

## MARCH LIFECARE CAMPUS

### FIRST AMENDMENT TO MARCH LIFECARE CAMPUS DISPOSITION AND DEVELOPMENT AGREEMENT

This **FIRST AMENDMENT TO MARCH LIFECARE CAMPUS DISPOSITION AND DEVELOPMENT AGREEMENT** ("**First Amendment**") is entered into between (1) the **MARCH JOINT POWERS AUTHORITY**, a California joint powers authority, acting in its own capacity and as the successor agency to the March Joint Powers Redevelopment Agency ("**Authority**") and (2) **MARCH HEALTHCARE DEVELOPMENT, LLC**, a California limited liability company ("**Developer**"). The Authority and the Developer are sometimes referred to, individually, in this First Amendment as a "**Party**" and, collectively, as the "**Parties**."

This First Amendment is dated as of March 7, 2012 for reference purposes only. This First Amendment will not become effective or binding upon the Parties until the occurrence of the "**First Amendment Effective Date**" (defined in Section 1.02).

This First Amendment is entered into by the Parties based upon the facts and circumstances set forth in the following Recitals.

#### RECITALS

A. The Developer and the March Joint Powers Redevelopment Agency ("**Agency**") are parties to that certain "March Lifecare Campus Disposition and Development Agreement ("**Original DDA**") dated as of April 7, 2010. The Original DDA and this First Amendment pertain to the Property shown on the Site Map attached as **Exhibit "A"** and legally described on the attached **Exhibit "B"**.

B. As a result of the state legislature's adoption of California Assembly Bill 1X 26 ("**AB 26**") and the California Supreme Court's holding in *California Redevelopment Association v. Matosantos*, the Agency was dissolved and ceased to function as of February 1, 2012. In accordance with Health & Safety Code section 34173, the Authority assumed the entirety of the Agency's rights and obligations under then-existing Agency agreements, including the Original DDA.

C. On March 2, 2011, the Agency assigned its rights and obligations under Articles 3 through 4.5 (inclusive) and 9 of the Original DDA to the Authority. The Authority is entering into this First Amendment in its capacity as the Agency's successor agency under Health & Safety Code section 34173 and as the Agency's assignee as to the Agency's rights and obligations under Articles 3 through 4.5 (inclusive) and 9 of the Original DDA.

D. AB 26 requires the creation of an oversight board ("**Oversight Board**") to monitor and approve the disposition of the former Agency's assets and certain other statutorily-described actions taken by the Authority as the Agency's successor. Health & Safety Code section 34181(e) provides that, under certain circumstances, the Oversight Board may approve amendments to existing Agency contracts proposed by the Authority, such as this First Amendment. This First Amendment is subject to Oversight Board approval and to potential review by the State Department of Finance pursuant to Health & Safety Code section 34179(h).

E. By letter dated September 27, 2011, and in accordance with Section 9.02 of the Original DDA, the Agency provided the Developer with a **"Notice of Breach"**, alleging that the Developer was in breach of certain of its obligations under the Original DDA, as more specifically set forth in the Notice of Breach. The Developer disputes the Agency's assertion in its entirety. Nothing in this First Amendment is intended to or will operate as an admission of fact or of liability by either Party. This First Amendment is entered into for the purposes of resolving the dispute between the Authority (Agency) and the Developer concerning the Developer's performance under the Original DDA. In resolution of the dispute, the Parties have agreed to modify the Original DDA as set forth in this First Amendment.

**NOW, THEREFORE**, for good and valuable consideration, receipt of which is acknowledged, the Authority and the Developer agree as follows:

### **OPERATIVE PROVISIONS**

#### **ARTICLE 1. EFFECTIVE DATE; TERMINATION UPON OVERSIGHT BOARD OR STATE DEPARTMENT OF FINANCE DISAPPROVAL**

**Section 1.01.** This First Amendment is reference dated as of March 7, 2012. It will not become effective until the fourth (4<sup>th</sup>) day after the date ("**First Amendment Effective Date**") on which all of the following have occurred: (1) this First Amendment has been executed by the Developer's authorized representatives and delivered two (2) executed counterpart originals to the Authority; (2) the Oversight Board has approved this First Amendment, as set forth in Section 1.02; (3) the State Department of Finance has either elected to review the Oversight Board approval and has approved this First Amendment or the time for its review has expired, as set forth in Section 1.02; and (4) the Authority's governing board has approved this First Amendment as required by law, the Authority's Executive Director has executed the First Amendment, and the Authority has delivered a fully-executed counterpart original of this First Amendment to the Developer.

**Section 1.02.** At the earliest possible opportunity, the Authority will submit this First Amendment to the Oversight Board for approval in accordance with Health & Safety Code section 34181(e). The Parties acknowledge that, pursuant to Health & Safety Code section 34179(h), the State Department of Finance may review and disapprove any Oversight Board approval of this First Amendment. The date which is the fourth (4<sup>th</sup>) day after all the events described in Section 1.01 have occurred is hereinafter referred to as the "**First Amendment Effective Date**". The First Amendment Effective Date will not occur, if ever, until the State Department of Finance approves this First Amendment or the State Department of Finance's time within which to approve or disapprove this First Amendment has expired in accord with Health & Safety Code section 34179(h).

**Section 1.03.** Initially capitalized terms used in this First Amendment will have the meanings given to those terms where they first appear. Initially capitalized terms used and not otherwise defined in this First Amendment will have the meanings given to those terms in the Original DDA.

**Section 1.04.** From and after the First Amendment Effective Date, wherever the term "**Agreement**" appears in the Original DDA and its exhibits, it will be read and understood to mean the Original DDA as modified by this First Amendment. In addition, from and after the First Amendment Effective Date, wherever the term "**Agency**" appears in the Original DDA and its exhibits, it will be read and understood to mean the "**Authority**". Except as so expressly modified,



all other terms, conditions and requirements of the Original DDA and its exhibits remain in full force and effect.

**Section 1.05.** The form of Memorandum of Agreement attached as **Exhibit "K"** to the Original DDA is replaced in its entirety with the form of Memorandum attached as **Exhibit "C"** to this First Amendment.

## **ARTICLE 2. FIRST CLOSING AND MINIMUM PURCHASE PRICE**

**Section 2.01.** Anything to the contrary in the Original DDA notwithstanding, the Developer will either:

(1) cause the First Closing to occur on or before June 30, 2012 at a Purchase Price of no less than Four Hundred Thousand Dollars (\$400,000); or

(2) on or before June 30, 2012 ("**First Payment Date**"), pay to the Authority the sum of Four Hundred Thousand Dollars (\$400,000), less any amount of Purchase Price for any portion of the Property that has been received by the Authority before June 30, 2012. The "**Purchase Price Credit**" (defined below), calculated as of the Closing Date, will be offset and credited against the Purchase Price for each Closing until the full Purchase Price Credit has been applied. As used in this paragraph (2), the term "**Purchase Price Credit**" means the sum of Four Hundred Thousand Dollars (\$400,000), less any amounts thereof (if any) previously applied as a credit against the Purchase Price of Acquisition Parcel, multiplied by the Applicable Discount Factor as of the Closing Date. The term "**Applicable Discount Factor**" means the following:

(a) for all Closing Dates occurring in the period between July 1, 2012 through and including September 30, 2012, the Applicable Discount Factor will be seventy-five percent (75%);

(b) for all Closing Dates occurring in the period between October 1, 2012 through and including December 31, 2012, the Applicable Discount Factor will be fifty percent (50%);

(c) for all Closing Dates occurring in the period between January 1, 2013 through and including March 31, 2013, the Applicable Discount Factor will be twenty-five percent (25%);

(d) for all Closing Dates occurring on or after July 1, 2013, no Purchase Price Credit will be available to be offset or credited against the Purchase Price for any Closing.

## **ARTICLE 3. AMENDMENT OF SECTION 5.05 (CLOSING) OF THE ORIGINAL DDA**

**Section 3.01.** Section 5.05 (Closing) of the Original DDA is deleted and replaced in its entirety to read as follows"

**"Section 5.05 Closing.** The conveyance of each Acquisition Parcel shall occur, following fulfillment of the Conditions Precedent, within ten (10) days after the Parties have sent written instructions to Escrow directing the Closing of such Acquisition Parcel but, with respect to the First Closing, in no event later than April 7, 2013 (the "**First Closing Outside Date**"). In addition, the Developer shall

have the right to further extend the First Closing Outside Date to April 7, 2014, provided the Developer complies with the procedure set forth below. Whether or not the Developer elects to extend the First Closing Outside Date as provided herein, the First Closing Outside Date may be extended for a period not to exceed one (1) additional year for an event of force majeure. In addition, with respect to the Final Closing, the conveyance of all Acquisition Parcels shall occur, following fulfillment of the Conditions Precedent, within ten (10) days after the Parties have sent written instructions to Escrow directing the Closing of such Acquisition Parcel but, in no event later than the fifteenth (15<sup>th</sup>) anniversary of the First Conveyance (the “**Final Closing Outside Date**”).

In the event the Developer is unable to cause the First Closing to occur on or before April 7, 2013, at a Purchase Price of no less than Four Hundred Thousand Dollars (\$400,000), then the Developer shall have the right to extend the First Closing Outside Date to April 7, 2014, by paying the Authority, on or before June 30, 2013 (“**Second Payment Date**”), the sum of Four Hundred Twelve Thousand Dollars (\$412,000), less any amount of Purchase Price for any portion of the Property that has been received by the Authority before June 30, 2013. In that event, the “**Second Purchase Price Credit**” (defined below), calculated as of the Closing Date, will be offset and credited against the Purchase Price for each Closing until the full Purchase Price Credit has been applied. As used herein, the term “**Second Purchase Price Credit**” means the sum of Four Hundred Twelve Thousand Dollars (\$412,000), less any amounts thereof (if any) previously applied as a credit against the Purchase Price of Acquisition Parcel, multiplied by the Second Applicable Discount Factor as of the Closing Date. The term “**Second Applicable Discount Factor**” means the following:

(a) for all Closing Dates occurring in the period between July 1, 2013 through and including September 30, 2013, the Second Applicable Discount Factor will be seventy-five percent (75%);

(b) for all Closing Dates occurring in the period between October 1, 2012 through and including December 31, 2013, the Second Applicable Discount Factor will be fifty percent (50%);

(c) for all Closing Dates occurring in the period between January 1, 2014 through and including March 31, 2014, the Second Applicable Discount Factor will be twenty-five percent (25%);

(d) for all Closing Dates occurring on or after July 1, 2014, no Purchase Price Credit will be available to be offset or credited against the Purchase Price for any Closing.

The “**Closing**” shall mean the recordation of the Grant Deed in the Official Records of Riverside County with respect to each Acquisition Parcel. The “**Closing Date**” shall mean the day on which the Closing occurs.”



**ARTICLE 4. AMENDMENT OF SECTION 5.09 (CONDITIONS PRECEDENT APPLICABLE TO ALL CLOSINGS)**

**Section 4.01.** Section 5.09 (Conditions Precedent Applicable to All Closings) of the Original DDA is modified as follows:

(1) Subparagraphs (e), (j) and (k) are deleted in their entirety and replaced with the phrase “[**Intentionally Omitted**]”. All subsequent references to any of these subparagraphs within Section 5.09 or elsewhere in the Original DDA are deleted.

**Section 4.02.** Section 5.09 (Conditions Precedent Applicable to All Closings) of the Original DDA is modified as follows:

(1) Subparagraph (g) (Approval of the Third Party Developer(s)/End User(s)) of the Original DDA is deleted and replaced in its entirety to read as follows:

“(g) Approval of the Third Party Developer(s)/End User(s). The Developer shall have submitted and the Authority shall have approved the identity of the Third Party Developer(s)/End User(s) for each Closing, exercising reasonable discretion, based on financial capability and development and/or operating experience, as applicable, with respect to the Vertical Improvements (*i.e.*, Healthcare Facilities) proposed. Without limiting the generality of the foregoing, the financial capability of the Third Party Developer(s)/End User(s) shall be based on a copy of the purchase agreement between the Developer and such Third Party Developer(s)/End User(s), evidencing the right to purchase the applicable Acquisition Parcel and reasonable evidence that such Third Party Developer(s)/End User(s) has equity and/or debt capital available to purchase the applicable Acquisition Parcel and develop the applicable Vertical Improvements.”

(2) Section 6.13 (Approval of Construction Financing) is deleted.

**ARTICLE 5. PREPARATION OF WATER AND SEWER, STREET IMPROVEMENT, AND DRY UTILITY PLANS**

**Section 5.01.** Anything to the contrary in the Original DDA notwithstanding, including the Schedule of Performance, the Developer will complete all outstanding water and sewer service plans for the Phase 1 Backbone Infrastructure and complete the plan check and approval process on or before August 31, 2012. The Authority acknowledges that the Western Municipal Water District will be solely responsible for reviewing and approving the water and sewer service plans, but the Developer will deliver courtesy copies of those plans to the Authority upon the Authority’s written request.

**Section 5.02.** Anything to the contrary in the Original DDA notwithstanding, including the Schedule of Performance, the Developer will cause the preparation of thirty percent (30%) design level plans (as reasonably certified by the Developer’s engineers) for streets and dry utilities for the Phase 1 Backbone Infrastructure and submit them to the Authority on or before May 31, 2012. The Developer will complete the remaining design of the streets and dry utilities plans and submit them to the Authority for plan check on or before April 7, 2013. The plans will be subject to the Authority’s reasonable review and approval, in accordance with its customary procedures for the

review and approval of public improvement plans. The Developer will not be obligated to begin construction of any street improvements until the completion of all heavy construction activities, including, without limitation, demolition and grading activities.

#### **ARTICLE 6. RIGHT OF FIRST REFUSAL AND EXCLUSIVE RIGHT TO NEGOTIATE**

**Section 6.01.** Any reference in Section 11.21 (Right of First Refusal) to five (5) years from the Effective Date, shall be deemed to be a reference to five (5) years from the First Amendment Effective Date.

**Section 6.02.** Any reference in Section 11.23 (Exclusive Right to Negotiate) to five (5) years from the Effective Date, shall be deemed to be a reference to five (5) years from the First Amendment Effective Date.

#### **ARTICLE 7. WAIVER OF CURE**

**Section 7.01.** The following is added as the last sentence of Section 9.02:

“The Developer shall have no right to cure in the event the Breach involves the Developer’s failure to extend the First Closing Outside Date pursuant to Section 5.05 and cause the First Closing to occur on or before April 7, 2014.”

**[Signatures begin on following page]**

**SIGNATURE PAGE TO  
FIRST AMENDMENT TO  
MARCH LIFECARE CAMPUS  
DISPOSITION AND DEVELOPMENT AGREEMENT**

**AUTHORITY:**

**March Joint Powers Authority**, a California joint powers authority, acting in its own capacity and as the successor agency to the March Joint Powers Redevelopment Agency

By: \_\_\_\_\_

Lori M. Stone, Executive Director



[Seal]

**ATTEST:**

\_\_\_\_\_  
Authority Secretary

**APPROVED AS TO LEGAL FORM:**

**BEST BEST & KRIEGER, LLP**

By: \_\_\_\_\_

**SIGNATURE PAGE TO  
FIRST AMENDMENT TO  
MARCH LIFECARE CAMPUS  
DISPOSITION AND DEVELOPMENT AGREEMENT**

**DEVELOPER:**

**MARCH HEALTHCARE DEVELOPMENT, LLC,  
a California limited liability company**

By: CEO STRATEGIC SOLUTIONS, LLC,  
a California limited liability company

By:   
Donald N. Ecker, Managing Member

**APPROVED AS TO LEGAL FORM:**

**GRESHAM SAVAGE NOLAN & TILDEN**

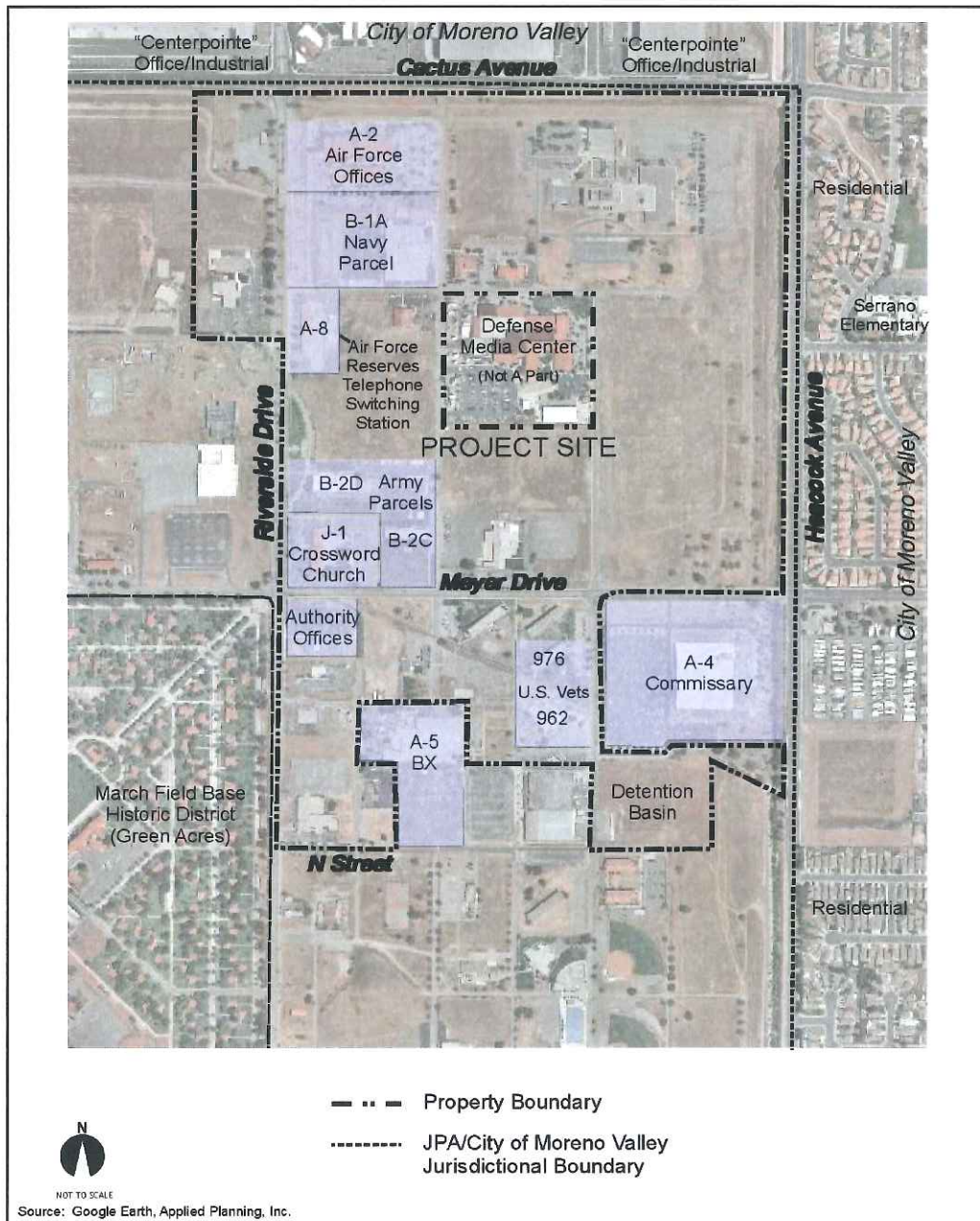
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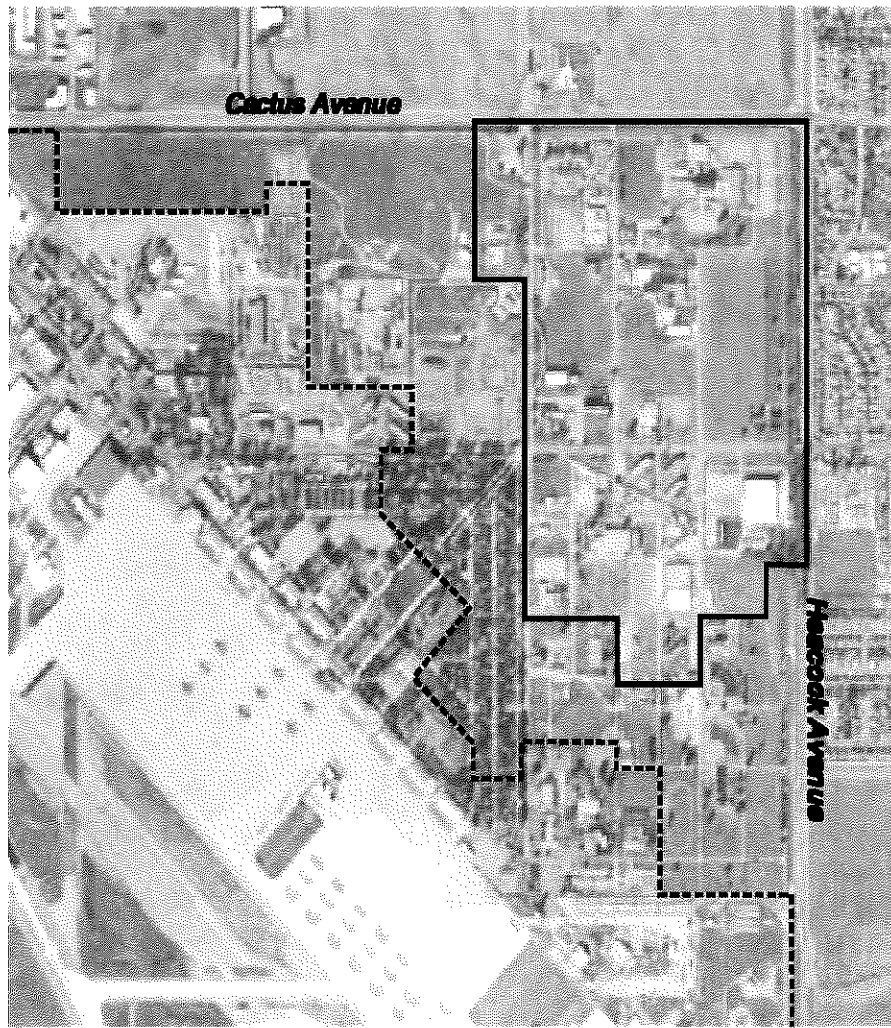


## EXHIBIT "A"

### FIRST AMENDMENT TO MARCH LIFECARE CAMPUS DISPOSITION AND DEVELOPMENT AGREEMENT

#### SITE MAP





- Northeast Quadrant of the March Air Force Base Redevelopment Project Area
- - - - - Cantonment Fence



NOT TO SCALE

Source: Google Earth, Applied Planning, Inc.

Exhibit A  
Page 2



## **EXHIBIT "B"**

### **FIRST AMENDMENT TO MARCH LIFECARE CAMPUS DISPOSITION AND DEVELOPMENT AGREEMENT**

#### **LEGAL DESCRIPTION DDA BOUNDARY**

Those portions of Lots 1 and 8 in Block 262, and Lots 1 through 8, inclusive, in Block 261, and Lots 1 through 8, inclusive, in Block 280, and Lots 1 through 8, inclusive, in Block 281 of Map No. 1 of Bear Valley and Alessandro Development Co., as shown by map on file in Book 11 of Maps at page 10, thereof, Records of San Bernardino County, California, lying in Sections 13 and 24, Township 3 South, Range 4 West, San Bernardino Meridian, described as follows:

**BEGINNING** at the intersection of the centerline of Cactus Avenue with the centerline of Heacock Street (30.00 feet in half width), as shown on Record of Survey on file in Book 124 of Records of Survey at pages 69 through 81, inclusive thereof, Records of Riverside County, California, said centerline of Heacock Street being the easterly line of said Blocks 261 and 280;

Thence South 00°26'00" West along said centerline of Heacock Street, a distance of 2640.57 feet to a point of intersection with the centerline of John F. Kennedy Drive as shown on Tract No. 19711 on file in Book 182 of Maps at pages 38 through 42, inclusive thereof, Records of Riverside County, California, said centerline of Heacock Street also being the westerly line of Block 144 of said Map No. 1 of Bear Valley and Alessandro Development Co.;

Thence South 00°26'44" West along said centerline of Heacock Street, a distance of 26.65 feet to a point of intersection with the easterly prolongation of the northerly line of Parcel 5 of Record of Survey on file in Book 121 of Records of Survey at pages 83 through 90, inclusive thereof, Records of Riverside County, California, said centerline of Heacock Street also being the easterly line of said Block 281;

Thence along the boundary line of said Parcel 5 the following seven (7) courses and distances:

- 1) North 89°34'43" West, a distance of 858.46 feet to the beginning of a non-tangent curve, concave to the southeast, having a radius of 100.00 feet, the radial line from said point bears South 00°27'54" West;
- 2) Westerly, southwesterly and southerly along said curve, to the left, through a central angle of 90°00'55", an arc distance of 157.11 feet;
- 3) South 00°26'59" West, a distance of 71.74 feet to the beginning of a tangent curve, concave to the west, having a radius of 75.00 feet;
- 4) Southerly along said curve, to the right, through a central angle of 06°50'44", an arc distance of 8.96 feet;
- 5) South 07°17'43" West, a distance of 92.07 feet to the beginning of a tangent curve, concave to the east, having a radius of 75.00 feet;

6) Southerly along said curve, to the left, through a central angle of  $06^{\circ}50'44''$ , an arc distance of 8.96 feet;

7) South  $00^{\circ}26'59''$  West, a distance of 569.36 feet to the southwesterly corner of said Parcel 5, said corner also being the northwesterly corner of that certain parcel of land conveyed to The March Joint Powers Authority described as Parcel K-5D-B1050 on Quitclaim Deed recorded November 05, 2007 as Document No. 2007-0674220, Official Records of Riverside County, California;

Thence along said boundary line of Parcel 5 and along the boundary line of said Parcel K-5D-B1050 the following eight (8) courses and distances:

1) South  $89^{\circ}33'04''$  East, a distance of 5.00 feet to the beginning of a non-tangent curve, concave to the southeast, having a radius of 15.00 feet;

2) Northeasterly along said curve, to the right, through a central angle of  $90^{\circ}00'30''$ , an arc distance of 23.56 feet;

3) South  $89^{\circ}33'04''$  East, a distance of 303.98 feet to the beginning of a tangent curve, concave to the northwest, having a radius of 55.00 feet;

4) Northeasterly along said curve, to the left, through a central angle of  $85^{\circ}54'06''$ , an arc distance of 82.46 feet;

5) South  $89^{\circ}33'04''$  East, a distance of 252.16 feet;

6) North  $00^{\circ}26'26''$  East, a distance of 160.24 feet;

7) South  $89^{\circ}33'04''$  East, a distance of 183.69 feet;

8) North  $62^{\circ}09'21''$  East along said boundary line and along the northeasterly prolongation thereof, a distance of 177.05 feet to a point on said centerline of Heacock Street;

Thence South  $00^{\circ}26'44''$  West along said centerline, a distance of 477.28 feet to a point thereon;

Thence North  $89^{\circ}33'16''$  West, a distance of 29.79 feet to a point on westerly right of way line of said Heacock Street, said point being the southeasterly corner of said Parcel K-5D-B1050;

Thence along said boundary line of Parcel K-5D-B1050 the following eight (8) courses and distances:

1) North  $47^{\circ}27'01''$  West, a distance of 88.64 feet;

2) North  $65^{\circ}55'13''$  West, a distance of 206.62 feet;



- 3) South 00°24'35" East, a distance of 446.13 feet;
- 4) North 89°37'53" West, a distance of 325.02 feet;
- 5) North 00°06'18" West, a distance of 15.17 feet;
- 6) North 88°47'08" West, a distance of 347.43 feet to the beginning of a tangent curve, concave to the northeast, having a radius of 20.00 feet;
- 7) Northwesterly along said curve, to the right, through a central angle of 89°13'01", an arc distance of 31.14 feet
- 8) North 00°25'53" East, a distance of 362.61 feet to a point of intersection with the easterly prolongation of the northerly line of that certain parcel of land conveyed to the March Joint Powers Authority described as Parcel J-4-B960 on said Quitclaim Deed recorded November 05, 2007 as Document No. 2007-0674220, Official Records of Riverside County, California;

Thence North 89°38'33" West along said easterly prolongation and along said northerly line, a distance of 685.72 feet to a point on the easterly boundary line of Parcel 4 of said Record of Survey on file in Book 121 of Records of Survey at pages 83 through 90, inclusive thereof, Records of Riverside County, California;

Thence along the boundary line of said Parcel 4 the following six (6) courses and distances:

- 1) North 00°21'11" East, a distance of 45.80 feet;
- 2) South 89°45'19" East, a distance of 18.14 feet;
- 3) North 00°20'40" East, a distance of 305.07 feet;
- 4) North 89°38'45" West, a distance of 547.07 feet;
- 5) South 00°21'13" West, a distance of 330.00 feet;
- 6) South 89°38'51" East, a distance of 167.04 feet;

Thence South 00°21'03" West along said boundary line and along the southerly prolongation thereof, a distance of 424.47 feet to a point on the southerly line of that certain parcel of land conveyed to The March Joint Powers Authority described as "4<sup>th</sup> Street South and Vicinity Streets" on Quitclaim Deed recorded September 21, 2007 as Document No. 2007-0594725, Official Records of Riverside County, California;

Thence North 89°35'04" West along said southerly line, a distance of 187.77 feet to an angle point thereon;

Thence North 89°39'20" West continuing along said southerly line, a distance of 460.19 feet to a point on the westerly line of that certain parcel of land conveyed to The March Joint Powers Authority described as "Riverside Drive" on Quitclaim Deed recorded June 27, 2007 as Document No. 2007-0416182, Official Records of Riverside County, California;

Thence along said westerly line of parcel so conveyed the following five (5) courses and distances:

- 1) North 00°25'58" East, a distance of 1292.52 feet
- 2) North 01°07'52" West, a distance of 111.70 feet;
- 3) North 00°42'13" East, a distance of 738.58 feet;
- 4) South 89°17'47" East, a distance of 7.67 feet;
- 5) North 00°13'55" East, a distance of 489.86 feet to the southeasterly corner of that certain parcel of land conveyed to The March Joint Powers Authority described as "Castle Street" on said Quitclaim Deed recorded September 21, 2007 as Document No. 2007-0594725, said point being the beginning of a non-tangent curve, concave to the southwest, having a radius of 45.00 feet, the radial line from said point bears South 89°47'49" West;

Thence northerly, northwesterly and westerly along the southerly line of said parcel so conveyed and along said curve, to the left, through a central angle of 89°20'52", an arc distance of 70.18 feet;

Thence North 89°05'07" West along said southerly line, a distance of 358.82 feet to a point of intersection with the southerly prolongation of the easterly line of that certain parcel of land conveyed to The March Joint Powers Authority described as Parcel B2595 on Quitclaim Deed recorded October 25, 2006 as Document No. 2006-0783417, Official Records of Riverside County, California;

Thence North 00°33'08" East along said southerly prolongation and along said easterly line, a distance of 1311.87 feet to a point on the northerly line of March Air Reserve Base as shown on said Record of Survey, said line also being the centerline of said Cactus Avenue as shown on said Map No. 1 of Bear Valley and Alessandro Development Co.;

Thence South 89°33'32" East along said northerly line and along said centerline, a distance of 420.28 feet to an angle point thereon;

Thence continuing along said northerly line and along said centerline South 89°34'42" East, a distance of 2640.23 feet to the **POINT OF BEGINNING**.



**EXCEPTING THEREFROM** Parcels 1, 2 and 3 of said Record of Survey on file in Book 121 of Records of Survey at pages 83 through 90, inclusive thereof, Records of Riverside County, California and Parcel 1 of Record of Survey on file in Book 106 at page 87 thereof, Records of Riverside County, California.

**ALSO EXCEPTING THEREFROM** that certain parcel of land conveyed to The March Joint Powers Authority described as Parcel J-1 on Quitclaim Deed recorded May 17, 2006 as Document No. 2006-0359740, Official Records of Riverside County, California.

**ALSO EXCEPTING THEREFROM** that portion of that certain parcel of land conveyed to The March Joint Powers Authority described as Parcel K-5C Area 5 on Quitclaim Deed recorded October 25, 2006 as Document No. 2006-0783417, Official Records of Riverside County, described as follows:

**BEGINNING** at the northerly end of that certain course on the westerly line of said parcel as shown on said Quitclaim Deed being South 03°17'51" West 121.41 feet (record being South 03°17'58" West 121.40 feet), said point also being the beginning of a tangent curve, concave to the southeast, having a radius of 40.00 feet;

Thence northeasterly along said westerly line and along said curve, through a central angle of 87°10'33", an arc distance of 60.86 feet to a point on the northerly line of said parcel;

Thence South 89°31'36" East along said northerly line, a distance of 326.43 feet to a point thereon;

Thence South 00°27'14" West, a distance of 199.10 feet;

Thence North 89°31'36" West, a distance of 372.42 feet to a point on said westerly line;

Thence North 00°27'14" East, along said westerly line, a distance of 39.80 feet to an angle point thereon;

Thence North 03°17'51" East along said westerly line, a distance of 121.41 feet to the **POINT OF BEGINNING**.

Containing 189.71 acres, more or less.

**IT IS NOT INTENDED THAT THIS LEGAL DESCRIPTION INCLUDE THE LANDFILL LOCATED ON LAND OWNED BY THE CITY OF MORENO VALLEY LOCATED AT THE SOUTHEAST CORNER OF THE BOUNDARY DESCRIBED ABOVE.**

**EXHIBIT "C"**

**FIRST AMENDMENT TO  
MARCH LIFECARE CAMPUS  
DISPOSITION AND DEVELOPMENT AGREEMENT**

**MEMORANDUM OF AGREEMENT**

**RECORDING REQUESTED BY:  
AND WHEN RECORDED MAIL TO:**

March Joint Powers Authority  
23555 Meyer Drive  
Riverside, California 92518  
Attention: Executive Director

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Exempt from Recording Fees per Govt. Code §27383

**MEMORANDUM OF  
MARCH LIFECARE CAMPUS  
DISPOSITION AND DEVELOPMENT AGREEMENT**

This MEMORANDUM OF MARCH LIFECARE CAMPUS DISPOSITION AND DEVELOPMENT AGREEMENT ("**Memorandum of Agreement**") is reference dated \_\_\_\_\_, 2012, by and between MARCH JOINT POWERS AUTHORITY, a California joint powers authority, acting in its own capacity and as the successor agency to the March Joint Powers Redevelopment Agency ("**Authority**") and MARCH HEALTHCARE DEVELOPMENT, LLC, a California limited liability company ("**Developer**").

**RECITALS**

A. The Developer and the March Joint Powers Redevelopment Agency ("**Agency**") are parties to that certain "March Lifecare Campus Disposition and Development Agreement ("**Original DDA**") dated as of April 7, 2010. On \_\_\_\_\_, 2012, the Authority and the Developer entered into that certain "First Amendment to March Lifecare Campus Disposition and Development Agreement" ("**First Amendment**"). As used herein, the term "**Agreement**" means the Original DDA as modified by the First Amendment.

B. The Agreement pertains to the Property legally described on the attached Exhibit "A".

## OPERATIVE PROVISIONS

NOW, THEREFORE, in consideration of the foregoing Recitals, which Recitals are incorporated herein by this reference, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and for the mutual covenants contained herein, the parties agree as follows:

1. Incorporation by Reference; Notice. This Memorandum incorporates by reference all of the terms set forth in the Agreement as though set forth in full herein. Capitalized terms not defined herein shall have the meaning set forth in the Agreement unless the context dictates otherwise. All successors-in-interest to each of the parties herein are hereby placed on notice that each of the parties herein shall, under the circumstances specified in the Agreement, have certain rights and remedies with respect to the Property. This Memorandum is intended to provide notice of the existence of the Agreement. It does not amend or otherwise modify the Agreement in any manner. In the event of any conflict or inconsistency between the terms of this Memorandum and the Agreement, the terms of the Agreement shall control.

2. Recording. The parties agree that this Memorandum shall be recorded in the public records of the County of Riverside concurrently with and with respect to the Closing of each Acquisition Parcel.

3. Binding Effect/Amendment. This Memorandum shall be binding upon the parties hereto, their administrators, heirs, successors or assigns and can be changed only by written agreement signed by all parties.

4. Counterparts. This Memorandum may be executed in any number of counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute one and the same document.

This Memorandum is reference dated \_\_\_\_\_, 2012, and has been executed on behalf of Developer and the Agency by and through the respective signatures of their respective authorized representative(s) set forth below.

***[SIGNATURES TO FOLLOW]***

**SIGNATURE PAGE TO  
MEMORANDUM OF AGREEMENT**

**AUTHORITY:**

**March Joint Powers Authority**, a California joint powers authority, acting in its own capacity and as the successor agency to the March Joint Powers Redevelopment Agency

By: \_\_\_\_\_  
Lori M. Stone, Executive Director  
March Joint Powers Authority

[Seal]

ATTEST:

\_\_\_\_\_  
Secretary  
March Joint Powers Authority

APPROVED AS TO LEGAL FORM:

BEST BEST & KRIEGER, LLP

By: \_\_\_\_\_  
Authority Counsel



**SIGNATURE PAGE TO  
MEMORANDUM OF AGREEMENT**

**DEVELOPER:**

**MARCH HEALTHCARE DEVELOPMENT, LLC,  
a California limited liability company**

By: CEO STRATEGIC SOLUTIONS, LLC,  
a California limited liability company

By: \_\_\_\_\_  
Donald N. Ecker, Managing Member

**APPROVED AS TO LEGAL FORM:**

**GRESHAM SAVAGE NOLAN & TILDEN**

By: \_\_\_\_\_

This notary acknowledgement is attached to a document entitled MEMORANDUM OF MARCH LIFECARE CAMPUS DISPOSITION AND DEVELOPMENT AGREEMENT.

STATE OF CALIFORNIA

COUNTY OF \_\_\_\_\_

On \_\_\_\_\_, 2012, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature of Notary Public

STATE OF CALIFORNIA

COUNTY OF \_\_\_\_\_

On \_\_\_\_\_, 2012, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature of Notary Public

**EXHIBIT "A"**  
**TO**  
**MEMORANDUM OF AGREEMENT**

**LEGAL DESCRIPTION**  
**DDA BOUNDARY**

Those portions of Lots 1 and 8 in Block 262, and Lots 1 through 8, inclusive, in Block 261, and Lots 1 through 8, inclusive, in Block 280, and Lots 1 through 8, inclusive, in Block 281 of Map No. 1 of Bear Valley and Alessandro Development Co., as shown by map on file in Book 11 of Maps at page 10, thereof, Records of San Bernardino County, California, lying in Sections 13 and 24, Township 3 South, Range 4 West, San Bernardino Meridian, described as follows:

**BEGINNING** at the intersection of the centerline of Cactus Avenue with the centerline of Heacock Street (30.00 feet in half width), as shown on Record of Survey on file in Book 124 of Records of Survey at pages 69 through 81, inclusive thereof, Records of Riverside County, California, said centerline of Heacock Street being the easterly line of said Blocks 261 and 280;

Thence South 00°26'00" West along said centerline of Heacock Street, a distance of 2640.57 feet to a point of intersection with the centerline of John F. Kennedy Drive as shown on Tract No. 19711 on file in Book 182 of Maps at pages 38 through 42, inclusive thereof, Records of Riverside County, California, said centerline of Heacock Street also being the westerly line of Block 144 of said Map No. 1 of Bear Valley and Alessandro Development Co.;

Thence South 00°26'44" West along said centerline of Heacock Street, a distance of 26.65 feet to a point of intersection with the easterly prolongation of the northerly line of Parcel 5 of Record of Survey on file in Book 121 of Records of Survey at pages 83 through 90, inclusive thereof, Records of Riverside County, California, said centerline of Heacock Street also being the easterly line of said Block 281;

Thence along the boundary line of said Parcel 5 the following seven (7) courses and distances:

1) North 89°34'43" West, a distance of 858.46 feet to the beginning of a non-tangent curve, concave to the southeast, having a radius of 100.00 feet, the radial line from said point bears South 00°27'54" West;

2) Westerly, southwesterly and southerly along said curve, to the left, through a central angle of 90°00'55", an arc distance of 157.11 feet;

3) South 00°26'59" West, a distance of 71.74 feet to the beginning of a tangent curve, concave to the west, having a radius of 75.00 feet;

4) Southerly along said curve, to the right, through a central angle of 06°50'44", an arc distance of 8.96 feet;

5) South 07°17'43" West, a distance of 92.07 feet to the beginning of a tangent curve, concave to the east, having a radius of 75.00 feet;

6) Southerly along said curve, to the left, through a central angle of  $06^{\circ}50'44''$ , an arc distance of 8.96 feet;

7) South  $00^{\circ}26'59''$  West, a distance of 569.36 feet to the southwesterly corner of said Parcel 5, said corner also being the northwesterly corner of that certain parcel of land conveyed to The March Joint Powers Authority described as Parcel K-5D-B1050 on Quitclaim Deed recorded November 05, 2007 as Document No. 2007-0674220, Official Records of Riverside County, California;

Thence along said boundary line of Parcel 5 and along the boundary line of said Parcel K-5D-B1050 the following eight (8) courses and distances:

1) South  $89^{\circ}33'04''$  East, a distance of 5.00 feet to the beginning of a non-tangent curve, concave to the southeast, having a radius of 15.00 feet;

2) Northeasterly along said curve, to the right, through a central angle of  $90^{\circ}00'30''$ , an arc distance of 23.56 feet;

3) South  $89^{\circ}33'04''$  East, a distance of 303.98 feet to the beginning of a tangent curve, concave to the northwest, having a radius of 55.00 feet;

4) Northeasterly along said curve, to the left, through a central angle of  $85^{\circ}54'06''$ , an arc distance of 82.46 feet;

5) South  $89^{\circ}33'04''$  East, a distance of 252.16 feet;

6) North  $00^{\circ}26'26''$  East, a distance of 160.24 feet;

7) South  $89^{\circ}33'04''$  East, a distance of 183.69 feet;

8) North  $62^{\circ}09'21''$  East along said boundary line and along the northeasterly prolongation thereof, a distance of 177.05 feet to a point on said centerline of Heacock Street;

Thence South  $00^{\circ}26'44''$  West along said centerline, a distance of 477.28 feet to a point thereon;

Thence North  $89^{\circ}33'16''$  West, a distance of 29.79 feet to a point on westerly right of way line of said Heacock Street, said point being the southeasterly corner of said Parcel K-5D-B1050;

Thence along said boundary line of Parcel K-5D-B1050 the following eight (8) courses and distances:

1) North  $47^{\circ}27'01''$  West, a distance of 88.64 feet;

2) North  $65^{\circ}55'13''$  West, a distance of 206.62 feet;



- 3) South 00°24'35" East, a distance of 446.13 feet;
- 4) North 89°37'53" West, a distance of 325.02 feet;
- 5) North 00°06'18" West, a distance of 15.17 feet;
- 6) North 88°47'08" West, a distance of 347.43 feet to the beginning of a tangent curve, concave to the northeast, having a radius of 20.00 feet;
- 7) Northwesterly along said curve, to the right, through a central angle of 89°13'01", an arc distance of 31.14 feet
- 8) North 00°25'53" East, a distance of 362.61 feet to a point of intersection with the easterly prolongation of the northerly line of that certain parcel of land conveyed to the March Joint Powers Authority described as Parcel J-4-B960 on said Quitclaim Deed recorded November 05, 2007 as Document No. 2007-0674220, Official Records of Riverside County, California;

Thence North 89°38'33" West along said easterly prolongation and along said northerly line, a distance of 685.72 feet to a point on the easterly boundary line of Parcel 4 of said Record of Survey on file in Book 121 of Records of Survey at pages 83 through 90, inclusive thereof, Records of Riverside County, California;

Thence along the boundary line of said Parcel 4 the following six (6) courses and distances:

- 1) North 00°21'11" East, a distance of 45.80 feet;
- 2) South 89°45'19" East, a distance of 18.14 feet;
- 3) North 00°20'40" East, a distance of 305.07 feet;
- 4) North 89°38'45" West, a distance of 547.07 feet;
- 5) South 00°21'13" West, a distance of 330.00 feet;
- 6) South 89°38'51" East, a distance of 167.04 feet;

Thence South 00°21'03" West along said boundary line and along the southerly prolongation thereof, a distance of 424.47 feet to a point on the southerly line of that certain parcel of land conveyed to The March Joint Powers Authority described as "4<sup>th</sup> Street South and Vicinity Streets" on Quitclaim Deed recorded September 21, 2007 as Document No. 2007-0594725, Official Records of Riverside County, California;

Thence North 89°35'04" West along said southerly line, a distance of 187.77 feet to an angle point thereon;

Thence North 89°39'20" West continuing along said southerly line, a distance of 460.19 feet to a point on the westerly line of that certain parcel of land conveyed to The March Joint Powers Authority described as "Riverside Drive" on Quitclaim Deed recorded June 27, 2007 as Document No. 2007-0416182, Official Records of Riverside County, California;

Thence along said westerly line of parcel so conveyed the following five (5) courses and distances:

- 1) North 00°25'58" East, a distance of 1292.52 feet
- 2) North 01°07'52" West, a distance of 111.70 feet;
- 3) North 00°42'13" East, a distance of 738.58 feet;
- 4) South 89°17'47" East, a distance of 7.67 feet;
- 5) North 00°13'55" East, a distance of 489.86 feet to the southeasterly corner of that certain parcel of land conveyed to The March Joint Powers Authority described as "Castle Street" on said Quitclaim Deed recorded September 21, 2007 as Document No. 2007-0594725, said point being the beginning of a non-tangent curve, concave to the southwest, having a radius of 45.00 feet, the radial line from said point bears South 89°47'49" West;

Thence northerly, northwesterly and westerly along the southerly line of said parcel so conveyed and along said curve, to the left, through a central angle of 89°20'52", an arc distance of 70.18 feet;

Thence North 89°05'07" West along said southerly line, a distance of 358.82 feet to a point of intersection with the southerly prolongation of the easterly line of that certain parcel of land conveyed to The March Joint Powers Authority described as Parcel B2595 on Quitclaim Deed recorded October 25, 2006 as Document No. 2006-0783417, Official Records of Riverside County, California;

Thence North 00°33'08" East along said southerly prolongation and along said easterly line, a distance of 1311.87 feet to a point on the northerly line of March Air Reserve Base as shown on said Record of Survey, said line also being the centerline of said Cactus Avenue as shown on said Map No. 1 of Bear Valley and Alessandro Development Co.;

Thence South 89°33'32" East along said northerly line and along said centerline, a distance of 420.28 feet to an angle point thereon;

Thence continuing along said northerly line and along said centerline South 89°34'42" East, a distance of 2640.23 feet to the **POINT OF BEGINNING**.

**EXCEPTING THEREFROM** Parcels 1, 2 and 3 of said Record of Survey on file in Book 121 of Records of Survey at pages 83 through 90, inclusive thereof, Records of Riverside County, California and Parcel 1 of Record of Survey on file in Book 106 at page 87 thereof, Records of Riverside County, California.

**ALSO EXCEPTING THEREFROM** that certain parcel of land conveyed to The March Joint Powers Authority described as Parcel J-1 on Quitclaim Deed recorded May 17, 2006 as Document No. 2006-0359740, Official Records of Riverside County, California.

**ALSO EXCEPTING THEREFROM** that portion of that certain parcel of land conveyed to The March Joint Powers Authority described as Parcel K-5C Area 5 on Quitclaim Deed recorded October 25, 2006 as Document No. 2006-0783417, Official Records of Riverside County, described as follows:

**BEGINNING** at the northerly end of that certain course on the westerly line of said parcel as shown on said Quitclaim Deed being South 03°17'51" West 121.41 feet (record being South 03°17'58" West 121.40 feet), said point also being the beginning of a tangent curve, concave to the southeast, having a radius of 40.00 feet;

Thence northeasterly along said westerly line and along said curve, through a central angle of 87°10'33", an arc distance of 60.86 feet to a point on the northerly line of said parcel;

Thence South 89°31'36" East along said northerly line, a distance of 326.43 feet to a point thereon;

Thence South 00°27'14" West, a distance of 199.10 feet;

Thence North 89°31'36" West, a distance of 372.42 feet to a point on said westerly line;

Thence North 00°27'14" East, along said westerly line, a distance of 39.80 feet to an angle point thereon;

Thence North 03°17'51" East along said westerly line, a distance of 121.41 feet to the **POINT OF BEGINNING**.

Containing 189.71 acres, more or less.

**IT IS NOT INTENDED THAT THIS LEGAL DESCRIPTION INCLUDE THE LANDFILL LOCATED ON LAND OWNED BY THE CITY OF MORENO VALLEY LOCATED AT THE SOUTHEAST CORNER OF THE BOUNDARY DESCRIBED ABOVE.**