

**FIRST AMENDMENT TO WEST MARCH DISPOSITION
AND DEVELOPMENT AGREEMENT**

among

**MARCH JOINT POWERS REDEVELOPMENT AGENCY
a California public agency,**

**LNR RIVERSIDE, LLC
a California limited liability company,**

and

**MARCH JOINT POWERS AUTHORITY
a California joint powers agency**

[Dated as of May 1, 2006 for reference purposes only]

**FIRST AMENDMENT
TO
WEST MARCH DISPOSITION AND DEVELOPMENT AGREEMENT**

This FIRST AMENDMENT TO WEST MARCH DISPOSITION AND DEVELOPMENT AGREEMENT (“**First Amendment**”) is entered into this first day of May, 2006, among **MARCH JOINT POWERS REDEVELOPMENT AGENCY**, a California public agency (“**Agency**”), **MARCH JOINT POWERS AUTHORITY**, a California joint powers agency (“**Authority**”) and **LNR RIVERSIDE, LLC**, a California limited liability company (“**LNR**”).

RECITALS

A. To ensure the timely, efficient, orderly, and proper development of the former March Air Force Base (the “**Former Base**”), on December 27, 2001, Agency, LNR, and Authority entered into that certain West March Disposition and Development Agreement (the “**Disposition and Development Agreement**”).

B. The 115.48 acre portion of the Property identified on Exhibit A attached hereto (the “**D-3 West Parcel**”) is subject to certain reservations contained in Public Law 100-526 and the quitclaim deeds pursuant to which the United States of America conveyed certain portions of the Former Base to Authority. These reservations are set forth in (i) that certain Instrument of Release made by the United States of America on September 23, 2005 and accepted by the Authority on September 29, 2005 and recorded as Instrument No. 2005-0823891, dated October 5, 2005 in the Official Records of the Recorder of Riverside County (the “**Instrument of Release**”), a copy of which is attached as Exhibit C, and (ii) a September 26, 2005 letter from the Federal Aviation Administration (the “**FAA**”) to Authority (the “**FAA Letter**”), a copy of which is attached as Exhibit D.

C. Pursuant to the Instrument of Release and the FAA Letter, Authority is obligated to sell the D-3 West Parcel at fair market value and to use all proceeds from such sale for airport improvement and development.

D. With respect to the D-3 West Parcel, the Instrument of Release and the FAA Letter are inconsistent with the Disposition and Development Agreement. Consequently, the parties desire to amend the Disposition and Development Agreement so that it is consistent with the Instrument of Release and the FAA Letter and to achieve the other purposes set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Agency, Authority, and LNR agree as follows:

AGREEMENT

1. **Recitals.** The foregoing recitals are true and correct and hereby made a part of this First Amendment.

2. **Defined Terms.** All capitalized terms not defined herein shall have the meanings ascribed to them in the Disposition and Development Agreement.

3. **New Section 4.07 (D-3 West Parcel).** A new Section 4.07 (D-3 West Parcel) shall be added to the Disposition and Development Agreement, as follows:

- (a) **D-3 West Parcel Acquisition Cost.** Notwithstanding any contrary provisions of this Agreement, for any D-3 West Acquisition Parcel (defined below) that LNR elects to acquire from Agency, LNR shall pay Agency a portion of the fair market value of the entire D-3 West Parcel, calculated as set forth below. As used herein, the term “**D-3 West Acquisition Parcel**” means any parcel or portion of the Property situated, in whole or in part, within the D-3 West Parcel. As used herein and in accordance with the Instrument of Release and the FAA Letter, the fair market value of the entire D-3 West Parcel is four million three hundred thousand dollars (\$4,300,000). For purposes of the initial calculation of the D-3 West Parcel Unit Price (defined below), the parties have assumed that 85.76 acres (net following street dedication) of the D-3 West Parcel (the “**Developable D-3 West Acreage**”) is developable and will be acquired by LNR. LNR’s purchase price to acquire any D-3 West Acquisition Parcel shall be the product of multiplying one dollar and fifteen cents (\$1.15) (the “**D-3 West Parcel Unit Price**”) by the number of gross square feet (less street dedications and rounded to the nearest one-hundredth) of the D-3 West Acquisition Parcel which are situated within the D-3 West Parcel (the “**D-3 West Acquisition Parcel Purchase Price**”). For each sale of a D-3 West Acquisition Parcel to LNR, the D-3 West Acquisition Parcel Purchase Price applicable to such Parcel shall be paid by LNR to Agency from the funds received by LNR from its sale of such Parcel as provided by Section 8.09 hereof and such D-3 West Acquisition Parcel Purchase Price shall be a Project Cost incurred as of the close of escrow. The portion (if any) of any D-3 West Acquisition Parcel not situated within the D-3 West Parcel shall be subject to the payment of consideration as provided for the balance of the Property other than the D-3 West Parcel by this Agreement, including, without implied limitation, Section 4.01. Section 4.01(a) herein shall not apply to any portion of a D-3 West Acquisition Parcel situated within the D-3 West Parcel; provided, however, Section 4.01(b) shall apply to such portion.
- (b) **D-3 West Parcel Sale Proceeds.** Agency shall expend all funds it receives from the conveyance of the D-3 West Parcel in a manner consistent with the Instrument of Release and the FAA Letter.
- (c) **Recalculation of D-3 West Parcel Acquisition Cost.**
 - (i) ***Recalculation Following Date Certain.*** Immediately following the earlier to occur of June 30, 2008 or the close of escrow of the transaction by which LNR acquires the D-3 West Acquisition

Parcel which includes the sixtieth (60th) acre of the Developable D-3 West Acreage, the parties shall meet in good faith for the purposes of determining whether there is a need to restate the remaining Developable D-3 West Acreage, and, if so, whether the gross square footage of the remaining and/or restated Developable D-3 West Acreage is sufficient to ensure that, when multiplied by the then-current D-3 West Parcel Unit Price, the Agency will have received D-3 West Acquisition Parcel Purchase Prices totaling in the aggregate not less or more than four million three hundred thousand dollars (\$4,300,000) following the close of escrow for the final D-3 West Acquisition Parcel, subject to adjustment pursuant to Section 4.07(c)(ii) herein. If the parties determine that an insufficient number of gross square feet remain, the parties agree to also adjust the D-3 West Parcel Unit Price to an amount which, when multiplied by the gross square footage of the remaining and/or restated Developable D-3 West Acreage will insure that the Agency will have received D-3 West Acquisition Parcel Purchase Prices totaling in the aggregate not less or more than four million three hundred thousand dollars (\$4,300,000) following the close of escrow for the final D-3 West Acquisition Parcel, subject to adjustment pursuant to Section 4.07(c)(ii) herein.

- (ii) ***Recalculation Based on Perris Valley Pipeline.*** In the event Agency, Authority, or March Inland Port Airport Authority receives funds from the Metropolitan Water District (“MWD”), Western Municipal Water District (“WMWD”), or Eastern Municipal Water District (“EMWD”) in exchange for the granting of any rights of way, fee title, or easements for the proposed Perris Valley pipeline or and appurtenant structures (the “Pipeline-Related Conveyances”) on or through any part of D-3 West Parcel, Agency and LNR shall meet in good faith to determine the amount, if any, by which the D-3 West Parcel Unit Price shall be reduced on a going forward basis. Agency, Authority, and March Inland Port Airport Authority, as applicable, shall receive not less than fair market value in funds for any Pipeline-Related Conveyances. Agency and LNR shall reduce the amount of the D-3 West Parcel Unit Price if necessary to ensure that following the close of escrow for the final D-3 West Acquisition Parcel, the aggregate of all D-3 West Acquisition Parcel Purchase Prices, plus the amount of funds received by Agency from MWD, WMWD, and/or EMWD in exchange for the granting any Pipeline-Related Conveyances on or through any part of the D-3 West Parcel, is not less or more than four million three hundred thousand dollars (\$4,300,000). If the funds are attributable to the granting of Pipeline-Related Conveyances on or through both the D-3 West Parcel and other property, then the total funds or credits shall be allocated pro rata

(square footage basis) between the D-3 West Parcel and such other property.

(d) **Riverside County Transportation Commission Conveyances.**

(i) Upon written request from the Riverside County Transportation Commission ("RCTC") Agency shall convey by quitclaim deed an approximately fifteen (15) acre portion of the D-3 West Parcel to the RCTC for use as a Metrolink passenger rail station (the "**Metrolink Site**"). To the extent any portion of the Metrolink Site is within the D-3 West Parcel, it shall be considered, for purposes of this Section 4.07 only, a D-3 West Acquisition Parcel and LNR shall pay to the Agency, within fifteen (15) days following the conveyance of the Metrolink Site from the Agency to the RCTC, the D-3 West Acquisition Parcel Purchase Price applicable to such D-3 West Acquisition Parcel. The D-3 West Acquisition Parcel Purchase Price attributable to the Metrolink Site shall be a Project Cost incurred as of the date it is paid by LNR to the Agency. Authority acknowledges and agrees that the conveyance of the Metrolink Site to the RCTC as provided in this Section 4.07(d)(i) fully satisfies LNR's obligations under Section 3.1.5.8 of that certain Development Agreement between Authority and LNR dated June 18, 2004 and recorded in the Official Records of the County of Riverside as Instrument No. 2004-0433039.

(e) **Rail Spur Easement.** Within ninety (90) days of receipt of a written request from LNR, Agency shall grant to LNR, at no cost to LNR other than documentation and recording costs, a rail spur easement over the extreme northwestern corner area of portion of the D-3 West Parcel commonly known as the Clear Zone.

4. **New Section 8.09 (D-3 West Parcel Escrow).** A new Section 8.09 (D-3 West Parcel Escrow) shall be added to the Disposition and Development Agreement as follows:

Any conveyance of a D-3 West Acquisition Parcel shall be accomplished through concurrently closing escrows providing for the conveyance of the D-3 West Acquisition Parcel from Agency to LNR and then immediately from LNR to LNR's purchaser, which closing shall also provide for the payment to the Agency of the applicable D-3 West Acquisition Parcel Purchase Price determined in accordance with Section 4.07. Alternatively, LNR may elect to acquire all or a portion of the D-3 West Acquisition Parcel from Agency in a single escrow without having identified a subsequent purchaser, in which case the closing shall provide for the payment of the applicable D-3 West Acquisition Parcel Purchase Price to Agency directly from LNR. The handling of the escrows and related matters for each D-3 West Acquisition Parcel shall be as set forth in this Agreement for any other portion of the Property, except as otherwise specifically set forth in Section 4.07 of this Agreement. Agency shall cooperate with LNR to ensure that each closing

contemplated in this Section 8.09 occurs within a timeframe reasonably agreed to by both parties upon the giving of an option notice.

5. **New Exhibit H (D-3 West Parcel)**. A new Exhibit H shall be added to the Disposition and Development Agreement, which Exhibit H is attached hereto as Exhibit A.

6. **Effect of this Amendment**. Except as expressly modified by this First Amendment, the Disposition and Development Agreement shall continue in full force and effect according to its terms, and Authority, Agency, and LNR hereby ratify and affirm all their respective rights and obligations under the Disposition and Development Agreement. In the event of any conflict between this First Amendment and the Disposition and Development Agreement, the provisions of this First Amendment shall govern.

7. **Entire Agreement**. This First Amendment is executed in three (3) duplicate originals, each of which is deemed to be an original. A memorandum of this First Amendment reasonably acceptable to the parties (the “**Memorandum of First Amendment**”) shall be recorded by the Agency against the D-3 West Parcel within thirty (30) days of the effective date of this First Amendment. The Memorandum of First Amendment shall be substantially in the form attached hereto as Exhibit B. Upon the written request made following the expiration or termination of the Disposition and Development Agreement, either party shall execute in recordable form any documents that may be necessary to remove the Memorandum of First Amendment Agreement from record title to the D-3 West Parcel.

8. **Counterparts**. This First Amendment may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, when taken together, shall constitute the same document.

IN WITNESS WHEREOF, this First Amendment has been entered into by and between Authority, Agency, and LNR as of the date and year first above written.

[Signatures on following pages]

SIGNATURE PAGE
TO
FIRST AMENDMENT TO WEST MARCH DISPOSITION
AND DEVELOPMENT AGREEMENT


AGENCY:

MARCH JOINT POWERS
REDEVELOPMENT AGENCY, a
California public agency

Dated: 5/1/06

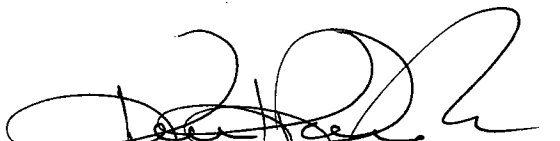
By: Philip A. Rizzo
Philip A. Rizzo
Its: Executive Director

ATTEST:


Agency Secretary

APPROVED AS TO LEGAL FORM:

BEST BEST & KRIEGER LLP


Agency Counsel

STATE OF California)

County of Riverside)

On May 1, 2006 before me, Carey L. Allen, Notary Public,
personally appeared Philip A. Rizzo,

personally known to me

or

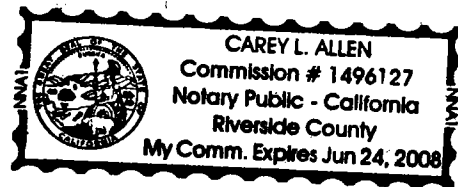
proved to me on the basis of satisfactory evidence

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(s), and that by his/her/their signature(s) on the instrument the person(s), or the
entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal



Signature of Notary Public



SIGNATURE PAGE
TO
FIRST AMENDMENT TO WEST MARCH DISPOSITION
AND DEVELOPMENT AGREEMENT

AUTHORITY:

MARCH JOINT POWERS AUTHORITY
a California joint powers agency

Dated: 5/1/06

By: Philip A. Rizzo
Philip A. Rizzo
Its: Executive Director

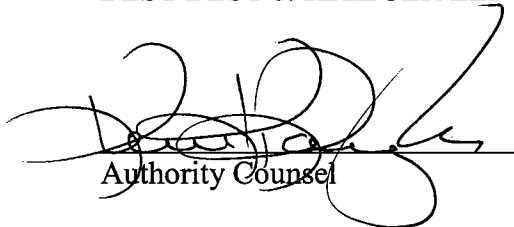
ATTEST:



Authority Secretary

APPROVED AS TO LEGAL FORM:

BEST BEST & KRIEGER LLP



Authority Counsel

STATE OF California)

County of Riverside)

On May 1, 2006 before me, Carey L. Allen, Notary Public ,
personally appeared Philip A. Rizzo ,



personally known to me

or



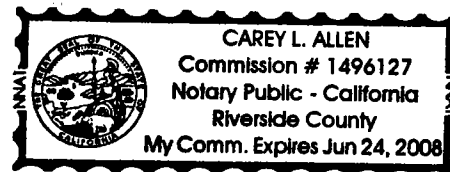
proved to me on the basis of satisfactory evidence

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(s), and that by his/~~her~~/~~their~~ signature(s) on the instrument the person(s), or the
entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal



Signature of Notary Public



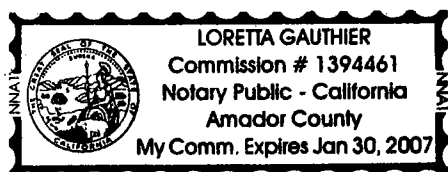
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California }
 County of Orange } ss.

On May 9, 2006 before me, Loretta Gauthier
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared R. Lang Cottrell
Name(s) of Signer(s)

personally known to me
 proved to me on the basis of satisfactory evidence



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

WITNESS my hand and official seal.
Loretta Gauthier
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

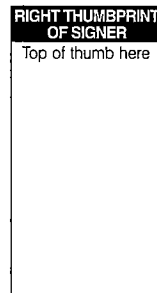
Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

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

Signer Is Representing: _____



SIGNATURE PAGE
TO
FIRST AMENDMENT TO WEST MARCH DISPOSITION
AND DEVELOPMENT AGREEMENT

DEVELOPER:

LNR RIVERSIDE, LLC
a California limited liability company

By: LNR Riverside Holdings, Inc.
a California corporation, its member

Dated: 5-9-06

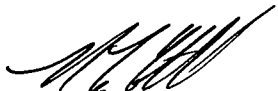
By: 
Its: R. LANG COTTRELL

EXHIBIT A
TO
FIRST AMENDMENT TO WEST MARCH DISPOSITION
AND DEVELOPMENT AGREEMENT

D-3 West Parcel

[Attached Behind This Page]

EXHIBIT "B"

MARCH PARCEL D-3 WEST

In the County of Riverside, State of California, being that portion of Sections 14, 15, 22 and 23 of Township 3 South, Range 4 West, San Bernardino Base and Meridian, also shown as Parcel 3 on Record of Survey 00-135 filed in Book 110, Pages 30 through 40, inclusive, of Records of Survey, in the County Recorders Office of said County, more particularly described as follows:

Beginning at the westerly terminus of that certain course, as shown on sheet 6 of 11 sheets of said Record of Survey, said course bears North 89°53'24" East 1201.72 feet, said course also being on the southerly line of Alessandro Boulevard as shown on California Department of Transportation Map No. 435571-7 on file with the County of Riverside as Map No. 205-253; thence along said southerly line North 89°53'24" East 1,201.72 feet, to the true point of beginning; thence continuing along said southerly line North 89°53'24" East 792.42 feet to the westerly Right-of-Way line of State Route 215 as shown on California Department of Transportation Map No. 435571, Pages 5 through 8, inclusive, on file with the County of Riverside as Map No. 205, pages 251 through 254, inclusive, also being the beginning of a non-tangent curve concave easterly having a radius of 1,860.00 feet, a radial line to said beginning of curve bears South 81°48'14" West; thence along said westerly Right-of-Way Line the following 21 courses:

1. southerly 34.81 feet along said curve through a central angle of 01°04'20" to the beginning of a non-tangent curve concave southwesterly having a radius of 775.00 feet, a radial line to said beginning of curve bears South 00°21'22" East;
2. easterly and southeasterly 787.46 feet along said curve through a central angle of 58°3'00";
3. South 32°08'22" East 748.36 feet to the beginning of a non-tangent curve concave northeasterly having a radius of 5,125.00 feet, a radial line to said beginning bears South 56°40'31" West;
4. southeasterly 643.21 feet along said curve through a central angle of 07°11'27";
5. South 40°30'56" East 328.40 feet;
6. South 34°48'19" East 264.26 feet to the beginning of a curve concave westerly having a radius of 1,147.00 feet;
7. Southeasterly and southerly along said curve 554.37 feet through a central angle of 27°41'31";
8. South 07°06'47" East 289.23 feet;
9. South 80°37'30" West 65.33 feet to the beginning of a curve concave northerly having a radius of 1,556.00 feet;
10. westerly along said curve 154.53 feet through a central angle of 05°41'25";

11. South $36^{\circ}34'39''$ East 103.65 feet to the beginning of a non-tangent curve concave northerly having a radius of 1,644.00 feet, a radial line to said beginning of curve bears North $05^{\circ}38'49''$ West;
12. easterly 106.97 feet along said curve through a central angle of $03^{\circ}43'41''$;
13. North $80^{\circ}37'30''$ East 45.41 feet;
14. South $11^{\circ}41'33''$ East 197.18 feet to the beginning of a curve concave northeasterly having a radius of 375.00 feet;
15. southerly and southeasterly along said curve 327.27 feet through a central angle of $50^{\circ}00'13''$;
16. South $61^{\circ}41'46''$ East 732.96 feet to the beginning of a curve concave southwesterly having a radius of 797.00 feet;
17. southeasterly along said curve 261.98 feet through a central angle of $18^{\circ}50'01''$;
18. South $19^{\circ}23'37''$ East 1,521.93 feet;
19. South $70^{\circ}36'45''$ West 140.02 feet;
20. South $19^{\circ}23'15''$ East 279.98 feet;
21. North $70^{\circ}36'45''$ East 140.05 feet to the northerly prolongation of the westerly Line of Atchison, Topeka and Santa Fe Railroad Right-of-Way, as shown on said California Department of Transportation Map, thence along said northerly prolongation and westerly line the following 2 courses:
 1. South $19^{\circ}23'37''$ East 2,303.13 feet;
 2. South $19^{\circ}22'37''$ East 319.87 feet;
 thence leaving said westerly line South $59^{\circ}52'39''$ West 211.38 feet; thence North $30^{\circ}07'21''$ West 6865.62 feet; thence North $38^{\circ}39'15''$ West 2,811.22 feet to the true point of beginning.

Containing 6,598,613 square feet or 151.48 acres, more or less, based upon grid distances.

The distances used in the above description are grid distances based on the California Coordinate System of 1983, Zone 6. Multiply distances shown by 1.00007058 to obtain ground distances.

EXHIBIT B
TO
FIRST AMENDMENT TO WEST MARCH DISPOSITION
AND DEVELOPMENT AGREEMENT

Form of Memorandum of DDA Amendment

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

March Joint Powers Redevelopment Agency
Attn: Executive Director
3430 Bundy Drive, Suite 107
March Air Force Base, CA 92518-1504

(Space above this line for Recorder's use)

**MEMORANDUM OF FIRST AMENDMENT TO WEST MARCH
DISPOSITION AND DEVELOPMENT AGREEMENT**

This MEMORANDUM OF FIRST AMENDMENT TO WEST MARCH DISPOSITION AND DEVELOPMENT AGREEMENT dated as of May 1, 2006 (this "Memorandum of First Amendment"), is made by MARCH JOINT POWERS REDEVELOPMENT AGENCY, a California public agency ("Agency"), LNR RIVERSIDE , LLC, a California limited liability company ("LNR"), and MARCH JOINT POWERS AUTHORITY, a California joint powers agency ("Authority").

1. On December 27, 2001, Agency and LNR entered into that certain West March Disposition and Development Agreement (the "Disposition and Development Agreement"). The Authority is a party to Article 5, Section 6.16(b), Section 10.03 and Section 11.02 of the Disposition and Development Agreement.

2. On December 27, 2001, Agency, LNR, and Authority entered into that certain Memorandum of Disposition and Development Agreement, which agreement was recorded in the Official Records of the County of Riverside on February 11, 2002 as Instrument No. 2002-074167.

3. On May 1, 2006, Agency, Authority, and LNR entered into that certain First Amendment to West March Disposition and Development Agreement (the "First Amendment to DDA").

4. The purpose of this Memorandum of First Amendment is to give notice of the rights and obligations of the parties hereto under the First Amendment to DDA, and all the terms and conditions of the First Amendment to DDA are incorporated herein by reference as if they were fully set forth herein. The First Amendment to DDA relates solely to the real property known as Parcel D-3 West and more particularly described on the attached Exhibit A hereto, which property is a portion of the property subject to the Disposition and Development Agreement.

5. Subject to the terms of the First Amendment to DDA, this Memorandum of First Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors in interest and assigns.

IN WITNESS WHEREOF, this Memorandum of First Amendment has been entered into by and between Authority, Agency, and LNR as of the date and year first above written.

[Signatures on following pages]

SIGNATURE PAGE
TO
MEMORANDUM OF FIRST AMENDMENT TO WEST MARCH
DISPOSITION AND DEVELOPMENT AGREEMENT

AGENCY:

MARCH JOINT POWERS
REDEVELOPMENT AGENCY, a
California public agency

Dated: _____

By: _____
Philip A. Rizzo
Its: Executive Director

ATTEST:

Agency Secretary

APPROVED AS TO LEGAL FORM:

BEST BEST & KRIEGER LLP

Agency Counsel

SIGNATURE PAGE
TO
MEMORANDUM OF FIRST AMENDMENT TO WEST MARCH
DISPOSITION AND DEVELOPMENT AGREEMENT

DEVELOPER:

LNR RIVERSIDE, LLC
a California limited liability company

By: LNR Riverside Holdings, Inc.
a California corporation, its member

Dated: _____

By: _____
Its: _____

SIGNATURE PAGE
TO
MEMORANDUM OF FIRST AMENDMENT TO WEST MARCH
DISPOSITION AND DEVELOPMENT AGREEMENT

AUTHORITY:

MARCH JOINT POWERS AUTHORITY
a California joint powers agency

Dated: _____

By: _____

Philip A. Rizzo

Its: Executive Director

ATTEST:

Authority Secretary

APPROVED AS TO LEGAL FORM:

BEST BEST & KRIEGER LLP

Authority Counsel

EXHIBIT C
TO
FIRST AMENDMENT TO WEST MARCH DISPOSITION
AND DEVELOPMENT AGREEMENT

Instrument of Release

[To Be Attached]

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

March Joint Powers Authority
March Inland Port
3430 Bundy Avenue
Riverside, CA 92518
Attn: Executive Director



M	S	U	PAGE	SIZE	DA	PCOR	NOCOR	SMF	MISC.
✓	2		16						
									24
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C
SG

INSTRUMENT OF RELEASE

This 2005 Instrument of Release (the "Release") made by the United States of America, acting by and through the Administrator of the Federal Aviation Administration (the "FAA"), pursuant to the provisions contained in Title 49 United States Code Section 47107(h) and 47153, hereby grants to the March Joint Powers Authority, a joint powers authority established under the laws of the State of California (the "Grantee"), a release from certain obligations in favor of the FAA, affecting certain lands more particularly described herein, which are located at the public airport known as the "March Inland Port," in Riverside County, California.

WITNESSETH:

WHEREAS, pursuant to the provisions of the Base Closure and Realignment Act of 1988, as amended, Public Law 100-526 Title 10 United States Code Section 2687 ("Public Law 100-525"), the Surplus Property Act of 1944, as amended and Title 49 United States Code Section 47151, the United States of America acting by and through the Secretary of the Air Force, did by the certain Quitclaim Deeds identified as Recorded Instrument No. 2001-622399 dated December 14, 2001, and Recorded Instrument No. 2002-742244 dated December 11, 2002, Official Records of the Recorder of Riverside County, California (the "Quitclaim Deed"), convey certain portions of the former March Air Force Base to the March Joint Powers Authority (the within Grantee) subject to certain reservations set forth in Public Law 100-526 and the Quitclaim Deed; and

WHEREAS, the Grantee is the fee owner and operator of the March Inland Port (the "Airport"), a public airport located on portions of the former March Air Force Base; and

WHEREAS, pursuant to Title 49 United States Code Section 47107, et seq., the Grantee, as the grant recipient, and as a condition for receiving federal airport grant aid, has provided written assurances to the FAA that the Grantee will comply with conditions specified in the

following Airport Improvement Program grant agreements (collectively, the "Grant Agreements"):

START DATE	DESCRIPTION	GRANT SHARE	FAA GRANT NO.
2001	Taxiway, Apron & Fuel Farm	\$2,585,000	3-06-0201-01
2002	Perimeter Fencing	\$555,555	3-06-0201-02
2003	Lighting & Fuel Farm Phase II	\$722,200	3-06-0201-03
2004	Apron Expansion (East)	\$1,500,000	3-06-0201-04

WHEREAS, the Grantee has requested that the FAA Administrator approve a release of a portion of the lands at the Airport which are subject to the aeronautical and aviation conditions, reservations, restrictions, and assurances contained in the Quitclaim Deed and each of the Grant Agreements; and

WHEREAS, Grantee is requesting the release of certain lands as more particularly described below, from the aeronautical restrictions set forth in the Quitclaim Deed and the Grant Agreements since such lands are not needed for aviation purposes by the Grantee for the proper operation and maintenance of the Airport; and

WHEREAS, the FAA, pursuant to the provisions contained in Title 49 United States Code Sections 47107(h) and 47153, is authorized to grant a release from the conditions, reservations, restrictions, and assurances contained in Quitclaim Deed and the Grant Agreements between the United States of America and the Grantee for the lands hereinafter more particularly described; and

WHEREAS, the FAA Administrator has determined that the lands hereinafter described and shown in the following exhibits no longer serve an airport purpose and these exhibits are identified as follows:

- Exhibit "A" (Parcel D3-East)
- Exhibit "B" (Parcel D3-West)

WHEREAS, collectively, the lands described in the exhibits identified above are referred to in this Release as the "Release Parcels"; and

WHEREAS, the Grantee pursuant to its Resolution No. JPA 05-04R, dated February 16, 2005 a copy of which is attached hereto as Exhibit "C" and Resolution No. JPA 05-06, dated February 16, 2005 a copy of which is attached hereto as Exhibit "D", agrees and covenants to the FAA to use all proceeds derived from the release parcels to fully and completely satisfy the obligations incurred by the Grantee for the benefit of the March Inland Port, pursuant to the terms of Resolution No. JPA 05-04R and Resolution No. JPA 05-06 by the March Joint Powers Authority resolving to use all proceeds for the improvement, development, and maintenance of the March Inland Port in accordance with the terms of Resolution No. JPA 05-04R and Resolution No. JPA 05-06.

NOW THEREFORE, in consideration of the benefits to accrue to the United States of America and to civil aviation, the United States of America, acting by and through the FAA, hereby agrees to release the rights and interests reserved to the FAA in the March Release Parcels, containing a total area of 184.70 acres, more or less, and more particularly described in Exhibits "A" and "B", attached hereto, from the aeronautical and aviation conditions, reservations, restrictions, and assurances contained in Quitclaim Deed and the Grant Agreements.

This Release is granted subject to the following conditions:

1. Covenants and Conditions. The instrument used by the Grantee to transfer the real property described in this Release, namely, D-3 East and D-3 West, shall include the following covenants, conditions, restrictions and reservations.

a) Right of Flight. There is hereby reserved to the March Joint Powers Authority, its successors and assignees, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the premises herein conveyed, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used for navigation of or flight in the air, using said airspace, or landing at, taking off from, or operating at the March Inland Port and March Air Reserve Base.

b) No Obstructions. The transferee, recipient, or grantee of the land conveyed herein, by accepting this conveyance from the March Joint Powers Authority, expressly agrees for itself, its successors and assignees that it will not erect nor permit the erection of any structure, objects of natural growth or other obstructions, on the land conveyed here in, above a height that is determined pursuant to the requirements of Title 14 Code of Federal Regulations Part 77. In the event the aforesaid covenant is breached, the March Joint Powers Authority, its successors and assigns herein reserves the right to enter on the land conveyed hereunder and to remove the offending structure or object, and to cut the offending natural growth, all of which shall be at the expense of said transferee, recipient, or grantee.

c) No Interference. The transferee, recipient, or grantee of the land conveyed herein, by accepting this conveyance from the March Joint Powers Authority expressly agrees for itself, its successors, and assignees that it will not make use nor permit the use of the land conveyed herein in any manner which might interfere with the landing and taking off of aircraft from said airports or which might otherwise constitute an airport hazard. In the event the aforesaid covenant is breached, the March Joint Powers Authority, its successors and assigns reserves the right to enter on the land conveyed herein and cause the abatement of such interference at the expense of the transferee, recipient, or grantee.

2. Purpose of Release. This Release is granted to authorize the disposal of airport property that was deemed to have no airport purpose for the Airport or the Grantee and to

recognize the use of the sale proceeds for the purpose of acquiring property located near the March Inland Port that has value to the Airport and the Grantee for airport purposes.

3. Use of Proceeds. The sale proceeds from the disposal of airport land subject to this release, as well as land acquired with the proceeds from a released parcel, will only be used for airport purposes and all proceeds or revenue derived therefrom will be devoted to the improvement, development, and maintenance of the March Inland Port.

(Signatures to follow)

IN WITNESS WHEREOF, the United States of America has caused this Instrument of Release to be executed on the 23rd day of September, 2005.

UNITED STATES OF AMERICA,
acting by and through the Administrator of the
Federal Aviation Administration

By: Mark A. McClardy
Mark A. McClardy
Manager, Airports Division
Western-Pacific Region
Federal Aviation Administration



(NOTARY SEAL)

Kesha Smith
Notary Signature

My Commission expires: Dec. 10, 2005

MARCH JOINT POWERS AUTHORITY

ACCEPTANCE BY A PUBLIC AGENCY OF THE TERMS AND CONDITIONS OF THE 2005 INSTRUMENT OF RELEASE AFFECTING CERTAIN LANDS OWNED BY THE MARCH JOINT POWERS AUTHORITY

On behalf of the March Joint Powers Authority, the Grantee of the within Release, the undersigned officer hereby acknowledges the acceptance of the terms and conditions of the Release by the governing board of the Grantee.

By: Philip A. Rizzo
Signature

Executive Director
Title

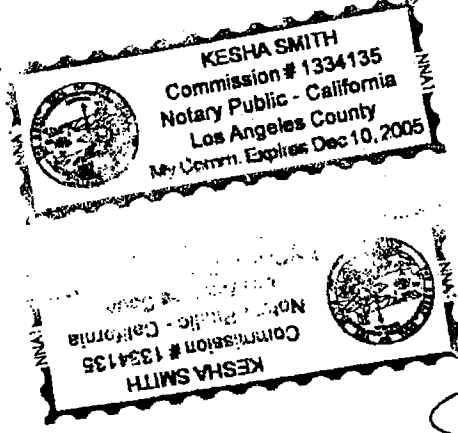
Philip A. Rizzo
Print Name

September 29, 2005
Date

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California
County of Los Angeles } ss.

On September 23, 2005 before me, Kesha Smith Notary Public
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")
personally appeared Mark A. McClardy
Name(s) of Signer(s)



personally known to me
 proved to me on the basis of satisfactory evidence

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

WITNESS my hand and official seal.
[Signature]
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Instrument of Release

Document Date: September 23, 2005 Number of Pages: 15

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: Mark A. McClardy

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

Signer Is Representing: Federal Aviation Administration



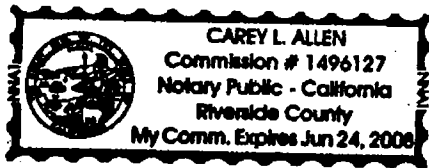
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California }
County of Riverside } ss.

On September 29, 2005 before me, Carey L. Allen, Notary Public
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Philip A. Rizzo
Name(s) of Signer(s)

personally known to me
 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~~s~~ and that by his/~~her~~~~their~~ signature~~s~~ on the instrument the person~~s~~ or the entity upon behalf of which the person~~s~~ acted, executed the instrument.

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Instrument of Release

Document Date: September 29, 2005 Number of Pages: 14

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: Philip A. Rizzo

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

Signer Is Representing: March Joint Powers Authority



EXHIBIT "A"

MARCH PARCEL D-3 EAST

In the County of Riverside, State of California, being that portion of Section 15 of Township 3 South, Range 4 West, San Bernardino Base and Meridian, also shown as Parcel 3 on Record of Survey 000-135 filed in Book 110, Pages 30 through 40, inclusive, of Records of Survey, in the County Recorder's Office of said County, more particularly described as follows:

Beginning at the northerly terminus of that certain course in the westerly line of the Atchison, Topeka and Santa Fe Railroad Right-of-Way, as shown on sheet 7 of 11 sheets of said Record of Survey, said course bears South 19°23'04" East 2,577.64 feet, also being shown on California Department of Transportation Map No. 435571-8 on file with the County of Riverside as Map No. 205-254; thence South 19°23'04" East 2,577.64 feet to the beginning of a non-tangent curve concave northeasterly having a radius of 875.00 feet, a radial line to said beginning of bears South 33°26'41" West, said beginning also being a point on the easterly Right of Way line of State Route 215 as shown on California Department of Transportation Map No. 435571-6 on file with the County of Riverside as Map No. 205.251; thence along said easterly line the following 9 courses:

1. Northwesterly 171.38 feet along said curve through a central angle of 11 ° 13'20";
2. North 45°20'00" West 391.10 feet;
3. North 40°30'27" West 878.53 feet to the beginning of a curve concave northeasterly having a radius of 4,875.00 feet;
4. northwesterly along said curve 508.50 feet through a central angle of 05°58'35";
5. North 28°08'58" West 486.75 feet;
6. North 17°49'57" West 447.33 feet;
7. North 30°29'16" East 42.45 feet;
8. North 39°54'38" East 415.29 feet to the southerly line of Alessandro Boulevard as shown on California Department of Transportation Map No. 435571-8 on file with the County of Riverside as Map No. 205-254;
9. thence along said southerly line South 89°51'58" East 314.75 feet to the Point of Beginning.

Containing 1,447,263 square feet or 33.22 acres, more or less, based upon grid distances.

The bearings and distances used in the above description are grid distances based on the California Coordinate System of 1983, Zone 6. Multiply distances shown by 1.00007058 to obtain ground distances.

