICH IT IS ENTITLED UNDER THE AGREEMENT AS A RESULT OF THE FOREGOING CIRCUMSTANCES. "

Section 10.2 Remedies. Upon the occurrence of an Event of Default, each Party shall have the right, in addition to all other rights and remedies available under this Agreement, to: (a) bring any proceeding in the nature of specific performance, injunctive relief or mandamus; and/or, (b) bring any action at law or in equity as may be permitted by laws of the State of California or this Agreement.

Section 10.3 Waiver- Remedies Cumulative. Failure by a Party to insist upon the strict or timely performance of any of the provisions of this Agreement by the other Party, irrespective of the length of time for which such failure continues, shall not constitute a waiver of such Party's right to demand strict compliance by such other Party in the future. No waiver by a Party of any failure of performance, including an Event of Default, shall be effective or binding upon such Party unless made in writing by such Party, and no such waiver shall be implied from any omission by a Party to take any action with respect to such failure. No express written waiver shall affect any other action or

inaction, or cover any other period of time, other than any action or inaction and/or period of time specified in such express waiver. One or more written waivers under any provision of this Agreement shall not be deemed to be a waiver of any subsequent action or inaction. Nothing in this Agreement shall limit or waive any other right or remedy available to a Party to seek injunctive relief or other expedited judicial and/or administrative relief to prevent irreparable harm.

Section 10.4 Estoppel Certificate. Either Party may, at any time, and from time to time, deliver written notice to the other Party requesting such other Party to certify in writing: (a) that this Agreement is in full force and effect and a binding obligation of the Parties; (b) that this Agreement has not been amended or modified either orally or in writing, and if so amended, identifying the amendments; (c) to the knowledge of such other Party, neither Party has committed an Event of Default under this Agreement, or if an Event of Default has to such other Party's knowledge occurred, to describe the nature of any such Event of Default; and (d) such other certifications that may be reasonably requested by the other Party or a Mortgagee (as hereinafter defined). A Party receiving a request hereunder shall execute and return such certificate within twenty days following the receipt thereof; and if a Party fails so to do within such twenty day period, the information in the requesting Party's notice shall conclusively be deemed true and correct in all respects. The City Manager, as to the City, shall execute certificates requested by Master Developer hereunder. Each Party acknowledges a certificate hereunder may be relied upon by Transferees (as hereinafter defined) and Mortgagees (as hereinafter defined). No Party shall, however, be liable to the requesting Party, or other Person requesting or receiving a certificate hereunder, on account of any information therein contained, notwithstanding the omission for any reason to disclose correct and/or relevant information, but such Party shall be estopped with respect to the requesting Party, or such third Person, from asserting any right or obligation, or utilizing any defense, which contravenes or is contrary to any such information.

ARTICLE 11. MORTGAGEE PROTECTION

Section 11.1 Definitions. For purposes of this Agreement, the following terms shall have the meanings set forth below:

"Mortgage" means: (a) a mortgage or deed of trust, or other transaction, in which Master Developer conveys or pledges as security its interest in the Master Developer's Property, or a portion thereof, or interest therein, or any buildings or improvements thereon for the purpose of (i) financing the acquisition of the Master Developer's Property or the development of the Master Developer's Property, or any portion thereof; (ii) refinancing any of the foregoing, or (iii) obtaining financing proceeds by encumbering the Master Developer's Property or a portion thereof; and (b) a sale and leaseback arrangement, in which Master Developer sells and leases back concurrently therewith its interest in the Master Developer's Property, or a portion thereof, or interest therein, or improvements thereon for the purpose of (i) financing the acquisition of the Master Developer's Property , or the development of the Master Developer's Property, or any portion

thereof; (ii) refinancing any of the foregoing, or (iii) obtaining financing proceeds by encumbering the Master Developer's Property or a portion thereof.

"Mortgagee" means: (a) the holder of the beneficial interest under a Mortgage; (b) the lessor under a sale and leaseback Mortgage; and (c) any successors, assigns and designees of the foregoing.

Section 11.2 Mortgagee Protection. This Agreement and any covenants entered into between the Master Developer and City required for the approval of any West Creek Village Approvals shall be superior and senior to the conveyance of any Mortgage encumbering any interest in the Master Developer's Property. No Event of Default shall defeat, render invalid, diminish or impair the conveyance of any Mortgage made for value, but, subject to the provisions of Section 11.3, all of the terms and conditions contained in this Agreement shall be binding upon and effective against any Person (including any Mortgagee) who acquires title to the Master Developer's Property or any portion thereof or interest therein or improvement thereon, by foreclosure, trustee's sale, deed in lieu of foreclosure, or otherwise.

Section 11.3 Mortgagee Not Obligated; Mortgagee as Transferee. No Mortgagee shall have any obligation or duty under this Agreement whatsoever, except that nothing contained in this Agreement shall be deemed to permit or authorize any Mortgagee to undertake any new construction or improvement in the Master Developer's Property, or to otherwise have the benefit of any rights of Master Developer, or to enforce any obligation of the City, under this Agreement, unless and until such Mortgagee elects to become a Transferee in the manner specified in Section 12.5Section 12.4. Any Mortgagee that affirmatively elects to become a Transferee shall be later released from all obligations and liabilities under this Agreement upon the subsequent Transfer by the Mortgagee of its interest as a Transferee to another Person.

Section 11.4 Notice of Default to Mortgagee; Right of Mortgagee to Cure. If the City receives notice from a Mortgagee requesting a copy of any Notice of Default given Master Developer hereunder and specifying the address for service thereof (a Notice Request), then the City shall deliver to such Mortgagee, concurrently with service thereon to Master Developer, any Notice of Default thereafter given to Master Developer. From and after the delivery of a Notice Request to the City by a Mortgagee, no Notice of Default delivered to the Master Developer shall be effective unless and until a copy of such Notice of Default is also delivered to the Mortgagee. Such Mortgagee shall have the right (but not the obligation) to cure or remedy, or to commence to cure or remedy, the Event of Default claimed within the applicable time periods for cure specified in this Agreement. If, however, the Event of Default or such noncompliance is of a nature which can only be remedied or cured by such Mortgagee upon obtaining possession of the Project, or portion thereof, such Mortgagee shall seek to obtain possession with diligence and continuity (but in no event later than 180 days after a copy of the Notice of Default is given to Mortgagee) through a receiver or otherwise, and shall thereafter remedy or cure such Event of Default or noncompliance promptly and with diligence and dispatch after obtaining possession. Other than an Event of Default or noncompliance (i) for failure to pay money or (ii) that is reasonably susceptible of remedy or cure prior to a

Mortgagee obtaining possession, so long as such Mortgagee is pursuing cure of the Event of Default or noncompliance in conformance with the requirements of this Section 11.4, the City shall not exercise any right or remedy under this Agreement on account of such Event of Default or noncompliance. When and if a Mortgagee acquires the interest of Master Developer encumbered by such Mortgagee's Mortgage and such Mortgagee becomes a Transferee pursuant to Section 12.5, then such Mortgagee shall promptly cure all monetary or other Events of Default or noncompliance then reasonably susceptible of being cured by such Mortgagee to the extent such that such Events of Default or noncompliance are not cured prior to such Mortgagee becoming a Transferee pursuant to Section 12.5.

Section 11.5 Priority of Mortgages. For purposes of exercising any remedy of a Mortgagee pursuant to this ARTICLE 11 or for becoming a Transferee in the manner specified in Section 12.5, the applicable laws of the State of California shall govern the rights, remedies and priorities of each Mortgagee, absent a written agreement between Mortgagees otherwise providing.

Section 11.6 Collateral Assignment. As additional security to a Mortgagee under a Mortgage on the Master Developer's Property or any portion thereof, Master Developer shall have the right, without the consent of the City, to execute a collateral assignment of Master Developer's rights, benefits and remedies under this Agreement in favor of the Mortgagee (a Collateral Assignment) on the standard form provided by the Mortgagee.

Section 11.7 Interpretations and Modifications. The City acknowledges that prospective Mortgagees may request certain interpretations and modifications of this Agreement during the Term, and agrees upon request, from time to time, to meet with Master Developer and representatives of such Mortgagees to discuss in good faith any such request for interpretation or modification. The City shall not unreasonably withhold its consent to any such requested interpretation or modification which the City reasonably determines is consistent with the intent and purposes of this Agreement.

ARTICLE 12. TRANSFERS

Section 12.1 Definitions. For purposes of this Agreement, the following terms shall have the meanings set forth below:

"Affiliate" means any Person directly or indirectly Controlling, Controlled by or under Common Control with Owner.

"Control" means the ownership (direct or indirect) by one Person of an interest in the profits and capital and the right to manage and control the day to day affairs of another Person. The term "Control" includes any grammatical variation thereof, including "Controlled" and "Controlling".

"Common Control" means that two Persons are both controlled by the same other Person.

"Person" means an individual, partnership, firm, association, corporation, trust, governmental agency, administrative tribunal or other form of business or legal entity.

"Transfer" means the sale, assignment, or other transfer by Master Developer of this Agreement, or any right, duty or obligation of Master Developer under this Agreement, including by foreclosure, trustee sale, or deed in lieu of foreclosure, under a Mortgage, but excluding: (a) a dedication of any portion of the Master Developer's Property to the City or another governmental agency; (b) a Mortgage; (c) ground leases, leases, subleases, licenses and operating agreements entered into by Master Developer with tenants or occupants of the Master Developer's Property for occupancy of space in any buildings or improvements (together with any appurtenant tenant rights and controls customarily included in such leases or subleases) in the Master Developer's Property, and any assignment or transfer of any such ground lease, lease, sublease, license or operating agreement by either party thereto; (d) any sale of a building pad and surrounding area in the Master Developer's Property to a future retail or restaurant occupant (or its affiliated entity) for the intended purpose of the development and occupancy of a building or improvement thereon; and (e) any Collateral Assignment of this Agreement to a Mortgagee.

"Transferee" means the Person to whom a Transfer is effected.

Section 12.2 Conditions Precedent to Master Developer Right to Transfer. Except as otherwise provided in this ARTICLE 12, Master Developer shall only have the right to effect a Transfer subject to and upon fulfillment of the following conditions precedent:

(a) No Event of Default by Master Developer shall be outstanding and uncured as of the effective date of the proposed Transfer, unless the City Council has received adequate assurances satisfactory to the City Council that such Event of Default shall be cured in a timely manner either by Master Developer or the Transferee under the Transfer.

(b) Prior to the effective date of the proposed Transfer, Master Developer or the proposed Transferee has delivered to the City an executed and acknowledged assignment and assumption agreement (the Assumption Agreement) in recordable form. Such Assumption Agreement shall include provisions regarding: (a) the rights and interest proposed to be Transferred to the proposed Transferee (including, the extent, of any rights to the use of Parkland In-Lieu Fee Credits assigned to such Transferee, if any. However transfer of Parkland In-Lieu Fee Credits shall be limited to development within the Master Developer's Property and only upon written acknowledgement from Master Developer);(b) the obligations of Master Developer under this Agreement that the proposed Transferee will assume; and, (c) the proposed Transferee's acknowledgment that such Transferee has reviewed and agrees to be bound by this Agreement. The Assumption Agreement shall also include the name, form

of entity, and address of the proposed Transferee, and shall provide that the Transferee assumes the obligations of Master Developer to be assumed by the Transferee in connection with the proposed Transfer. The Assumption Agreement shall be recorded in the Official Records concurrently with the consummation of the Transfer.

(c) Prior to the effective date of the proposed Transfer, City consents in writing to the Transfer. City's consent shall not be unreasonably withheld. Factors the City may consider in determining whether to consent to the transfer include the financial capacity of the proposed Transferee to comply with all of the terms of the Agreement and the history, if any, of compliance of Transferee, its principals, officers or owners with the provisions of federal or state law, the Fresno Municipal Code or agreements with the City relating to development projects within the City of Fresno.

Section 12.3 Transfer to Affiliate. Notwithstanding the provisions of Section 12.2, Master Developer shall have the right to Transfer all of its rights, duties and obligations under this Agreement to an Affiliate of Master Developer. Such Affiliate shall become a Transferee upon: (a) the acquisition by such Affiliate of the affected interest of Master Developer under this Agreement; (b) delivery to the City of an Assumption Agreement executed by the Affiliate pursuant to which the Affiliate assumes, from and after the date such Affiliate so acquires its interest, the applicable rights, duties and obligations of Master Developer under this Agreement and (c) delivery to the City of documents and other evidence establishing, to the reasonable satisfaction of the City, the Affiliate's financial capacity to meet all of its duties and obligations under this Agreement. By virtue of its demonstrated status as an Affiliate of Master Developer and recognizing that Transfers to Affiliates will facilitate Master Developer's ability to develop the Master Developer's Property consistent with this Agreement, the City hereby consents to any Transfer to an Affiliate in accordance with this Section 12.3 and no further consent of the City shall be required for any Transfer by Master Developer to an Affiliate.

Section 12.4 Transfer to Vanguard Construction Services, Inc. Notwithstanding the provisions of Section 12.2, Master Developer shall have the right to Transfer the rights, duties and obligations under this Agreement pertaining to the development of all, or any portion of, West Creek Village Residential Property to Vanguard Construction Services, Inc. (Subdivider). Subdivider shall become a Transferee upon: (a) the acquisition by Subdivider of the property that comprises all, or any portion of, West Creek Village Residential Property; (b) delivery to the City of an Assumption Agreement executed by Subdivider pursuant to which Subdivider assumes, from and after the date that Subdivider acquires its interest, the applicable rights, duties and obligations of Master Developer under this Agreement. By virtue of its demonstrated status and recognizing that Transfers to Subdivider will facilitate Master Developer's ability to develop the West Creek Village Residential Property consistent with this Agreement, the City hereby consents to any Transfer to Subdivider in accordance with this Section 12.4, and no further consent of the City shall be required for any Transfer by Master Developer to Subdivider.

Section 12.5 Mortgagee as Transferee. No Mortgage (including the execution and delivery thereof to the Mortgagee) shall constitute a Transfer. A Mortgagee shall be

a Transferee only upon: (a) the acquisition by such Mortgagee of the affected interest of Master Developer encumbered by such Mortgagee's Mortgage; and (b) delivery to the City of an Assumption Agreement executed by the Mortgagee pursuant to which the Mortgagee assumes assuming, from and after the date such Mortgagee so acquires its interest, the applicable rights, duties and obligations of Master Developer under this Agreement. No further consent of the City shall be required for any such Transfer to a Mortgagee.

Section 12.6 Effect of Transfer. A Transferee shall become a Party to this Agreement only with respect to the interest transferred to it under the Transfer and then only to the extent set forth in the Assumption Agreement delivered under Section 12.2(b), Section 12.3 and Section 12.4. When and if Master Developer Transfers all of its rights, duties and obligations under this Agreement in accordance with Section 12.2(b), Section 12.3 and Section 12.4. Master Developer shall be released from any and all obligations accruing after the date of the Transfer under this Agreement. If Master Developer effectuates a Transfer as to only some but not all of its rights, duties and obligations under this Agreement, Master Developer shall be released only from its obligations accruing after the date of the Transfer which the Transferee assumes in the Assumption Agreement.

ARTICLE 13.

ENFORCED DELAY; EXTENSION OF TIME OF PERFORMANCE; EXCUSED PERFORMANCE

Section 13.1 Force Majeure. In addition to specific provisions of this Agreement, performance by any Party hereunder shall not be deemed to be in default where delays or failures to perform are due to war, insurrection, strikes, walk-outs, riots, floods, earthquakes, the discovery and remediation of hazardous waste or significant geologic, hydrologic, archaeological or paleontologic problems on the West Creek Village Project Area, fires, casualties, acts of God, shortages of labor or material, governmental restrictions imposed or mandated by governmental entities other than the City, enactment of conflicting state or federal statutes or regulations, judicial decisions, litigation not commenced by a Party to this Agreement claiming the enforced delay, or any other basis for excused performance which is not within the reasonable control of the Party to be excused. Causes for delay as set forth above are collectively referred to as Force Majeure.

Section 13.2 Notice. If Notice (as hereinafter defined) of such delay or impossibility of performance is provided to a Party within thirty days after the commencement of such delay or condition of impossibility, an extension of time for such cause shall not be unreasonably denied by such Party. The extension shall be for the period of the enforced delay, or longer as may be mutually agreed upon by the applicable Parties in writing. Any performance rendered impossible shall be excused in writing by the Party so notified.

ARTICLE 14.
PROJECT APPROVALS INDEPENDENT

Section 14.1 Except to the extent otherwise recognized by CEQA, all City Permits which may be granted pursuant to this Agreement, and all Approved Entitlements and TCC Project Funds which have been issued to or granted by the City with respect to the West Creek Village Project Area and the West Creek Village Project, constitute independent actions and approvals by the City. If any provision of this Agreement or the application of any provision of this Agreement to a particular situation is held by a court of competent jurisdiction to be invalid or unenforceable, or if this Agreement is Terminated for any reason, then such invalidity, unenforceability or Termination of this Agreement, or any part hereof, shall not affect the validity or effectiveness of any such City Permits or the West Creek Village Approvals or Future Discretionary Approvals. In such cases, such City Permits, West Creek Village Approvals and Future Discretionary Approvals will remain in effect pursuant to their own terms, provisions, and conditions of approval. As such, the City may place conditions of approval on all City Permits which may be granted pursuant to this Agreement, the West Creek Village Approvals and Future Discretionary Approvals which have been issued or granted by the City with respect to the Master Developer's Property, so long as such conditions are consistent with the terms of this Agreement.

ARTICLE 15.
NOTICES

Section 15.1 Form of Notices; Addresses. All notices and other communications (the Notices) required or permitted to be given by any Party to another Party pursuant to this Agreement shall be properly given only if the Notice is: (a) made in writing (whether or not so stated elsewhere in this Agreement); (b) given by one of the methods prescribed in Section 15.2; and (c) sent to the Party (to which it is addressed at the address set forth below (with a copy to the appropriate entity as indicated below) or at such other address as such Party (or the addressee required to be sent a copy) may hereafter specify by at least five calendar days' prior written notice:

If to City: City of Fresno
 City Hall
 2600 Fresno Street
 Fresno, CA 93721-3600
 Attention: Wilma Quan-Schechter, City Manager
 Facsimile: (559) 621-7776

And to: City Attorney
 City of Fresno
 City Hall
 2600 Fresno Street
 Fresno, CA 93721-3600
 Attention: Doug Sloan, City Attorney
 Facsimile: (559) 488-1084

If to Master Developer:

2500 MLK, LLC
405 North Palm Avenue
Fresno, CA 93701
Attention: Stephen J. Shehadey
Facsimile: (559) 266-3115

Section 15.2 Methods of Delivery. Notices may be either: (a) delivered by hand; delivered by a nationally recognized overnight courier that maintains evidence of receipt; or sent by facsimile transmission with a confirmation copy delivered the following day by a nationally recognized overnight courier which maintains evidence of receipt. Notices shall be effective on the date of receipt.

ARTICLE 16. GENERAL PROVISIONS

Section 16.1 City's Reservation of Authority. The Parties acknowledge and agree the intent of this Agreement is to protect the vested rights granted to Master Developer herein to the maximum extent allowed by law. Except for the limitations on the exercise by the City of its police power which are provided in this Agreement or which are construed in accordance with the immediately preceding sentence, the Parties further acknowledge and agree that: (a) the City reserves all of its police power and or statutory or other legal powers or responsibilities; and (b) this Agreement shall not be construed to limit the authority or obligation of the City to hold necessary public hearings, to limit the discretion of the City or any of its officers or officials with regard to rules, regulations, ordinances, laws, and entitlement of use which require the exercise of discretion by the City or any of its officers or officials. This Agreement shall not be construed to limit the obligations of the City to comply with CEQA or any other federal or state law.

Section 16.2 Amendment or Cancellation. Subject to meeting the notice and hearing requirements of Section 65867 of the California Government Code (and compliance with the procedures set forth in Fresno Municipal Code Section 15-6009(B), this Agreement may be amended from time to time, or canceled in whole or in part, by mutual written consent of the City and Master Developer, or their respective successors in interest in accordance with the provisions of Section 65868 of the California Government Code.

Section 16.3 Waiver. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the Party against whom enforcement of a waiver is sought and referring expressly to this Section. No waiver of any right or remedy in respect of any occurrence or event shall be deemed a waiver of any right or remedy in respect of any other occurrence or event.

Section 16.4 Successor and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the Parties, and any subsequent owners of all or any portion of the Master Developer's Property and their respective successors and

assigns. Any successors in interest to the City shall be subject to the provisions set forth in Sections 65865. 4 and 65868. 5 of the California Government Code.

Section 16.5 Interpretation and Governing State Law. This Agreement and any dispute arising hereunder shall be governed and interpreted in accordance with the laws of the State of California. This Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objective and purposes of the Parties hereto, and the rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not be employed in interpreting this Agreement, both Parties having been represented by counsel in the negotiation and preparation hereof. All legal actions brought to enforce the terms of this Agreement shall be brought and heard in the Superior Court of the State of California, County of Fresno.

Section 16.6 No Third Party Beneficiaries. This Agreement is made and entered into for the sole protection and benefit of the Parties and their successors and assigns. No other Person shall have any right of action based upon any provision of this Agreement.

Section 16.7 Attorneys' Fees. If either Party commences any action for the interpretation, enforcement, termination, cancellation or rescission hereof, or for specific performance of the breach hereof, the prevailing Party shall be entitled to its reasonable attorneys' fees and litigation expenses and costs, and any judgment, order or decree rendered in such action, suit or proceeding shall include an award thereof. Attorneys' fees under this Section shall include attorneys' fees on any appeal and any post-judgment proceedings to collect or enforce the judgment. This provision is separate and several and shall survive the merger of this Agreement into any judgment on this Agreement.

Section 16.8 Limitation of Legal Acts. Except as provided in Section 16.7, in no event shall the City, or its officers, agents or employees, be liable in damages for any breach or violation of this Agreement, it being expressly understood and agreed the Master Developer's sole legal remedy for a breach or violation of this Agreement by the City shall be a legal action in mandamus, specific performance or other injunctive or declaratory relief to enforce the provisions of this Agreement.

Section 16.9 Validation. If so requested in writing by the Master Developer, the City agrees to initiate appropriate procedure under California Code of Civil Procedure Section 860 et seq. , in order to validate this Agreement, and the obligations thereunder. Any validation undertaken at the request of the Master Developer shall be at the sole cost of the Master Developer.

Section 16.10 Successor Statutes Incorporated. All references to a statute or ordinance, shall incorporate any, or all, successor statute or ordinance enacted to govern the activity now governed by the statute or ordinance, noted herein to the extent, however, that incorporation of such successor statute or ordinance does not adversely affect the benefits and protections granted to the Master Developer under this Agreement.

Section 16.11 Incorporation of Attachments. Each and all recitals and attachments to this Agreement, including all Exhibits referenced herein, and all subparts thereto, are incorporated herein by this reference as though set forth herein verbatim.

Section 16.12 Negation of Partnership. The Parties specifically acknowledge the development of Master Developer's Property is a private development, that neither Party is acting as the agent of the other in any respect hereunder, and each Party is an independent contracting entity with respect to the terms, covenants and conditions contained in this Agreement. None of the terms or provisions of this Agreement shall be deemed to create a partnership between or among the Parties in the businesses of Master Developer, the affairs of the City, or otherwise, or cause them to be considered joint venturers or members of any joint enterprise. This Agreement is not intended and shall not be construed to create any third party beneficiary rights in any Person who is not a Party or a Transferee; and nothing in this Agreement shall limit or waive any rights Master Developer may have or acquire against any third Person with respect to the terms, covenants or conditions of this Agreement.

Section 16.13 Not A Public Dedication. Except for Required Exactions specifically set forth in this Agreement and then only when made to the extent so required, nothing herein contained shall be deemed to be a gift or dedication of the Master Developer's Property or any buildings or improvements constructed in the Project, to the general public, for the general public, or for any public use or purpose whatsoever, it being the intention and understanding of the Parties that this Agreement be strictly limited to and for the purposes herein expressed for the development of the Master Developer's Property as private property.

Section 16.14 Severability. Invalidation of any of the provisions contained in this Agreement, or of the application thereof to any Person, by judgment or court order, shall in no way affect any of the other provisions hereof or the application thereof to any other Person or circumstance and the same shall remain in full force and effect, unless enforcement of this Agreement as so invalidated would be unreasonable or grossly inequitable under all the circumstances or would frustrate the purposes of this Agreement.

Section 16.15 Counterparts. This Agreement may be executed in two or more identical counterparts, each of which shall be deemed to be an original and each of which shall be deemed to be one and the same instrument when each Party signs each such counterpart.

Section 16.16 Signature Pages. For convenience, the signatures of the Parties to this Agreement may be executed and acknowledged on separate pages which, when attached to this Agreement, shall constitute this as one complete Agreement.

Section 16.17 Days. Unless otherwise specified in this Agreement, the term "days" means calendar days.

[Remainder of Page Intentionally Left Blank]

DRAFT

IN WITNESS WHEREOF, the Parties hereto have duly executed this Agreement.

CITY

MASTER DEVELOPER

CITY OF FRESNO,
a municipal corporation

2500 MLK, LLC,
a California Limited Liability Company

By: _____
Wilma Quan City Manager

By: _____
Its Manager

Dated: _____

Printed Name

ATTEST:
YVONNE SPENCE, CMC
City Clerk

By: _____
Its Manager

By: _____
Deputy

Printed Name

By: _____
Its Manager

APPROVED AS TO FORM:
DOUGLAS T. SLOAN
City Attorney

Printed Name

By: _____
DEPUTY

Dated: _____

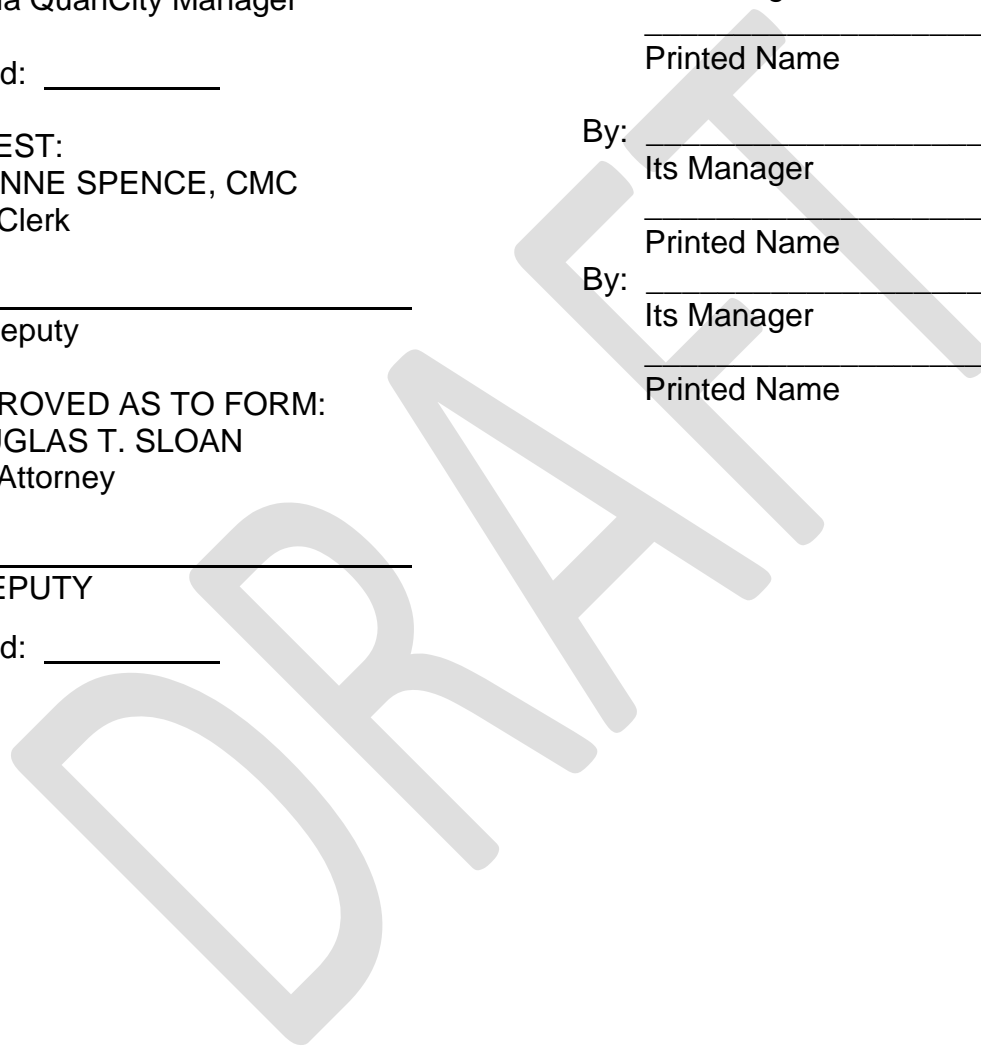


Exhibit A-1
Legal Description of
West Creek Village Project Area
Owned by Master Developer

Those parcels of real property situated in the County of Fresno, State of California described as follows:

PARCEL 1

Lot 39 in Section 16, Township 14 South, Range 20 East, Mount Diablo Base and Meridian, in the County of Fresno, State of California, according to the map thereof recorded in Volume 2 of Plats at page 8, Fresno County Records.

Lots 37 and 38 in Section 16, Township 14 South, Range 20 East, Mount Diablo Base and Meridian, in the County of Fresno, State of California, according to the map thereof recorded in Volume 2 of Plats at page 8, Fresno County Records.

The above described property excludes, however, that portion of Lots 38 & 39 of the Fresno Colony Tract, according to the map recorded in Book 2 of Plats, at Page 8, Fresno County Records, lying within the Southwest Quarter of Section 16, Township 14 South, Range 20 East, Mount Diablo Base and Meridian, according to the Official Plat thereof, in the County of Fresno, State of California, being more particularly described as follows.

The North half and the North one third of the South half of Lots 38 and 39 of said Tract. Containing an area of 26.06 acres, more or less.

PARCEL 2: APN 479-060-02

The North half of Lot 51 of Fresno Colony, according to the map thereof recorded in Book 2 Page 8 of Plats, Fresno County Records.

PARCEL 3: APN 479-060-03

The North half of Lot 52 of Fresno Colony, according to the map thereof recorded in Book 2 Page 8 of Plats, Fresno County Records.

PARCEL 4: APN 479-060-10

The South half of Lot 51 of Fresno Colony, according to the map thereof recorded in Book 2 Page 8 of Plats, Fresno County Records.

Excepting therefrom the South 20 feet thereof.

For the purpose of this Description, the South boundary of said Lot 51 is assumed to be 30 feet North of the South Boundary of Section 16, Township 14 South, Range 20 East, Mount Diablo Base and Meridian.

PARCEL 5: APN: 479-060-11

Lot 50 of Fresno Colony, according to the map thereof recorded in Book 2 Page 8 of Plats, Fresno County Records. Excepting therefrom the South 20 feet thereof. For the purposes of this Description, the South boundary of said Lot 50 is assumed to be 30 feet North of the South Boundary of Section 16, Township 14 South, Range 20 East, Mount Diablo Base and Meridian.

PARCEL 6: APN: 479-060-09

The South half of Lot 52 of Fresno County, according to the Map thereof recorded in Book 2 Page 8 of Plats, Fresno County Records.

Excepting therefrom the Southeast quarter of said South half.

Also excepting therefrom the South 20 feet thereof.

For the purposes of this Description, the South boundary of said Lot 52 is assumed to be 30 feet North of the South boundary of Section 16, Township 14 South, Range 20 East, Mount Diablo Base and Meridian.

PARCEL 7: APN: 479-060-08

The Southeast quarter of the South half of Lot 52 of Fresno Colony, according to the map thereof recorded in Book 2 Page 8 of Plats, Fresno County Records.

Excepting therefrom the South 20 feet thereof.

For the purposes of this Description, the South boundary of said Lot 52 is assumed to be 30 feet North of the South boundary of Section 16, Township 14 South, Range 20 East, Mount Diablo Base and Meridian.

Exhibit A-2
Legal Description of
Fresno City College–West Fresno Satellite Parcel

That portion of Lots 38 & 39 of the Fresno Colony Tract, according to the map recorded in Book 2 of Plats, at Page 8, Fresno County Records, lying within the Southwest Quarter of Section 16, Township 14 South, Range 20 East, Mount Diablo Base and Meridian, according to the Official Plat thereof, in the County of Fresno, State of California, being more particularly described as follows.

The North half and the North one third of the South half of Lots 38 and 39 of said Tract. Containing an area of 26. 06 acres, more or less.

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Exhibit B
Vested Uses* Table

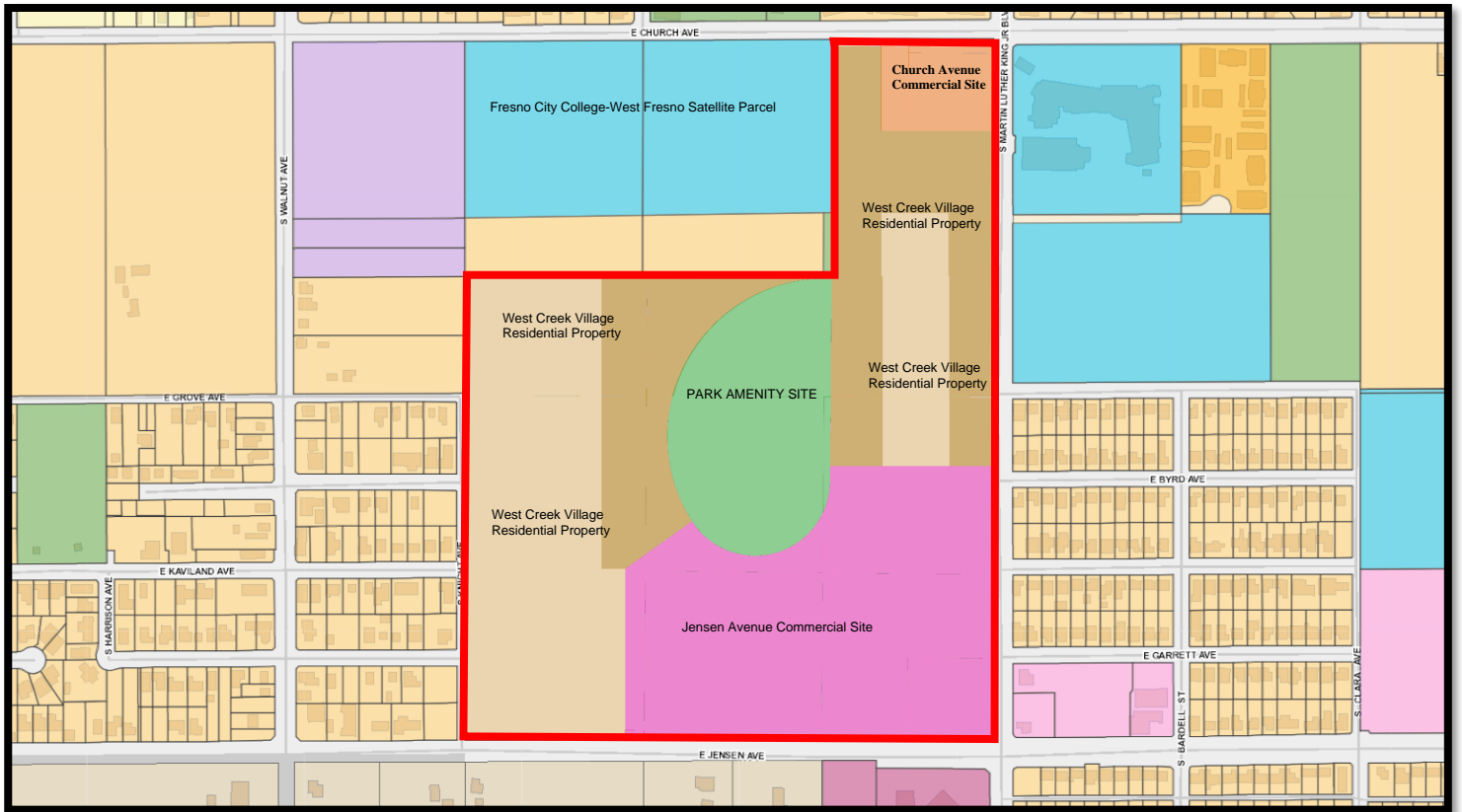
Parcel 1 of Tentative Parcel Map Application No. 2019-02	Uses Permitted as a matter of right in a CC Zone District
Parcel 2 of Tentative Parcel Map Application No. 2019-02	Uses Permitted as a matter of right in an RS-5 District as to 7.12 gross acres, and Uses Permitted as a matter of right in an RM-1 District, as to gross 13.10 acres
Parcel 3 of Tentative Parcel Map Application No. 2019-02	Uses Permitted as a matter of right in an RS-5 District as to 20.20 gross acres, and Uses Permitted as a matter of right in an RM-1 District, as to gross 7.44 acres
Parcel 4 of Tentative Parcel Map Application No. 2019-02	Uses Permitted as a matter of Right in a CR Zone District
Existing Parcel APN 479-060-08	Uses Permitted as a matter of right in a CR Zone District

*The total number of residential units to be developed in Parcels 2 and 3 are based on the assumption that a portion of Parcel 3 shall be acquired for use as an elementary school site. The combined total residential units developed on the Master Developer's Property shall be consistent with the provisions set forth in Section 3.9(a) of the Development Agreement

Exhibit C
Land Use Map of West Creek Village Project

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EXHIBIT C



-  **CC- Community Commercial**
-  **CR - Regional Commercial**
-  **RM-1 - Residential Multi Family**
-  **PR - Park and Recreation**
-  **RS-5 - Residential Single Family**

Exhibit D
Exactions Table

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EXHIBIT D

**EXACTIONS: OFF-SITE IMPROVEMENTS
AND DEDICATIONS**

Development of the West Creek Village Project under the Agreement shall be subject to the following impacts fees, dedications and improvements and other agency fees, dedications and improvements pursuant to the terms, conditions and requirements provided in this Exhibit. Unless otherwise expressly provided in this Exhibit, all public facilities shall be constructed to standards and pursuant to procedures adopted by the City and existing at the time the plans are submitted to the City for approval.

A. CITY DEDICATIONS; IMPROVEMENTS AND REQUIREMENTS

No.	DEDICATION AND/OR IMPROVEMENT	CITY DEP'T	TIME OF COMPLETION	SUBJECT TO REIMBURSEMENT/ CREDIT
1	The Project will provide the following street improvements: (1) Jensen Avenue, from MLK Blvd to Knight Avenue. The City will install curb, gutter, asphalt paving, street lights, and Class I trail with landscaping per City of Fresno Standard Plans P-51, and P-60. Developer will install concrete block walls where required, which installation will be deferred until development of adjacent properties or as part of improvements mandated under	DPW ^[5]	(1) Upon receipt and City Council appropriation of Federal Transportation Grant Funding.	Only improvements and work constructed by the Developer are eligible for any reimbursement or credits and are available from the Citywide Traffic and Street fee program. No other credits and/or reimbursements are allowed. City-constructed improvements will

^[5] City of Fresno Department of Public Works

No.	DEDICATION AND/OR IMPROVEMENT	CITY DEP'T	TIME OF COMPLETION	SUBJECT TO REIMBURSEMENT/ CREDIT
	<p>subdivision map conditions of approval. Developer will install any power or communication utility systems needed to serve new development.</p> <p>(2) MLK Blvd from Church Avenue to Jensen Avenue. The City will install curb, gutter, asphalt paving, street lights and sidewalks per City of Fresno Standard Plan P-53. Developer will install block walls and landscaping where required, which installation will be deferred until development of adjacent properties or as part of improvements mandated under subdivision map conditions of approval.. Developer will install any power or communication utility systems required to serve new development.</p> <p>(3) Church Avenue, MLK Blvd to Walnut. The City will install curb, gutter, street lights, asphalt paving and Class I trail with landscaping in accordance with City of Fresno Standard Plans P-53, and P-60. The City will convert the existing overhead utility wires to an underground system. Developer will install concrete block walls where required, which installation will be deferred until</p>		<p>(2) Upon receipt and City Council appropriation of Federal Transportation Grant Funding.</p> <p>(3) Upon receipt and City Council appropriation of Federal Transportation Grant Funding.</p> <p>(4) Interior roadways shall be completed with each phase of the tentative map. Units cannot be occupied until two points of access</p>	<p>not result in any fee credit for the Developer.</p> <p>(4) No.</p>

No.	DEDICATION AND/OR IMPROVEMENT	CITY DEP'T	TIME OF COMPLETION	SUBJECT TO REIMBURSEMENT/ CREDIT
	<p>development of adjacent properties or as part of improvements mandated under subdivision map conditions of approval.. The Developer shall dedicate necessary right of way for all of the above improvements.</p> <p>(4) The Developer shall construct roadway improvements in the interior of the West Creek Village Project site and shall submit all improvement plans to the Department of Public Works for review and approval.</p> <p>(5) City shall construct access road to park and loop road surrounding park. Developer shall reimburse City for one-third of total cost.</p>		<p>are provided.</p> <p>(5) Loop road and access road to be completed as funds are allocated in City budget.</p>	
2	<p>All new utility wires are to be installed underground. City will convert existing overhead utility wires along Church Avenue with Rule 20 PG&E funds) in accordance with Fresno Municipal Code Sections 15-4114 and 15-2017 and Resolution No. 78-522/88-229. Existing overhead utility lines on Jensen Avenue are high-voltage and are allowed to</p>	DPW	<p>City conversion of existing lines on Church Avenue will be completed by PG&E when their schedule allows.</p>	No

No.	DEDICATION AND/OR IMPROVEMENT	CITY DEP'T	TIME OF COMPLETION	SUBJECT TO REIMBURSEMENT/ CREDIT
	remain overhead.			
3	Developer shall install ADA-compliant curb ramps at all corners in accordance with City of Fresno Public Works Standards (in the form existing at time plans are submitted to City). (See Note on Attachment 1.)	DPW	Prior to issuance of any building permits.	No.
4	The Developer agrees to have the West Creek Village Project Area annexed into Community Facilities District No. 9 for multi-family and commercial uses and Community Facilities District No. 11 for single family residential uses, except Developer may establish a stand-alone Community Facilities District in accordance with Section 5.3(c) of the Development Agreement . The Developer may include in the CFD the funding for maintenance of certain agreed upon On-Site and/or Off-Site Public Improvements. The CFD annexations shall include the maintenance of any median island landscaping installed by the Project along Martin Luther King Jr. Boulevard, East Church Avenue, and East Jensen Avenue, including median island	DPW	Prior to approval of any final maps, prior to issuance of any building permits, and prior to the sale of any portion of the Subject Property.	

No.	DEDICATION AND/OR IMPROVEMENT	CITY DEP'T	TIME OF COMPLETION	SUBJECT TO REIMBURSEMENT/ CREDIT
	<p>plant replacement costs. The CFD annexation shall also include appropriate shares for maintenance of the new Park Amenity</p> <p>The Developer agrees to maintain on its own all landscaping within the site as a requirement of the Agreement if such landscaping is not included in a CFD, including any landscaping within the commercial areas proposed at Church and MLK and along Jensen Avenue.</p>		<p>Non-CFD maintenance shall be perpetual and ongoing after construction of relevant improvement.</p>	

No.	DEDICATION AND/OR IMPROVEMENT	CITY DEP'T	TIME OF COMPLETION	SUBJECT TO REIMBURSEMENT/ CREDIT
5	The first order of work shall include a minimum of two points of vehicular access to the major streets for <u>any</u> phase of this development.	DPW	Upon completion of first public works of improvement.	No.
6	<p>The Project shall comply with water and sewer requirements set forth in the Department of Public Utilities/Utilities Planning and Engineering Memorandum dated July 12, 2017 as set forth more particularly below^[1]:</p> <p>(1) The City will replace the 10-inch water main in South Martin Luther King Jr. Boulevard between East Jensen and East Church with a 12-inch water main (including fire hydrants).</p> <p>(2) The City will transfer existing water services from the 10-inch water main to the proposed 12-inch water main.</p> <p>(3) The Developer shall install an 8-inch water main (including City fire hydrants) in East Grove Avenue between South</p>	DPU ^[2]	<p>(1) Concurrent with City installed street improvements</p> <p>(2) Concurrent with City installed street improvements.</p>	<p>(1) No</p> <p>(2) No</p>

^[1] A full and complete list of water and sewer requirements is set forth in the Department of Public Utilities Memorandum dated July 12, 2017, included as an exhibit to the Conditions of Approval for TPM-17-06. Development requirements not specifically articulated in this exhibit can be found in to the Conditions of Approval for TPM-17-06.

^[2] City of Fresno Department of Public Utilities

No.	DEDICATION AND/OR IMPROVEMENT	CITY DEP'T	TIME OF COMPLETION	SUBJECT TO REIMBURSEMENT/ CREDIT
	<p>Walnut Avenue and South Martin Luther King Jr, Boulevard.</p> <p>(4) The Developer shall install an 8-inch water main (including City fire hydrants) in South Fairview Avenue between South Jensen Avenue and East Grove Avenue</p> <p>(5) The Developer shall install water services and meter boxes.</p> <p>(6) The Developer shall demolish any on-site wells in compliance with the State of California Department of Water Resources and City of Fresno Standards.</p> <p>(7) The Project shall direct all sewer connections located north of Grove Avenue to one of the 30-inch trunk lines in Church Avenue.</p> <p>(8) The Project shall direct all sewer connections located south of Grove Avenue to the Jensen Avenue trunk line.</p> <p>(9) The Developer shall abandon the 14-inch fiberglass reinforced concrete non-active sewer pipe and the abandoned pipe shall be removed. The existing main shall</p>			

No.	DEDICATION AND/OR IMPROVEMENT	CITY DEP'T	TIME OF COMPLETION	SUBJECT TO REIMBURSEMENT/ CREDIT
	<p>be capped at the intersection of Grove Avenue and Knight Avenue on the west end, and Grove Avenue and Martin Luther King Jr. Boulevard on the east end.</p> <p>(10) The Project shall vacate the 20-foot utility easement at the Grove Avenue alignment between Knight Avenue and Martin Luther King Jr. Boulevard. Prior to vacating the easement, the Developer shall contact the Fresno Metropolitan Flood Control District regarding the 48-inch concrete storm drain co-located in the easement with the 14-inch fiberglass reinforced concrete pipe.</p> <p>(11) The Developer shall cause all street easements and deeds to be recorded.</p> <p>(12) The Project shall install all underground utilities.</p> <p>(13) The Developer's engineer shall prepare a preliminary sewer design layout and shall submit the same to the Department of Public Utilities for review and conceptual-level approvals.</p>			

No.	DEDICATION AND/OR IMPROVEMENT	CITY DEP'T	TIME OF COMPLETION	SUBJECT TO REIMBURSEMENT/ CREDIT
	<p>(14) The Developer shall submit engineered improvement plans prepared by a registered professional civil engineer for all proposed additions to the City's public sewer system, for review and approval by the Department of Public Utilities.</p> <p>(15) All public sanitary sewer facilities shall be constructed in accordance with City standards, specifications, and policies.</p> <p>(16) The Developer shall construct the sanitary sewer connection to the existing rehabbed 48-inch sewer trunk located in East Jensen Avenue by machine coring and epoxy coating the area of the 48-inch sewer trunk.</p>			

No.	DEDICATION AND/OR IMPROVEMENT	CITY DEP'T	TIME OF COMPLETION	SUBJECT TO REIMBURSEMENT/ CREDIT
7	The Developer shall incorporate the use of recycled water for landscape irrigation and non-potable water demands in street-right of way landscaping. To facilitate the use of recycled water, the City will extend recycled water facilities to the project and will install a 12-inch diameter recycled water main in South Martin Luther King Jr. Boulevard from East Church Avenue to East Grove Avenue.	DPU		
8	<p><u>General Sanitary Sewer Requirements</u></p> <p>(1) Sanitary sewer facilities installed on-site or within private streets shall be private. It is the responsibility of the Developer or its successors in interest to repair and maintain all sewer facilities deemed private.</p>	DPU	(1) After construction of facilities; ongoing obligation.	(1) No.
	(2) Engineered sanitary sewer facility improvement plans prepared by a registered civil engineer shall be submitted to the City of Fresno Department of Public Utilities for review and approval of proposed public sewer facilities. Those plans must adhere to the requirements in		(2) Prior to issuance of building permits.	(2) N/A

No.	DEDICATION AND/OR IMPROVEMENT	CITY DEP'T	TIME OF COMPLETION	SUBJECT TO REIMBURSEMENT/ CREDIT
	<p>this Exhibit and be approved by the Director or his designee prior to issuance of building permits. It is the project's responsibility to coordinate and eliminate elevation and alignment conflicts with other utilities. Separation requirements per the California Department of Health are strictly enforced.</p>			
(3)	<p>For construction of off-site sewer improvements, the project shall comply with City of Fresno ordinances and conditions in effect at the time of construction and shall pay processing fees in effect at the time plans are submitted to the City.</p>		<p>At submittal of off-site construction plans.</p>	<p>N/A.</p>
(4)	<p>Residential units shall be provided with separate water services and meters from non-residential uses within the same building. All water services shall be metered and approved backflow devices installed when required.</p>		<p>Prior to Certificate of occupancy.</p>	<p>No.</p>

No.	DEDICATION AND/OR IMPROVEMENT	CITY DEP'T	TIME OF COMPLETION	SUBJECT TO REIMBURSEMENT/ CREDIT
	(5) All landscaping and outdoors water uses shall be supplied through water services and meters installed for irrigation purposes only and shall be separated from services used to supply domestic uses within a building. Landscaping and non-potable water uses shall utilize recycled water.		(5) Prior to Certificate of Occupancy.	(5) No.
	(6) In addition to and without limiting any other requirement in this Exhibit, the public sewer system improvements including off-site shall be constructed in its entirety (without phasing) and are to be completely constructed and fully operational prior to occupancy of the first building.		(6) N/A	(6) N/A
9	<p>All solid waste enclosures and facilities shall be constructed to Public Works Standards P-33 and P-34 and shall be included on improvements plans to be approved prior to issuance of building permits.</p> <p>If compactors are to be used, these figures will change. Compactors required 60' clearance in front and 3' clearance on</p>	DPU	Prior to Certificate of Occupancy for each building.	No.

No.	DEDICATION AND/OR IMPROVEMENT	CITY DEP'T	TIME OF COMPLETION	SUBJECT TO REIMBURSEMENT/ CREDIT
	either side for loading and unloading.			

Exhibit E
Required Development Fees

With respect to the Master Developer's Property development, the Required Fees payable pursuant to Section 5. 4(a) (if any) are as follows:

Improvements and payments shall not be required on or in front of any undeveloped portion of a net acreage of ten acres or more which exists after the division of land. All improvements and payments to be completed with development.

SEWER CONNECTION CHARGES

FEE RATE

- | | |
|----------------------------------|---------------------------------|
| b. Lateral Sewer Charge [1] | \$0. 10/sq. ft. (to 100' depth) |
| c. Oversize Charge [1] | \$0. 05/sq. ft. (to 100' depth) |
| d. Trunk Sewer Charge [2] | N/A |
| e. Wastewater Facilities Charge | S. T. E. P. ** |
| f. House Branch Sewer Charge [2] | N/A |

WATER CONNECTION CHARGES

FEE RATE

- | | |
|------------------------------|--|
| g. Service Connection Charge | Fee based on service(s) and meter(s) sizes specified by owner; fee for service(s) and Meter(s) established by the Master Fee Schedule existing on August 24, 2017. |
| h. Frontage Charge [1] | \$6.50/lineal foot |
| i. Water Capacity fee | Fee based on meter(s) sizes specified by owner; fee established by the Master Fee Schedule existing on August 24, 2017. |

Exhibit E
Required Development Fees (cont.)

CITYWIDE DEVELOPMENT IMPACT FEES	FEE RATE
j. Fire Facilities Impact Fee – Citywide [4]	
- Commercial Retail	\$662.00/1000 sq. ft. †
- Residential, SFR	\$1,893.00/living unit
- Residential, MFR	\$1,429.00/living unit
k. Park Facility Impact Fee – Citywide [4]	
- Residential, SFR	\$3,923.00/living unit
- Residential, MFR	\$2,989.00/living unit
l. Parkland Dedication In-Lieu Fee [2]	
- Commercial Retail	N/A
- Residential, SFR	\$1,185.00/living unit
- Residential, MFR	\$894.00/living unit
m. Citywide Regional Street Fee [3]	
- Commercial Retail	\$13,846.00/adj. acre
- Residential, SFR	\$7,830.00/adj. acre
- Residential, Multi-Family	\$14,204.00/adj. acre
n. New Growth Area Major Street Fee [3]	
- Commercial Retail	\$38,910/adj. acre
- Residential, SFR	\$21,555.00/adj. acre
- Residential, Multi-Family	\$41,889.00/adj. acre
o. Police Facilities Impact Fee – Citywide [4]	
- Commercial Retail	\$641.00/1000 sq. ft. †
- Residential, SFR	\$602.00/living unit
- Residential, MFR	\$454.00/living unit
p. Traffic Signal Charge [1]	
- Commercial Retail	Based on Actual Use†
- Residential, SFR	\$488.00/living unit
- Residential, MFR	\$341.00/living unit

Notes:

On July 22, 2008, the Fresno County Board of Supervisors passed Ordinance No. 2008 – 023 requiring the payment of County Public Impact Facilities Impact Fees. The effective date of this ordinance is September 20, 2008. Contact the County of Fresno, Public Works and Planning Department to determine payment of this fee obligation. Confirmation by the County of Fresno is required before the City of Fresno can issue building permits.

The Board of Directors of the Fresno County Regional Transportation Mitigation Fee Agency approved Resolution No. 2009 – 01 requiring the payment of Regional Transportation Mitigation Fee. The effective date of this resolution is

January 1, 2010. Contact the Council of Fresno County Governments (FCOG) to determine this fee obligation. Confirmation by the FCOG is required before the City of Fresno can issue building permits.

** Upon occupancy of the project, the subdivider shall pay the appropriate sewer facility charge pursuant to the Simple Tiered Equity Program (STEP) as determined by the Department of Public Utilities, Wastewater Division, Environmental Services Section (559-621-5153), but applying the fees for the STEP existing on August 24, 2017

[1] Deferrable through Fee Deferral Covenant.

[2] Due at Final Map.

[3] Due at Building Permit.

[4] Due at Certificate of Occupancy.

† Building areas to be calculated to the nearest square foot. Traffic Signal fee is subject to review and conditions of approval from Transportation Planning through the entitlement review process based on Average Daily Trips of the proposed project. Average Daily Trips to be determined by Traffic Engineering. However, in all instances, the fee allocated shall be based on the fees and policies existing on August 24, 2017.

Exhibit F-1: Depiction of Loop Road
Exhibit F-2: Preliminary Engineers Estimate

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EXHIBIT F-1

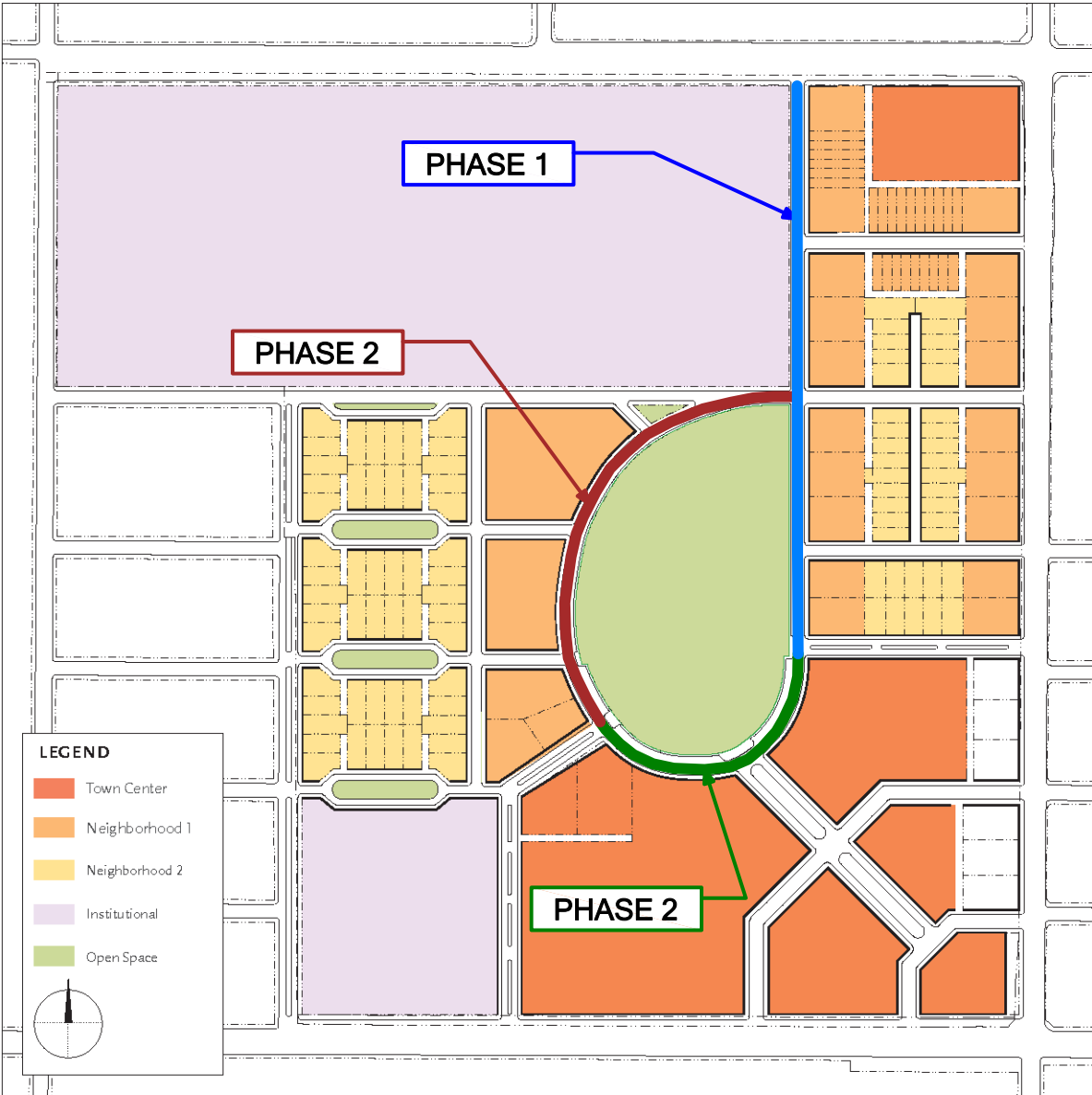


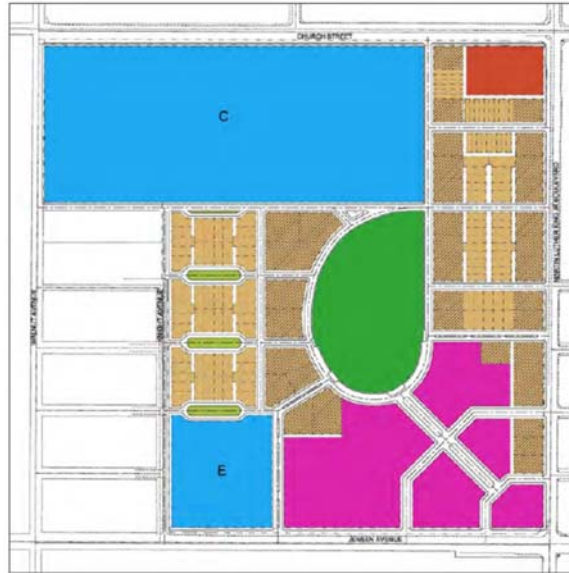
Exhibit F-2

CITY OF FRESNO		DEPARTMENT OF PUBLIC WORKS				
BY: MLA	DATE 12/31/2018	SHEET 1	OF 2			
CHKD.	DATE	PROJID:	FUND: ORG:			
SUBJECT MLK WEST CREEK VILLAGE PROJECT: ROAD AROUND PARK						
BUILD OUT (CIP RATES)						
PRELIMINARY ENGINEER'S ESTIMATE						
ITEM	NO.	QUANTIT	UNIT	DESCRIPTION OF WORK:	UNIT COST	TOTAL
	1	1	L.S.	Mobilization		
	2	1	L.S.	Traffic Control		
	3	1	L.S.	Clear and Grub		
	4	1	L.S.	SWPPP Preparation and Implementation		
	5	1	L.S.	Dust Control Pollution Prevention		
	6	2,147	C.Y.	Excavation and Subgrade Prep		
	7	1,627	TON	2.5" Min Asphalt Concrete		
	8	2,675	TON	4" Min Class 2 Aggregate Base		
	9	1,000	L.F.	12" Sewer Line		
	10	2	EA.	Sewer Manhole (Per PW STD S-3)		
	11	2,700	L.F.	12" PVC Water Main		
	12	2,700	L.F.	4" or 6" Natural Gas Line		
	13	2,700	L.F.	Dry Utilities (Joint Trench)		\$
	14	5,400	L.F.	6" High Curb and Gutter		
	15	10	EA.	Streetsights		
	16	1	L.S.	Signing and Striping (Interior)		
	17	20	EA.	Curb Ramp		
	18	2,700	L.F.	24" RCP (FMFCD)		
	19	2	EA.	FMFCD Type D Inlet		
	20	2,700	L.F.	18" Masterplan Pipe (FMFCD)		
	21	2	EA.	FMFCD Type A, Case I Manhole		
	22	2,700	L.F.	12" Recycled Water Line		
<p>NOTE: This PRELIMINARY engineer's estimate is an approximation of the probable cost of the proposed work based on previous competitive bids the City has received for similar work. It is not intended to be indicative of the final cost of the project. It is intended to represent a general magnitude of the cost of a competitively bid project. It is not intended to represent the cost of a project completed by City crews. A review of the site conditions, plans, and specifications must be completed prior to the preparation of a FINAL engineer's estimate.</p>						

Exhibit G
Appraisal for Land Value of the Park Amenity Site

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**APPRAISAL REPORT
OF A**



Parks	
Central Park:	9.99 acres
Neighborhood Green:	1.03 acres
Total:	11.02 acres

Proposed 9.99 Acre Park
Part of the Planned West Creek Village
SW corner of Martin Luther King Boulevard @ E Church Avenue
Fresno (City and County), CA 93706

DATE OF VALUE

August 1, 2018 – Hypothetical Value

PREPARED FOR

2500 MLK LLC
PO Box 6317
Fresno, CA 93703

PREPARED BY

Adam J. Hardej, Jr., MAI
President & Chief Appraiser
BAAR Realty Advisors
BAAR File No: 07-18-0448

October 2, 2018

2500 MLK LLC
PO Box 6317
Fresno, CA 93703

RE: **Proposed 9.99 Acre Park**
Part of the Planned West Creek Village
SW corner of Martin Luther King Boulevard @ E Church Avenue
Fresno (City and County), CA 93706
BAAR File No.: 07-18-0448

To Whom It May Concern:

At your request and authorization, BAAR Realty Advisors (BAAR) has prepared an Appraisal Report of the hypothetical market value of the fee simple interest in the above-referenced real property. The subject property is more fully described, legally and physically, within the enclosed report.

Data, information, and calculations leading to the value conclusion are incorporated in the report following this letter. The report, in its entirety, including all assumptions and limiting conditions, is an integral part of and inseparable from this letter.

HYPOTHETICAL MARKET VALUE

Based on research and analysis contained in this report, it is estimated that the hypothetical market value of the fee simple interest in the subject property, "as proposed" on August 1, 2018 was:

TWO MILLION DOLLARS
\$2,000,000

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, our interpretation of the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, and The Financial Institution Reform, Recovery, and Enforcement Act of 1989 (FIRREA), Title XI Regulations.

It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if BAAR can be of further service, please do not hesitate to contact us.

Respectfully Submitted,

BAAR REALTY ADVISORS



Adam J. Hardej, Jr., MAI
President & Chief Appraiser
CA Certified General Appraiser
Lic#AG018716



Luis R. Lorca
Regional Manager & Senior Appraiser
CA Certified General Appraiser
Lic#AG030345

CERTIFICATION OF THE APPRAISER

We certify that to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and have no personal interest or bias with respect to the parties involved.
4. Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event, such as the approval of a loan.
5. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice of The Appraisal Foundation and the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. In addition, this report conforms to the requirements of the Financial Institution Reform, Recovery, and Enforcement Act (FIRREA).
6. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
7. Adam J. Hardej Jr., has completed the requirements of the continuing education program of the Appraisal Institute.
8. Luis Lorca made an inspection of the property that is the subject of this report. Adam J. Hardej Jr. has not inspected the subject.
9. No one else has provided professional assistance to the persons signing this report.
10. Adam J. Hardej, Jr. and Luis Lorca have extensive experience in the appraisal/review of similar property types.
11. We have performed professional services, as an appraiser, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.



Adam J. Hardej, Jr., MAI
President & Chief Appraiser
AG018716



Luis R. Lorca
Regional Manager & Senior Appraiser
AG030345

SUMMARY OF SALIENT FACTS

<i>Location:</i>	Proposed 9.99 Acre Park, Part of the Planned West Creek Village located at SW corner of Martin Luther King Boulevard @ E Church Avenue Fresno (City and County), CA 93706
<i>Parcel Number:</i>	Not currently assigned or subdivided
<i>Property Description:</i>	The subject is part of a large proposed development know as West Creek Village. The subject will represent a 9.99 acre park that will be contained in the middle of the development, which will consist of single and multi-family development, commercial development, and the southwestern campus of Fresno Community College.
<i>Highest and Best Use</i>	
<i>As Though Vacant:</i>	Mixed development as currently proposed including the subject parkland acreage.
<i>As Improved:</i>	N/Ap.
<i>Property Rights Appraised:</i>	Fee Simple
<i>Date of Value:</i>	August 1, 2018 – As Is
<i>Land Area</i>	
<i>Gross:</i>	9.99 Acres or 435,164 SF
<i>Exposure/Marketing Time:</i>	12 months or less.
<i>Valuation (As Is)</i>	
<i>Income Approach:</i>	Not applicable
<i>Sales Comparison Approach:</i>	\$2,000,000
<i>Cost Approach:</i>	Not applicable
<i>Final Value</i>	
<i>Conclusion:</i>	\$2,000,000 -- As Is Value

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INTRODUCTION

PROPERTY IDENTIFICATION

The subject is located at the SW corner of Martin Luther King Boulevard @ E Church Avenue. Fresno (City and County), CA 93706. The subject is part of a large proposed development known as West Creek Village. The subject will represent a 9.99 acre park that will be contained in the middle of the development, which will consist of single and multi-family development, commercial development, and the western campus of Fresno Community College. The subject parcel does not yet exist and does not currently have an assessor's parcel number.

The subject will be part of the West Creek Village development that will include the following area.

A. The Town Center. A pedestrian-friendly, transit-oriented, mixed-use center located at the southeast corner of the site near Jensen Avenue and Martin Luther King, Jr. Boulevard. The Town Center provides a lively residential, retail, and restaurant mix, and is proposed in two parts: one centered on a conventional car accessed grocery store, and the other on a walkable "Main Street."

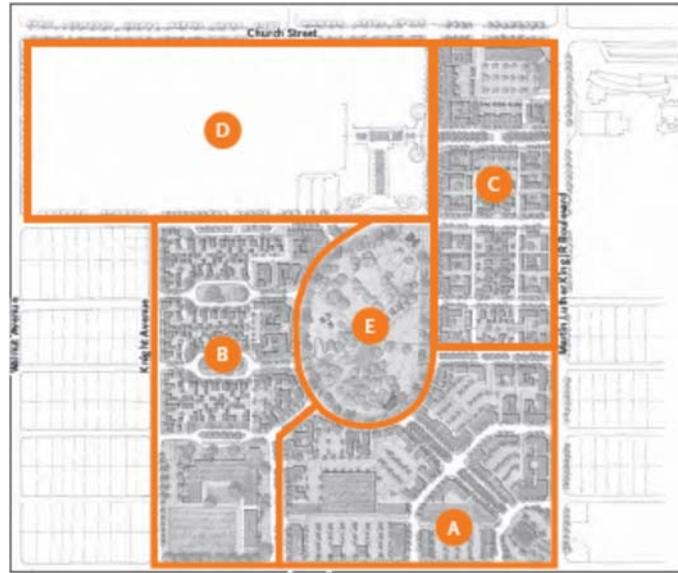
B. Neighborhood West. Located west of Central Park, this neighborhood is built around a series of greens. It is composed primarily of single-family houses with multi-family housing facing Central Park. Neighborhood West also hosts an elementary school at the corner of Jensen Avenue and Knight Avenue.

C. Neighborhood East. Located east of Central Park, this neighborhood provides multifamily housing along MLK Jr. Boulevard and the perimeter of Central Park. The middle portion of these blocks accommodate rosewalks (single-family houses built along both sides of a common green). At the corner of Church Avenue and MLK, Jr. Boulevard is a Commercial Center, which provides neighborhood-serving retail and services for Southwest Fresno residents.

D. The Campus. Located along the northern edge of the site is the State Center Community College District's (SCCCD) proposed Southwest Fresno campus. Campus buildings are built around a series of quadrangles with parking located behind buildings.

E. Central Park (Subject). This is a large community park located at the center of West Creek Village that accommodates a variety of passive and active uses, ranging from multi-purpose sports courts, to splash plazas, to open fields, to picnic tables and shelters.

The following map details the zones indicated above.



A significant component to the proposed development is the funding provided to the State Center Community College District, who will develop the expanded Fresno Community College West Extension on the site. On January 29, 2018, the California Strategic Growth Council (CSGC) unanimously approved a \$70 million competitive grant to improve the City of Fresno through community-led development and infrastructure projects. Included in this amount is \$16.9 million allocated to onsite infrastructure associated with a proposed satellite college campus that will be constructed on the subject property. This would augment a \$40 million commitment from the State Center Community College District to construct the campus. The resulting \$56.9 million will be used to develop the infrastructure of the overall development along with the campus. These funds have a significant contributory value to the subject's pending parcels as the off-site will be constructed at a cost to the SCCCD and not the subject or any other owner. In addition, the City of Fresno has committed to spending \$11.7 million to improve the surrounding street, primarily Church Street, MLK Jr. Blvd. and Jensen Avenue. Improvements include street widening, curbs, gutters, water, sewer, and electrical improvements to support the West Creek Village development.

OWNERSHIP AND PROPERTY HISTORY

The subject parcel is proposed and does not yet exist. The parcel is part of the larger development noted above. The proposed development will be formed from the 13 parcels detailed in the table below. As can be seen, the parcels are vested to varying entities.

LARGER LAND AREA DETAIL							
#	Location	Owner	APN	Acreage	Sq. Ft.	Sale Date	Price
1	2423 S Walnut Avenue	State Ctr Cmnty Clg District	479-050-01	10.23	445,619	Feb-18	\$1,351,000
2	E Church Avenue	State Ctr Cmnty Clg District	479-050-02	20.00	871,200	Aug-14	\$3,515,500
3	2458 S MLK Jt Blvd	State Ctr Cmnty Clg District	479-050-03	39.08	1,702,350	Aug-14	Inc. Parcel 2
6	2461 S Walnut Avenue	State Ctr Cmnty Clg District	479-050-06	1.64	71,438	Feb-18	Inc. Parcel 1
7	E Church Ave @ MLK	State Ctr Cmnty Clg District	479-050-07	1.42	61,659	Feb-18	Inc. Parcel 1
8	Jensen Avenue	2500 MLK LLC	479-060-02	9.73	423,839	May-17	\$2,500,000
9	2540 S MLK Jr Blvd	2500 MLK LLC	479-050-03	9.50	413,820	May-17	Incl Parcel 8
10	2588 S MLK Jr Blvd	Cam Vong, et al	479-050-08	2.17	94,500	N/Av.	***
11	831 E Jensen Ave	Cam Vong, et al	479-050-09	6.97	303,613	N/Av.	***
12	E Jensen Avenue	2500 MLK LLC	479-050-10	9.25	402,930	May-17	Inc Parcel 1
13	571 E Jensen Avenue	Cam Vong, et al	479-050-11	19.25	838,530	N/Av.	***
Totals				129.24	5,629,498		

The subject's proposed parcel will contain 9.99 acres and will be donated by 2500 MLK LLC to the State Center Community College District that is an existing owner and will develop the proposed campus.

There have been no other prior transfers of the subject in the prior three years. The subject has not been otherwise been listed for sale in the prior 36 months per review of Costar, Loopnet, and MLS.

DATES OF INSPECTION AND VALUATION

The site was last inspected on August 1, 2018, the date of the as is value is the date of inspection.

LEGAL DESCRIPTION

The legal description can be found in the Preliminary Report, a copy of which was not provided for review.

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the market value of the fee simple interest in the subject property, in "as proposed" condition. Market value is defined as follows:

Market value is one of the central concepts of the appraisal practice. Market value is differentiated from other types of value in that it is created by the collective patterns of the market. Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;

4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹

INTENDED USE OF REPORT

This appraisal is to determine land value for purposes of a land sale and gift from 2500 MLK to the City of Fresno.

INTENDED USERS OF REPORT

This appraisal is intended for exclusive use by 2500 MLK LLC and the City of Fresno. Use of this appraisal by others is prohibited.

PROPERTY RIGHTS APPRAISED

The value estimated represents the fee simple interest.

APPRAISAL DEVELOPMENT AND REPORTING PROCESS

The following steps were completed by BAAR for this assignment:

1. Analyzed regional, city, neighborhood, site, and improvement data.
2. Inspected the subject and the neighborhood.
3. Reviewed data regarding taxes, zoning, utilities, easements, and city services.
4. Considered comparable improved sales, comparable improved building rental information, and comparable site sales. Confirmed data with principals, managers, or real estate agents representing principals, unless otherwise noted.
5. Analyzed the data to arrive at conclusions via each approach to value used in this report.
6. Reconciled the results of each approach to value employed into a probable range of market data and finally an estimate of value for the subject, as defined herein.
7. Estimated a reasonable exposure time associated with the value estimate.

The subject site and improvement descriptions are based on a personal inspection of the property, knowledge of construction techniques, and review of the relevant plat maps. The inspection is not a substitute for thorough engineering studies. To develop the opinion of value, BAAR performed a complete and thorough appraisal process considering all approaches to value. This report fully conforms to appraisal guideline as defined by the Uniform Standards of Professional Appraisal Practice as of January 1, 2018.

This is an Appraisal Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Standards of Professional Appraisal Practice. In this

¹ The definition of market value is taken from: The Office of the Comptroller of the Currency under 12 CFR, Part 34, Subpart C-Appraisals, §34.42(f), August 24, 1990. This definition is compatible with the definition of market value contained in *The Dictionary of Real Estate Appraisal*, Third Edition, and the Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Standards Board of The Appraisal Foundation, 1992 edition. This definition is also compatible with the OTS, RTC, FDIC, NCUA, and the Board of Governors of the Federal Reserve System definition of market value.

appraisal, BAAR has considered all known applicable approaches to value, but utilized only the sales comparison approach per the scope of work identified by the client. The value conclusion reflects all known information about the subject property, market conditions, and available data.

This Appraisal Report incorporates a practical/detailed explanation of the data, reasoning and analysis that were used to develop the opinion of value. It also includes detailed descriptions of the subject property and the market for the subject property type. All data considered significant that was requested for this assignment was received by BAAR.

PERSONAL PROPERTY

No items of personal property are included in this valuation.

EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

The subject is a proposed 9.99 acre parkland parcel that is part of a larger development that does not currently exist. As such, the subject is valued under the Hypothetical Condition that it has been subdivided into its proposed 9.99 acre site along with the existing parcels. The subject is further valued under the Hypothetical Condition that the proposed development will occur as planned.

Any changes to these Hypothetical Conditions may lead to alternate values applying.

There are no Extraordinary Assumptions within the report.

EXPOSURE/MARKETING TIME

Based upon a review of recent sales transactions in the subject market area and interviews with market participants, along with inspection and evaluation of the subject property, the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at Market Value As Is as of the date of value of this appraisal is estimated to be twelve (12) months. I forecast that this is a reasonable time of exposure under current market conditions to sell the subject at the appraised value. It is also necessary to estimate the appropriate "exposure time" which is defined as the amount of time from when a property is available for sale to the date on which it enters escrow. Based on a review of the above data, the "exposure time" and "marketing time" for the subject property are estimated to be the same.

AREA ANALYSIS

The dynamic nature of economic relationships within a market area has a direct bearing on real estate values and the long-term quality of a real estate investment. In the market, the value of a property is not based on the price paid for it in the past or the cost of its creation, but on what buyers and sellers perceive it will provide in the future. Consequently, the attitude of the market toward a property within a specific neighborhood or market area reflects the probable future trend of that area.

Since real estate is an immobile asset, economic trends affecting its location quality in relation to other competing properties within its market area will also have a direct effect on its value as an investment. To accurately reflect such influences, it is necessary to examine the past and probable future trends, which may affect the economic structure of the market and evaluate their impact on the market potential of the subject. This section of the report is designed to isolate and examine the discernible economic trends in the region and neighborhood, which influence and create value for the subject property.

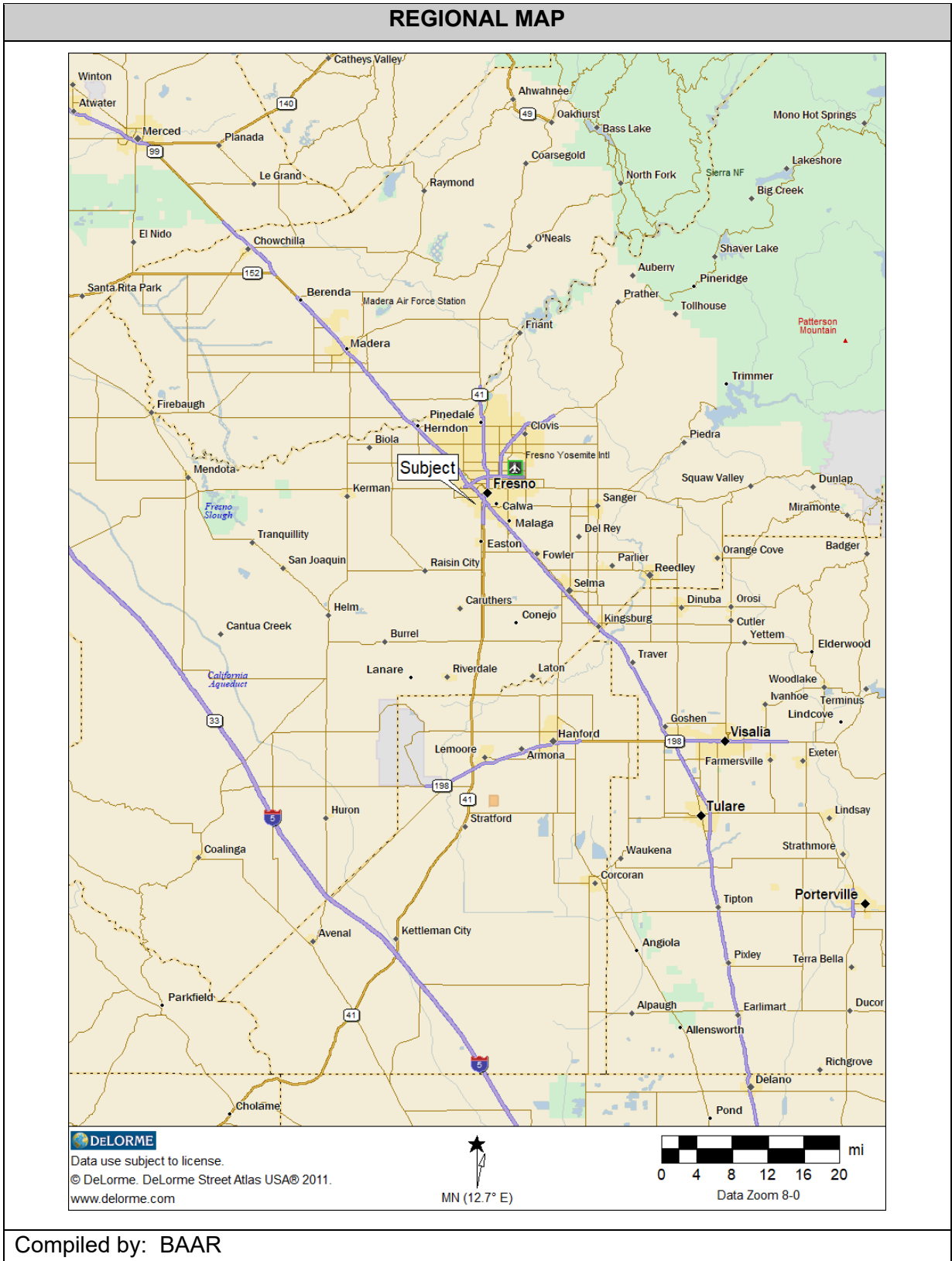
REGIONAL ANALYSIS

THE CENTRAL VALLEY

The Central Valley is 450 miles long, 40 to 60 miles wide, and contains 42,000 square miles. Geographically, the Central Valley can be divided into the northern Sacramento Valley (made up of ten counties) and the southern San Joaquin Valley (made up of eight counties).

As of 2011, the estimated population of the Central Valley was in excess of 6.5 million people, or about one-sixth of the state's population. The largest cities include: Fresno, Sacramento, Bakersfield, Stockton and Modesto, all with populations in excess of 200,000. Population growth has resulted from a combination of natural increase and migration. The Central Valley contains an abundance of undeveloped land, which is low in price relative to that in the more developed coastal areas. On the negative side, much of the land is prime agriculture land and there has been increasing resistance to the loss of farmland for development.

Much of the Central Valley is agricultural land and therefore has a seasonal employment base. State Government is the largest employer in the region. Other large employers include Sutter Health, Kaiser Permanente, Mercy Healthcare, Raley's Supermarkets, Hewlett-Packard, Pacific Bell, Packard Bell, Intel, UPS, Bank of America, NEC Electronics, US Computer Systems, Blue Diamond Growers, Campbell Soup Company, and the Sacramento Bee Newspapers. The economy has become increasingly diverse as technology companies seek lower cost locations as compared to the San Francisco Bay Area. This region also has a fairly well educated population base as compared to other regions within the State, but includes a large, unskilled migrant farm worker segment.



FRESNO COUNTY

The Greater Fresno region is typically defined as all of Fresno County, Madera, Firebaugh and Chowchilla in Madera County; Hanford, Lemoore in Kings County; and Dinuba, Monson and Travers in Tulare County. This region is part of California's Central Valley, the nation's leading agricultural area with more than eleven million acres of irrigated land. The City of Fresno is located approximately 200 miles southeast of San Francisco and 225 miles north of Los Angeles.

Fresno is located in California's fertile central valley where agriculture is the main force of the area's economy; its agriculture output serves both the San Francisco and Los Angeles markets. Over 500 trucking and warehouse facilities support the areas operations as well as two railways. According to recent estimates, the Fresno Metropolitan Area has a population of 942,904.

Fresno has strong residential occupancy rates. Current occupancy rates are above 95% based on our discussions with local property managers and investors. Rental rates increased in recent years. Signs of market distress in the residential housing sector have appeared with median home prices in decline, notices of default and foreclosures at, or near, ten-year highs. Multi-family residential rental rates appear to be stable with moderate increases foreseen in the near future.

Two major freeways serve the Fresno region: Interstate 99 connects Sacramento to the north and Bakersfield, and other cities to the south. Interstate 5, located 35 miles west of the subject, is the main north-south route through the interior of California; it travels from Mexico to Canada. Highway 180 serves as the main east-west freeway in the Fresno area.

Fresno County's unemployment rate was at 8.1% as of December 2017. The relatively high unemployment rate is typical of the Central Valley where employment is heavily dependent to agriculture related jobs, which tend to be seasonal. The economic profile for Fresno County shows a broad range of employment opportunities in growing industries such as call centers and back office operations, light assembly, packaging, and distribution/warehousing. Other thriving sectors include medical, financial and technological support services.

ECONOMY

Fresno County's agricultural industry contributes around \$6 billion annually to the California economy and supports roughly 20% of all local jobs. The metro remains one of the top producing agricultural regions in the nation. However, the region's reliance on agriculture also exposes it to fluctuations in the market and external forces such as the weather. The drought that hit California over the last several years caused farmers to increasingly tap into their well water reserves, which increased not only expenses for drilling deeper wells but also the energy costs of pumping. Low water availability also leads to a reduction in crops, meat production, lower wages for employees, and higher food prices for consumers.

While employment growth is outperforming the national benchmark, the unemployment rate was still about double the national mark as of 18Q1. The Trade, Transportation, and Utilities sector continues to experience steady job growth, buoyed by the fact that the economy in Fresno is wedded to the agricultural industry. However, white-collar sectors haven't been so fortunate. In fact, office-using employment still hasn't returned to the prerecession peak, and the Financial Activities and Professional and Business Services sectors actually shed jobs in the last 12 months.

FRESNO EMPLOYMENT BY INDUSTRY IN THOUSANDS

NAICS Industry	Current Jobs		Current Growth		10 Yr Historical		5 Yr Forecast	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	27	0.9	1.37%	-0.41%	-0.12%	-1.14%	-0.57%	-1.19%
Trade, Transportation and Utilities	68	1.1	2.07%	0.38%	1.32%	0.29%	0.35%	0.41%
Retail Trade	40	1.1	1.05%	-0.21%	0.93%	0.20%	0.36%	0.44%
Financial Activities	14	0.7	-0.47%	0.99%	-0.91%	0.23%	0.73%	0.73%
Government	75	1.4	2.80%	0.16%	0.64%	-0.02%	0.69%	0.65%
Natural Resources and Mining	0	0.2	17.16%	5.41%	12.24%	-0.46%	-	-
Education and Health Services	68	1.2	2.84%	1.79%	3.15%	2.08%	1.67%	1.27%
Professional and Business Services	31	0.6	-3.36%	2.49%	0.12%	1.55%	1.00%	1.48%
Information	4	0.6	0.09%	-1.32%	-1.67%	-1.05%	0.21%	0.29%
Leisure and Hospitality	33	0.9	3.81%	1.97%	1.50%	1.73%	1.10%	1.27%
Other Services	13	0.9	3.13%	0.93%	1.45%	0.44%	0.43%	0.40%
Total Employment	347	1.0	1.90%	1.30%	0.97%	0.64%	0.83%	0.83%

Source: Moody's Analytics
LQ = Location Quotient

POPULATION

Fresno's population is estimated at 512,000, up from 467,600 in 2010. The greater Metropolitan Fresno area has a population estimated at 1.1 million.

Year ▼	Population	Growth	Growth Rate
2016	522,053	3,550	0.68%
2015	518,503	4,127	0.80%
2014	514,376	5,405	1.06%
2013	508,971	3,710	0.73%
2012	505,261	4,364	0.87%
2011	500,897	6,232	1.26%
2010	494,665	67,013	15.67%

INCOME

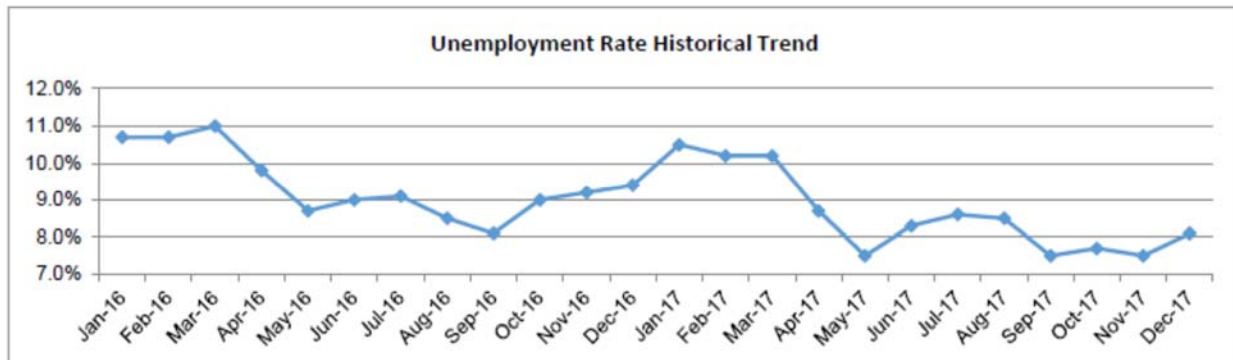
Fresno’s average household income is \$63,256, which is slightly higher than Fresno County at \$62,865 and the surrounding cities of Chowchilla, Kerman, Kingsburg, and Madera but lower than the nearby city of Clovis, which has the highest average income of \$74,391.

LAND USE

Fresno County has a large amount of land available for future residential, commercial, industrial, and business park development. Approximately 51% of Fresno’s current land inventory is available for development. About 46% is not available for development and a little over 2% of the land inventory has already been urbanized. As indicated above, there is still a substantial portion of land available, and we do not anticipate a shortage of land for development in the foreseeable future within Fresno County.

EMPLOYMENT

The unemployment rate in the Fresno County was 8.1 percent in December 2017, up from a revised 7.5 percent in November 2017, and below the year-ago estimate of 9.4 percent. This compares with an unadjusted unemployment rate of 4.2 percent for California and 3.9 percent for the nation during the same period.



Fresno serves as the economic hub of Fresno County and California's San Joaquin Valley. The unincorporated area and rural cities surrounding Fresno remain predominantly tied to large-scale agricultural production. Sony Music Distribution/Sony Computer Entertainment is in Fresno, CA. According to the City's 2011 Comprehensive Annual Financial Report, the top employers in the city are:

#	Employer	# of Employees
1	Community Medical Centers	6,000
2	City of Fresno	3,790
3	Saint Agnes Medical Center	2,800
4	Kaiser Permanente	2,160
5	Pelco by Schneider Electric	2,029
6	Children's Hospital	1,996
7	Ruiz Foods, Inc	1,729
8	Chukchansi Gold Resort/Casino	1,385
9	Tachi Palace Hotel & Casino	1,200
10	Foster Farms	1,100

While the near term outlook for the region is guarded, the long-term outlook is more optimistic. As the economy continues to recover from the recent recession, the region should benefit from the recovery; however, near term growth for the region is projected to be limited.

2010 CENSUS DATA

The 2010 United States Census reported that Fresno had a population of 494,665. The population density was 4,404.5 people per square mile. The Census reported that 485,798 people (98.2% of the population) lived in households, 4,315 (0.9%) lived in non-institutionalized group quarters, and 4,552 (0.9%) were institutionalized.

There were 158,349 households, out of which 68,511 (43.3%) had children under the age of 18 living in them, 69,284 (43.8%) were opposite-sex married couples living together, 30,547 (19.3%) had a female householder with no husband present, 11,698 (7.4%) had a male householder with no wife present. There were 12,843 (8.1%) unmarried opposite-sex partnerships, and 1,388 (0.9%) same-sex married couples or partnerships. 35,064 households (22.1%) were made up of individuals and 12,344 (7.8%) had someone living alone who was 65 years of age or older. The average household size was 3.07. There were 111,529 families (70.4% of all households); the average family size was 3.62.

The population was spread out with 148,823 people (30.1%) under the age of 18, 62,601 people (12.7%) aged 18 to 24, 135,076 people (27.3%) aged 25 to 44, 102,064 people (20.6%) aged 45 to 64, and 46,101 people (9.3%) who were 65 years of age or older. The median age was 29.3 years. For every 100 females there were 96.7 males. For every 100 females age 18 and over, there were 93.5 males.

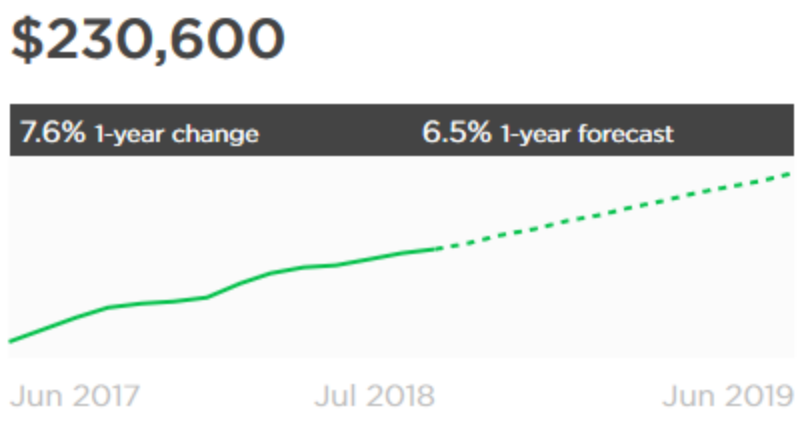
There were 171,288 housing units at an average density of 1,525.2 per square mile, of which 77,757 (49.1%) were owner-occupied, and 80,592 (50.9%) were occupied by renters. The homeowner vacancy rate was 2.6%; the rental vacancy rate was 7.6%. 235,430 people (47.6%

of the population) lived in owner-occupied housing units and 250,368 people (50.6%) lived in rental housing units.

HOUSING

More than half of Fresno's housing stock, or 54.82%, is owner-occupied as compared to 41.28% renter-occupied properties. This is suggestive of a housing market where the relative affordability of the market combines with a favorable economic environment has allowed residents to purchase homes.

The median home value in Fresno is \$230,600. Fresno home values have gone up 7.6% over the past year and Zillow predicts they will rise 6.5% within the next year. The median list price per square foot in Fresno is \$161, which is lower than the Fresno Metro average of \$166. The median price of homes currently listed in Fresno is \$284,500 while the median price of homes that sold is \$245,300. The median rent price in Fresno is \$1,300, which is lower than the Fresno Metro median of \$1,368.



CITY OF FRESNO

The subject property is located in Fresno, approximately 175 miles southeast of San Francisco on Highway 99. The city of Fresno encompasses roughly 100 square miles and is the largest community in the southern San Joaquin Valley with a population of approximately 501,362 as of July 2011. Fresno is nestled along Highway 99 in Fresno County and is considered by Forbes Magazine to be the 89th out of 200 cities for the Forbes 2000 "Best Places" list and was awarded an All-American City Award for 2000. Located in the center of the world's richest agricultural region, Fresno is larger than both St. Louis and Atlanta.

Fresno is culturally diverse with over 85 languages spoken in the schools due to the influx of immigrant groups. Fresno is also in the midst of rapid growth, having doubled in size in less than 20 years. The greatest development emphasis is in the northern sector although most properties, including the subject's area, are experiencing modest growth.

Agriculture is the predominant industry within the Fresno area. The area is also known as a distribution hub for trucking and warehousing firms. Two railways operate intermodal facilities in Fresno County and serve all points north, south and east. The nation's largest parcel carriers, UPS, FedEx and DHL, all operate out of the Fresno-Yosemite International Airport.

POPULATION

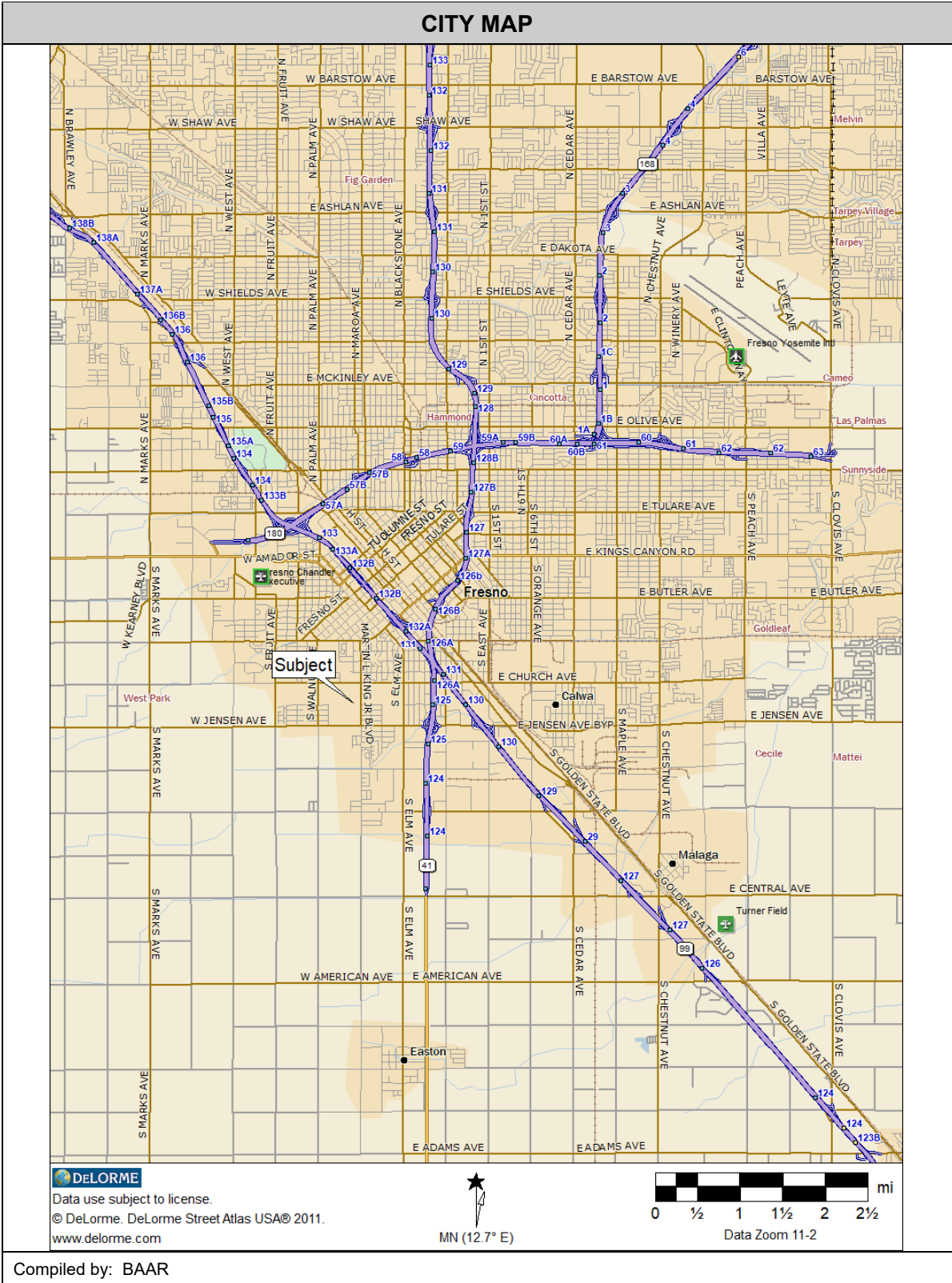
Between July 2012 and July 2013, Fresno County's population grew just over 1%, which is the county's highest growth rate in three years. Fresno is growing faster than the state of California as a whole, and faster than other counties. The growth in the area is attributed to a growing Hispanic population, which makes up a first-time majority in Fresno. Between 2000 and 2010, the city of Fresno grew a whopping 41% as more Californians move inland to get away from the high cost of living on the coast.

Year ▼	Population	Growth	Growth Rate
2016	522,053	3,550	0.68%
2015	518,503	4,127	0.80%
2014	514,376	5,405	1.06%
2013	508,971	3,710	0.73%
2012	505,261	4,364	0.87%
2011	500,897	6,232	1.26%
2010	494,665	67,013	15.67%

SUMMARY

In summary, Fresno County and the City of Fresno are in the stable stage of their life cycles, following a period of rapid growth from 1990 through 2005. Because of significantly lower land prices, traditional agricultural areas are in transition to more intensive residential development. Growth will continue in unincorporated portions of the county, although parcels of agricultural land will continue to be protected by Williamson Act Contracts and land preservation zones. Fresno has a sufficiently diversified economy to support continued growth.

Although the economy of the San Joaquin Valley has been negatively affected by the recent national and local recessions, the long-term economic outlook for this area is good. Cities and outlying areas are still experiencing population growth. Unemployment rates can be higher, but as the economy shifts from primarily agricultural to primarily service sector, these rates should moderate. While the near term outlook for the region is guarded, the long-term outlook is more optimistic. When the economy begins to recover from the current recession, the region should benefit from the recovery; however, near term growth for the region is limited.



NEIGHBORHOOD INFLUENCES

The subject is located in the southwestern portion of the City of Fresno. The area was historically agricultural in nature but has slowly been developed with a mix of residential, limited commercial, and industrial uses. The neighborhood has historically constituted the lowest priced within the city. The city is efforting to revitalize the area. The City of Fresno and the Southwest Fresno Community has incorporated and integrated several plans and affiliations into one concerted effort and specific plan for Southwest Fresno. The number one driving force behind the current effort to transform and revitalize Southwest Fresno is the Southwest Fresno Specific Plan (SWFSP). The SWFSP marks a historic planning and development milestone for the Southwest Fresno Community. With ample land available for development and a prime location next to Fresno’s downtown, Southwest Fresno has an enormous potential for positive change.

The subject is located just west of Highways 41 and 99, which provide regional access to larger freeways and surrounding communities. The properties in the area have average market appeal and average market acceptance. We estimate that the vacancy rate in the immediate area is between 4% and 8% for residential uses. The neighborhood as well as its infrastructure is suburban. The streets are largely improved with concrete curbs and gutters, streets are paved with asphalt, and all utilities and city services are available to the neighborhood. The properties in the area generally reflect fair to average levels of maintenance and condition and the market appeal and acceptance of the properties is average. The neighborhood is in the stable stage of its life cycle.

NEIGHBORHOOD RATINGS					
	Ex	Gd	Av	Fr	Pr
MAINTENANCE / CONDITION			X		
PROPERTY COMPATIBILITY			X		
APPEAL / APPEARANCE			X		
PROTECTION / ADVERSE INFLUENCE			X		
DEVELOPMENT POTENTIAL			X		
RENTAL DEMAND			X		
TRANSPORTATION / ACCESS		X			
POLICE / FIRE PROTECTION			X		

Conclusion

The neighborhood has features and qualities, which contribute to a positive demand for real estate. All utilities are available throughout the neighborhood and the improvements in the area are generally in average condition. The streets and other public areas are also in average condition, and parking is adequate. The subject property benefits from the features of the neighborhood. The subject is conveniently located and sufficiently supported by nearby uses.

MARKET OVERVIEW

Fresno is located in the middle of the Central Valley, and is one of the region’s most populous metros, with approximately 1 million residents. Encompassing Fresno County, a significant portion of economic activity in the area, like most Central Valley metros, is tied to agriculture. While job growth has outperformed the national average since 2012, non-agricultural employment is heavily concentrated in government, education and health services, sectors that typically do not offer robust income growth, but do soften market volatility.

Multifamily fundamentals have been strong, as both vacancy and rent growth are outperforming the national averages. In fact, vacancies here have historically been limited, and 2018 has seen the mark trend in line with the metro's all-time low, as demand continued to outpace a limited number of deliveries. The lack of substantial income gains, combined with a median household income well below the statewide median, has traditionally limited rent growth. The past several years, however, have been exceptions. New construction, while more active here than in neighboring secondary metros, has been measured, helping to avoid a supply-driven rise in vacancies. Investors have taken note of the metro's strong fundamentals—annual sales volume has easily surpassed the \$116 million historical average the past four consecutive years and has done so again in 2018.

KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	3,209	2.7%	\$1,377	\$1,363	5	0	356
3 Star	18,057	3.5%	\$1,037	\$1,027	34	0	168
1 & 2 Star	30,638	3.6%	\$829	\$824	34	0	0
Market	51,904	3.5%	\$948	\$940	73	0	524

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-0.3%	5.5%	4.3%	7.5%	2004 Q2	3.5%	2018 Q3
Absorption Units	171	261	66	1,285	2005 Q3	(632)	2001 Q4
Delivered Units	16	288	194	758	2006 Q1	16	2018 Q2
Demolished Units	0	18	4	277	2014 Q1	0	2018 Q2
Asking Rent Growth (YOY)	4.1%	2.2%	1.4%	8.3%	2001 Q1	-5.3%	2009 Q4
Effective Rent Growth (YOY)	4.2%	2.1%	1.5%	8.3%	2001 Q1	-5.5%	2009 Q4
Sales Volume	\$374 M	\$115.9 M	N/A	\$375.0 M	2018 Q2	\$11.7 M	2010 Q1

VACANCY

Fresno offers the largest concentration of multifamily inventory among Central Valley metros but little high-end product. Renters make up nearly half of Fresno’s population, despite home prices that are much more affordable compared to most other metros in California.

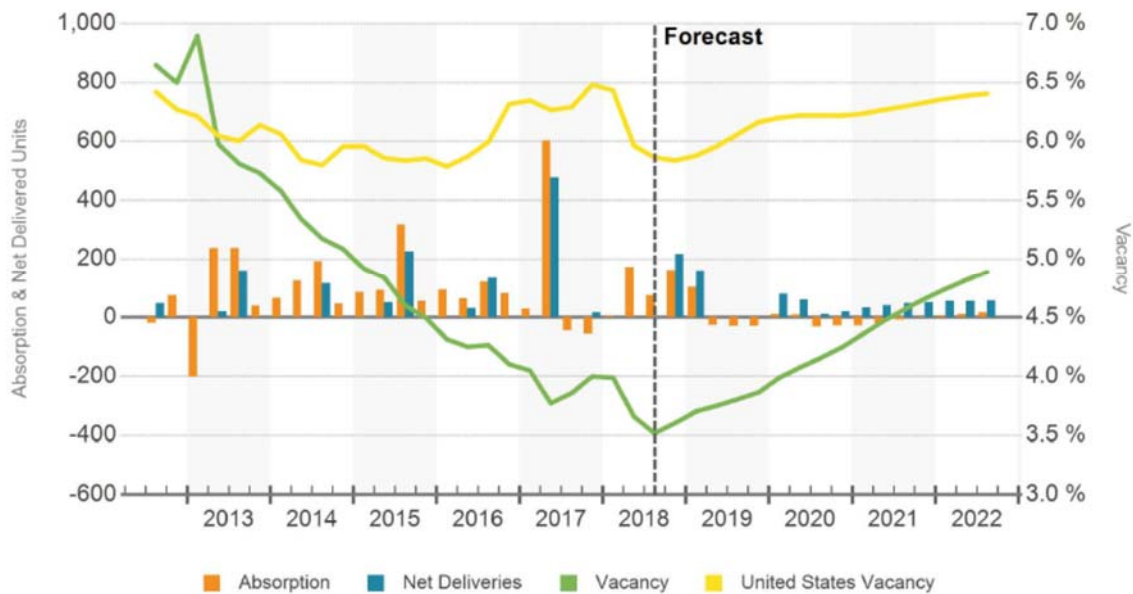
Even still, home ownership is out of reach for many residents. While the median single family home is about \$260,000, Fresno’s median household income is only around \$51,000, roughly

20% below the state average. Furthermore, high-earning households are relatively scarce: Less than 20% of metro households earn \$100,000 or more annually.

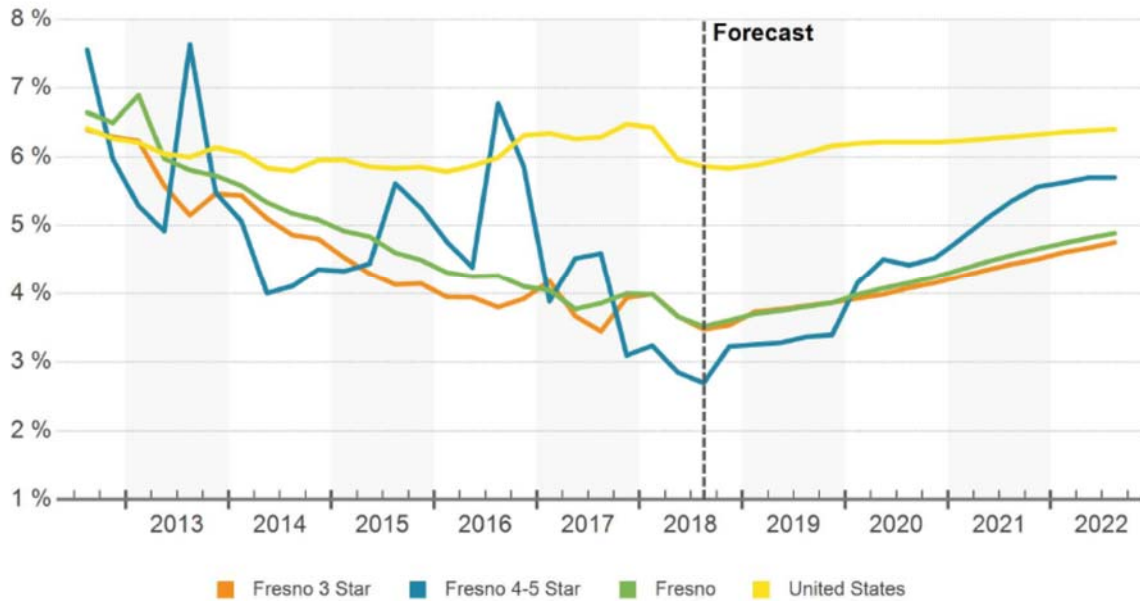
Major metro employers include Cargill, Foster Farms and Zacky Farms, as the metro consistently ranks among the nation’s leaders for job growth in food manufacturing and processing. Another employer that has historically had a large presence in Fresno is the Internal Revenue Service (IRS). However, the IRS plans to shutter its 532,000 SF tax-processing center in 2021, which will result in the elimination of 3,000 jobs. One factor that does not help Fresno’s employment rate or income levels is location. On the one hand, the metro is near the geographical center of California and roughly 200 miles from each Los Angeles, San Francisco and Sacramento. Conversely, Fresno’s distance does not allow for “super-commuters” (a commute that is 90 minutes or more one way) to take advantage of the abundance of higher-paying jobs in other major metros. Residents of Central Valley locales like Stockton and Modesto have the opportunity to commute to Bay Area metros for example, but Fresno is too far removed from California’s major cities.

As a result of steady demand and limited new construction this cycle, vacancies in Fresno have been tight in recent years. From 2014-17, vacancies averaged less than 5%. And occupancy levels have further increased in 2018. Indeed, in 18Q3, vacancy reached an all-time metro low of only 3.5%, or more than 200 basis points below the national average. The vacancy rate is currently 3.5%.

ABSORPTION, NET DELIVERIES & VACANCY



VACANCY RATE



RENT

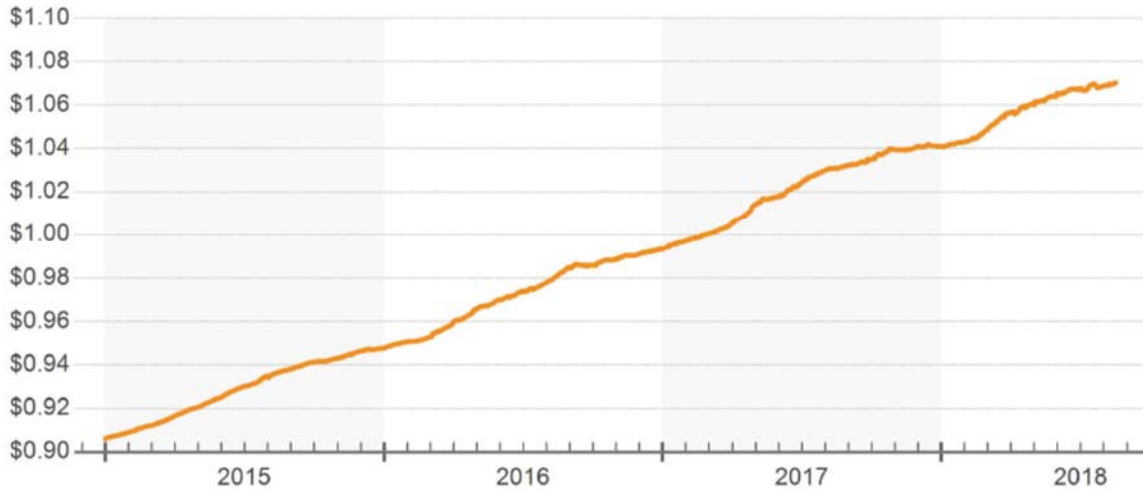
Healthy rent growth was slow to reach Fresno this cycle. While the metro only suffered one year of rent losses in the wake of the Great Recession, sluggish wage growth and the prevalence of low-paying jobs tied to the agriculture industry limited gains to less than 2% annually from 2010–14. On the other hand, the average Fresno rent only consumes a little more than 20% of the median income, which has given landlords room to push rents in recent years without burdening renters. Rent growth has consistently averaged around 5% since 2015, and gains were about in line with that mark as of 18Q3. Rent growth is currently 4.1%.

The average asking rent in Fresno is \$950/month. Rates receive little boost from high-end product, as only about 5% of metro inventory is 4 & 5 Star-rated. Asking rents are about 20% lower than Stockton’s but roughly in line with Visalia’s and Bakersfield’s. While Stockton benefits from its proximity to the Bay Area and the exorbitant housing costs there, which have led to a steady exodus of Bay Area residents to nearby metros, the remoteness of Fresno, Visalia, and Bakersfield, however, precludes them from siphoning demand from major metros.

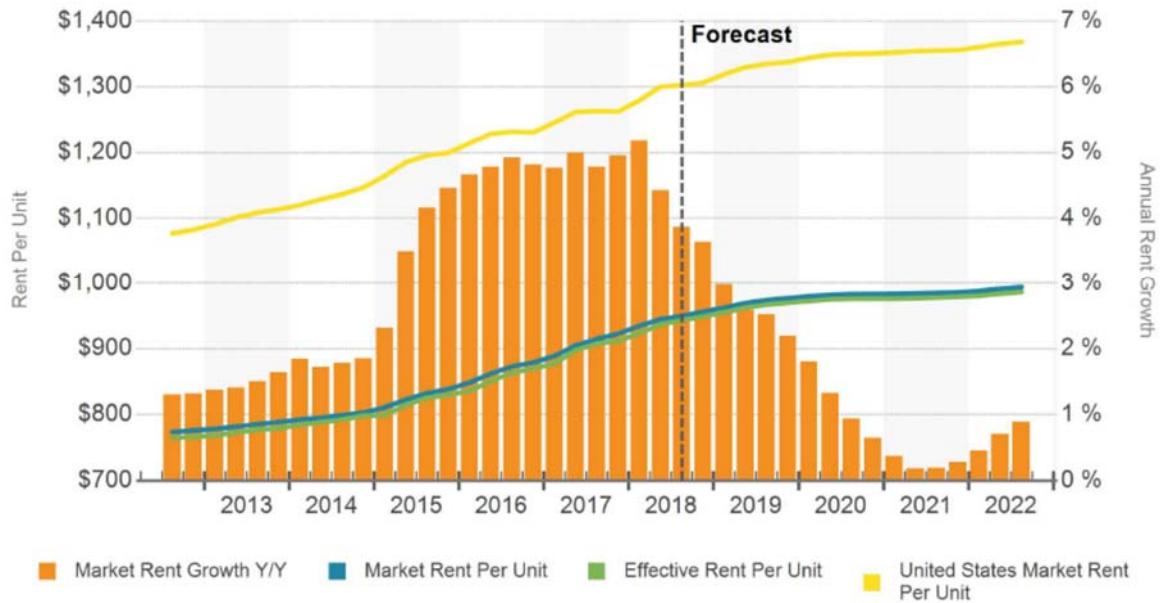
North Fresno and East Fresno command some of the highest rents among the metro’s submarkets. North Fresno’s highly rated school system is a major draw for families, as is the easy access to employment nodes along two major highways, and East Fresno also benefits from being located near a variety of healthcare employers. South Fresno, home to the metro’s burgeoning downtown area, has one of the lowest asking rents in the metro. The submarket

experienced limited demand over the past year and has a vacancy rate that is among the highest in the metro.

DAILY ASKING RENT PER SF



MARKET RENT PER UNIT & RENT GROWTH



CONSTRUCTION

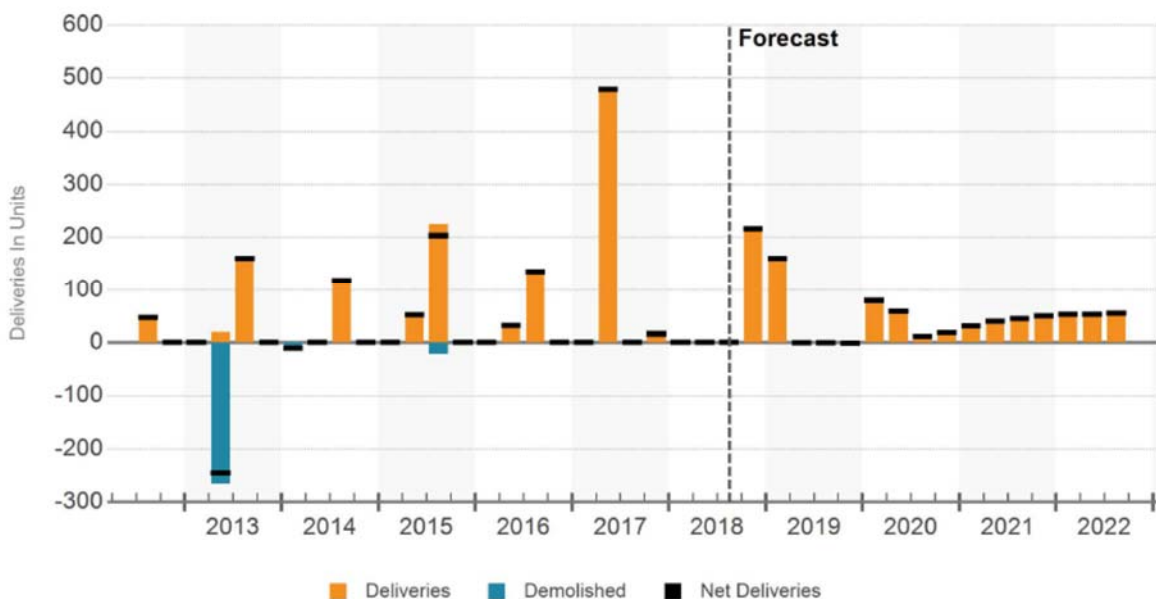
Developers have been confident enough in fundamentals to bring a steady, albeit modest, number of projects to Fresno. New supply has been added every year since 2005, and the largest amount of new construction this cycle occurred in 2017, when nearly 500 units delivered. Since 2010, metro inventory has increased by about 3% cumulatively.

As of August 2018, around 500 units were under construction. One of the most significant projects is Vintage Park, a 160-unit community in the North Fresno Submarket, which broke ground in 2017 and may deliver as soon as 18Q4. The project will include amenities such as granite countertops, walk-in closets, and in-unit washer/dryers.

Much of 2017’s new inventory was the result of one project. The 4 Star 350-unit Dominion Courtyard Villas delivered in the North Fresno Submarket, with the first phase of units coming on line in May and the remainder in November. The Ellis Enterprises’ developed community boasts large units targeted at family households searching for access to North Fresno’s school districts, and high-end amenities that are uncommon in the metro. Asking rents are nearly double the metro average but lease up has been outstanding—the project was more than 95% occupied as of August 2018. Dominion Courtyard Villas’ biggest draw is its proximity to the top schools in the highly rated Clovis Unified School District. Furthermore, the property is only about a 10-minute drive from California State University, Fresno, and is directly between Highway 41 and Highway 168, which both lead to nearby employment nodes.

Nearly half of new construction this cycle has been concentrated in the downtown area. For example, The Lede, a 3 Star 85-unit garden-style community developed by Granville Homes, delivered in the fall of 2016. The asset stabilized within two quarters of completion as demand from young professionals in the urban core continues to grow. Granville Homes has been one of the most active developer’s downtown, bringing six multifamily properties totaling roughly 250 units to the revitalized area since 2011. Granville Homes sold its portfolio of downtown assets in April 2017, including two projects that were under construction on L Street.

DELIVERIES & DEMOLITIONS



SALES

Fresno has received its share of investment activity this cycle, with sales volume topping \$200 million on two occasions, or about double the metro’s long-term average. Little out-of-state capital finds its way here, and many buyers are metro-based. Inventory turnover has been robust in recent years, averaging almost 7% from 2014-17. By comparison, inventory turnover averaged about 3% from 2010-13.

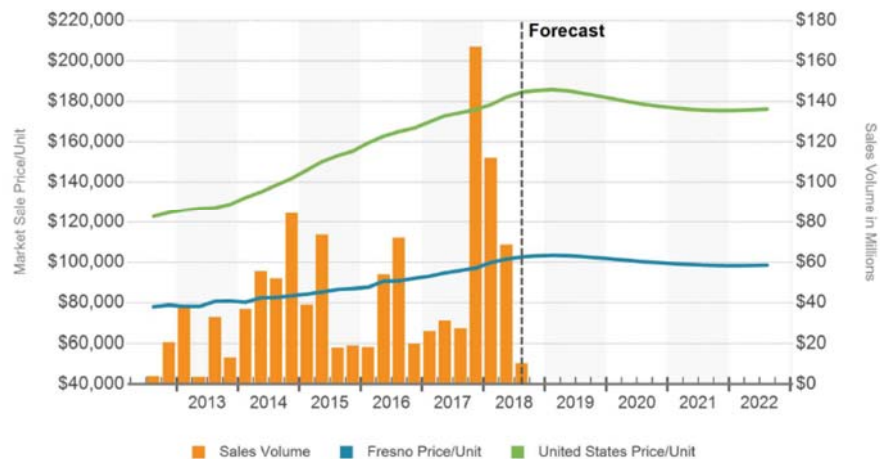
Pricing has jumped considerably in recent years. From 2013-16, the average price was about \$60,000/unit. However, in 2017, the average price/unit increased to approximately \$84,000, or a roughly 40% increase from the pace of the prior few years. The strength has continued in 2018—pricing has been about in line with last year's mark.

One of the most noteworthy trades of late was the March 2018 trade of Jackson Park Place. The 3 Star 376-unit community was acquired by Fresno-based Golden State Financial Corporation for \$51.5 million (\$137,000/unit) at a reported cap rate of 5.7%. The North Fresno Submarket-located property was 96% leased, with asking rents about 25% higher than the submarket average at the time of sale.

After sales got off to a slow start in 2017, volume leaped considerably in Q4 as a result of a large portfolio sale. In November, Los Angeles-based JRK Property Holdings acquired the 3 Star Dominion Heights Apartments and the 4 Star Crown Point & Cascades Apartments from Redwood City-based Demmon Partners for \$98.8 million (\$161,000/unit) at a reported cap rate of 5.5%. Located in the North Fresno Submarket, the properties combine for 614 units and were 100% occupied at the time of sale.

Sales transactions here typically average around the \$2.5 million mark, and one recent example is Manchester Arms, located in the North Fresno Submarket. In April 2018, the 2 Star 42-unit property was acquired by an individual investor for \$2.45 million (\$58,000/unit) at a reported cap rate of 8.5%.

SALES VOLUME & MARKET SALE PRICE PER UNIT



SITE ANALYSIS

The Description of the site can be detailed as follows:

- Location:*** The subject is located at the SW corner of Martin Luther King Boulevard @ E Church Avenue. Fresno (City and County), CA 93706. The subject is part of a large proposed development know as West Creek Village. The development will consist of single and multi-family development, commercial development, parkland, and the western campus of Fresno Community College.
- Parcel Number:*** Not assigned yet (see comments above)
- Land Area*¹** 9.99 Acres – 435,164 SF
- Shape and Frontage:*** The subject parcel will represent a nearly oval site in the middle of the West Creek Village development. The parcel will have no direct street frontage. The subject of this appraisal will be portion of the site that will be dedicated as parkland. Refer to the aerial and plat maps provided below.
- Topography and Drainage:*** The site has a flat topography. Our investigation did not reveal any significant drainage problems.
- Soils:*** No soils report was provided. The soils are adequate for the existing grazing land and vineyard use.
- Easements and Encroachments:*** The Preliminary Report would contain reference to easements of record but was not provided for review. There does not appear to be any adverse easements or encroachments that would diminish the utility or marketability of the subject property. This valuation assumes that the fair market value of the subject property is not adversely affected by any easements, encroachments or other special conditions.
- Covenants, Conditions, and Restrictions:*** No private deeds or restricting covenants affecting development, other than zoning, were found to affect the site.

¹ Source: Plat Map

Utilities: Combination of Public and Private. All utilities are or will be brought to the site.

Flood Zone: According to maps published by the Federal Emergency Management Agency (FEMA), the subject lies in an unshaded flood Zone X, panel 06019C2110H, dated February 18, 2009. Zone X is defined as “areas determined to be outside 500-year floodplain determined to be outside the 1% and 0.2% annual chance floodplains.” Mandatory flood insurance purchase requirements do not apply, but coverage is available.

Environmental Issues: No evidence of hazardous waste or toxic materials was visible. The value estimate rendered in this report is predicated on the assumption that there is no hazardous material on or in the property that would cause a loss in value. No evidence of hazardous waste or toxic materials was visible. BAAR has no knowledge of the existence of these substances on or in the subject property. However, BAAR is not qualified to detect hazardous waste or toxic materials.

Adjacent Properties

North: Apartments / Community Center / SFR development

South: Farm Land / Low Density Residential

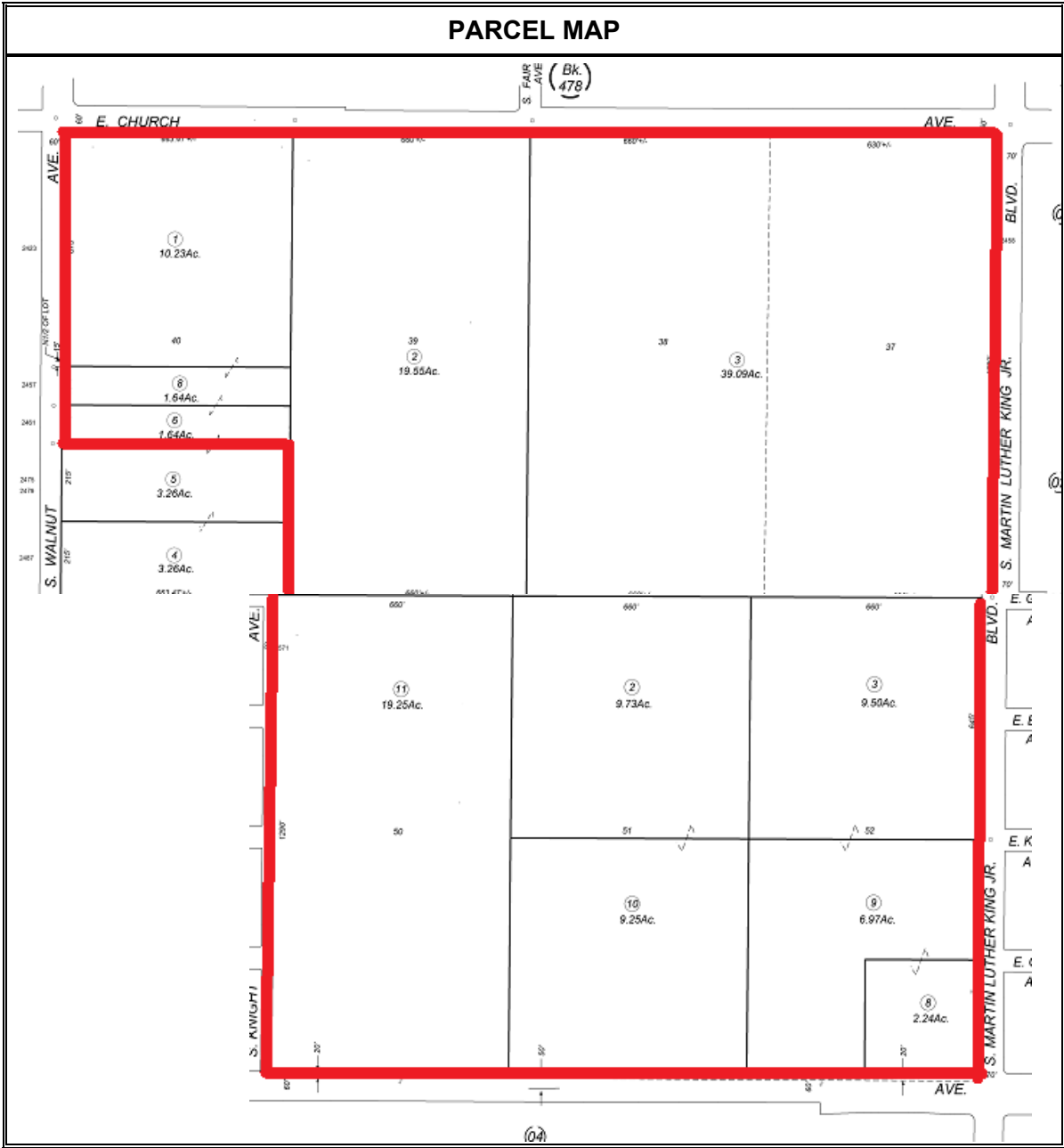
East: Gaston Middle School / SFR Subdivision

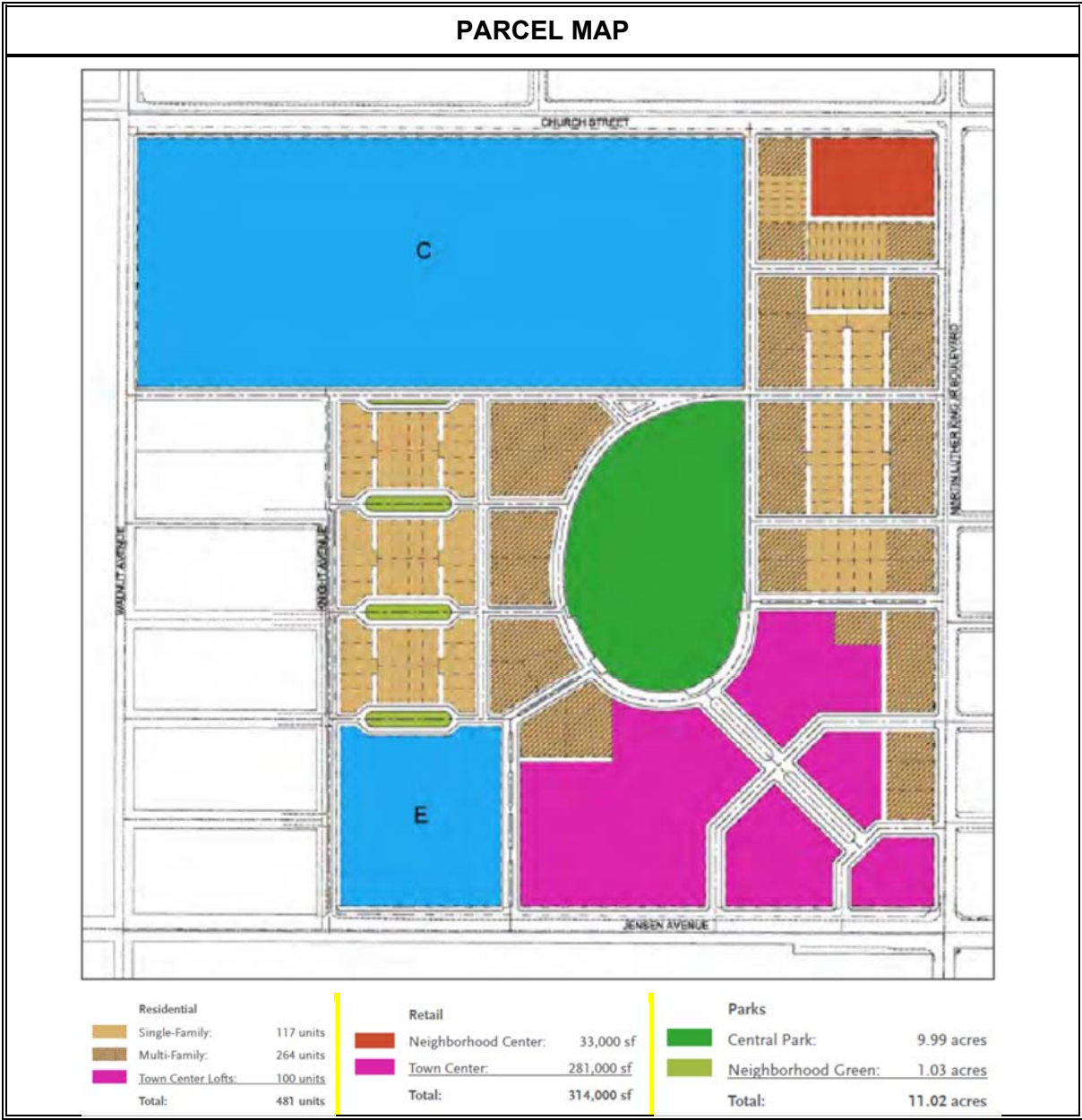
West: Farm Land / Low Density SFR

Conclusion: The subject is comprised of a proposed 9.99-acre site that will be donated to the Community College district and will represent a central park area of the proposed West Creek Village.

AERIAL VIEW







The subject is denoted as the green parcel

ZONING ANALYSIS

The subject's zoning requirements are detailed below.

ZONING SUMMARY	
Current zoning:	RS-5 / Residential Single Family (4,000 SF minimum site area per dwelling)
Legally conforming	Yes
Uses permitted:	SFR, grazing land, multi-family residential, parkland, schools, and other low density uses.
Zoning change	Possibly

Zoning Analysis and Conclusions

The purposes of the Residential Single-Family (RS) Districts are to:

- A. Provide for a variety of single-family residences built to urban or suburban standards to suit a spectrum of individual lifestyles and needs, and to ensure availability throughout the city of the range of housing types necessary for all segments of the community, consistent with the General Plan.
- B. Enhance the character of the city's residential neighborhoods, while providing new opportunities for the development of a range of housing types throughout the city.
- C. Ensure that the scale and design of new development and alterations and additions to existing residences are compatible with the scale, mass, and character of their neighborhoods.
- D. Provide for appropriate densities within the ranges established in the General Plan.
- E. Protect the quality of the residential environment and secure the health, safety, and general welfare of the residents.
- F. Provide sites for neighborhood-serving uses such as parks, family day cares, libraries, and community facilities.
- G. Implement and provide appropriate regulations for General Plan classifications of "Low Density Residential," "Medium Low Density Residential," and "Medium Density Residential."

The subject may be rezoned to parkland upon completion of the subdivision.

TAX AND ASSESSMENT DATA

The assessment and real property taxes shown on the table below for the current fiscal tax 2017/18-year.

Parcel Number	Not Issued
Land	\$0
Improvements	\$0
Personal Property	\$0
Total Assessed Value	\$0
Tax Rate	0%
Annual Taxes	\$0
Bond Assessments	\$0
Direct Levies	\$19
Total Taxes	\$19
Delinquent Taxes	\$0
Total Taxes	\$19

In the State of California, real estate is assessed at 100 percent of market value as determined by the County Assessor's Office. The maximum tax rate cannot exceed 1 percent of the property's appraised value, plus any special assess. The subject parcel does not yet exist and there is no corresponding APN or assessed value. Since the subject will be dedicated as parkland, it will not be assessed and will not be subject to property taxes. However, there will be direct levies that have been estimated on the table above.

Proposition 13 was passed by voters in June 1978 and substantially changed the taxation of real estate in California. This constitutional amendment rolled back the base year for assessment purposes to the tax year 1975-1976. Annual increases in assessed value are limited to 2 percent per year, regardless of the rate of inflation. Real estate is subject to re-appraisal to current market value upon a change in ownership or new construction. The subject will likely be reassessed after the transfer and subsequent construction.

Within the definition of "market value," the assumption is made that the subject property will be sold on the open market and, thus, the property is reassessed for tax purposes for this appraisal.

HIGHEST AND BEST USE

In appraisal practice, the concept of highest and best use represents the premise upon which value is based. The four criteria that the highest and best use must meet are:

- legal permissibility;
- physical possibility;
- financial feasibility; and
- maximum profitability.

Highest and best use is applied specifically to the use of a site as vacant. It is recognized that in cases where a site has existing improvements, the concluded highest and best use as if vacant may be different from the highest and best use given the existing improvements (as improved). The existing use will continue, however, until the land value, in its highest and best use, exceeds that total value of the property under its existing use plus the cost of removing or altering the existing structure.

Implied in the highest and best use is recognition of the contribution of a specific use to the community environment or to the community's development goals, in addition to wealth maximization of individual property owners. Also implied is that the conclusion of highest and best use results from the appraiser's judgment and analytical skill, i.e., that the use determined from the analysis represents an opinion, not a fact to be found.

Highest and best use analysis involves assessing the subject both as if vacant and as improved.

HIGHEST AND BEST USE AS THOUGH VACANT

Legal Permissibility

The legally permissible uses were discussed in detail in the site analysis and zoning sections of this report. Overall, based on our review of the zoning restrictions, the site has several residential, civic, and related potential uses. The parcel is part of a larger development and may be rezoned to reflect the pending parkland use. Residential subdivision would be the highest and best use as vacant until the subject is converted for parkland use at what time this will be the highest and best use. The value of the subject herein reflects the single-family residential subdivision value as it is currently zoned.

Physical Possibility

The physical characteristics of the subject site were discussed in detail in the site analysis section of this report. Overall, the layout and positioning of the site in southwestern Fresno warrants residential related uses.

Financial Feasibility

The test of financial feasibility is put only to those uses, which are legally permissible and physically possible. If the property is capable of generating a sufficient net income to cover the

required rate of return on investment and provide a return to the land, then the usage is financially feasible within a defined price limit.

BAAAR analyzed the financial feasibility of developing the subject site based on current market rental rates. This analysis compares the net operating income produced by appropriate improvements to the economic return on the property's value. In essence, the net income produced by the proposed or new improvements must provide a return to the cost of the improvements.

Maximum Profitability

The final test of highest and best use of the site as though vacant is that the use is maximally productive, yielding the highest land value. In the case of the subject as though vacant, the analysis thus far has indicated that agricultural and residential related uses would be most likely.

Conclusion: Highest and Best Use As Though Vacant

Based on this discussion, it concluded that the Highest and Best Use of the subject site as vacant would be for residential related development. Overall, based on our review of the zoning restrictions, the site has several residential, civic, and related potential uses. The parcel is part of a larger development and may be rezoned to reflect the pending parkland use. Residential subdivision would be the highest and best use as vacant until the subject is converted for parkland use at what time this will be the highest and best use. The value of the subject herein reflects the single-family residential subdivision value as it is currently zoned.

APPRAISAL METHODOLOGY

The appraisal process is defined as an orderly program by which the problem is planned and the data involved is acquired, classified, analyzed and interpreted into an estimate of value. In this process three basic approaches to value are considered: Income Capitalization Approach, Sales Comparison Approach, and Cost Approach. In appraisal practice, an approach to value is included or omitted based on its applicability to the property type being valued and the quality and quantity of information available.

The final step in the appraisal process is reconciliation -- a process by which BAAR analyzes alternative conclusions and selects a final value estimate from among two or more indications of value. BAAR weighs the relative significance, applicability and defensibility of each approach as it relates to the type of property being appraised.

INCOME CAPITALIZATION APPROACH

The methodology of the Income Capitalization Approach is to determine the income-producing capacity of the property on a stabilized basis by estimating market rent from comparable rentals, making deductions for vacancy and collection losses and building expenses, then capitalizing the net income at a market-derived rate to yield an indication of value. The capitalization rate represents the relationship between net income and value.

The subject will be parkland associated with the larger development known as West Creek Village. As such it will not have income generating potential. The exclusion of this approach is not considered to affect the reliability of the value concluded herein.

SALES COMPARISON APPROACH

The Sales Comparison Approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject property. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per unit, price per floor, etc., or economic units of comparison such as gross rent multiplier. Adjustments are applied to the physical units of comparison derived from the comparable sale. The unit of comparison chosen for the subject is then used to yield a total value. Economic units of comparison are not adjusted, but rather analyzed as to relevant differences with the final estimate derived based on the general comparisons.

The reliability of this approach is dependent upon (a) the availability of comparable sales data; (b) the verification of the sales data; (c) the degree of comparability; (d) the absence of atypical conditions affecting the sales price. The subject is a special use property that has various components. There are adequate sales from various transactions to render a value for the subject. Accordingly, this approach has been included in the analysis.

THE COST APPROACH

The Cost Approach is based upon the proposition that the informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements which represent the highest and best use of the land or when relatively unique or specialized improvements are located on the site and for which there exist few sales or leases of comparable properties.

The subject is currently vacant land and will be converted to parkland upon the completion of the subdivision. There will be park improvements completed by the ownership who will be donated the land. Given the particulars of the subject, the Cost Approach is not applicable. The exclusion of this approach is not considered to affect the reliability of the value concluded herein.

CONCLUSION

As noted above, the Sales Approach is the only approach developed in this valuation. This is the most appropriate approach and mirrors how the subject and similar properties are sold in the market. Accordingly, it is the basis for the reconciled value.

SALES COMPARISON APPROACH

The Sales Comparison Approach provides an estimate of market value based on analyzing transactions of similar properties in the market area. The method is based on the proposition that an informed purchaser would pay no more for a property than the cost of acquiring an existing one with the same utility. When there are an adequate number of sales of truly similar properties with sufficient information for comparison, a range of values for the subject property can be developed.

An investigation was made of sales and offerings of comparable properties in the relative market area of the subject property. The approach is based on the proposition that an informed purchaser would pay no more for a property than the cost of acquiring an existing property with the same utility. This approach is applicable when an active market provides sufficient quantity of reliable data that can be verified from authoritative sources. The sales summarized in the following page were selected as the most meaningful and relevant to the valuation of the subject. A map indicating the location of each comparable sale relative to the subject property is also presented below. The comparables are described in further detail in the following paragraphs.

Adjustments to the per unit sale prices of the comparable properties are made in recognition of their relative differences in terms of dates of sale, locational, and physical characteristic differences.

Various adjustments are applied to the comparable data in correlating it to the subject property. An adjustment grid is presented below. It should be noted that the adjustment process is not intended to be a scientific approach in valuing the property but, rather, a clarification of the adjustment process. The mathematics do not control the final value conclusion, but they do provide guidance as to a range of value within which the value of the subject property would most likely fall.

A significant component to the proposed development is the funding provided to the State Center Community College District, who will develop the expanded Fresno Community College West Extension on the site. On January 29, 2018, the California Strategic Growth Council (CSGC) unanimously approved a \$70 million competitive grant to improve the City of Fresno through community-led development and infrastructure projects. Included in this amount is \$16.9 million allocated to onsite infrastructure associated with a proposed satellite college campus that will be constructed on the subject property. This would augment a \$40 million commitment from the State Center Community College District to construct the campus. The resulting \$56.9 million will be used to develop the infrastructure of the overall development along with the campus. These funds have a significant contributory value to the subject's pending parcels as the off-site will be constructed at a cost to the SCCCD and not the subject or any other owner.

There are various methods for valuing estate land acreage like the subject. The selected indicator is the price per acre. While the subject will be slated for use as parkland, it is currently zoned for multi-family residential and this represents its highest and best use. Accordingly, similarly zoned parcels have been included in the analysis.

SALE 1 is the transfer of land that is contained within 10 parcels. The property was acquired by a hotel operator but the eventual development will include other product types. The buyer paid all cash for the property at just below the list price of \$1,762,500. Like the subject's pending off-site, this comparable had similar development adding to the value. The comparable required an adjustment for the superior location in Clovis. The area has higher predominant values and rents. An adjustment was also applied for the smaller land area consistent with the principle of economies of scale. The final adjusted price per acre is \$209,370.

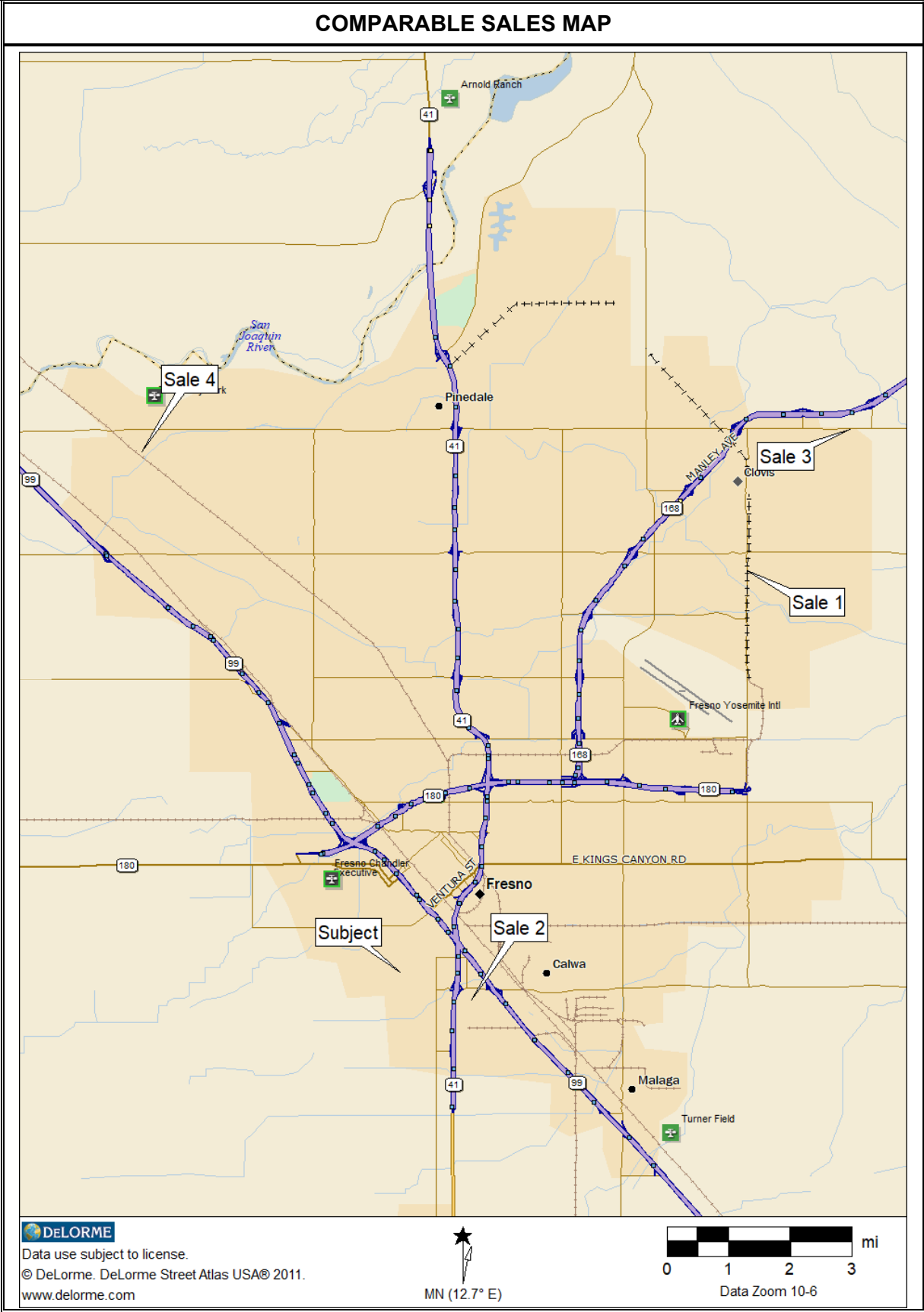
SALE 2 is the transfer of industrially zoned land that is located east of the subject. The parcel is part of a larger industrial related park. The comparable was acquired by a construction company to use as a yard. An adjustment was necessary for the inferior industrial zoning relative to the subject. Additionally, an adjustment for the inferior off-sites relative to the subject was necessary. The final adjusted price per acre is \$207,447.

SALE 3 is the transfer of land that is located in Clovis northeast of the subject. The buyer paid all cash for the property at just below the list price of \$1,762,500. Like the subject's pending off-site, this comparable had similar development adding to the value. The comparable required an adjustment for the superior location in Clovis. The area has higher predominant values and rents. An adjustment was also applied for the smaller land area consistent with the principle of economies of scale. The final adjusted price per acre is \$193,910.

SALE 4 is the transfer of two contiguous parcels that sold as one economic unit. The property was acquired by an investor/developer. The property is located near Herndon, which is an inferior location relative to the subject. An adjustment for the inferior zoning, which allows for less dense development was necessary. An adjustment for the lack of off-sites and the lack of connected utilities. The final adjusted price per acre is \$182,713.

SALES APPROACH

COMPARABLE LAND SALES									
ADDRESS CITY APN	SUBJECT MLK @ Jensen Fresno Pending	SALE 1 2509-2559 Clovis Avenue Clovis 499-540-01, e al		SALE 2 2892 E Dorothy Avenue Fresno 328-200-85S/84S/-30		SALE 3 2362 Herndon Avenue Clovis 550-020-41		SALE 4 SEC Veterans Blvd @ Bullard Fresno 504-081-39S/504-081-40S	
SALE PRICE	***	\$1,725,000		\$1,800,000		\$1,738,500		\$1,145,000	
PRICE/SF	***	\$299,100		\$159,574		\$267,462		\$101,507	
SELLER	***	Clovis Centerpoint LP CA Clovis St LLC 26108		Matthew Prickett		Walmsley Trust		Dalena Family	
BUYER	***			Donald Pickett		Marc Opolo Ents Inc		Butter Inv. Group LLC	
DOC #	***			48949		34282		169852	
PROPERTY CONTACT	***	Robert Fena 559-256-2436		Bill Daly 559-490-2500		Patrick Monreal 559-284-9028		Dick Ellsworth 559-447-6247	
RIGHTS CONV'D	Fee Simple	Fee Simple		Fee Simple		Fee Simple		Fee Simple	
ADJ. SALE PRICE	***	\$1,725,000		\$1,800,000		\$1,738,500		\$1,145,000	
FINANCING	***	All Cash		All Cash		All Cash		Conv./Cash	
ADJ. SALE PRICE	***	\$1,725,000		\$1,800,000		\$1,738,500		\$1,145,000	
COND. OF SALE	***	Market		Market		Market		Market	
CONCESSIONS	***	None		None		None		None	
ADJ. SALE PRICE	***	\$1,725,000		\$1,800,000		\$1,738,500		\$1,145,000	
DATE OF SALE	***	December-17		April-17		March-18		December-17	
ADJ. SALE PRICE	***	\$1,725,000		\$1,800,000		\$1,738,500		\$1,145,000	
SITE									
LOCATION	Average	Good	-25%	Average		Good	-25%	Average-	40%
SIZE	435,164	251,224		491,357		283,140		491,357	
ZONING	RS-4	PCC		M-3	15%	R2		R-1	10%
VISIBILITY	Good	Good		Average		Average		Average	
ACREAGE	9.99	5.77	-5%	11.28		6.50	-2.5%	11.28	
IMPROVEMENTS	None	None		None		None		None	
ORIENTATION	Interior	Corner		Interior		Interior		Interior	
STREET FRONTAGE	None	Average		Average		Average		Average	
SHAPE	Oval	Rectangular		Rectangular		Rectangular		Irregular	
OFF SITES	Good	Good		Average	15%	Good		Average	15%
UTILITIES	Available	Available		Available		Available		None	15%
ADJUSTED PRICE	***	\$1,207,500	-30%	\$2,340,000	30%	\$1,260,413	-27.5%	\$2,061,000	80%
ADJUST. PRICE/SF	***	\$209,370		\$207,447		\$193,910		\$182,713	



COMPARABLE PHOTOS



SALE 1



SALE 2



SALE 3



SALE 4

Value Conclusion

The comparables are considered to be the best available at the time of this appraisal. With the most similar physical characteristics and features as the subject, they do provide for a reasonable value conclusion. All the comparables represented transfer of fee simple ownership. All of the comparables were financed with conventional or seller financing at market rates. As such, no adjustment for favorable financing is considered warranted. All the sales were deemed as market transactions and no adjustment is warranted. No concessions were noted for the sales.

After adjustment, the sales selected for direct comparison to the subject, range in price from approximately \$182,713 to \$209,370 per usable acre, with an adjusted average of \$198,360. Sales Equal weight is given to all the comparables as they bracket the subject's features. After review and analysis of the comparable sales, we conclude that a unit price for the subject just near the average or **\$200,000 per usable acre** is supportable. Accordingly, the fee simple value of the subject is calculated as follows:

$$\text{\$200,000/Acre} \times 9.99 \text{ Acres} = \text{\$1,998,000}$$

$$\text{Rounded} = \text{\$2,000,000}$$

Hypothetical Value Conclusion by the Sales Approach

The opinion of hypothetical value for the subject property, by the Sales Approach, as of August 1, 2018, was:

TWO MILLION DOLLARS

(\$2,000,000)

RECONCILIATION OF VALUE

BAAR was instructed to estimate the market value of the leased fee estate in the subject property. The value conclusion for each applicable approach is summarized below.

SUMMARY OF VALUE CONCLUSIONS AS IS LEASED FEE INTEREST	
Cost Approach	Not Applied
Sales Comparison Approach	\$2,000,000
Income Capitalization Approach	Not Applied
Source: BAAR	

The subject was appraised using the Sales Approach only. The Cost Approach is not applicable given the dilapidated improvements and the primary value associated with the land area. The Income Approach is not applicable for the valuation of the subject as it is not a viable income producing property and there is no comparable/similar rental data available. The Sales Approach is given primary weight as it is the only approach that was developed.

HYPOTHETICAL MARKET VALUE

Based on the appraisal techniques applied and the results thereof, it is the opinion that the "Hypothetical Value" of the fee simple interest in the subject property in its proposed condition, as of August 1, 2018, subject to the certifications, assumptions, limiting conditions, and estimated exposure period of 12 months, was:

TWO MILLION DOLLARS

(\$2,000,000)

ADDENDUM

**QUALIFICATIONS OF APPRAISERS / LICENSES
ASSUMPTIONS AND LIMITING CONDITIONS**

APPRAISER RESUME

APPRAISER'S NAME: **Adam J. Hardej, Jr.**

FIRM NAME: **BAAR Realty Advisors**

FAX/VM: 800-851-1855

Employment for the Last Ten Years

BAAR Realty Advisors – California, Florida, & New England

2001 - Present

PRINCIPAL/OWNER – FULL-SERVICE NATIONAL REAL ESTATE APPRAISAL & CONSULTING FIRM

- **Appraisal & Consulting**
- **Expert Witness Services**

Key Global Finance (*WHOLLY-OWNED SUBSIDIARY OF KEYCORP*)

1996 - 2001

MANAGING DIRECTOR, VP OF UNDERWRITING AND ACQUISITIONS

- **Direct national acquisitions, due diligence and underwriting in 20+ states.**

CB Richard Ellis

1994 - 1996

VICE PRESIDENT, REGIONAL MANAGER (CA, CENTRAL VALLEY) – APPRAISAL & CONSULTING SERVICES

- **Member Golf & Lodging specialty Valuation Group**

Education

MBA, **THE HAAS SCHOOL OF BUSINESS, THE UNIVERSITY OF CALIFORNIA, Berkeley, CA**

1974 - 1991

BA, **Classics / Economics, BOWDOIN COLLEGE, Brunswick, ME**

1979 - 1983

Appraisal Courses and Seminars for the last ten years:

Advanced Land Valuation	7 hrs	3/18	Appraisal Institute
USPAP Update	7 hrs	12/17	MBREA
USPAP Update	7 hrs	12/15	MBREA
USPAP Update	7 hrs	4/14	Appraisal Institute
USPAP Update	7 hrs	3/12	Appraisal Institute
USPAP Update	7 hrs	2/10	Appraisal Institute
USPAP Update	7 hrs	5/08	Appraisal Institute
USPAP Update	7 hrs	2/06	Appraisal Institute
HP12C Course	7 hrs	11/04	Appraisal Institute
Resid. Subdivision Analysis	5 hrs	11/04	Bert Rodgers Schools
URAR Review	14 hrs	10/04	Bert Rodgers Schools
FL Law	3 hrs	10/04	Appraisal Institute
CT Law	3 hrs	9/04	Prof. Valuation & Real Estate School
USPAP	16 hrs	4/04	Appraisal Institute
USPAP	16 hrs	3/02	Appraisal Institute
Economic Outlook	2 hrs	1/01	Appraisal Institute
Seaport Planning	2 hrs	5/00	Appraisal Institute
General Comp Exam	MAI	2/99	Appraisal Institute
Demo Writing Seminar	15 hrs	9/97	Appraisal Institute
Valuation Analysis	40 hrs	6/96	Appraisal Institute
Advanced Applications	40 hrs	9/95	Appraisal Institute
Adv. Income Capitalization	40 hrs	6/94	Appraisal Institute
USPAP, Part B	11 hrs	9/93	Appraisal Institute
Appraisal Procedures	39 hrs	7/93	Appraisal Institute
Basic Income Cap	39 hrs	7/93	Appraisal Institute
USPAP, Part A	16 hrs	11/92	Appraisal Institute

For the 60-month period, May 1991 - June 1996, I personally completed over 3,386 hours of commercial appraisals.

Professional Licenses & Designations

- State of California, Certified General Appraiser AG018716
 - Designated Appraiser – ASA & MAI
 - Qualified Expert Witness: Real Estate and Municipal-based Receivables (i.e. tax liens) related cases
-



Business, Consumer Services & Housing Agency
BUREAU OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE

Adam J. Hardej

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

“Certified General Real Estate Appraiser”

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: AG 018716

Effective Date: May 7, 2017
Date Expires: May 6, 2019


Jim Martin, Bureau Chief, BREA

3034627

APPRAISER RESUME

APPRAISER'S NAME: Luis Lorca DIRECT: 831-887-0118
FIRM NAME: BAAR Realty Advisors MOBILE 415-412-9232
FIELD OFFICES: San Francisco / Salinas FAX: 415.358-5956
EMAIL: luis@baarrealtyadvisors.com

Mr. Lorca is an experienced real estate professional with over 10 years of experience in all property types.

PROFESSIONAL EXPERIENCE

BAAR REALTY ADVISORS – San Francisco & Salinas

2010-Present

Managing Director

- Appraisal & Consulting
- Expert Witness Services
- Business Valuations
- Private Money Investment Advisory
- Manage Field Appraisal Team
- Investment Advisory
- Tax Assessment Appeals

PROPERTY SCIENCES GROUP – Pleasant

2001-2010

Senior Analyst

- Commercial & Residential property appraisal expertise
- Expertise Across a Broad Range of Property Types
- Managed Litigation Support Team
- DCF Modeling
- Portfolio Valuation
- Assisted Proprietary Software Development Team

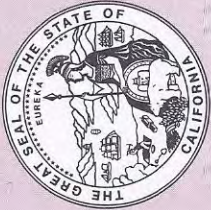
EDUCATION EXPERIENCE

- MBA, Saint Mary's College, Moraga, CA
- BS, International Business, University of San Francisco

PROFESSIONAL LICENSES & ACTIVITIES

- California Real Estate Broker's License (California)
- State Certified General Licensed Appraiser (California, Oregon, Washington)
- Appraisal Institute (Candidate for MAI Designation)

REFERENCES AVAILABLE



Business, Consumer Services & Housing Agency
**BUREAU OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE**

Luis R. Lorca

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

“Certified General Real Estate Appraiser”

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: AG 030345

Effective Date: March 19, 2017

Date Expires: March 18, 2019


Jim Martin, Bureau Chief, BREA

3031807

ASSUMPTIONS AND LIMITING CONDITIONS

1. Unless otherwise specifically noted in the body of the report, it is assumed that title to the property or properties appraised is clear and marketable and that there are no recorded or unrecorded matters or exceptions to total that would adversely affect marketability or value. BAAR is not aware of any title defects nor has it been advised of any unless such is specifically noted in the report. BAAR, however, has not examined title and makes no representations relative to the condition thereof. Documents dealing with liens, encumbrances, easements, deed restrictions, clouds and other conditions that may affect the quality of title have not been reviewed. Insurance against financial loss resulting in claims that may arise out of defects in the subject property's title should be sought from a qualified title company that issues or insures title to real property.
2. It is assumed that improvements have been constructed or will be constructed according to approved architectural plans and specifications and in conformance with recommendations contained in or based upon any soils report(s).

Unless otherwise specifically noted in the body of this report, it is assumed: that any existing improvements on the property or properties being appraised are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are, or will be upon completion, in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the property or properties have been engineered in such a manner that it or they will withstand any known elements such as windstorm, hurricane, tornado, flooding, earthquake, or similar natural occurrences; and, that the improvements, as currently constituted, conform to all applicable local, state, and federal building codes and ordinances. BAAR professionals are not engineers and are not competent to judge matters of an engineering nature. BAAR has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. Unless otherwise specifically noted in the body of the report: no problems were brought to the attention of BAAR by ownership or management; BAAR inspected less than 100% of the entire interior and exterior portions of the improvements; and BAAR was not furnished any engineering studies by the owners or by the party requesting this appraisal. If questions in these areas are critical to the decision process of the reader, the advice of competent engineering consultants should be obtained and relied upon. It is specifically assumed that any knowledgeable and prudent purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems. Structural problems and/or building system problems may not be visually detectable. If engineering consultants retained should report negative factors of a material nature, or if such are later discovered, relative to the condition of improvements, such information could have a substantial negative impact on the conclusions reported in this appraisal. Accordingly, if negative findings are reported by engineering consultants, BAAR reserves the right to amend the appraisal conclusions reported herein.

3. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property was not observed by the appraisers. BAAR has no knowledge of the existence of such materials on or in the property. BAAR, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

We have inspected, as thoroughly as possible by observation, the land; however, it was impossible to personally inspect conditions beneath the soil. Therefore, no representation is made as to these matters unless specifically considered in the appraisal.

4. All furnishings, equipment and business operations, except as specifically stated and typically considered as part of real property, have been disregarded with only real property being considered in the report unless otherwise stated. Any existing or proposed improvements, on or off-site, as well as any alterations or repairs considered, are assumed to be completed in a workmanlike manner according to standard practices based upon the information submitted to BAAR. This report may be subject to amendment upon re-inspection of the subject property subsequent to repairs, modifications, alterations and completed new construction. Any estimate of Market Value is as of the date indicated; based upon the information, conditions and projected levels of operation.
 5. It is assumed that all factual data furnished by the client, property owner, owner's representative, or persons designated by the client or owner to supply said data are accurate and correct unless otherwise specifically noted in the appraisal report. Unless otherwise specifically noted in the appraisal report, BAAR has no reason to believe that any of the data furnished contain any material error. Information and data referred to in this paragraph include, without being limited to, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable
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areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any material error in any of the above data could have a substantial impact on the conclusions reported. Thus, BAAR reserves the right to amend conclusions reported if made aware of any such error. Accordingly, the client-addressee should carefully review all assumptions, data, relevant calculations, and conclusions within 30 days after the date of delivery of this report and should immediately notify BAAR of any questions or errors.

6. The date of value to which any of the conclusions and opinions expressed in this report apply, is set forth in the Letter of Transmittal. Further, that the dollar amount of any value opinion herein rendered is based upon the purchasing power of the American Dollar on that date. This appraisal is based on market conditions existing as of the date of this appraisal. Under the terms of the engagement, we will have no obligation to revise this report to reflect events or conditions, which occur subsequent to the date of the appraisal. However, BAAR will be available to discuss the necessity for revision resulting from changes in economic or market factors affecting the subject.
 7. BAAR assumes no private deed restrictions, limiting the use of the subject property in any way.
 8. Unless otherwise noted in the body of the report, it is assumed that there are no mineral deposit or subsurface rights of value involved in this appraisal, whether they be gas, liquid, or solid. Nor are the rights associated with extraction or exploration of such elements considered unless otherwise stated in this appraisal report. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
 9. BAAR is not aware of any contemplated public initiatives, governmental development controls, or rent controls that would significantly affect the value of the subject.
 10. The estimate of Market Value, which may be defined within the body of this report, is subject to change with market fluctuations over time. Market value is highly related to exposure, time promotion effort, terms, motivation, and conclusions surrounding the offering. The value estimate(s) consider the productivity and relative attractiveness of the property, both physically and economically, on the open market.
 11. Any cash flows included in the analysis are forecasts of estimated future operating characteristics are predicated on the information and assumptions contained within the report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of current market expectations of future income and expenses. The achievement of the financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. BAAR does not warrant these forecasts will occur. Projections may be affected by circumstances beyond the current realm of knowledge or control of BAAR.
 12. Unless specifically set forth in the body of the report, nothing contained herein shall be construed to represent any direct or indirect recommendation of BAAR to buy, sell, or hold the properties at the value stated. Such decisions involve substantial investment strategy questions and must be specifically addressed in consultation form.
 13. Also, unless otherwise noted in the body of this report, it is assumed that no changes in the present zoning ordinances or regulations governing use, density, or shape are being considered. The property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated.
 14. This study may not be duplicated in whole or in part without the specific written consent of BAAR nor may this report or copies hereof be transmitted to third parties without said consent, which consent BAAR reserves the right to deny. Exempt from this restriction is duplication for the internal use of the client-addressee and/or transmission to attorneys, accountants, or advisors of the client-addressee. Also exempt from this restriction is transmission of the report to any court, governmental authority, or regulatory agency having jurisdiction over the party/parties for whom this appraisal was prepared, provided that this report and/or its contents shall not be published, in whole or in part, in any public document without the express written consent of BAAR which consent BAAR reserves the right to deny. Finally, this report shall not be advertised to the public or otherwise used to induce a third party to purchase the property or to make a "sale" or "offer for sale" of any "security", as such terms are defined and used in the Securities Act of 1933, as amended. Any third party, not covered by the exemptions herein, who may possess this report, is advised that they should rely on their own independently secured advice for any decision in connection with this property. BAAR shall have no accountability or responsibility to any such third party.
 15. Any value estimate provided in the report applies to the entire property, and any pro ration or division of the title into fractional interests will invalidate the value estimate, unless such pro ration or division of interests has been set forth in the report.
 16. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. Component values for land and/or buildings are not intended to be used in conjunction with any other property or appraisal and are invalid if so used.
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17. The maps, plats, sketches, graphs, photographs and exhibits included in this report are for illustration purposes only and are to be utilized only to assist in visualizing matters discussed within this report. Except as specifically stated, data relative to size or area of the subject and comparable properties has been obtained from sources deemed accurate and reliable. None of the exhibits are to be removed, reproduced, or used apart from this report.
 18. No opinion is intended to be expressed on matters, which may require legal expertise or specialized investigation, or knowledge beyond that customarily employed by real estate appraisers. Values and opinions expressed presume that environmental and other governmental restrictions/conditions by applicable agencies have been met, including but not limited to seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, licenses, etc. No survey, engineering study or architectural analysis has been made known to BAAR unless otherwise stated within the body of this report. If the Consultant has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranty is made concerning obtaining these items. BAAR assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal flood Insurance Program should be contacted to determine the actual need for flood Hazard Insurance.
 19. Acceptance and/or use of this report constitutes full acceptance of the Contingent and Limiting Conditions and special assumptions set forth in this report. It is the responsibility of the Client, or client's designees, to read in full, comprehend and thus become aware of the aforementioned contingencies and limiting conditions. Neither the Appraiser nor BAAR assumes responsibility for any situation arising out of the Client's failure to become familiar with and understand the same. The Client is advised to retain experts in areas that fall outside the scope of the real estate appraisal/consulting profession if so desired.
 20. BAAR assumes that the subject property analyzed herein will be under prudent and competent management and ownership; neither inefficient or super-efficient.
 21. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.
 22. No survey of the boundaries of the property was undertaken. All areas and dimensions furnished are presumed to be correct. It is further assumed that no encroachments to the realty exist.
 23. The *Americans with Disabilities Act* (ADA) became effective January 26, 1992. Notwithstanding any discussion of possible readily achievable barrier removal construction items in this report, BAAR has not made a specific compliance survey and analysis of this property to determine whether it is in conformance with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the ADA. If so, this fact could have a negative effect on the value estimated herein. Since BAAR has no specific information relating to this issue, nor is BAAR qualified to make such an assessment, the effect of any possible non-compliance with the requirements of the ADA was not considered in estimating the value of the subject property.
 24. No consideration has been given in this appraisal as to the value of the property located on the premises considered by the appraiser to be personal property, nor has the appraiser given consideration to the costs of moving or relocating such personal property; only the real property has been considered in this appraisal. Additionally, the comparable data was of real property only, and no personal property was considered with any market data.
 25. The liability of the authors of this appraisal report, BAAR Realty Advisors, and any other employees / contractors of BAAR Realty Advisors is limited to the fee collected for preparation of this appraisal report.
 26. Acceptance of, and/or use of, this appraisal report constitutes acceptance of the above conditions.
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SPECIFIC ASSUMPTIONS AND LIMITING CONDITIONS

1. The estimate of marketing time is less than 12 months based upon such items as statistical information about days on market; information gathered through sales verification; interviews of marketing participants; and anticipated changes in market conditions. The reasonable marketing time is a function of price, time, use, and anticipated market conditions such as changes in the cost and availability of funds; not an isolated estimate of time alone.
2. This appraisal has been prepared from very limited property data provided by the client. Due to the lack of property specific descriptions and economic data from primary sources, BAAR was required to obtain information from best available sources, which included public records, owners, tenants and others. Every effort has been made to verify all information used within this report; however, it was in some instances necessary for BAAR to make critical assumptions to complete this assignment. BAAR reserves the right to amend its opinion of value at a later date should information become available which would significantly change the stated opinion of values.

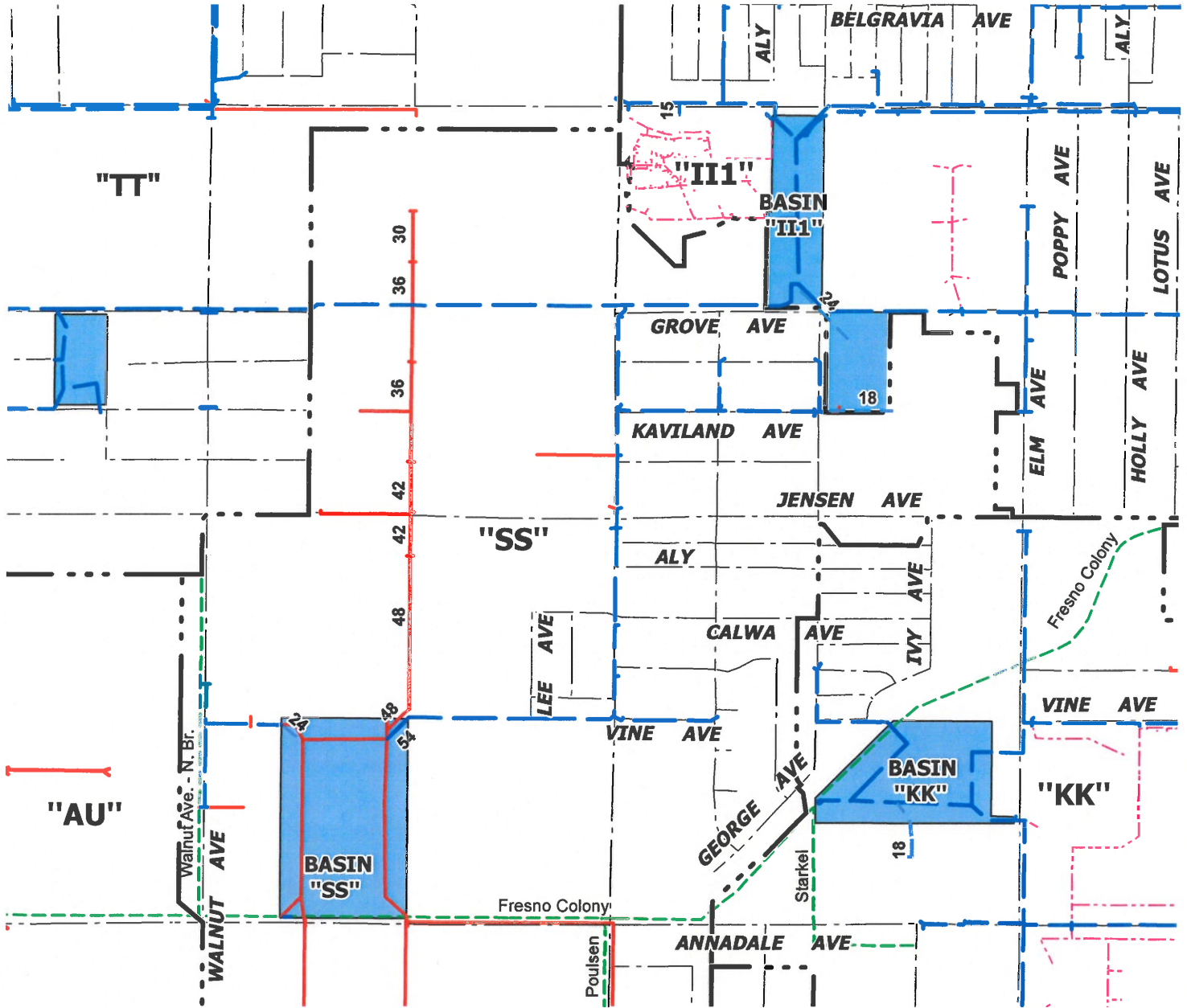
All value opinions expressed herein are as of the date of value. In some cases, facts or opinions are expressed in the present time. All opinions are expressed as of the date of value, unless specifically noted. The research and preparation of this appraisal took place in August and September 2018. The effective date of valuation is August 1, 2018 for the as is value. There are no events that must occur between the date of last inspection of the subject property and the date of valuation in order to conclude the value reported herein. Thus the reported value is predicated on the specific assumption that the status of the property as of the date of valuation is not materially different that it was on the date of BAAR last inspection of the subject property. The appraisal is based on real estate and economic conditions as best perceived as of the date of the report.

3. The report and parts thereof and any additional material submitted, may not be used in any prospectus or printed material used in conjunction with the sale of securities or participation interests in Public Offering as defined under U.S. Security laws. Further, neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations media, news media, sales media, or other media for public communication without the prior consent of BAAR. The use of all or any part of this report in connection with real estate tax shelters, syndication of interests in real estate, the offering of securities, shares or partnership interests in real estate or any other public or private offering without the specific written consent of BAAR is not authorized. Neither the whole, nor any part of this report, nor any reference thereto may be included in any document, statement, appraisal or circular without the signatories' prior written approval of the form and context in which it is to appear.
 4. Any "after tax" income or investment analysis and resultant measures of return on investment are intended to reflect only the possible and general market considerations, whether as part of estimating value or estimating possible returns on investment at an assumed value or Price paid. Any stated conclusion referred to as "Investment Value" should not be construed as being representative of "Market Value" since the prospectus of the Client may be based upon individual investment requirements, as distinguished from the concept of market value, which is impersonal and detached. Market value and investment value may coincide when a client's investment criteria are consistent with prevailing market trends and conditions. In this instance, the two value estimates may be numerically identical, but the two types of value are not interchangeable. BAAR does not claim expertise in tax matters and advises the client to seek competent tax advice from a qualified income tax advisor.
 5. The reasonable exposure time is 12 months based on current market conditions. The reasonable exposure time inherent in the market value concept is always presumed to precede the effective date of the appraisal. We also recognize the exposure time is different for various types of real estate and under various market conditions and that the reasonable exposure time should always incorporate the answer to the question, "For what kind of real estate at what value range?" rather than appear as a statement of an isolated time period.
 6. This study is not being prepared for use in connection with litigation. Accordingly, no rights to expert testimony, pretrial or other conferences, deposition, or related services are included with this appraisal. If, as a result of this undertaking, BAAR or any of its principals, its appraisers or consultants are requested or required to provide any litigation services, such shall be subject to the provisions of BAAR engagement letter or, if not specified therein, subject to the reasonable availability of BAAR and/or said principals or appraisers at the time and shall further be subject to the party or parties requesting or requiring such services paying the then-applicable professional fees and expenses of BAAR either in accordance with the provisions of the engagement letter or arrangements at the time, as the case may be.
 7. All data considered significant that was requested for this assignment was received by BAAR.
-

Exhibit H
FMFCD Storm Drainage and Flood Control Master Plan
For Drainage Area "SS"

DRAFT

NOTE: THIS MAP IS SCHEMATIC. DISTANCES, AMOUNT OF CREDITABLE FACILITIES, AND LOCATION OF INLET BOUNDARIES ARE APPROXIMATE.



LEGEND

- ▣ — Existing Master Plan Facilities
- ▣ — Future Master Plan Facilities
- · · · — Drainage Area Boundary



SS MASTER PLAN DRAINAGE AREA "SS"



EXHIBIT NO. 1 FRESNO METROPOLITAN FLOOD CONTROL DISTRICT