



**EXECUTIVE COMMITTEE
MEETING AGENDA**

TIME: 11:30 a.m.

DATE: Monday, October 5, 2026

**LOCATION: March Field Conference Room
County of Riverside Administrative Center
4080 Lemon Street, Third Floor, Riverside, CA 92502**

🌀 COMMITTEE MEMBERS 🌀

Kevin Bash, City of Norco – Chair
Karen Spiegel, County of Riverside, District 2 – Vice Chair
Julio Martinez, City of Beaumont
Dale Welty, City of Canyon Lake
Crystal Ruiz, City of San Jacinto
Joseph Morabito, City of Wildomar
Chuck Washington, County of Riverside, District 3

WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY

www.wrc-rca.org

EXECUTIVE COMMITTEE MEETING AGENDA

11:30 a.m.

Monday, October 5, 2026

**March Field Conference Room
County of Riverside Administrative Center
4080 Lemon Street, Third Floor, Riverside, CA**

In compliance with the Brown Act and Government Code Section 54957.5, agenda materials distributed 72 hours prior to the meeting, which are public records relating to open session agenda items, will be available for inspection by members of the public prior to the meeting on the RCA's website, www.wrc-rca.org.

In compliance with the Americans with Disabilities Act, Government Code Section 54954.2, Executive Order N-29-20, and the Federal Transit Administration Title VI, please contact the Clerk of the Board at (951) 787-7141 if special assistance is needed to participate in a Committee meeting, including accessibility and translation services. Assistance is provided free of charge. Notification of at least 48 hours prior to the meeting time will assist staff in assuring reasonable arrangements can be made to provide assistance at the meeting.

1. CALL TO ORDER

2. ROLL CALL

3. PLEDGE OF ALLEGIANCE

4. PUBLIC COMMENTS – *Each individual speaker is limited to speak three (3) continuous minutes or less. The Board may, either at the direction of the Chair or by majority vote of the Board, waive this three-minute time limitation. Depending on the number of items on the agenda and the number of speakers, the Chair may, at his/her discretion, reduce the time of each speaker to two (2) continuous minutes. In addition, the maximum time for public comment for any individual item or topic is thirty (30) minutes. Also, the Board may terminate public comments if such comments become repetitious. Speakers may not yield their time to others without the consent of the Chair. Any written documents to be distributed or presented to the Board shall be submitted to the Clerk of the Board. This policy applies to Public Comments and comments on Agenda Items.*

Under the Brown Act, the Board should not take action on or discuss matters raised during public comment portion of the agenda that are not listed on the agenda. The Board Members may refer such matters to staff for factual information or to be placed on the subsequent agenda for consideration.

5. ADDITIONS / REVISIONS – *The Board may add an item to the agenda after making a finding that there is a need to take immediate action on the item and that the item came to the attention of the Board subsequent to the posting of the agenda. An action adding an item to the agenda requires 2/3 vote of the Board. If there are less than 2/3 of the Board Members present, adding an item to the agenda requires a unanimous vote. Added items will be placed for discussion at the end of the agenda.*

6. **CONSENT CALENDAR** – *All matters on the Consent Calendar will be approved in a single motion unless a Board Member(s) requests separate action on specific item(s).*

6A. **APPROVAL OF MINUTES – AUGUST 3, 2026**

Page 1

7. **COUNTY OF RIVERSIDE FEE CREDIT REQUEST FOR THE CORONA CLAY PROJECT**

Page 6

Overview

This item is for the Committee to recommend the Board of Directors take the following action:

- 1) Approve a fee credit request from the County of Riverside for the Corona Clay Project and authorize the Executive Director to enter into a Fee Credit Agreement with the County of Riverside on behalf of the RCA. The fee credit shall only be granted after a total of 50.9 acres, as described and depicted in Joint Project Review (JPR) 24-01-30-01, are conveyed to the RCA. Per the Western Riverside Multiple-Species Habitat Conservation Plan (MSHCP) Mitigation Fee Implementation Manual, this fee credit shall only be applied to this project.

8. **BOARD OF DIRECTORS / EXECUTIVE DIRECTOR REPORT**

Overview

This item provides the opportunity for the Board of Directors and the Executive Director to report on attended meetings/conferences and any other items related to Board activities.

9. **ADJOURNMENT**

The next Executive Committee is scheduled to be held on **Monday, November 2, 2026.**

AGENDA ITEM 6A

MINUTES

WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY

EXECUTIVE COMMITTEE MINUTES

Monday, August 3, 2026

1. CALL TO ORDER

The meeting of the Executive Committee was called to order by Chair Kevin Bash at 11:31 a.m., in the March Field Conference Room at the County of Riverside Administrative Center, 4080 Lemon Street, Third Floor, Riverside, California, 92501.

2. ROLL CALL

Members/Alternates Present

Karen Spiegel
Chuck Washington
Dale Welty
Kevin Bash
Joseph Morabito

Members Absent

Julio Martinez
Crystal Ruiz

3. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Board Member Morabito.

4. PUBLIC COMMENTS

There were no requests to speak from the public.

5. ADDITIONS / REVISIONS

There were no additions or revisions to the agenda.

6. CONSENT CALENDAR – *All matters on the Consent Calendar will be approved in a single motion unless a Board Member(s) requests separate action on specific item(s).*

M/S/C (Spiegel/Welty) to approve the following Consent Calendar items.

6A. APPROVAL OF MINUTES – MAY 4, 2026

7. UPDATE ON DEVELOPMENT OF THE WILDFIRE MANAGEMENT PLAN

Cody Bear Sutton, Reserve Management and Monitoring Manager, provided a presentation on the Master Wildfire Management Plan (WMP) update. Dudek was awarded a contract in November 2024 to develop the Wildfire Management Plan for the MSHCP reserve system.

The purpose of the plan is to formalize existing wildfire management methods across the reserve, giving RCA and its partners a consistent, program-level approach to wildfire prevention, fuels management, and support and collaboration with first responder agencies. Rather than addressing wildfire response reactively on a property-by-property basis, the WMP is meant to establish a single framework that guides decision-making that will help eventually develop tailored wildfire management strategies for each habitat management unit in the future. Throughout the plan, priority is given first to human safety, and second to the protection of MSHCP covered species and their habitats, recognizing that both fire management and conservation goals need to be balanced together rather than treated as competing priorities.

Since our last update, Dudek has completed the core hazard and risk modeling that forms the technical foundation of the plan. This model evaluates burn probability and wildfire hazard across the reserve system, along with risk to structures and potential impacts on sensitive species and habitats. It also assesses the potential for post-fire vegetation type conversion. This happens when native habitat burns too often or too intensely, so instead of recovering to its original vegetation type, it is replaced by non-native grasses. This is a real threat to the MSHCP because many of the covered species depend on those native habitat types to survive. A map was presented, provided by Dudek, that showed an example of some of the completed modeling. To build it, Dudek first mapped wildfire risk and frequency across the reserve system. They then looked at MSHCP-covered species and identified which ones are most sensitive to vegetation type conversion. From there, they layered type conversion risk against areas where those most sensitive covered species overlap to identify the priority areas shown on the map. The black areas represent RCA-managed lands. Within those lands, purple indicates high priority, meaning a high risk of type conversion but a lower likelihood of future fire, and blue indicates very high priority, meaning both a high risk of type conversion and a high likelihood of future fire occurrence.

As part of plan development, Dudek and RCA staff met with CAL FIRE to present the WMP framework and the modeling approach described on the previous slide. That meeting provided valuable feedback on CAL FIRE's goals, priorities, and management considerations for the plan area. That feedback is being incorporated directly into the WMP's recommendations, helping ensure the plan aligns with how the state's lead fire agency approaches wildfire risk in this region.

Beyond CAL FIRE, RCA has also been conducting targeted coordination with Tribal governments and their local fire agencies. This has included outreach to Tribal representatives and fire chiefs from the Morongo, Pechanga, Soboba, and Cahuilla Bands to gather their input on plan development, risk modeling, and management considerations specific to their areas. This outreach is intended to make sure the plan reflects local, on-the-ground knowledge, not just technical modeling.

With the technical modeling complete, the project has moved into the early administrative draft phase, where Dudek is translating those results into management strategies and recommendations for the plan document. Looking ahead, RCA is planning a broader

stakeholder meeting on August 19. That meeting will expand participation beyond the agencies and Tribal partners already engaged, with invitations going out to county and city fire chiefs, wildlife agencies, the Stakeholders Committee, and other interested partners. Staff will use that meeting to walk through key components of the administrative draft, including the wildfire risk and vegetation type conversion modeling, and to gather feedback on the management approach before the plan moves to its first public draft. This outreach is an important step, since the broader input received in August will directly shape the content of that public draft. RCA is targeting release of the public draft this winter, heading into 2027, with the plan finalized and brought back to the Board in early 2027.

Board Member Morabito asked whether, when there is an intense fire and species are replaced by non-native grasses, that would mean that the grasses we now call native would have been non-native hundreds or thousands of years ago.

Aaron Gabbe, Regional Conservation Director, stated that the intensity and frequency of fire have changed, so shorter fire cycles make it more challenging for the original vegetation type to recover. Some of the grasses respond more quickly, so they can take over and prevent the current vegetation type from being established.

Harry Sandoval, Regional Conservation Deputy Director, added that Board Member Morabito was correct and that those grasses we see now would have been non-native a couple hundred years ago.

Board Member Washington stated that, over the last year and a half, the Third District has invested about \$500,000 to clear out vegetation on either side of power lines that are managed by the Anza Co-op as a preventative measure. It was suggested that this could be coordinated into the WMP.

Aaron Gabbe shared that this was the type of question that staff had anticipated; however, this plan is really for reserves and areas that might become reserves. There is an entire community wildfire protection planning process that happens at the county or city level that addresses issues beyond RCA specifically. Ideally, that would happen and RCA would then coordinate to integrate those efforts. This WMP is not at the level of a community wildfire protection plan process. There is grant funding available for developing those as well.

Board Member Washington stated that the funding that was invested was a commitment to the Anza Valley community, and there is some reserve land in the region. Efforts to prevent wildfires might not be in those areas, but they would likely be adjacent.

Aaron Gabbe thought it was relevant because the biggest challenges in Southern California for wildfire prevention and management is the likelihood of ignitions. If there are ignitions happening off the reserve, or where RCA might have management authority over, it has potential to affect our land. The comment was relevant because one of the biggest challenges facing wildfire prevention and management in Southern California is the likelihood of ignitions. If there are ignitions occurring off the reserve, or in areas over which RCA might have management authority, they have the potential to affect RCA-managed lands.

Karen Cleary-Rose, U.S. Fish and Wildlife Service, shared that agencies responsible for vegetation maintenance, particularly flood control agencies, routinely clear channels and remove vegetation. Once removed, there is a choice to remove the vegetation entirely or use the less expensive option of grinding it up and leaving it in place, which can cause some vegetation to resprout. With Flood Control being concerned with the hassle of having to work around these new species, they are not upset when new weeds grow in the river. With the permit that Flood Control has, they do not need to worry about impacts to protected species.

Board Member Welty wanted to make sure RCA staff would be engaged with federal agencies, not just wildlife agencies.

Harry Sandoval stated that staff have had preliminary discussions with the Bureau of Land Management (BLM), which has its own Fire Management Department. BLM staff will be reviewing the final draft and have already made some initial recommendations. Staff also plan to speak with the U.S. Forest Service, as well as essentially any fire agency that would have a shared border with the reserve system.

Chair Bash asked how RCA could coordinate differing regulatory requirements, noting that restrictions associated with power lines, including limitations on flying over or within 600 feet of them, differ from California Public Utilities Commission (CPUC) and CAL FIRE requirements for protecting power lines.

Harry Sandoval said it was challenging to navigate the differing regulatory requirements, and that this issue is relatively new to the region.

Aaron Hake, Executive Director, added that this effort is complex and multi-jurisdictional and thanked staff for their efforts. RCA is taking the time to ensure the appropriate stakeholders have adequate time to review and provide input. Within the last month, a jurisdiction reached out to RCA about fuels management on a conservation property that is not owned or managed by RCA. RCA staff did their best to facilitate a conversation between the jurisdiction and the nonprofit organization that owned the property, but this highlighted broader wildfire management issues that other entities are also facing. This plan focuses on what is and could come into the RCA reserve system, but RCA staff will do their best to coordinate with other entities and nonprofit organizations.

Aaron Gabbe stated that the comments and concerns shared during the discussion have been valuable input. Ultimately, these are public lands that RCA is helping to protect on behalf of the public.

M/S/C to:

This item is for the Committee to receive and file an update on the development of the Wildfire Management Plan (WMP), including upcoming stakeholder outreach and engagement.

8. BOARD OF DIRECTORS / EXECUTIVE DIRECTOR REPORTS

Aaron Hake shared that the work to complete the Major Amendment to the MSHCP to include Crotch's bumble bee continues. In a few months, staff will have an update to present to the Executive Committee.

9. ADJOURNMENT

There being no further business for consideration by the Executive Committee, Chair Bash adjourned the meeting at 12:00 p.m. The next meeting of the Executive Committee is scheduled to be held on **Monday, October 5, 2026**.

Respectfully submitted,

A handwritten signature in black ink that reads "Melonie Donson". The signature is written in a cursive, flowing style.

Melonie Donson
Deputy Clerk of the Board

AGENDA ITEM 7

WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY	
DATE:	October 5, 2026
TO:	Executive Committee
FROM:	Aaron Gabbe, Regional Conservation Director
THROUGH:	Aaron Hake, Executive Director
SUBJECT:	County of Riverside Fee Credit Request for the Corona Clay Project

STAFF RECOMMENDATION:

This item is for the Committee to recommend the Board of Directors take the following action:

- 1) Approve a fee credit request from the County of Riverside for the Corona Clay Project and authorize the Executive Director to enter into a Fee Credit Agreement with the County of Riverside on behalf of the RCA. The fee credit shall only be granted after a total of 50.9 acres, as described and depicted in Joint Project Review (JPR) 24-01-30-01, are conveyed to the RCA. Per the Western Riverside Multiple-Species Habitat Conservation Plan (MSHCP) Mitigation Fee Implementation Manual, this fee credit shall only be applied to this project.

BACKGROUND INFORMATION:

RCA has received a request for a Local Development Mitigation Fee (LDMF) credit for the Corona Clay Project (JPR 24-01-30-01) from the County of Riverside (County), in exchange for transferring to the RCA approximately 50.9 acres of land that are described for conservation by the MSHCP and which will count as Additional Reserve Lands (ARL). The 113-acre project site is located directly north of Dawson Canyon Road, north and east of Park Canyon Drive, and east of Temescal Canyon Road within an unincorporated part of Riverside County just south of the City of Corona (Attachment 1).

A majority of the Corona Clay Project site consists of various ongoing uses, developed over many decades by the Corona Clay Company, including a clay processing facility, motorcycle test tracks, a model aircraft field, office buildings, equipment storage areas, water quality basins, and a mining reclamation area. The discretionary actions currently considered by the County include a Conditional Use Permit, Surface Mining Reclamation Plan, Change of Zone, and General Plan Amendment. Approval of the discretionary actions that the Corona Clay Company are seeking will permit existing operations.

To bring these actions into compliance with County codes, the County and the Corona Clay Company entered into a Settlement Agreement and Release ("settlement agreement") (Attachment 5) on November 28, 2018, in which both parties agreed to cooperatively work

toward completing any work necessary to approve the discretionary actions listed above and considered by the County. In the settlement agreement, the County agreed to provide the Corona Clay Company an MSHCP fee credit. No specific amount of fee credit was identified in the settlement agreement as a development footprint had not been determined; therefore, the fee could not be calculated at the time of the agreement.

Lands proposed for conservation by the Corona Clay Project are within the Temescal Wash West subunit of the Temescal Canyon Area Plan. The project is located within Criteria Cells 2934, 2937, 3039, and 3041. Criteria Cells 2934 and 2937 are part of Cell Group E while Criteria Cells 3039 and 3041 are part of Cell Group F. The MSHCP calls for conservation of 65 to 75 percent of Cell Group E and 65 to 75 percent of Cell Group F. Conservation within both Cell Groups E and F will contribute to the Proposed Extension of Existing Core 2.

The County's LDMF credit request is consistent with some, but not all, of RCA Board-adopted policies as included in Chapter II, Section C of the February 2023 MSHCP Mitigation Fee Implementation Manual (Attachment 2). The request complies with the following requirements in the Board's Policy:

- Lands proposed for conservation are within Criteria Cells (Attachment 1) as described above and will contribute to Reserve Assembly as part of Proposed Extension of Existing Core 2.
- Lands proposed for conservation are of appropriate, size, configuration, and location to be managed as part of the MSHCP Conservation Area. In total, the project will provide 50.9 acres of ARL. Most of the land proposed for conservation borders existing ARL to the east. A single isolated area exists within the northwest portion of the project site. The isolated portion (Attachment 1) is adjacent to land that has been identified as future ARL through a separate unrelated JPR and is therefore expected to become contiguous with future ARL. This land is located within areas described by the MSHCP for conservation.
- Land proposed for conservation does not include fuel modification/hazardous vegetation areas, manufactured slopes, storm drains or detention basin outfalls, constructed slope protection, utility easement areas, and Best Management Practices such as bioswales, infiltration trenches, and basins.
- The RCA received an appraisal (Attachment 3) for the property being offered in exchange for the fee credit on July 7, 2026. The cost of the appraisal was borne by the Corona Clay Company.

The fee credit request is not compliant with the following requirements in the Board's Policy:

- No fee credits are requested for conservation areas that are not considered developable land in the absence of the MSHCP. The County submitted an analysis that reduced the lands that qualify for fee credit from 50.9 to 42.6 as those areas are not developable for reasons other than the MSHCP (Attachment 4). The appraisal submitted by the County

did not exclude the 8.3 acres; therefore, it is staff's interpretation that the fee credit is requested over the entire 50.9 acres that will be conveyed to the RCA.

Based on the property value reported in the appraisal that was submitted and the estimated LDMF fees that this project would be responsible for, a reduction of 8.3 acres would not lower the value of the property below the amount of LDMF fees that would be due as the appraised value of the property to be donated is significantly higher than the estimated LDMF that would be due.

- The appraisal was prepared by a licensed appraiser but did not meet the standards in Section 6.1.1 of the MSHCP.

The County's fee credit request included a non-MSHCP-conforming appraisal of the conservation lands that the RCA agrees to accept. The appraisal submitted primarily complies with the Uniform Standards of Professional Appraisal Practice (USPAP) but is not in accordance with the Uniform Appraisal Standards for Federal Land Acquisitions (Yellow Book), which is the standard that the RCA accepts. Although the appraisal conforms to different standards than those accepted by the RCA, staff finds that updating the appraisal to comply with Yellow Book standards would not significantly lower the value of the property that will convey to the RCA as ARL – certainly not near the estimated amount of the LDMF. The appraisal concluded that the valuation of the land equated to \$15.00 per square foot. The total value of the 50.9 acres that will be conveyed to the RCA in exchange for fee credit is \$33,226,020. The County estimates that LDMF for the Corona Clay project will total approximately \$1,061,061.40.

The MSHCP Mitigation Fee Implementation Manual states that “[w]hen a Member Agency determines that a request for a fee credit (“Fee Credit”) is appropriate for on-site conservation which meets the standards in Section 2 below, the Member Agency shall notify the RCA’s Executive Director (“Executive Director”) in writing as part of the Joint Project Review (“JPR”) Application.” The fee credit policy was created when the RCA Board of Directors adopted *Resolution No. 2016-003, Resolution of the Board of Directors of the Western Riverside County Regional Conservation Authority Revising its Fee Credit and Waiver Policy Superseding and Replacing Resolution No. 05-05*. The initial request for fee credit was made as part of the JPR application submitted to the RCA on January 19, 2024.

Although the fee credit request itself is not compliant with two of the fee credit criteria, staff concludes that the inconsistencies with these criteria would not result in more fee credit issued than the value of the lands that will be conveyed for conservation. Therefore, staff finds that a fee credit is justified to maintain consistency with the settlement agreement and therefore recommends that the Committee recommend that the Board approve the fee credit request in exchange for dedicating 50.9 acres of land to the RCA for ARL.

Per the MSHCP Mitigation Fee Implementation Manual, the fee credit will be applied only to the project as described in JPR 24-01-30-01. The fee credit will “only be provided to the underlying

property owner or development company at the time the LDMF applies and [is] not transferable to other entities, individuals, or development projects.”

Per the MSHCP Mitigation Fee Implementation Manual, “[c]onservation land associated with approved Fee Credits shall be conveyed in fee title to the RCA or another entity or organization lawfully authorized to acquire and hold conservation easements pursuant to Civil Code Section 815.3. The conservation land shall be free of encumbrances that could adversely impact the ability to manage the conservation land in accordance with the MSHCP. Conveyance of the conserved land must occur prior to the point in time when MSHCP fee payment is due for the Project, and the Member Agency shall not issue occupancy permits for the Project until such time as the conservation land has been conveyed and any fee balance has been paid to the RCA. If a non-member agency holds title to the land, the entity must enter into a Management Memorandum of Understanding with the RCA agreeing to manage the land in accordance with the MSHCP prior to issuance of a grading permit for the Project.”

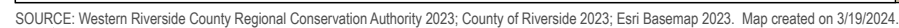
In conclusion, staff recommends that the Committee recommend to the Board, approval of the County’s request.

FISCAL IMPACT:

The County estimates that the LDMF for the Corona Clay Project will total approximately \$1,061,061.40. The fiscal impact could be as high as \$32 million (i.e., approximately \$33 million in value of the land per the non-conforming appraisal, minus approximately \$1 million in uncollected fees). The precise positive value would be determined by a fully-conforming appraisal. Once timing of the land donation is known, staff will determine if a budget adjustment is needed to recognize the donation.

Attachments:

- 1) Corona Clay Project Map
- 2) MSHCP Mitigation Fee Implementation Manual Excerpt
- 3) Appraisal
- 4) Excluded Lands Memo
- 5) Settlement Agreement
- 6) County Fee Credit Request



July 1st or 60 days after receiving notice from the RCA, whichever is later. All LDMF fees collected after a fee increase will pay the new fee even if an invoice was created prior to the fee increase.

- b. Periodic Fee Adjustment. The fee schedule may be periodically reviewed, and the amounts adjusted by the RCA Board of Directors. By amendment to the fee Resolution referenced in the Fee Ordinance, the fees may be increased or decreased to reflect the changes in actual and estimated costs of the MSHCP including, but not limited to, management and monitoring, endowment, and acquisition costs. The adjustment of the fees may also reflect changes in the facilities required to be acquired, in estimated revenues received pursuant to the Fee Ordinances, as well as the availability or lack thereof of other funds with which to implement the MSHCP. The Member Agencies shall adopt a resolution implementing the fee adjustment no later than 60 days after receiving notice from the RCA.

C. Fee Credits and Fee Credit Agreements

1. Fee Credits

When a Member Agency determines that a request for a fee credit ("Fee Credit") is appropriate for on-site conservation which meets the standards in Section 2 below, the Member Agency shall notify the RCA's Executive Director ("Executive Director") in writing as part of the Joint Project Review ("JPR") Application. This notification shall include all relevant documentation related to the project, including project description, map, criteria cells, and designation of land proposed for conservation.

Fee Credits shall be applied only to the Project they are associated with in the JPR. Fee Credits shall only be provided to the underlying property owner or development company at the time the LDMF applies and are not transferrable to other entities, individuals, or development projects. Fee Credits shall not be applied retroactively. Fee Credits shall not be granted for on-site conservation that would not be considered developable land in the absence of the MSHCP. Some examples of such undevelopable land include that which could not be developed under the California Environmental Quality Act, land with topography consisting of 50 percent or greater slopes, land that is in a flood way, or land that could not be developed due to other local ordinance restrictions. In cases where both developable and undevelopable land are included in on-site conservation, only that land that is developable in the absence of the MSHCP shall be considered for Fee Credit.

2. Standards. Fee credits shall meet the following standards:

- a. Proposed conservation land must be within Criteria Cells and contribute to Reserve Assembly;

- b. Conservation land must be of a size, configuration, and location such that it can be managed as part of the MSHCP Conservation Area;
- c. In addition to the exclusions identified in Section 1 above, fuel modification/hazardous vegetation areas, manufactured slopes, storm drain or detention basin outfalls, constructed slope protection, utility easement areas, and Best Management Practices such as bioswales, infiltration trenches, and basins will be excluded from Fee Credits and will not be accepted for management by the RCA.

3. **Appraisal**

- a. The RCA or Member Agency will obtain an appraisal for the property being offered in exchange for the Fee Credit. The cost of the appraisal will be borne by the entity that commissions the appraisal.
- b. The appraisal shall be prepared by a licensed appraiser and meet the standards in Section 6.1.1 of the MSHCP. The property owner may select the appraiser from an approved list of appraisers used by the RCA.

4. **Decision**

- a. Member Agency – Approval Authority up to \$200,000. A Member Agency may approve Fee Credits up to \$200,000. The RCA will assist the Member Agency in making a determination on the Fee Credits if requested. Notwithstanding the above, the RCA is authorized to review and audit a Member Agency's approval of Fee Credits hereunder. In the event of a disagreement between RCA and a Member Agency regarding Fee Credits provided under this Section 4.a., the matter shall be referred to the RCA Board of Directors for consideration and further action.
- b. Board of Directors – Approval Authority Over \$200,000. All Fee Credits over \$200,000 require approval of the RCA Board of Directors. The Executive Director shall place the Fee Credit request on the agenda for the next regularly scheduled meeting of the RCA Board of Directors for which an agenda has not been posted.

- 5. **Reporting** The Member Agency will provide the RCA with a copy of all Fee Credit agreements within 30 days of execution. The Executive Director shall provide monthly reports to the RCA Board of Directors of all notifications concerning Fee Credits.

6. **Conveyance of Conservation Land.** Conservation land associated with approved Fee Credits shall be conveyed in fee title to the RCA or another entity or organization lawfully authorized to acquire and hold conservation easements pursuant to Civil Code Section 815.3. The conservation land shall be free of encumbrances that could adversely impact the ability to manage the conservation land in accordance with the MSHCP. Conveyance of the conserved land must occur prior to the point in time when MSHCP Fee payment is due for the Project, and the Member Agency shall not issue occupancy permits for the Project until such time as the conservation land has been conveyed and any Fee balance has been paid to the RCA. If a non-member agency holds title to the land, the entity must enter into a Management Memorandum of Understanding with the RCA agreeing to manage the land in accordance with the MSHCP prior to issuance of a grading permit for the Project.

D. Fee Exemptions

The following types of construction shall be exempt from the LDMF:

1. Reconstruction or improvements to an existing Development Project, that were damaged or destroyed by fire or other natural causes, provided that the reconstruction or improvements do not result in additional Usable Square Footage (for residential, see Chapter III, Section B.1.b.Type IV).
2. Rehabilitation or remodeling to an existing Development Project, provided that the rehabilitation or remodeling does not result in additional Usable Square Footage (for residential, see Chapter III, Section B.1.b.Type IV).
3. Accessory Dwelling Units, but only to the extent such fee is exempted under state law (California Government Code section 65852(f)(3). (see Chapter III, Section B.1.b.Type III).
4. Junior Accessory Dwelling Units, but only to the extent such fee is exempted under state law (California Government Code section 65852.22. (see Chapter III, Section B.1.b.Type III).
5. Existing structures where the use is changed from an existing permitted use to a different permitted use, provided that no additional improvements are constructed and does not result in additional Usable Square Footage.
6. Certain Agricultural Operations as allowed by the MSHCP, as amended. (see Chapter VI, Section B.)

APPRAISAL REPORT
of



10060 & 10600 Dawson Canyon Road, Corona (Riverside County), CA 92883

OWNED BY
Corona Clay Company

APPRAISED BY
Stephen G. Valdez
Delta Valuation, Inc.
2 Tisbury Way
Ladera Ranch, CA 92694

EFFECTIVE DATE OF VALUE
June 1, 2026

June 8, 2026

Appraiser File Reference: 23-01-072

Craig Deleo
22079 Knabe Road
Corona, CA 92883

Re: Portions of parcels 283-190-019, 021, 022, and 040
Located at: 10060 & 10600 Dawson Canyon Road, Corona, CA 92883

Mr. Deleo,

At your request, the real estate at the location referenced above (the “Subject Property”) has been appraised. The Subject Property consists of approximately 50.85 acres of hypothetically developable land.

This report is limited to a summary of the data, analyses, and conclusions involved in the appraisal process which are being presented in an Appraisal Report format. All supporting documentation will be retained in the appraisal work file.

This report communicates the findings of an appraisal that culminated in the opinion of the market value of the fee simple interest in the Subject Property as of a current date of value.

The intended user of this report has represented that the appraisal will be used for asset allocation resulting from a pending transfer of the Subject Property. The appraisal and this report are not valid for any other use and are likewise not valid for any other date of value.

Any opinions of value are subject to the definitions, assumptions and limiting conditions, and certification included within the following report. The Subject Property is being appraised as of an effective date of June 1, 2026.

Based on the data and conclusions summarized in the attached report, as well as the assumptions and limiting conditions contained herein, the opinion of market value of the fee simple interest in the Subject Property, as of June 1, 2026, is:

THIRTY-THREE MILLION TWO HUNDRED TWENTY-SIX THOUSAND DOLLARS
\$33,226,000

Descriptions of the property and explanations of the appraisal procedures used are presented in the report. A copy of this report and all supporting materials will remain in the appraisal work file for review upon request.

Respectfully Submitted,



Stephen G. Valdez
Certified General Appraiser
California # AG028072

EXECUTIVE SUMMARY

Client	Corona Clay Company c/o Craig Deleo
Property Location	10060 & 10600 Dawson Canyon Road Corona (Riverside County), CA 92883
Property Rights Appraised	Fee Simple Interest
Ownership	Corona Clay Company
Zoning	Mineral Resources & Related Manufacturing
General Plan	Mineral Resources
Real Estate Description	50.85 acres of land
Highest and Best Use	Industrial / commercial land to be held for future development
Opinion of Market Value	\$33,226,000
Effective Date of Value	June 1, 2026



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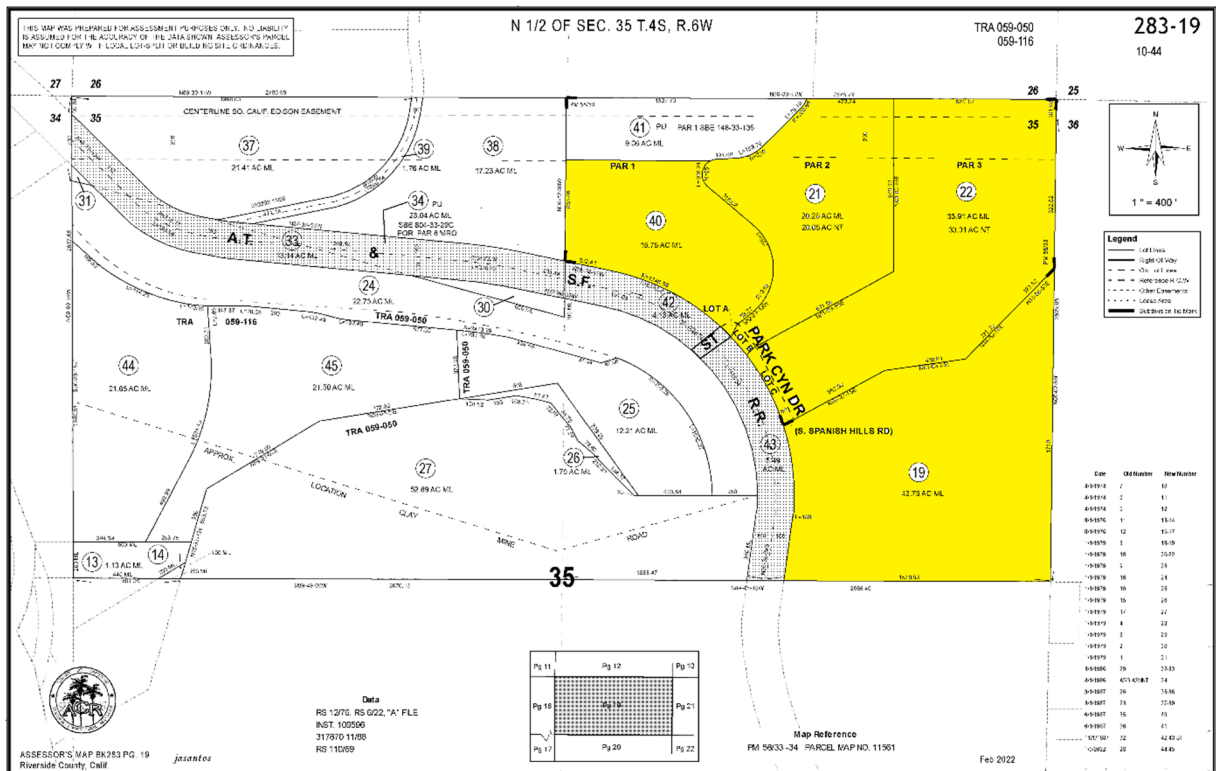
1 INTRODUCTION

1.1 Identification of the Property

The hypothetical Subject Property is 50.85 acres of “developable” land generally located along the north side of Park Canyon Drive / Dawson Canyon Road, east of the intersection with Santa Rosa Road. The Subject Property consists of five *portions* of four contiguous parcels located at or near 10060 & 10600 Dawson Canyon Road in an unincorporated portion of Riverside County that is identified locally as a part of the nearby City of Corona (92883 ZIP code). The Subject Property is specifically:

- three portions totaling 21.15 acres of the larger 43.72-acre parcel number 283-190-019
- a single 22.11-acre portion of the combined larger 54.17-acre parcel numbers 283-190-021 and 283-190-022
- a single 7.59-acre portion of the larger 15.76-acre parcel number 283-190-040

The yellow-shading in the parcel map (below) shows the location of the four larger parcels.



There is a proposed transfer of the Subject Property to the Western Riverside County Regional Conservation Authority for wildlife conservation.

The map below depicts the portions of the larger parcels that comprise the hypothetical Subject Property (light blue/grey shading).



For purposes of this appraisal, the four contiguous parcels that total 113.65 acres – from which the Subject Property is proposed to be created – are referred to as the “Subject Property, Larger Parcel,” while the 50.85 acres comprised of the portions depicted above are referred to as the “Subject Property.”

1.2 Client Identification

The client is Corona Clay Company, care of Craig Deleo.

1.3 Intended Use and User of the Appraisal

The intended use of this appraisal report is by the client for asset allocation purposes as it relates to the proposed transfer of the Subject Property. The intended users of this report are the client and the Western Riverside County Regional Conservation Authority (WRCRCA).

1.4 Purpose of the Appraisal

The purpose of this appraisal is to express an opinion of market value of the fee simple interest in the Subject Property real estate as of a current effective date.

1.5 Effective Date of Value and Date of Report

The effective date of value is June 1, 2026. The date of this report is June 8, 2026.

1.6 Ownership and Sale History of the Subject

The Subject Property, Larger Parcel has not sold within the 10 years prior to the effective date of value. The Subject Property is not *currently* listed for sale, and no listings of the Subject Property were noted.

1.7 Real Property Interest Appraised

This appraisal expresses an opinion of value of the fee simple interest of the Subject Property.

1.8 Type and Definition of Value

The type of value is “market value” as defined in the following subsection.

1.9 Appraisal Definitions

The following definitions¹ are pertinent to this report:

Extraordinary Assumption: An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser’s opinions or conclusions.

Hypothetical Condition:

1. A condition that is presumed to be true when it is known to be false.

¹ All definitions, unless otherwise noted, are sourced from: *The Dictionary of Real Estate Appraisal: 7th Edition*. Appraisal Institute (2022). Chicago, IL

2. A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

Fee Simple Estate: Absolute unencumbered by any other interest or estate, subject to only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

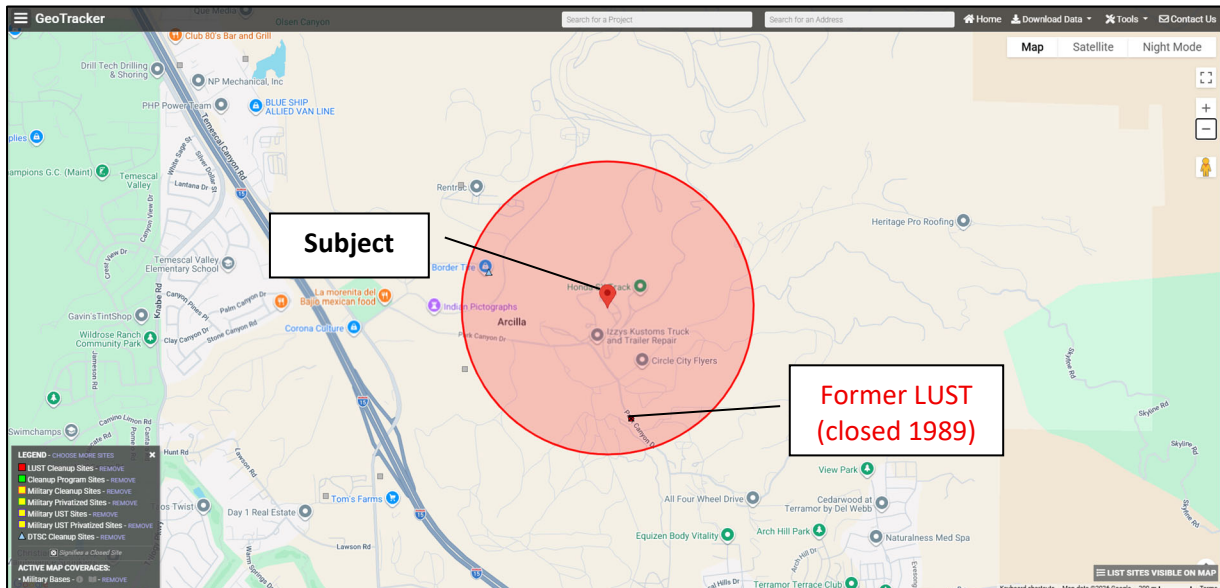
Highest and Best Use: The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

Market Value: The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, for self-interest, and assuming that neither is under duress.

Marketing Time: An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal.

1.10 Environmental Issues

Environmental contamination is a detrimental condition (DC) in the context of real estate valuation. A search of the Southwest Regional Water Quality Control Board's *GeoTracker* database was performed and yielded the following:



The red-shaded circle above illustrates a 3,000-foot radius around the Subject Property. Within this radius, there were no reported cases of specific environmental concern. The nearest point of

reported environmental concern was about a half-mile south and was a former leaking underground storage tank (gasoline) that was reportedly closed / remediated in 1989. It is unlikely that this historical point of concern would have any impact on the Subject Property.

El Sobrante Landfill

The El Sobrante landfill is located roughly 0.75 miles north of the Subject Property. El Sobrante is a permitted and active solid waste disposal site that operates under agency supervision. Given the distance from the Subject Property, it is assumed that there would be no adverse environmental impacts on the highest and best use of the Subject Property.

Corona Clay Pit

The Subject Property Larger Parcel includes areas of current and past surface mining for clay. There was no active mineral extraction activity noted on the date of the appraisal inspection, although there was some evidence of stockpiled material on-site that may be actively being processed and shipped off-site. This observation was corroborated by the most recent Surface Mining Inspection Report on file with the State of California Department of Conservation, Division of Mine Reclamation.² Publicly available Mining Inspection Reports indicate that there has been no production of new mineral quantities in the past five years. The Surface Mining Permit (SMP00175) is currently active, with an expiration date of December 31, 2030. Records indicate that the Subject Property Larger Parcel is actively being reclaimed. It is assumed that the former mineral extraction use of the Subject Property Larger Parcel would have no adverse impact on the highest and best use of the Subject Property.

Other Environmental Investigation

The Subject Property Larger Parcel was further searched using in the CalGEM Well Finder application (hosted by the California Department of Conservation) and the Hazardous Waste Tracking System (hosted by the California Department of Toxic Substances Control). There were no noted points of concern either within the Subject Property Larger Parcel or within the immediate area surrounding the Subject Property.

Real Estate appraisers are generally not qualified to detect hidden or non-apparent environmental conditions or to render an assessment of the environmental condition of the Subject Property. The retention of a qualified environmental engineer is recommended *if* further definitive assurances are desired.

² Form MRRC-1 – inspection dated July 9, 2025

1.11 Extraordinary Assumptions

Assumption #1

The existing land use and zoning regulations imposed on the Subject Property are proposed for a change to Open Space pursuant to a Settlement Agreement and proposed General Plan Amendment. This appraisal assumes that the change has not yet occurred and that the proposed change would not impair the value of the Subject Property.

Assumption #2

The existing land use and zoning designations for the Subject Property are predominantly “Mineral Resource” with some smaller areas designated as “Water” and “Open Space Rural” and “Controlled Development.” Other similarly designated properties within the competitive market area have historically been successful in attaining permits for industrial and commercial development. This appraisal assumes that the existing land use and zoning designations would not impede a hypothetical industrial and/or commercial development of the Subject Property.

The exclusion of these assumptions would have an impact on the appraisal of the Subject Property.

1.12 Hypothetical Conditions

Hypothetical Condition #1

The Subject Property is comprised of five non-contiguous and irregularly shaped portions of the Subject Property Larger Parcel. These portions are not legally salable lots. It is a hypothetical condition of this appraisal assignment that the Subject Property is a single, legal, salable parcel.

The inclusion of this hypothetical condition has an impact on the appraisal of the Subject Property.

2 SCOPE OF WORK

The scope of work performed in this appraisal assignment included the following:

- An appraisal inspection of the Subject Property;
- Research into the general plan, land use, and zoning of the Subject Property;
- Research and analysis of the environmental history of the Subject Property and the surrounding uses;
- Research and data gathering of land sale transactions, with noted comparable transactions (or “comps”) being personally confirmed with involved market participants whenever possible;
- An exterior inspection of the noted comparable transactions;
- Research and analysis of the competitive market area;
- A Highest and Best Use Analysis of the Subject Property;
- A Sales Comparison Approach to determine the market value of the Subject Property at its highest and best use;
- Reconciliation to an opinion of value of the Subject Property;
- The composition of an appraisal report and an appraisal work file that contain all supporting data for the communicated opinions and conclusions.

2.1 Valuation Methodology

The client has asked for an opinion of the market value of the fee simple interest in the Subject Property. The appraisal accordingly included the most pertinent data and approaches pursuant to the appraisal assignment.

The most directly applicable approach was the Sales Comparison Approach. The Sales Comparison Approach is an appraisal technique that derives an indication of value by comparing the Subject Property to recently sold and competitive alternative properties. The Sales Comparison Approach is the most widely considered analysis for land properties in Southern California.

The Cost Approach to Value was not performed because the Subject Property is unimproved land. The Income Approach to Value was not performed because it is generally not recognized by the competitive market for unimproved land. Although land properties are capable of generating income via a ground lease or within the projection of a subdivision / development approach, the application of such to the Subject Property would be entirely speculative and hypothetical.

Relevant market data were verified through the local *Multiple Listing Service (MLS)*, *CoStar Comps*, public records, brokers and/or agents, as well as principals in the noted transactions. The accumulated data were analyzed and compared with the Subject Property to form indications of market value from each noted comparable.

3 COMPETITIVE MARKET ANALYSIS

3.1 General Description

3.1.1 Regional

The Subject Property is in an unincorporate portion of Riverside County that is locally referred to as being a part of the nearby City of Corona. The Subject Property is located in the Temescal Canyon area near the western edge of Riverside County. The County, when combined with the northerly adjacent San Bernardino County, is a part of the Inland Empire region of Southern California. The Inland Empire is home to more than 4.5 million people – roughly 11% of the California State total.³ Most of that population is concentrated toward the western edge of the Inland Empire. Historically known for agriculture, the Inland Empire has become an epicenter of industrial activity – specifically manufacturing and warehouse-distribution uses – in the past two decades.

Riverside County is home to about 2.45 million people and a diverse economy with significant portions of employment spread across various industries.⁴ Riverside County had the tenth highest gross domestic product per county at 3% of the California state total in 2018.⁵ The City of Riverside, with a population of more than 318,000, is the largest city in the county and home to the county seat.

3.2 Real Estate Trends

The research of the market included observations of real estate trends with specific focus on the competitive market for the Subject Property: sales of commercial / industrial land.

3.2.1 Commercial / Industrial Land Sales - Local

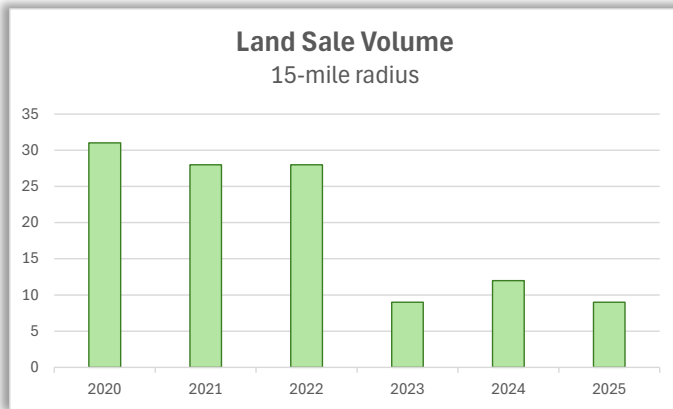
A search for sales of commercial land was performed using the Costar Comps database. The search criteria included:

- Sales recording date from January 2020 to Present
- 15-mile radius around the Subject Property
- Land (property type) and Commercial and Industrial land (secondary type)
- 5 acres and up in size

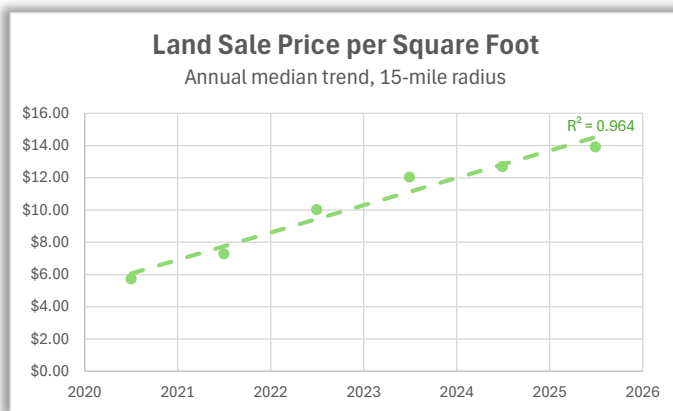
³ “2020 Census: Counting the Inland Empire,” *Public Policy Institute of California* (blog), September 5, 2018, <https://www.ppica.org/blog/2020-census-counting-the-inland-empire/>.

⁴ “Riverside County, CA | Data USA,” accessed November 15, 2020, <https://datausa.io/profile/geo/riverside-county-ca#about>.

⁵ United States Bureau of Economic Analysis, Regional Economic Accounts GDP and Personal Income



The search yielded 117 sales of industrial and commercial land. The industrial land market soared in the early 2020s – particularly the market for larger distribution sites. The industrial land market remained highly active through 2022, before cooling in the past three years. Local sales volume trends aligned with these trends, with high sale volumes in 2020, 2021, and 2022 that fell significantly in 2023 and have been relatively stable since.



Local sales prices have been steadily appreciating in the past five years. The early 2020s saw significant price appreciation – prices increased an average of 28% per year from 2020 through 2023. 2024 and 2025 saw more tepid annual price appreciation of 5.4% and 9.6%.

Overall, price appreciation from 2020 through 2025 averaged 20% on a compounding annual growth rate basis.

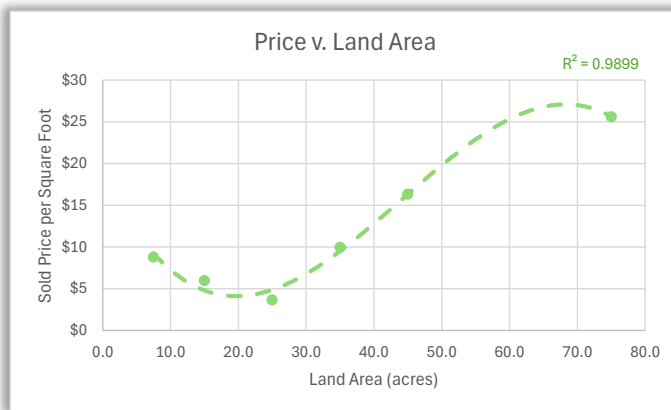
Market Participant Feedback

This appraisal included conversations with local market participants. These participants included brokers, a buyer, a seller, and a developer. All market participants agreed that industrial land prices have consistently increased over the past five years. All affirmed the trend observations above: rapid price appreciation following 2020 that has since cooled in the past two years.

3.2.2 Economies of Scale

The Subject Property has a relatively large land area within the competitive market area. There is a common economic notion – known as the bulk purchasing factor of the economies of scale concept – that the more of a product is purchased, the lower the unit cost of that product will be. For land, the supposition could be that the bigger the total land area purchased, the lower the price per square foot would be. This has not been the case in Southern California, where larger land properties can sell at significantly higher prices per square foot due to the scarcity of large land properties in the increasingly built-out region.

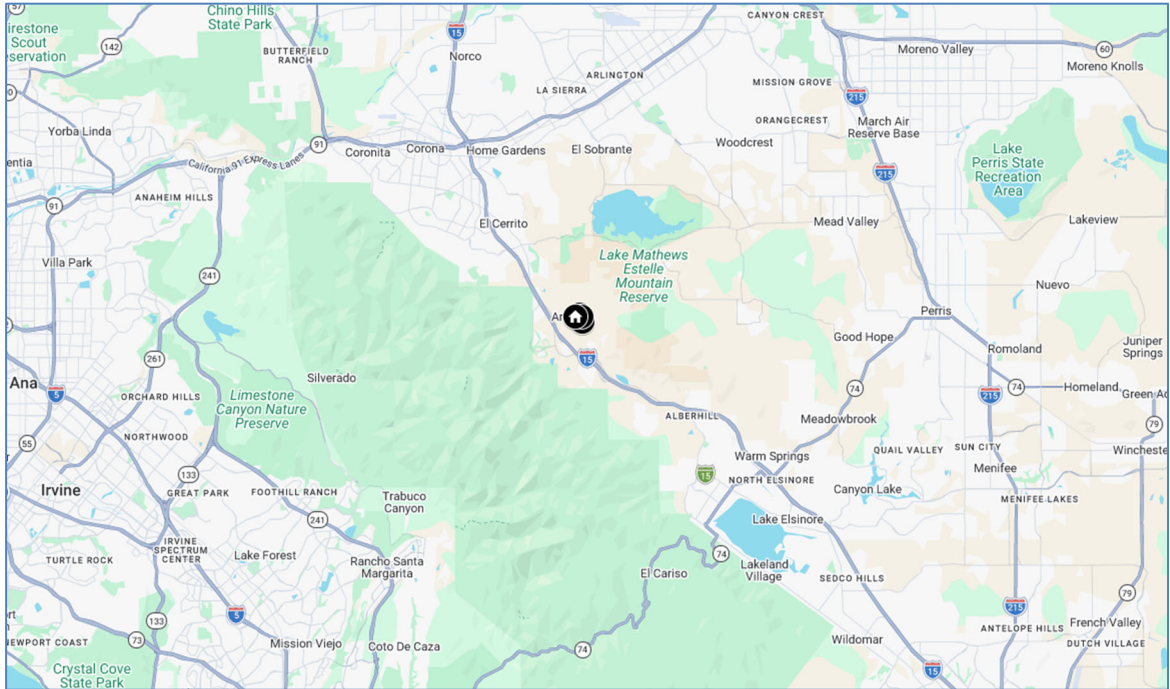
The same land sales data that was used to observe market trends was also observe whether there was a discernible relationship between the size of the sold property and the sale price paid per square foot.



The land sales data was grouped into size ranges (or bins) for analysis. The trends for economies of scale were mixed. Price per square foot decreased for sales between 5 acres and 25 acres but increased drastically from 25 acres to 75 acres.

The above noted trends in market conditions (price over time) and economies of scale (price per square foot as a function of total land area) were given consideration in the applied analytics of the Land Sales Comparison Approach.

4 NEIGHBORHOOD DESCRIPTION



The Subject Property's neighborhood is known as Temescal Canyon and is best described as a freeway corridor of Interstate 15. The neighborhood is bounded to the north by the City of Corona – the Subject Property is located toward the northern boundary of Temescal Canyon and has a "Corona" mailing address – and is bounded to the south by Lake Elsinore.

The area has seen significant population growth over the past 20 years, with some estimates noting that the population has almost doubled.⁶ Accommodating real estate development has supported this growth with several significant residential subdivisions developed along the corridor during this same timeframe. The residential developments are mostly set back from the freeway, while the land closest to the freeway has seen increasing development of industrial and commercial product.

The existing neighborhood / corridor uses range from relatively intense regional commercial uses to business parks (light industrial / office) to warehouse / distribution uses to vacant land. There are notably some mineral resource extraction (mining) uses in the area, although these uses are increasingly becoming depleted, reclaimed, and yielding to the economic pressure of the increased demand for development. The surrounding off-freeway areas include several contemporary master-planned residential communities. The Subject Property's neighborhood, like other

⁶ Temescal Valley Area Plan published by the County of Riverside (September 2021)

corridors within the competitive market, is experiencing a shift toward new and more intense development on the dwindling supply of vacant freeway-fronting parcels, and redevelopment of the older and historically more rural uses.

The Temescal Canyon neighborhood has also experienced expansion and modernization of arterial roadways, including the 15 Freeway and its interchanges, as well as Temescal Canyon Road – which is a major linkage to and from the Subject Property.

5 SITE DESCRIPTION

5.1 Land Area

The hypothetical Subject Property contains 50.85 acres

5.2 Location

The Subject Property is generally located along the north side of Park Canyon Drive / Dawson Canyon Road, east of the intersection with Santa Rosa Road.

5.3 Shape / Frontage

The Subject Property is irregular in shape and has adequate frontage on Dawson Canyon Road, which is an arterial street for the area.

5.4 Access / Visibility

The Subject Property has unimpaired access and unimpaired visibility from Dawson Canyon Road. Access to onramps for both directions on the 15 Freeway is roughly 1.7 miles from the Subject Property via Temescal Canyon Road. The Subject Property is visible from the 15 Freeway, but visibility is limited and distant and not a significant attribute.

5.5 Topography / Soil Conditions

Area topography slopes up from the 15 Freeway to the hills on either the east or west side of the freeway. The Subject Property is located along the base of the hills on the east side of the freeway. The Subject Property has mostly gentle to moderate slopes that would not be a major impediment to development. No adverse soil conditions were observed or encountered in the research of the Subject Property.

5.6 Functional Utility

The functional utility of the hypothetical Subject Property is adequate for industrial use.

5.7 Utilities

All major utilities are available either on or near the Subject Property. There are reportedly water wells on the Subject Property Larger Parcel that have supported the historical mining use, although the capacity and condition of these wells is unknown. Many of the older uses in and around the Subject Property rely upon septic sewage treatment systems. It is assumed that a public sewer connection is located along the 15 Freeway; based on the observed development of master-planned residential communities in the area.

5.8 Easements / Encroachments

Several utility and right-of-way easements were noted for the Subject Property Larger Parcel. The presence of these easements – given the larger size of the Subject Property – would not likely be a major impediment to the development of the Subject Property to its highest and best use. No encroachments were observed during the appraisal inspection.

5.9 Land Use and Zoning

The Subject Property is predominantly designated for use and zoned as a mineral resource (mining) property.

Observed land use designations included:

- Mineral Resources
- Water (generally along the seasonal stream pathways that flow down from the hills)
- Open Space

Observed zoning designations included:

M-R:	Mineral Resources
M-R-A:	Mineral Resources and related manufacturing
N-A:	Natural Assets

Pursuant to a 2018 Settlement Agreement, and in apparent connection to the acquisition of the Subject Property for conservation purposes, there is a pending general plan amendment and zone change proposed for the Subject Property. The proposed changes in land use and zoning would designate the hypothetical Subject Property as Open Space – Conservation Habitat and would designate the remaining portions of the Subject Property Larger Parcel as Open-Space Recreation.

5.10 Flood Zone / Drainage

A majority of the Subject Property is not within an area of significant flood risk (Zone X). Some small portions are located within a regulatory floodway (Zone AE). No adverse site drainage issues were observed during the appraisal inspection.

5.11 Adjacent Property Uses

Adjacent uses included mining, vacant land, industrial, and rural uses (rural uses notably include motocross bike testing courses and a remote control airplane flying field).

5.12 Site Photographs



Park Canyon Dr / Dawson Canyon Rd Entry



Clay Canyon Road



View toward 15 Freeway



Resource stockpile area



Roadway signage



View facing south



View facing north



Transmission line corridor



Processing / distribution area



Varied topography, facing north

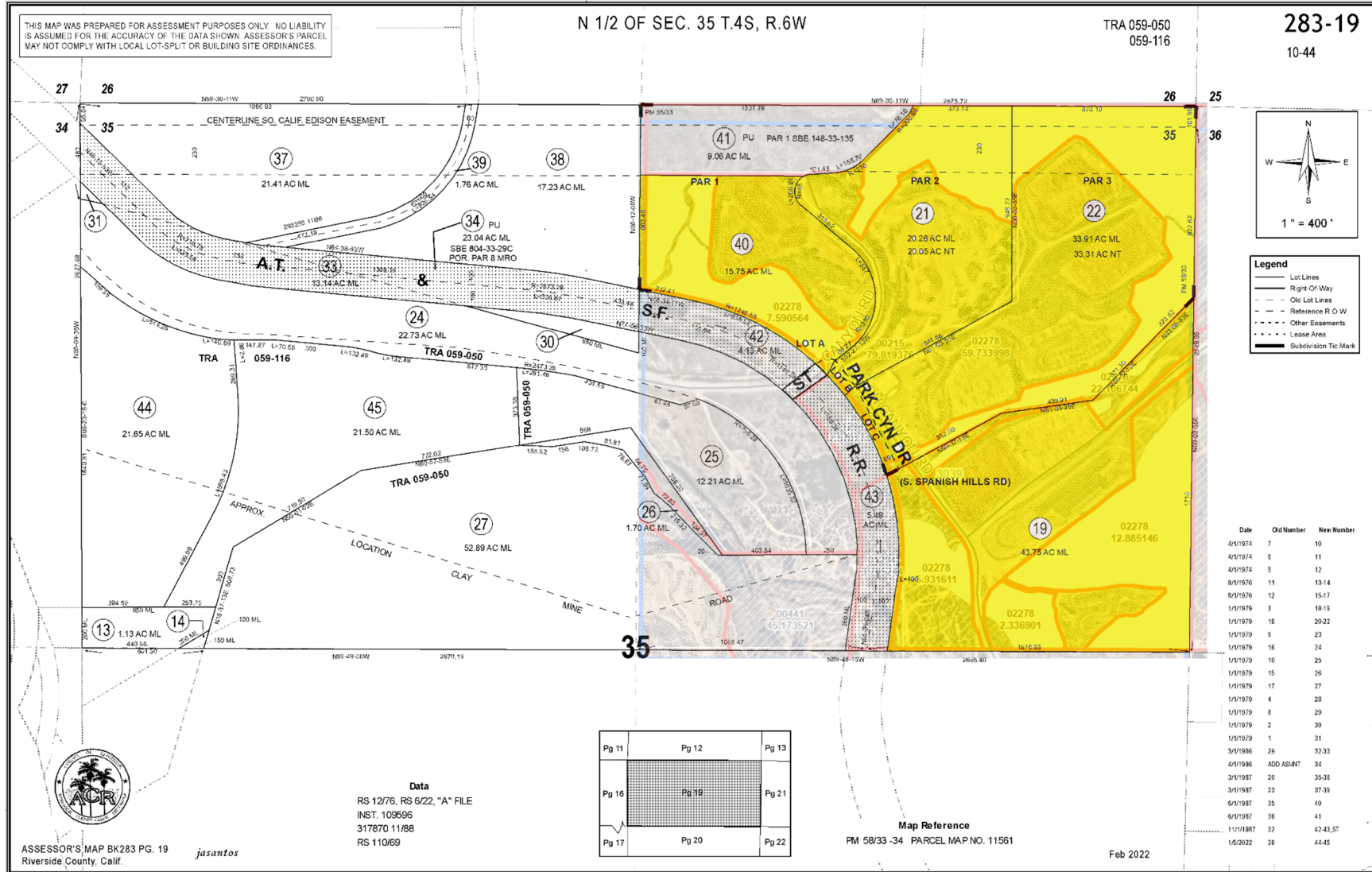


Park Canyon Drive (near RC plane field)



View from southern edge, facing north

5.13 Assessor's Map with Project Map Overlay



6 HIGHEST AND BEST USE

There are four sequential tests that determine the highest and best use of a property: physically possible, legally permissible, financially feasible, and maximally productive. The use of a property that meets all four of these tests is considered to be the highest and best use of a property. The highest and best use of the property is contemplated under two scenarios:

- As vacant, in order to determine whether a change in use would be most valuable;
- As improved, in order to determine whether the continued use or a redevelopment would be most valuable;

Because the Subject Property is vacant land, only the analysis of the highest and best use as vacant was performed.

6.1 As Vacant

Physically Possible and Legally Permissible

As vacant, the hypothetical Subject Property is 50.85 acres of level to moderately sloping land with frontages and potential access along an arterial street and limited freeway visibility. The Subject Property is mostly designated and zoned for industrial use along a growing industrial and commercial land use corridor. The size of the Subject Property is the only physical constraint on its development.

Financially Feasible and Maximally Productive

The vacant Subject Property has value and is financially feasible as a vacant land. New industrial and commercial development within the immediate competitive market area and an analysis of the improved commercial and industrial market indicates that the development of the vacant Subject Property would impart a greater value than the existing vacant Subject Property.

Conclusion

The highest and best use of the vacant Subject Property would be for immediate industrial / commercial development.

7 SALES COMPARISON APPROACH

The Sales Comparison Approach is an appraisal methodology that indicates the value of the Subject Property by comparing it to recent transactions of comparatively similar properties. The Sales Comparison Approach is based on the principle of substitution: that the value of a property can be determined by observing the price paid by the market to acquire a substitute property.

7.1 Land Sales

Data were gathered from several data sources as well as field observations and personal verification. All noted comparables appeared to be the most recent and relevant available data. The following data were noted for comparison to the Subject Property:

ID	Address	Transaction			Property		
		Sale Rec. Date	Sale Price	Sale Price per SqFt	Land Area (Acres)	Zoning / Land Use	Proposed Use
Sale 1	23220 Park Canyon Drive Corona [U], CA 92883	Jan 2025	\$1,450,000	\$8.64	3.85	M-R Mineral LI, OS-MIN	Construction storage
Sale 2	14440 Concordia Ranch Road Lake Elsinore [U], CA 92883	Mar 2024	\$1,200,000	\$6.72	4.10	M-SC Manufacturing-Service Commercial CD-LI	Office w/ fleet storage
Sale 3	11695 Temescal Canyon Road Corona [U], CA 92883	Jun 2023	\$15,891,000	\$13.13	27.78	C-P-S Commercial CD-CR	Business park (Industrial/Retail)
Sale 4	22941 Temescal Canyon Road Corona [U], CA 92883	Feb 2022	\$3,500,000	\$30.67	2.62	M-SC Manufacturing-Service Commercial CD-LI	Truck storage yard w/ 8500sf office
Sale 5	790 E. M Street Colton, CA 92324	Feb 2022	\$10,000,000	\$6.37	36.04	M-2, I-P Industrial Heavy Industrial	Truck maintenance and storage
Sale 6	1370 2nd Street Norco, CA 92860	Feb 2022	\$2,200,000	\$9.77	5.17	A-1-20 Agricultural R-A	Trucking yard
Sale 7	13347 Temescal Canyon Road Corona, CA 92883	Jan 2021	\$3,150,000	\$6.89	10.50	M-SC Manufacturing / Service Commercial L-I	Heavy equipment sales / rental
Subject	10060 & 10600 Dawson Canyon Road Corona [U], CA 92883				50.85	M-R, M-R-A, N-A Mineral, Industrial M-R, W, O-S Mineral (Industrial), Water, Open	

A map of the noted land sale comparables, a discussion of the analytical process, and a discussion of each sale are presented on the following pages.

DELTA
VALUATION



7.1.2 Land Sale Analysis

As a part of this analysis, qualitative considerations and quantitative adjustments were made to account for observed differences between each analyzed property sale and the Subject Property. Considerations and adjustments were made to account for *transaction* characteristics and *property* characteristics.

Consideration / Adjustment Categories

Transaction Characteristics

- Property rights conveyed
- Financing
- Conditions of Sale
- Expenditures made immediately after purchase
- Market conditions

Property Characteristics

- Location
- Physical attributes
- Economic attributes
- Legal characteristics
- Non-realty components

Transaction Characteristics

All noted sales were arm's length transactions and no considerations were made.

Market Conditions

Market conditions adjustments account for the trends in pricing over time. These adjustments were applied at a rate of 10% per year and are based on observed price trends presented earlier this report.

Location

Location considerations applied to the noted sales included freeway/street visibility, traffic counts, proximity to the nearest freeway interface, synergy of surrounding uses, neighborhood detrimental conditions, demographics, and special hazards (flood

zone).

Physical Attributes

Considerations were made for size and shape, environmental and soils issues, and utility availability.

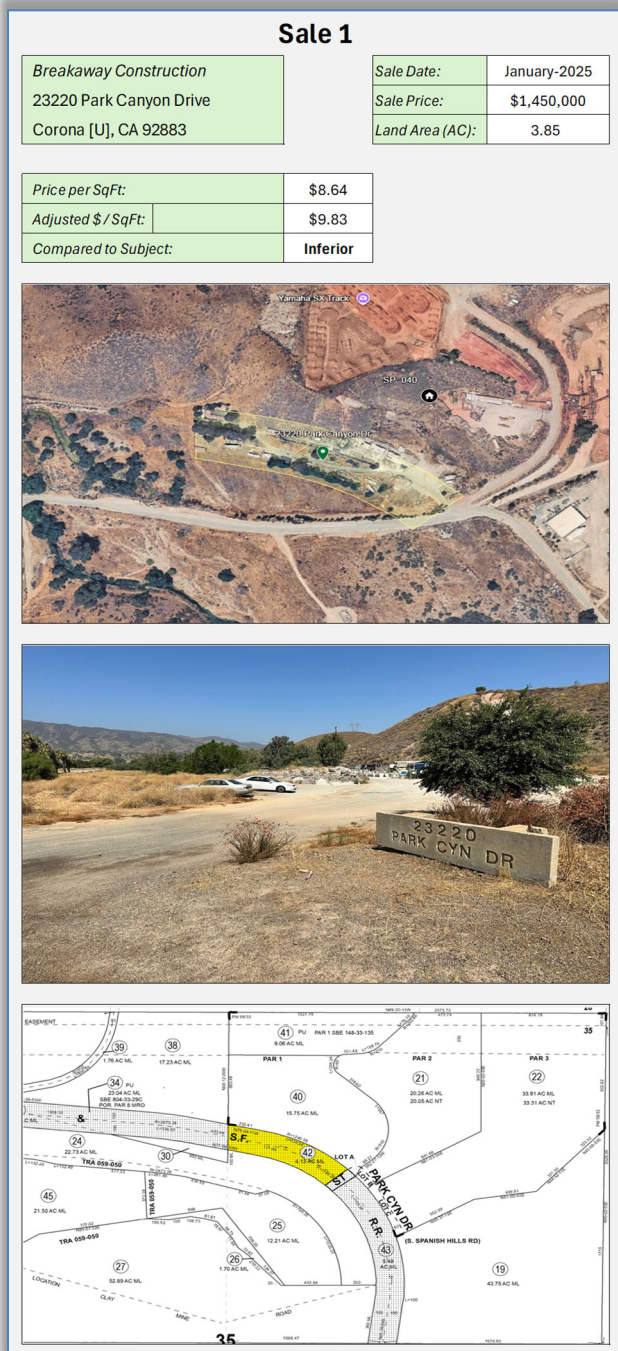
Economic Attributes

All noted comparables had similar economic characteristics and therefore no considerations were applied.

Legal Characteristics

Legal considerations included zoning, land use, and entitlements/permits. Of note, the price per square foot of Sale 4 was adjusted downward 35% to account for entitlement work that had been done prior to the sale. The -35% adjustment was based on a confirmation from the seller and broker involved in that transaction.

7.1.3 Land Sales Discussion



Land Sale One (LS1) is the most recent transaction noted and is located adjacent to the Subject Property.

LS1 is 4.13 gross acres, or 3.85 acres net of a right-of-way easement. The property was purchased by an owner user with the intent to use it as outdoor storage for construction materials. The listing broker stated that the buyer will use the property for outdoor storage and eventually for excess parking; there were no plans to otherwise develop the property.

LS1 is located almost entirely within a regulatory floodway, which is likely an impediment to future site development.

The listing broker confirmed that the property was on the market for about five months before the sale and further confirmed that this was an “arms-length” transaction that was unaffected by any unusual conditions of sale.

Considered *inferior* because:

- + Flood risk
- + Size

Land Sale One was considered to be overall *inferior* to the Subject Property, indicating that the value of the Subject Property should be *more than* the adjusted price of \$9.83 per square foot.



Land Sale Two (LS2) is 4.1 acres of land located along the I-15 corridor, to the south of the Subject Property near Lake Elsinore.

The property was purchased with the intent to develop an 8,000 square foot office building while using the balance of the site for fleet storage and equipment repair. The buyer performed some entitlement work prior to purchase and appears to have a tenant in place doing business as “Empire Equipment Storage.”

Site plans for the proposed development showed that power and water utilities were at the street, but not connected to this property at the time of sale.

This sale was confirmed with the buyer’s broker who stated that there were no unusual conditions of sale.

Considered *inferior* because:

- + Neighborhood synergy
- + Surrounding area demographics
- + Size
- + Lack of connected utilities

Considered *superior* because:

- Freeway visibility

Land Sale Two was considered to be overall *inferior* to the Subject Property, indicating that the value of the Subject Property should be *more than* the adjusted price of \$9.87 per square foot.



Land Sale Three (LS3) is 28 acres⁷ of freeway fronting land located south of the Subject Property. The buyer intends to develop a commercial and light industrial business park to be known as Toscana Commerce Center. At the time of purchase, the property had a tentative parcel map and some due diligence. The development continued in 2024 (subsequent to the noted transaction) to include specific plans for retail and light industrial development.

Most recently, some portions of LS3 may be acquired through eminent domain for the continued improvement of the I-15 Freeway.

Parties involved with this transactions were unable to be reached for confirmation. No evidence of unusual sale conditions were noted during the research of this transaction.

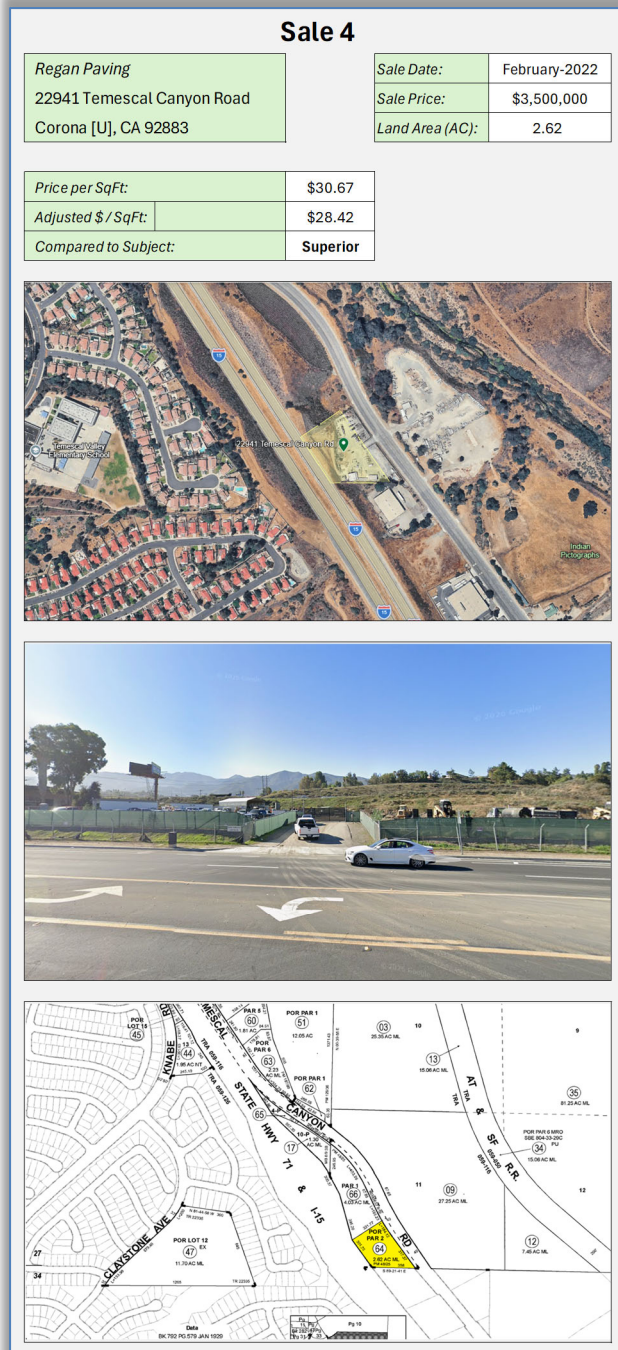
Considered *inferior* because:
+ Size

Considered *superior* because:

- Freeway visibility
- Freeway access
- Neighborhood synergy
- Entitlements / development work

Land Sale Three was considered to be overall *superior* to the Subject Property, indicating that the value of the Subject Property should be *less than* the adjusted price of \$17.02 per square foot.

⁷ The land area of LS3 varies across different sources from 24.3 acres (County planning documents) to 33.86 acres (dated parcel map). The current assessor records were relied upon.



Land Sale Four (LS4) is located along the freeway, just west of the Subject Property. Although the buyer was unwilling to confirm the sale or their intent for this property, research indicates that the buyer was a paving company that purchased LS4 to build a 12,000 square foot “shop” building and use the balance of the land for product and equipment storage.⁸

The seller – who was also the listing broker – confirmed the sale of LS4 and further intimated that significant development work had been done prior to the transaction. This reportedly included environmental surveys, a perc test, site surveys and mapping, and preliminary plans for a 40,000 square foot warehouse / office building.

The seller stated that 35% of the price of the property was attributable to the development work; the price of this property was adjusted accordingly in the appraisal analysis. The seller stated that the market for land has “really slowed down” in the past two years, although he noted prices continued to increase and were “easily double what they were five years ago.”

Considered *inferior* because:

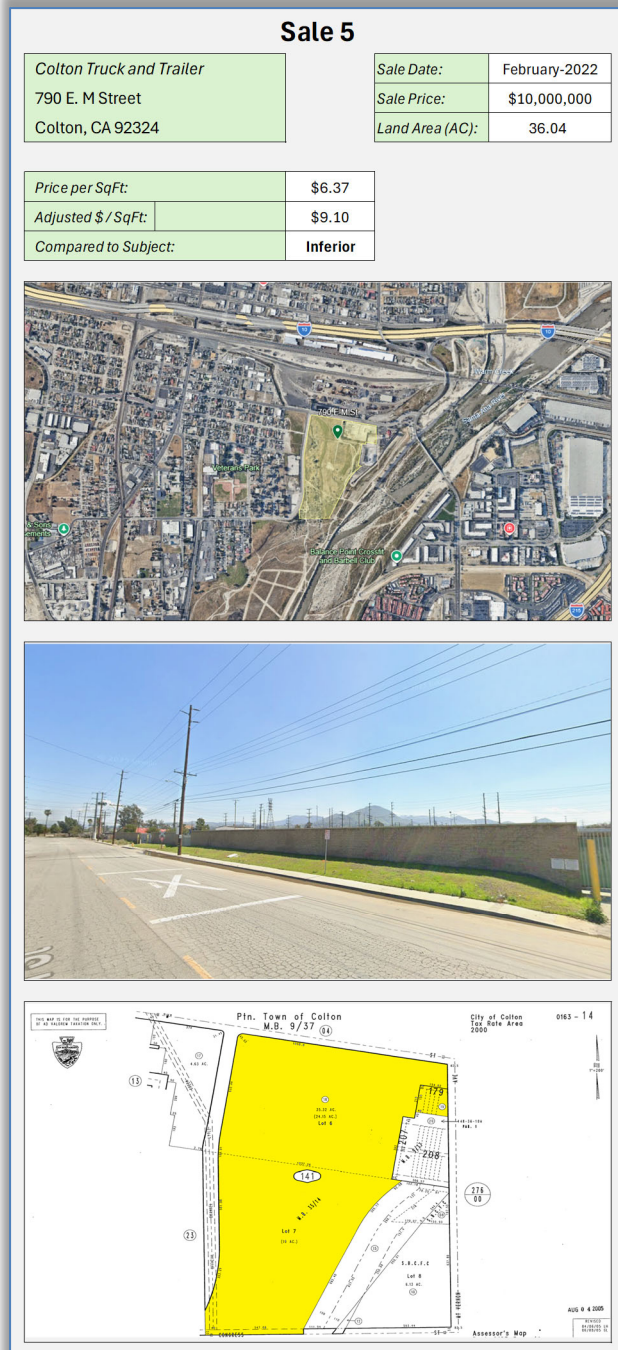
+ Size

Considered *superior* because:

- Freeway visibility
- Entitlements / development work

Land Sale Four was considered to be overall *superior* to the Subject Property, indicating that the value of the Subject Property should be *less than* the adjusted price of \$28.42 per square foot.

⁸ A pre-approval application (dated November 7, 2022) stated, “No outdoor storage indicated.” Despite this contradictory evidence, further research and field observations prove otherwise.



Land Sale Five (LS5) is located far away in the City of Colton. Despite the dissimilarity in the location, LS5 was included in the analysis because of its larger size and because it was marketed for species and habitat conservation / mitigation.⁹

Roughly 5 acres of the property was cleared and graded and had previously been used for metal recycling. The other 31 acres was raw land.

The buyer applied for a condition use permit (CUP) in 2022 for a 53,076 square foot truck maintenance shop and truck parking on 5 acres of the property. It appears the CUP was granted sometime in 2024.

The former recycling use led to soil and groundwater contamination. The 2022 grant deed included a restrictive covenant that banned, in perpetuity, any metal recycling or auto dismantling use.

Considered *inferior* because:
 + Easements and use restrictions
 + Contamination history

Considered *superior* because:
 - Land use and zoning

Land Sale Five was considered to be overall *inferior* to the Subject Property, indicating that the value of the Subject Property should be *more than* the adjusted price of \$9.10 per square foot.

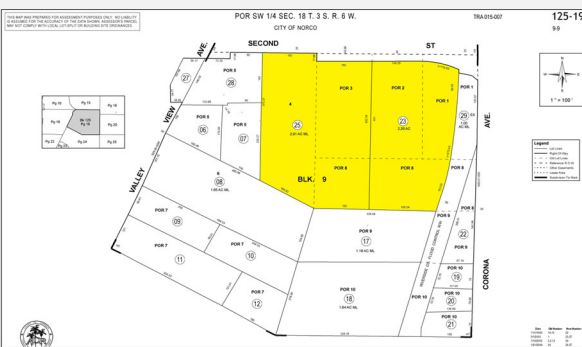
⁹ The marketing brochure included information about the pocket mouse, burrowing owl, and several other species for which LS5 provided "suitable habitat."

Sale 6

Genesis and Manny Trucking
1370 2nd Street
Norco, CA 92860

Sale Date:	February-2022
Sale Price:	\$2,200,000
Land Area (AC):	5.17

Price per SqFt:	\$9.77
Adjusted \$ / SqFt:	\$13.95
Compared to Subject:	Inferior



Land Sale Six (LS6) was purchased by a trucking company with the intent to use the site for truck storage and maintenance.

The property consists of two adjacent parcels that total the noted 5.17 acres. LS6 had been on the market for nearly three years prior to the sale. There were reportedly no abnormal conditions of sale.

The property included two homes with some landscaping and a pool. These improvements remain today, although they reportedly did not contribute to value as the buyer intended to demolish them in order to clear the site for storage.

Considered *inferior* because:

- + Size
- + Zoning (rural residential)

Considered *superior* because:

- Freeway on-ramp/off-ramp proximity

Land Sale Six was considered to be overall *inferior* to the Subject Property, indicating that the value of the Subject Property should be *more than* the adjusted price of \$13.95 per square foot.



Land Sale Seven (LS7) is the most dated transaction noted and was mainly included for additional context and given less weight in the appraisal analysis. LS7 is 10 acres with unimpaired freeway frontage located to the south of the Subject Property.

The property was reportedly purchased with the intent to store and service heavy equipment on the site, although only a smaller portion of this two-parcel property appears to have ever been used.

There is evidence that the buyer approached the County Planning Department in 2023 with the intention to develop the property to include a 5,134 square foot sales building, a 7,360 square foot parts building and service building, and a wash building.

Considered *inferior* because:

- + Surrounding area demographics
- + Size

Considered *superior* because:

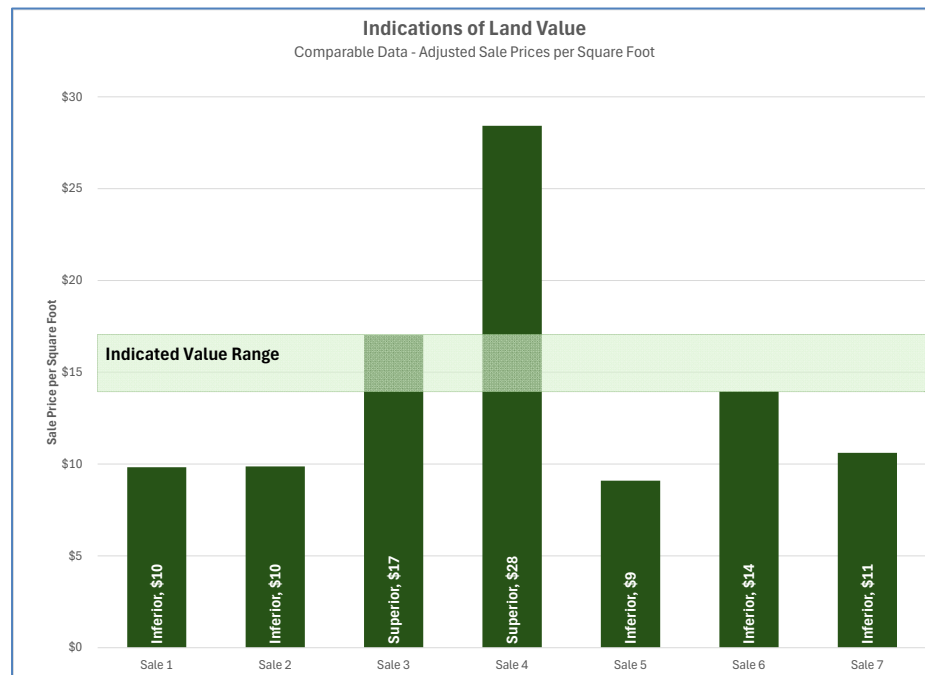
- Freeway visibility

Land Sale Seven was considered to be overall *inferior* to the Subject Property, indicating that the value of the Subject Property should be *more than* the adjusted price of \$10.61 per square foot.

An adjustment grid showing all sales and considerations appears on the following page.

<i>Elements</i>	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6	Sale 7
Price	\$1,450,000	\$1,200,000	\$15,891,000	\$3,500,000	\$10,000,000	\$2,200,000	\$3,150,000
Unadjusted Price/SqFt	\$8.64	\$6.72	\$13.13	\$30.67	\$6.37	\$9.77	\$6.89
TRANSACTIONAL CHARACTERISTICS							
Property Rights							
Financing							
Conditions of Sale							
Expenditures Made							
Market Conditions (10%/year)	13.81%	22.38%	29.62%	42.58%	42.85%	42.85%	54.05%
Transactional Characteristics Adjusted Price per Unit	\$9.83	\$8.22	\$17.02	\$43.72	\$9.10	\$13.95	\$10.61
PHYSICAL CHARACTERISTICS							
Location							
Visibility		Superior	Superior	Superior		Superior	Superior
Transportation			Superior				
Lot Orientation							
Neighborhood Synergy		Inferior	Superior				
Neighborhood Detrimental Conditions							
Demographics		Inferior					Inferior
Special Hazards	Inferior						
Physical Characteristics							
Size and Shape	Inferior	Inferior	Inferior	Inferior		Inferior	Inferior
Topography							
Easements / Encroachments					Inferior		
Site Improvements							
Site Condition							
Enviro, Soils, Ecological					Inferior		
Site Access and Frontage							
Utilities		Inferior					
Economic Characteristics							
Income From Existing Use							
Property Tax							
Legal Characteristics							
Zoning					Superior	Inferior	
Intended Use/ User Type							
Entitlements			Superior	Superior			
Non-Realty Components							
Non-Realty Components of Value							
BLANK FIELD							
Overall Comparison to Subject	Inferior	Inferior	Superior	Superior	Inferior	Inferior	Inferior
Unadjusted Price per SqFt	\$8.64	\$6.72	\$13.13	\$30.67	\$6.37	\$9.77	\$6.89
Transactional Adjusted Price per SqFt	\$9.83	\$8.22	\$17.02	\$43.72	\$9.10	\$13.95	\$10.61
TOTAL Adjusted Price per SqFt	\$9.83	\$9.87	\$17.02	\$28.42	\$9.10	\$13.95	\$10.61

7.1.4 Conclusion of Land Sales Comparison Approach



The noted land sales comparables suggest a bracketed range of value for the Subject Property that is between \$14 and \$17 per square foot of land area. Land Sales Three through Six appeared to be the most similar and were accordingly given most weight. The median and average adjusted price per square foot for these four transactions was \$15 and \$17, respectively. The comparative analysis reliably suggested that the value of the Subject Property would be between \$14 and \$17 per square foot.

After considering all the noted comparable data, the opinion of value of the fee simple interest in the Subject Property was \$15.00 per square foot. The total opinion of value was calculated as follows:

$$2,215,068 \text{ square feet} \times \$15.00 = \$33,226,020$$

The opinion of market value, based on the Sales Comparison Approach, of the fee simple interest in the Subject Property as of the effective date is:

THIRTY-THREE MILLION TWO HUNDRED TWENTY-SIX THOUSAND DOLLARS

\$33,226,000

8 RECONCILIATION OF VALUE

Reconciliation is the process where the value estimates are evaluated as to their overall reliability. The strengths and weaknesses of each approach are identified from which a final value conclusion is drawn.

Sales Comparison Approach:	\$33,226,000
Cost Approach:	Not applicable
Income Approach:	Not developed

8.1 Final Conclusion of Value

The Sales Comparison Approach to value was the only relevant valuation methodology. It is the opinion of this appraisal that the market value of the fee simple interest in the Subject Property as of effective date of value is:

THIRTY-THREE MILLION TWO HUNDRED TWENTY-SIX THOUSAND DOLLARS
\$33,226,000

8.2 Exposure Time

Overall observed exposure times ranged from three months to more than three years. Properties more similar to the Subject Property indicated that exposure time would range from three months to 12 months.

9 ASSUMPTIONS AND LIMITING CONDITIONS

Appraisal Report

This report is intended to comply with the reporting requirements set forth in Standards Rule 2 of the Uniform Standards of Professional Appraisal Practice. As such, it does not include full discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the opinion of value. Supporting documentation concerning the data, reasoning, and analyses are retained in the appraisal work file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report.

Title to Real Estate

No investigation of legal title was made and no opinion as to ownership of the property or condition of the title is rendered unless otherwise stated. The appraisal assumes the following:

1. Title to the property is marketable.
2. Unless otherwise indicated in this report, the property is free and clear of all liens, encumbrances, easements, and restrictions.
3. The property does not exist in violation of any applicable codes, ordinances, statutes, or other government regulations.
4. The property is under responsible ownership and competent management and is available for its highest and best use.

Information and Data

Information supplied by others, which was considered in this valuation, came from sources believed to be reliable, and no further responsibility is assumed for the accuracy of said information. The appraisal assumes no responsibility for independently verifying this information. If the client has any questions regarding this information, it is the client's responsibility to seek whatever independent verification is deemed necessary. The appraiser(s) reserve(s) the right to adjust the valuation herein reported as required by consideration of additional or more reliable data that may become available.

Unexpected Conditions

It is assumed that no hidden or unexpected conditions of the property exist that would affect value.

Distribution of Value

The distribution of total value between land and improvements applies only under the stated program of utilization. Any separately stated values for land and improvements shall not be used with any other appraisal, and such use will invalidate them.

Date of Value

The date of value to which the conclusions and opinions expressed in this report apply is set forth in the letter of transmittal. The dollar amount of any value reported is based on the purchasing power of the U.S. dollar as of that date.

No responsibility is assumed for economic or physical factors occurring after the date of value that may affect the opinions reported.

Inspection

The property appraised was inspected and appraised based on the information provided. When the date of inspection differs from the effective date of appraised value, no material change in the condition of the property is assumed, unless otherwise noted in the report.

Legal or Specialized Expertise

No opinion is intended to be expressed for matters that require legal or specialized expertise, investigation, or knowledge beyond that customarily employed by appraisers. This report addresses no issues of law, engineering, code conformance, insect or rodent infestation, or toxic contamination or discharge, inter alia, unless specifically identified in the body of the report.

Sale or Purchase

The opinion of value presented herein is based on the facts and data presented in the report and associated work file. No responsibility is assumed for changes in market conditions or for the inability of the owner to locate a purchaser at the appraised value.

Court Testimony

Testimony or attendance in court by reason of this appraisal shall not be required unless arrangements for such services have previously been made.

Mineral Rights

The value of mineral rights, if any, was not considered in this appraisal.

Improvements

The appraiser(s) is(are) not qualified to address the structural integrity of the improvements and make(s) no guarantees with regard to structural soundness or conformity to city, county, or state building health and safety codes.

Soil Conditions

The appraiser(s) is(are) not qualified to detect or otherwise assess non-apparent soil conditions and recommend(s) the retention of an environmental engineer, or other similarly qualified expert, to assess any soil conditions that may or may not be present at the Subject Property.

Confidentiality/Advertising

This report and supporting work file are confidential. Neither any part nor the whole of this appraisal shall be copied or disclosed to any party or conveyed to the public in spoken or written form through advertising, public relations, news, sales, or any other means without the prior written consent and approval of both the appraiser(s) and the client.

This appraisal has been prepared for the exclusive use of the client shown in this report. It may not be used or relied upon by any other party. Any party who uses or relies upon any information in this report, without written consent, does so at his/her own risk and without any recourse or liability to the appraiser(s).

Hazardous Substances

Hazardous substances, if present at a property, can introduce an actual or perceived impact that could affect the marketability and value of the property. Such impact may take the form of immediate recognition of existing hazardous conditions and future liability that could stem from the release of currently non-hazardous contaminants, such as asbestos fibers or toxic vapors from urea formaldehyde foam insulation, through aging or building renovations. In the development of the opinion of value, no consideration has been given to such liability or its potential impact on value *other than that which was specifically addressed by this report*.

The appraiser(s) is (are) not qualified to make any investigation to determine the possible presence of toxic materials requiring either immediate or future remediation. There are experts in this field who can conduct such investigations and provide guidance regarding the impact of toxic materials that may be present in or on the Subject Property. The client is encouraged to retain an environmental expert to conduct an environmental investigation of the property.

The Americans with Disabilities Act (ADA)

This act became effective January 6, 1992. The appraiser(s) has (have) not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity 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 act. If so, this fact could have a negative effect upon the value of the property. Possible non-compliance with the requirements of the ADA was not considered in estimating the value of the property unless specifically mentioned in this report.

Earthquakes

Because earthquakes are not uncommon in the area, no responsibility is assumed for their possible effect on individual properties.

Operating Equipment and Personal Property

Operating individual pieces of equipment to test their status exceeded the scope of this investigation. No consideration was given in this appraisal to personal property on the premises; only the real estate was considered.

10 APPRAISAL CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved or the Subject Property
- I have performed no services, as an appraiser or in any other capacity, concerning the Subject Property during the past three years.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement and compensation in this assignment were not contingent upon developing or reporting predetermined results or a direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- To the best of my knowledge this report, analysis, opinions, and conclusions were developed and prepared in conformity with the *Uniform Standards of Professional Appraisal Practice* and the *Code of Professional Ethics, and the Standards of Professional Practice of the Appraisal Institute*.
- The use of this report is subject to requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- Stephen Valdez inspected the Subject Property. Some of the comparable sales were inspected personally, while others were inspected remotely using publicly available aerial images and street-view images.
- Other than the person(s) signing this certification no one else provided significant real estate appraisal assistance with this assignment.



Stephen G. Valdez
Certified General Appraiser
California # AG028072

ATTACHMENTS

- Appraiser Qualifications
- Appraisal License

11 QUALIFICATIONS

CURRICULUM VITAE

Stephen G. Valdez

steve.valdez@gmail.com

ABOUT

Stephen Valdez specializes in complex real property appraisals, damage economics, and valuation consulting. Appraisal and consulting assignments have included an array of property types and geographies. Notable past assignments include:

- | | | |
|--|---|---|
| • <i>South Coast Plaza</i> | - | <i>Costa Mesa, CA</i> |
| • <i>Flight 93 Crash Site</i> | - | <i>Shanksville, PA</i> |
| • <i>Phoenix Beverage Distribution Center</i> | - | <i>New York, NY</i> |
| • <i>Lakeside Aggregate Mining Site</i> | - | <i>Lakeside, CA</i> |
| • <i>Clark County Regional Justice Center</i> | - | <i>Las Vegas, NV</i> |
| • <i>Harmon Avenue Extension</i> | - | <i>Las Vegas, NV</i> |
| • <i>Mountain View Corridor</i> | - | <i>West Jordan, UT</i> |
| • <i>Australia PFAS Contamination</i> | - | <i>New South Wales / Queensland /
Northern Territory, AUS</i> |
| • <i>Bixby Land Company Portfolio</i> | - | <i>Los Angeles County, CA</i> |
| • <i>South Fraser Perimeter Road Landfills</i> | - | <i>Vancouver, BC</i> |
| • <i>Proposed Beachfront Luxury Resort</i> | - | <i>Tulum (Riviera Maya), MX</i> |

Mr. Valdez has appraised or provided appraisal related consulting and analysis for properties involved in litigation for eminent domain, environmental contamination, title defects, construction defects, terrorism risk, partnership dissolution, homicide, breach of lease, fraud, and bankruptcy (among others). Types of properties appraised include single-family residential, residential subdivisions, apartments, all classes of retail, hospitality, auto-dealerships, transmission corridors, self-storage facilities, offices, industrial uses, vacant land, gas stations, mining sites, a courthouse, and various special use properties. Mr. Valdez's practice is global, although the highest concentration of assignments have been throughout the United States.

PROFESSIONAL CERTIFICATION

Certified General Appraiser (License # AG028072) – State of California

PROFESSIONAL EXPERIENCE

Delta Valuation, Inc – President and Founder (2016 to Present)

Valuation, research and consulting for real estate litigation, project planning and strategic implementation.

Strategic Property Analytics, Inc – Founding Principal (June 2014 to Present)

Valuation, analysis, and related consulting for real estate litigation and strategic implementation.

Landmark Research, LLC – Project Manager (January 2017 to July 2018)

Valuation, analysis, and related consulting for real estate litigation and strategic implementation.

Bell, Anderson & Sanders, LLC – Independent Consultant (2003 to 2014)

Valuation consulting and analysis for real estate litigation and damage-related economic analysis.

Independent Contract Appraiser (1995 to 2016)

Appraisal of residential, multi-family, commercial and industrial use properties.

EDUCATION

University of Southern California

Business Administration – Finance

Marshall Scholar, *Marshall School of Business*

PROFESSIONAL CONTRIBUTIONS

Co-Author: PFAS Contamination and Residential Property Values: A Study of Five US Sites within the Assessment Stage of the Remediation Lifecycle

Appraisal Journal – Winter 2022, Appraisal Institute

Contributing Author: Transmission Corridor Valuation and Renewable Generation: A North American Perspective

Corridor Valuation – 2019, Appraisal Institute, International Right of Way Association, Appraisal Institute of Canada

Author: Valuation Issues Linked to Perfluorinated Chemicals

Environmental & Energy Litigation – February 2018, American Bar Association

Author: Eminent Domain and Contamination: Who Pays for What?
Environmental Litigator – Spring 2011, American Bar Association

Author and pilot instructor: *Course 407: Contamination and Eminent Domain* International
Right of Way Association

Co-Chair: *Southern California Market Trends Seminar*
Appraisal Institute (2006 to Present)

Credited contributor to *Real Estate Damages, 3rd Edition*
Appraisal Institute

Speaker for the Southern California Chapter of the Appraisal Institute 2014 Litigation
Seminar



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

Stephen G. Valdez

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:

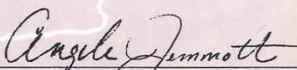
“Certified General Real Estate Appraiser”

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

BREA APPRAISER IDENTIFICATION NUMBER: AG 028072

Effective Date: June 13, 2024

Date Expires: June 12, 2026


Angela Jemmott, Bureau Chief, BREA

3076972

THIS DOCUMENT CONTAINS A TRUE WATERMARK - HOLD UP TO LIGHT TO SEE "CHAIN LINK"



RIVERSIDE COUNTY PLANNING DEPARTMENT

John Hildebrand
Planning Director

May 27, 2025

Aaron Gabbe
Western Riverside Regional Conservation Authority
4080 Lemon St. 3rd Floor
Riverside, CA 92591

RE: Riverside County HANS02278, JPR 24-01-30-01 Fee Credit Analysis

Dear Aaron Gabbe:

The County of Riverside has analyzed lands, which have been identified for conservation by HANS02278 and JPR 24-01-30-01, to determine the total acres that are eligible for Fee Credits according to Section C of Chapter II of the Regional Conservation Authority's MSHCP Mitigation Fee Implementation Manual (2023).

HANS02278 and JPR 24-01-30-01 analyzed a total of 113.7 acres and determined that 50.9 acres would be placed in a conservation easement in favor of the Regional Conservation Authority. To determine what areas of the 50.9 conservation acres, if any, qualify for Fee Credits, the County identified areas that could be developed in the absence of the MSHCP.

The following factors were analyzed to determine a buildable area:

- Slope >50%
- Flood/Inundation Zones
- California Environmental Quality Act (CEQA) limitations
- Zoning
- Local Ordinances

Of the 50.9 acres of land that have been identified for conservation, it was determined that a total of 42.6 acres would be considered developable in the absence of the MSHCP (Exhibit 3). As depicted in Exhibit 1, no portion of the proposed Conservation Area has a slope greater than 50%. The maximum slope within the Conservation Area was calculated to be 40.26%. The Federal Emergency Management Agency and California Department of Water Resources maps identify various flood hazard areas within and adjacent to the proposed Conservation Area. Flood zones were considered areas that are not developable. Portions of the site that may be considered jurisdictional features under the authority of the California Department of Fish and Wildlife or the Regional Water Quality Control Board were considered non-developable. For this analysis, jurisdictional features are those that convey water or contain riparian habitat. Flood areas and jurisdictional features are demonstrated in Exhibit 2. The County determined that no local ordinances would prohibit development of the proposed Conservation Area, excluding the areas previously described. When considering CEQA, the County determined any impacts associated with a theoretical development could be mitigated to an acceptable level; therefore, CEQA requirements would not limit development within the proposed Conservation Area beyond the flood and jurisdictional feature limitations previously discussed.

Riverside Office · 4080 Lemon Street, 12th Floor
P.O. Box 1409, Riverside, California 92502-1409
(951) 955-3200 · Fax (951) 955-1811

Desert Office · 38686 El Cerrito Road
Palm Desert, California 92211
(760) 863-8277 · Fax (760) 863-7555

Zoning for the developable area has been broken down and is demonstrated in Exhibit 4. Acreage of zoning is as follows:

Mineral Resources – 28.89 acres

Mineral Resources and Related Manufacturing – 2.15 acres

Natural Assets - 11.53 acres

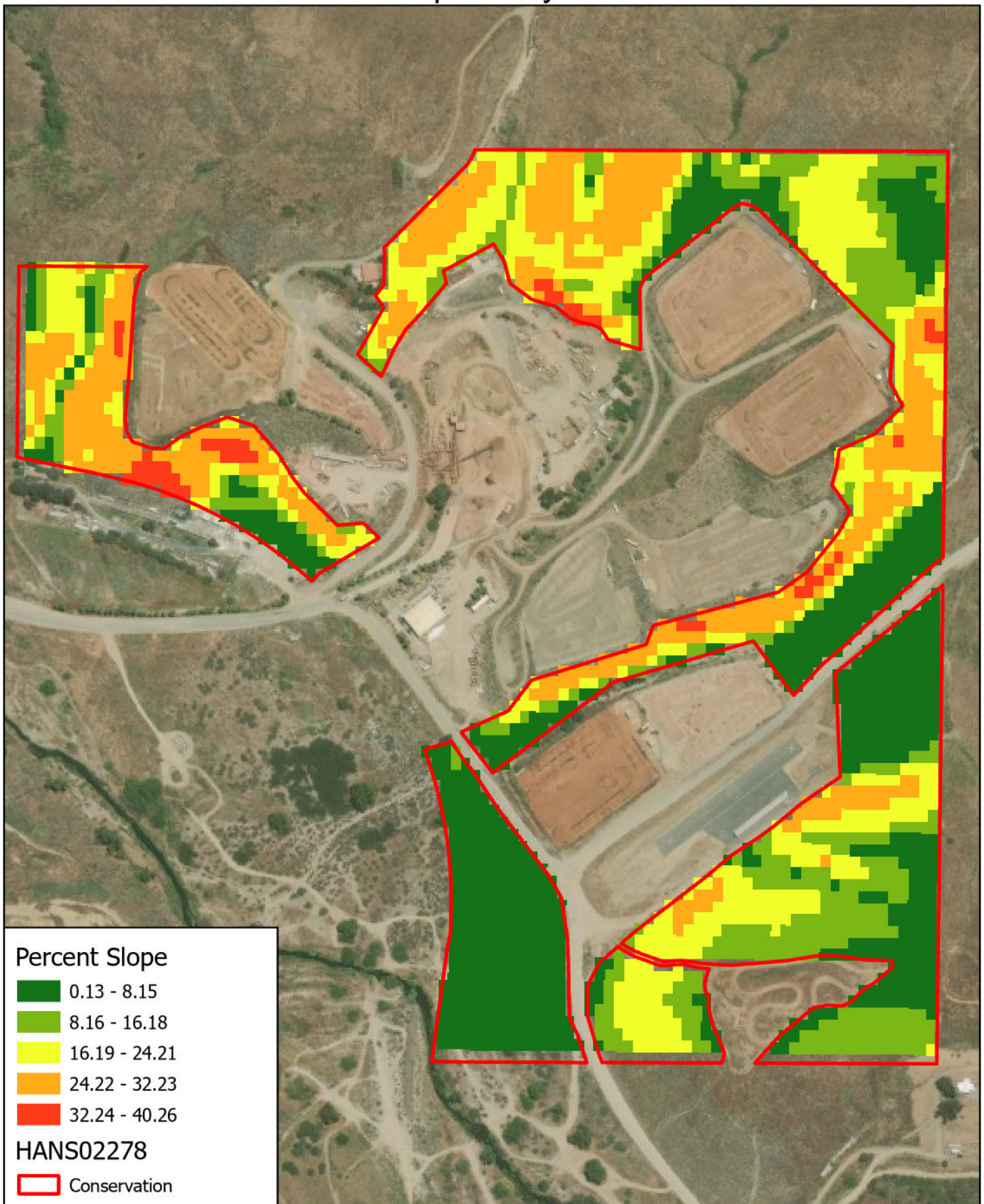
Sincerely,

A handwritten signature in cursive script that reads "Harry Sandoval".

Harry Sandoval
Environmental Project Manager
Riverside County Planning Department

cc: Aaron Hake, Western Riverside Regional Conservation Authority

HANS02278/JPR 24-01-30-01
Slope Analysis



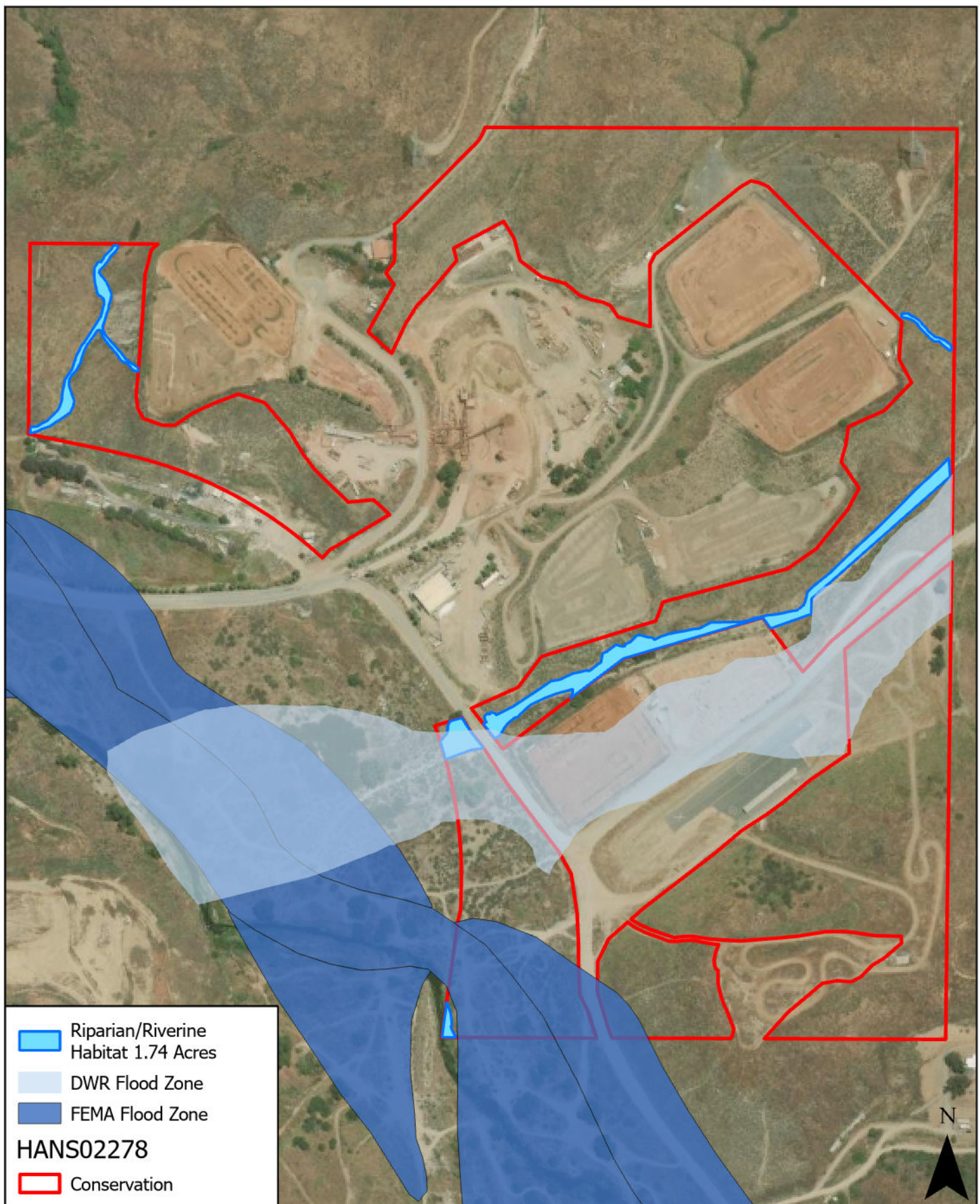
Data Source: U.S. Geologic Survey 2025
ESRI

5/22/2025

0 125 250 500
Feet

Exhibit 1

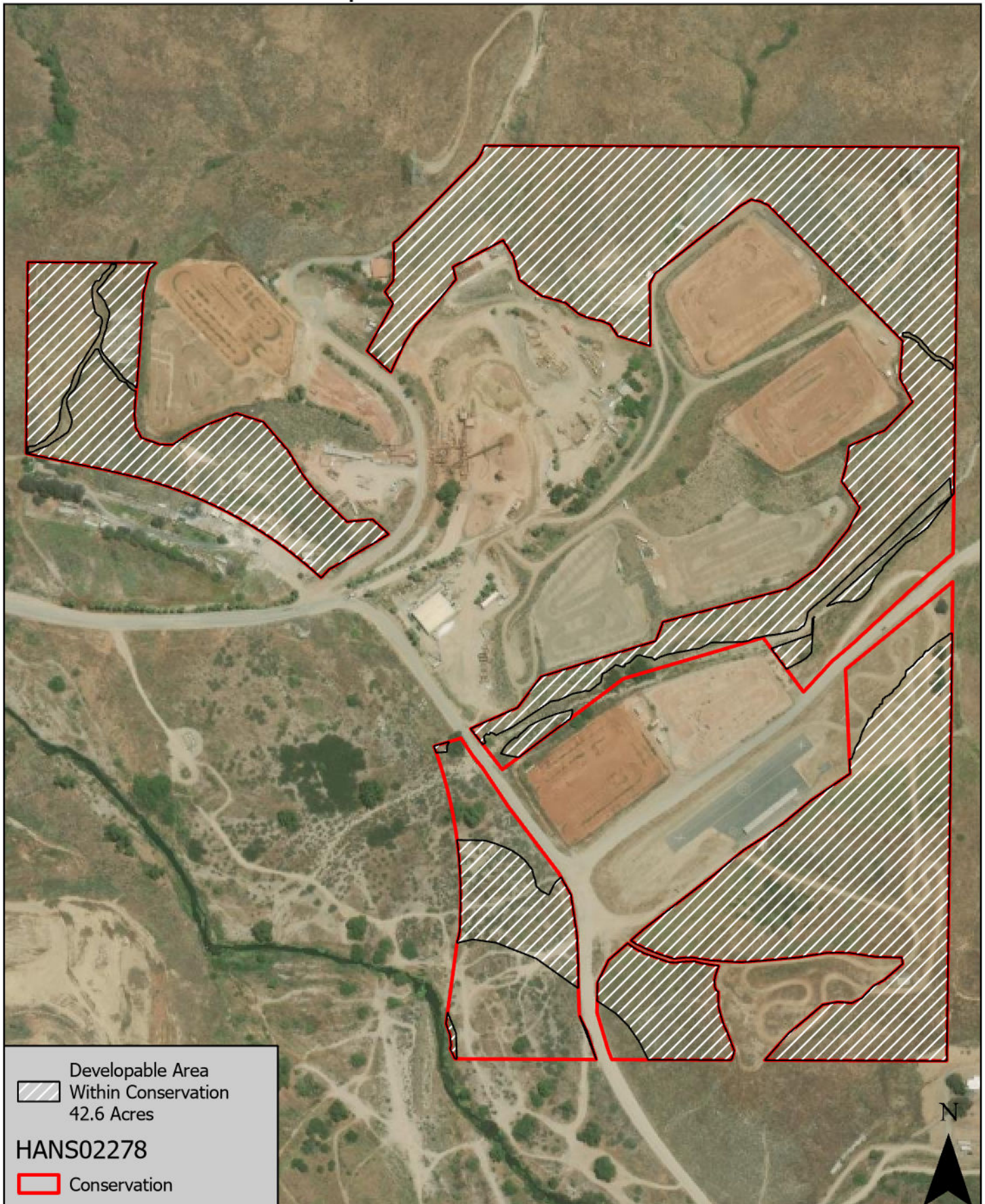
HANS02278/JPR 24-01-30-01
MSHCP Riparian/Riverine and Flood Zone Analysis



Data Sources: WSP Western Riverside County
Multiple Species Habitat Conservation Plan
Analysis 2023,
FEMA, CA Department of Water Resources
5/22/2025

Exhibit 2

HANS02278/JPR 24-01-30-01
Developable Area in Conservation



HANS02278/JPR 24-01-30-01
Zoning of Developable Area Within Conservation

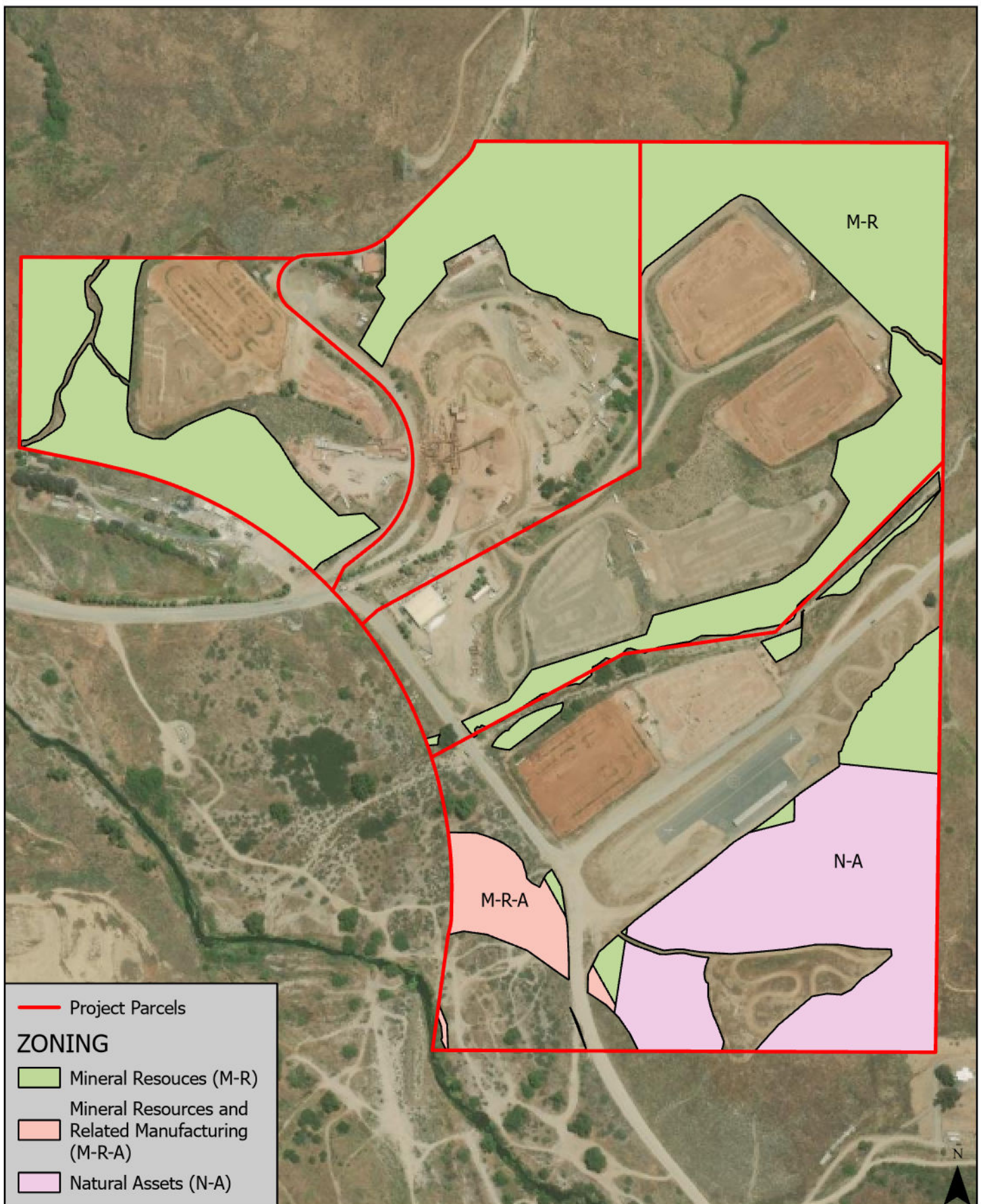


Exhibit 4

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release ("Agreement") is entered as of Nov 30th, 2018 2018 by and between the County of Riverside ("County") and Corona Clay Company, a California Corporation ("Corona Clay"), individually referred to as "Party" and collectively referred to as "Parties".

This Agreement is made with reference to the following recitals:

RECITALS

A. WHEREAS, County is a political subdivision of the State of California, with a duty and interest in protecting the public health, safety, and welfare; and

B. WHEREAS, Corona Clay is a California Corporation and the owners of certain real property located in the unincorporated area of Riverside County, California, with the Assessor's Parcel Nos. 283-190-019, 283-190-021, 283-190-022, 283-190-040, and 283-190-041 (hereinafter referred to as "the Property" and depicted on the map attached hereto as Exhibit "A" and incorporated herein by reference); and

C. WHEREAS, on October 3, 2013, the Riverside County Building and Safety Department issued a Notice of Violation ("NOV") to Corona Clay under Riverside County Ordinance No. 555; and

D. WHEREAS, on December 5, 2013, the Riverside County Planning Department issued a Notice and Order to Comply ("OTC") to Corona Clay; and

E. WHEREAS, on January 15, 2014, the Riverside County Planning Commission heard testimony from Planning staff and Corona Clay and voted to affirm the OTC; and

F. WHEREAS, on January 26, 2015, the Planning Director issued an Administrative Penalty Order ("APO"), which imposed an administrative penalty in the amount of \$500,000.00 to Corona Clay for its alleged failure to comply with the OTC; and

G. WHEREAS, Corona Clay disputes the issuance of the NOV, OTC, and APO; and

H. WHEREAS, on March 9, 2015, Corona Clay submitted a timely Petition for Review of the APO ("Petition") seeking a determination from the Board of Supervisors granting its appeal and discharging the APO and associated five hundred thousand dollar (\$500,000) penalty assessment; and

I. WHEREAS, in its Petition, Corona Clay alleged that it had not engaged in surface mining operations and that the \$500,000 penalty was excessive and constituted a forfeiture; and

J. WHEREAS, from 2015 through 2017, County and Corona Clay attempted to resolve the dispute between the Parties relating to the Property; and

K. WHEREAS, on March 21, 2017, the Board of Supervisors granted review of Corona Clay's Petition for Review of the Administrative Penalty Order with a hearing date of July 11, 2017; and

L. WHEREAS, since July 2017, the hearing on Corona Clay's Petition for Review of the Administrative Penalty Order has been continued in an effort for County and Corona Clay to reach a global resolution of the APO and other allegations relating to the dispute between the Parties regarding the land uses on the Property; and

M. WHEREAS, on June 26, 2018, the Board of Supervisors held the hearing on Corona Clay's Petition for Review of the Administrative Penalty Order and at the conclusion of the hearing continued the matter and directed County staff to work with Corona Clay on resolving the disputes between the Parties relating to the Property with a settlement; and

N. WHEREAS, the County and Corona Clay have engaged in settlement negotiations regarding a global resolution of the APO and dispute relating to the Property and the respective parties' fees, costs, and obligations and have reached terms, as set forth herein, upon which to settle their disputes, and resolve this matter in its entirety;

NOW THEREFORE, without admission of any fault or wrongdoing, the Parties desire to fully and finally settle and compromise all claims, demands, liabilities, actions, or causes of action of any nature or sort, liquidated or unliquidated, known or unknown, between them, relating to the subject matter of this Agreement (collectively referred to as "the Claims"), and, accordingly, THE PARTIES AGREE AS FOLLOWS:

AGREEMENT

I. Corona Clay's Obligations. Corona Clay shall do all of the following:

1. Surface Mining Permit (SMP00197R1). Within ninety (90) days of execution of this Agreement, the County and Corona Clay agree to finalize the application by Corona Clay, including submittal of all necessary and required supporting documentation, along with all required processing fees. A Surface Mining Permit application was previously submitted to the Riverside County Planning Department by Corona Clay in June 2016. Corona Clay agrees to diligently pursue obtaining a Surface Mining Permit, including but not limited to, timely supplying the County with the required Reclamation Plan and financial assurances. The County agrees to diligently provide a list of corrections to the application, if necessary, to Corona Clay so that the plan may be processed quickly. It is also agreed between the County and Corona Clay that any Surface Mining Permit shall be sought solely for a Reclamation Plan and not an application for any further mining activities on the Property. It is further agreed between the County and Corona Clay that any financial assurances are required to be submitted to the County within sixty (60) days of County approval of the Surface Mining Permit.

2. General Plan Amendment (GPA01144). Within ninety (90) days of execution of this Agreement, Corona Clay agrees to finalize submittal of its application, including submittal of all necessary and required supporting documentation, along with all required processing fees for a General Plan Amendment to change the land use designation of developable portions of the

Property to OS-REC (Open Space – Recreation) and land use designation of the non-developable portions to OS-CH (Open Space – Conservation Habitat), as agreed by the County and Corona Clay on the HANS development footprint attached hereto, and incorporated herein as Exhibit B.

3. Change of Zone (CZ06361). Within ninety (90) days of execution of this Agreement, Corona Clay agrees to finalize submittal of its application, including submittal of all necessary and required supporting documentation, along with all required processing fees for a Change of Zone to change the zoning classification of the Property to W-2 (Controlled Development Areas) for the developable portions of the Property and change the zoning classification to N-A (Natural Assets) for the non-developable portions of the Property, as agreed by the County and Corona Clay on the HANS development footprint.

4. Conditional Use Permit (CUP03265). Within ninety (90) days of execution of this Agreement, Corona Clay agrees to finalize submittal of its application, including submittal of all necessary and required supporting documentation, along with all required processing fees for a Conditional Use Permit to entitle the following existing land uses on the Property:

- a. Motocross Testing Facility (6 tracks).
- b. Brick Recycling / Clay Processing.
- c. Model Airplane Flying Field.
- d. Outside Storage – ancillary and appurtenant to the first three uses only.

5. “All required processing fees” as used in 1-4 above, include all amounts that remain outstanding for the County’s prior work on Corona Clay’s earlier plans and reports submitted for the necessary land use permit applications, as well as any processing fees incurred by County staff, including County Counsel, to process the necessary land use permit applications through final decision in accordance with County Ordinance No. 671.

6. Action Plan. Corona Clay agrees to take the following steps, in the following order, to process the applications called for in 1-4, above, within the timeframes identified with each step. Each timeframe will be calculated from the date of execution of this Agreement.

- a. Within one hundred and fifty (150), complete the “Habitat Evaluation and Acquisition Negotiation Strategy” (HANS) application and obtain Joint Project Review determination under the Western Riverside County Multiple Species Habitat Conservation Plan (MSHCP) for the proposed development and conservation footprints as shown on Exhibit “B” attached hereto and incorporated herein by reference, including the following:
 - i. Prepare General Biology Report / Habitat Assessment addressing all corrections and comments identified in the County Planning Department’s “Corona Clay Project Status” memorandum dated May 5, 2018, including the letter attached thereto dated May 3, 2018 to Shawn Hernandez.
 - ii. A Determination of Biologically Equivalent or Superior Preservation Report (DBESP) and Criteria Refinement, along with focused surveys, may be required as a result of the Joint Project Review determination. A DBESP Report is required by the MSHCP for impacts to Riparian/Riverine Areas/Vernal Pools as defined by the MSHCP (see Section 6.1.2, pages 6-21 and 6-22). Section 6.1.1.B.(1) of the MSHCP makes clear that surveys for

- riparian/riverine areas and vernal pools, Narrow Endemic Plant Species, and other species required pursuant to Sections 6.1.2, 6.1.3, and 6.3.2 of the MSHCP and determined to be necessary during the initial application review (HANS I) must be completed prior to Joint Project Review with Regional Conservation Authority. Criteria Refinement may be required under Section 6.5 of the MSHCP in order to make a determination that the proposed land uses and project footprint at the Corona Clay property are consistent with the Criteria for the Area Plan set forth in the MSHCP.
- iii. Section 6.1.2 of the MSHCP requires that if a proposed project design does not incorporate avoidance of identified Riparian/Riverine Habitat, focused surveys for the Riverside, Vernal Pool and Santa Rosa fairy shrimp must be conducted, and avoidance and minimization measures must be implemented in accordance with the species-specific objectives for these species. Since the species accounts for the fairy shrimp set forth in the MSHCP specifically allow for “a single-season dry or wet season survey,” the Parties intend to process the HANS through to Joint Project Review with one dry season survey completed in Fall 2018. In the event a wet season survey is necessary or other biological surveys are necessary under the MSHCP and are unable to be done until Spring 2019 due to biological constraints, the timeframes set forth in this Action Plan shall be calculated from the date of completion of such Spring 2019 surveys. If such biological surveys are proposed to be delayed until Spring 2019, Corona Clay shall provide written justification and the County and Corona Clay shall meet and confer regarding the County’s review and approval. Corona Clay shall notify County of the date once the surveys are completed.
 - b. Initiate SB 18 & AB 52 Tribal Cultural Review consultation process – The County Archaeologist initiated tribal consultation under SB18 in November 2015. SB18 consultation is concluded when the land use applications are approved. The County Archeologist initiated consultation for AB52 in August 2015. AB52 consultation was concluded April 10, 2018 via email from the County to the consulting Tribes.
 - c. Within one hundred and fifty (150) days, Corona Clay’s consultant shall prepare and submit an Initial Study under the California Environmental Quality Act (CEQA) for the County’s review to determine the appropriate level of environmental analysis under CEQA.
 - d. Within ninety (90) days, submit the following documentation that is required with all land use applications for indemnification agreement purposes:
 - i. Title Report for all parcels comprising the Property dated within the last 90 days before submittal
 - ii. Articles of Incorporation and Corporate Resolution (Signatory Authorization) for Corona Clay Company
 - e. Within one hundred and eighty (180) days, complete all of the following reports, pursuant to previous set of County Land Development Committee comments:
 - i. Water Quality Management Plan – Previously submitted, requires revisions

- from previous comments, as well as inclusion of the proposed water quality basin.
 - ii. Traffic - Provide trip generation information related to the Brick Recycling / Clay Processing use. Results of this information could trigger preparation of a Traffic Study
 - iii. SB 18 & AB 52 - Phase I Cultural Resources / Archaeology Report was approved by the County on April 5, 2018 and approval letter was sent to Corona Clay's cultural resources consultant (CRM Tech)
 - iv. Paleontological Report was approved by the County on April 2, 2018.
 - v. Geology – Previously submitted a geologic feasibility report, dated December 19, 2006 – requires revisions.
 - vi. Slope Stability – Previously submitted a Slope Stability Analysis, dated January 20, 2004 – *Update submitted to County on February 2, 2018*
 - vii. Acoustical (Noise) Study– If required based on analysis contained in Initial Study
 - viii. Air Quality and Greenhouse Gas Assessment – *Submitted to County on February 2, 2018*
- f. Revise all Conditional Use Permit and Surface Mining Permit exhibits pursuant to results of above steps – Within 90 days after all of the above steps in 6.a. through 6.e. of the Action Plan have been completed.
- g. Prepare the Change of Zone exhibit – Within 90 days after all of the above steps in 6.a. through 6.e. of the Action Plan have been completed.

Corona Clay shall diligently work with County staff to process the applications set forth in 1-4 above, and all documents identified in the Action Plan set forth in 6. above, including reviewing and responding to any questions or corrections requested by County within ten (10) working days of the question or correction from the County.

In the event that Corona Clay is unable to meet the timeframes set forth in the Action Plan due to an event or occurrence outside the control of Corona Clay, Corona Clay shall notify County and meet and confer with County prior to expiration of the timeframe for that item in the Action Plan. Any extension of time granted by County shall not exceed thirty (30) days maximum unless a longer period is mutually agreed to by the Parties.

7. No Further Unpermitted Activities. Corona Clay understands and agrees that the County cannot allow the unpermitted land uses to continue at the Property without end. As set forth below in the County's obligations, the County is willing to allow the existing unpermitted motocross testing facilities (6 tracks), brick recycling/clay processing, model airplane flying field, and outside storage that is ancillary and appurtenant to these three uses to continue for a limited duration while the Surface Mining Permit, General Plan Amendment, Change of Zone and Conditional Use Permit are actively being processed by Corona Clay in accordance with the timeframes and terms set forth in this Agreement. Corona Clay agrees that Corona Clay shall not engage in any expansion of the scope of these unpermitted land uses and no new unpermitted land uses or unpermitted accessory uses at the Property during the land use permitting process, including but not limited to ceasing all construction and pre-construction activities related to the unpermitted

single-family home proposed for the Property. Nothing in this section should be construed to relieve Corona Clay of the requirement to obtain the land use entitlements for all unpermitted uses on the Property.

8. Ordinance No. 659 Development Impact Fees (DIF). Corona Clay understands that the land use entitlements in 1-4 above will be subject to regional mitigation fees and County mitigation fees. With regard to the County's development impact fees under Riverside County Ordinance No. 659 (DIF), Corona Clay will pay such fees under a five -year, interest free payment plan comprised of five equal annual payments. The first payment will be due within one year of approval of the Conditional Use Permit. The remaining four payments will be due annually from the date of the first payment submittal. Any failures to make timely payments as set forth above shall constitute a material breach of this Agreement with an opportunity to cure under section 5 of *III Other Provisions* contained herein.

II. County's Obligations. County shall do all of the following:

1. Facilitate Permitting Process. The County agrees that it has an interest in facilitating Corona Clay's permitting process so that any and all uses on the Property can be brought into compliance with County ordinances. County staff shall diligently work with Corona Clay to process the above applications, including supporting the HANS process and the development/conservation footprint show on Exhibit B through Joint Project Review with the Regional Conservation Authority and Wildlife Agencies. County staff will use best efforts to respond to Corona Clay within ten (10) working days, assuming all deposit based fee accounts do not have a negative balance. Should there be a delay in the County's processing of the above applications, the County shall meet and confer with Corona Clay. To the extent possible, County staff will limit the number of staff members processing the applications to avoid duplication of efforts and resources. However, depending upon the complexity of the issue and required expertise necessary, such as expertise with SMARA or MSHCP issues, multiple staff members may be needed.

2. Conditionally Allow Interim Existing Unpermitted Uses. The County cannot allow the unpermitted land uses to continue at the Property without end. The County is willing to allow the existing unpermitted motocross testing facilities (6 tracks), brick recycling/clay processing, model airplane flying field, and outside storage that is ancillary and appurtenant to these three uses to continue for a limited duration while the Surface Mining Permit, General Plan Amendment, Change of Zone and Conditional Use Permit are actively being processed by Corona Clay in accordance with the timeframes and terms set forth in this Agreement. Nothing in this section should be construed to relieve Corona Clay of the requirement to obtain the land use entitlements for all unpermitted uses on the Property.

3. Grant Multiple Species Habitat Conservation Plan Credit. At the time of execution of this Agreement, the applicable MSHCP mitigation fee is \$7,164 per acre of land being proposed for development and permitted on the Property. Consistent with the MSCHP and Section 15 of Riverside County Ordinance No. 810, and to the extent permitted by the Regional Conservation Authority Fee Credit and Waiver Policy, the County shall grant a MSHCP fee credit for land on the

Property being conserved under the MSCHP. The exact credit amount is unknown until a development footprint on the Property is finalized.

4. Withdraw Administrative Penalty Order. Should Corona Clay process the above applications within the timeframes specified above and obtain the above-described General Plan Permit, Surface Mining Permit, Conditional Use Permit, and Change of Zone, the County will withdraw the Administrative Penalty Order. In the event that Corona Clay fails to process the above applications within the timeframes specified above, fails to obtain the above-described General Plan Permit, Surface Mining Permit, Conditional Use Permit, and Change of Zone, or otherwise breaches the terms of the settlement agreement, the County will continue to pursue the Administrative Penalty Order, after providing written notice to Corona Clay of the breach or failure. Corona Clay shall have thirty (30) days from the date of the written notice to cure the breach or failure. If the breach or failure is not cured within thirty (30) days from the date of written notice, the County will place Corona Clay's Petition for Review of the Administrative Penalty Order on the Board of Supervisor's public hearing agenda no sooner than thirty (30) days after the cure period has expired.

III. Other Provisions

1. The Parties understand and agree that, in the context of the County processing amendments to its General Plan and Zoning Ordinance, as well as processing Surface Mining Permit applications and Conditional Use Permit applications, County staff cannot guarantee the ultimate outcome of any public hearings before the County's Planning Commission or Board of Supervisors, nor prevent any opposition thereto by members of the public affected by or interested in the General Plan Amendment, Change of Zone, Surface Mining Permit applicant, and Conditional Use Permit application. The Parties recognize that Corona Clay's applications are all discretionary applications and the Board of Supervisors' consideration of such applications is a discretionary act and that nothing in this Agreement between the parties limits, in any manner, the County's exercise of its police power under the California Constitution. The Parties further understand and acknowledge that land use regulations involve the exercise of a public agency's police power and, at the time of executing any settlement, it is settled California law that government may not contract away its right to exercise its police power in the future. (*Arco Community Developers Inc. v. South Coast Regional Com.* (1976) 17 Cal.3d 785, 800 (1976); *City of Glendale v. Superior Court* (1993) 18 Cal.App.4th 1768.)

2. Full and Final Settlement. The Parties agree that this is intended to be a comprehensive resolution of all existing land use violations on the Property and that this Agreement is intended to be a full and final settlement of all claims subject to this Agreement.

3. County Processing of Administrative Penalty Order Appeal. Corona Clay shall to reimburse the County for the costs incurred by the County, including staff time, processing Corona Clay's appeal of the Administrative Penalty Order. At the time of execution of this Settlement Agreement and Release, the County's costs incurred in processing Corona Clay's appeal of the Administrative Penalty Order are one hundred thirty-four thousand and two hundred fifty-nine dollars and forty-three cents (\$134,259.43). Should Corona Clay complete the processing of the applications and obtain approval of all applications identified in 1-4 of Corona Clay's Obligations

set forth above, within five (5) years of execution of this Settlement Agreement and Release, and provided that the County does not incur additional costs to enforce the provisions of this Settlement Agreement or the Administrative Penalty Order, the County agrees to waive the requirement that Corona Clay reimburse the County for the costs incurred by the County in processing the appeal of the Administrative Penalty Order. The County shall provide written proof of its waiver to Corona Clay within forty five (45) days of a request.

4. Material Breach. Failure of Corona Clay to process the General Plan Permit, Surface Mining Permit, Conditional Use Permit, and Change of Zone described in Corona Clay's obligations shall be considered a material breach of this Agreement.

5. Breach of Agreement. Should a party breach this Agreement, the non-breaching party shall give written notice and opportunity to cure, by mail, to the breaching party. Upon mailing date of the written notice of the breach, breaching party shall have thirty (30) days to cure the breach. If breaching party has not cured the breach, the breaching party shall be in default of this Agreement and any non-breaching party may pursue any and all legal rights and remedies to enforce the Agreement. If Corona Clay breaches this Agreement, any remedies available to this County under this section shall be in addition to pursuit of the Administrative Penalty Order. Nothing in this Agreement prevents the County from pursuing other remedies to correct the land use violations (unpermitted uses) on the Property should Corona Clay breach this Agreement and fail to cure that breach.

6. Effective Date of the Agreement. This Agreement shall be effective upon signature by all Parties. If the Agreement is signed on different dates, then the last date the Agreement is signed by a Party shall be the effective date of the Agreement.

7. Waiver of Attorneys' Fees and Costs. Except as expressly provided herein, each of Party shall bear its own attorney fees in preparing this Agreement. As expressly stated in 5. of Corona Clay's obligations above, Corona Clay shall be responsible for any fees and costs incurred by County Counsel in process the necessary land use permits through final decision in accordance with County Ordinance No. 671.

8. Representations. Each Party further represents and warrants, as to itself, but not as to any other Party, as follows:

a. Each Party shall execute all further and additional documents as shall be reasonable, convenient, necessary, or desirable to carry out the provisions of this Agreement.

b. By signing this Agreement, each Party represents and warrants that such Party has carefully read this Agreement, that the contents hereof are known and understood by such Party, and that this Agreement is signed freely by such Party.

c. Each corporate Party executing this Agreement represents and warrants that it has the full right and authority to enter into this Agreement, and the officer, agent, or other representative executing this Agreement on its behalf has the full right and authority to fully commit and bind such corporate Party to this Agreement.

d. Each Party is the sole and lawful owner of all the right, title, and interest in and to every claim and other matter that each such Party releases herein, and that each such Party has not heretofore assigned or transferred, or purported to assign or transfer, to any person, firm, or entity any claims or other matters herein released.

e. Each Party has received independent legal advice from attorneys of such Party's choice with respect to the advisability of executing this Agreement and the releases provided for herein, and prior to the execution of this Agreement by each Party, that Party's attorney, if any, reviewed this Agreement and discussed this Agreement with such Party, and the Party has made all desired changes.

f. Except as expressly stated in this Agreement, each Party represents and warrants that it has not made any statement or representation to any other Party regarding any facts relied upon by said other Party in entering into this Agreement, and each Party specifically does not rely upon any statement, representation, or promise of any other Party in executing this Agreement or in making the settlement provided for herein, except as expressly stated in this Agreement.

g. Each Party and its attorney(s), if any, has had a full and fair opportunity to investigate and evaluate the transactions, documents, facts, circumstances, and disputes out of which this Agreement arises prior to entering into this Agreement, and each Party hereto and their respective attorney(s), if any have made such investigation of the facts pertaining to this Agreement, and all of the matter pertaining thereto, as they deem necessary.

h. The terms of this Agreement are contractual and not a mere recital.

i. By signing this Agreement, each Party represents and warrants that such Party has carefully read this Agreement, that the contents hereof are known and understood by such Party, and that this Agreement is signed freely by such Party.

j. Each Party executing this Agreement in a representative capacity represents and warrants that it is empowered to do so.

k. The Parties, and each of them, represent and warrant to the others that they execute this Agreement with full knowledge of any and all rights that they may have by reason of any of the matters described herein and they have received herein. Each Party hereby further assumes the risk of mistake of fact in connection with the true facts involved in connection with the matters described herein, and with respect to any facts that are now unknown to them relating to, and agrees that this Agreement shall be in all respects enforceable and not subject to termination or rescission by any such difference in facts.

9. **Final and Binding Agreement.** This Agreement is intended to be and is final and binding on the Parties regardless of any claims of misrepresentations or mistake of law or fact.

10. **Notices.** All notices shall be given in writing by certified mail, postage prepaid, and return receipt requested, or by personal delivery. Notices shall be considered given upon the earlier

of (a) personal delivery, (b) two (2) business days following deposit in the United States mail, postage prepaid, certified or registered, return receipt requested, or (c) one (1) business day following deposit with an overnight carrier service. Notices shall be addressed as provided below for the respective party. The Parties agree, however, that if any party gives notice in writing of a change of name or address to the other party, notices to such party shall thereafter be given as demanded in that notice:

County: Riverside County Planning Department
P.O. Box 1409
Riverside, CA 92502-1409
Attn: Charissa Leach, Assistant TLMA Director
Email: cleach@rivco.org

copy to: Riverside County Counsel
3960 Orange Street, Ste. 500
Riverside, CA 92501
Attn: Tiffany North, Assistant County Counsel
Email: tnorth@rivco.org

Corona Clay: Corona Clay Company
22079 Knabe Road
Corona, CA 92883
Attn: Craig Deleo
Email:

copy to: Rod Pacheco, Esq.
Pacheco & Neach PC
Three Park Plaza, Ste. 120
Irvine, CA 92614
Email: rpacheco@pncounsel.com

11. Successors and Assigns. Each of the Parties represents and warrants that none of the claims being released herein has been transferred, assigned, or otherwise conveyed to any other person or entity prior to the signing of this Agreement, and each of the Parties is the holder of the claims being released. This Agreement and all terms, conditions, and obligations contained herein, including, but not limited to, the release of Claims set forth herein, shall be binding upon and inure to the benefit of any assigns and successors-in-interest of the Parties.

12. Amendments. This Agreement may be amended only by written agreement signed by all of the Parties hereto, or their respective successor(s)-in-interest or assign(s), and/or by court order.

13. No Admission, Waiver, Consent or Acquiescence. This Agreement is executed pursuant to a compromise and settlement entered into by each of the Parties hereto without any admission or waiver of liability, but solely for the purpose of avoiding costly litigation on disputed claims pertaining to the Agreement and avoiding further uncertainty, controversy, and legal

expense. Without limiting the foregoing, neither the settlement of the dispute nor any consideration provided by any Party, nor anything contained in this Agreement, shall be taken or construed to be an inference or admission, consent, waiver, responsibility, or acquiescence by either of the Parties or as evidencing or indicating in any degree the truth or correctness of any rights, laws, claims or defenses asserted in the Action. Additionally, neither this Agreement as a whole or any part hereto shall be construed as indicating an absence of duty or liability by any Party.

14. Integration Provision. This Agreement and the Exhibits attached hereto constitute a single integrated written contract expressing the entire agreement of the Parties and supersedes all prior negotiations and agreements. There are no other agreements, written or oral, express or implied, between the Parties, and/or their successors and assigns, with respect to the matters released herein, except the Agreement set forth herein. Each Party to this Agreement has substantial experience with the subject matter of this Agreement and each has fully participated in the negotiation and drafting of this Agreement and has been advised by counsel of its choice with respect to the subject matter hereof. Accordingly, this Agreement shall be construed without regard to the rule that ambiguities in a document are to be construed against the drafter.

15. Counterpart Execution and Facsimile or Electronically Transmitted Signature. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original and all of which together shall constitute one document. Any copy of a signature transmitted by facsimile or by any other electronic means shall be deemed to be an original signature and thereby shall be binding on such Party to the same extent as if such facsimile or electronically transmitted signature were an original signature.

16. Severability. If any material portion of this Agreement is held to be unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall remain in full force and effect.

17. Gender and Number. Within this Agreement, words of any gender shall be held and construed to include any other gender, and words in the singular number shall be held and construed to include plural, unless the context otherwise requires.

18. Section Headings. The section headings contained in the Agreement are for convenience only and shall in no way enlarge or limit the scope or meaning of the various and several sections hereof.

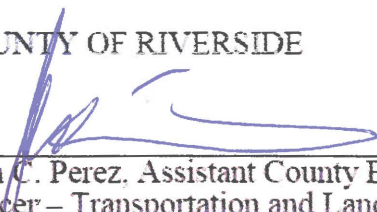
19. Choice of Law/Venue. This Agreement shall be governed by and construed under the laws of the State of California. If any provision of this Agreement is invalid or contravenes California law, such provision shall be deemed not to be a part of this Agreement and shall not affect the validity or enforceability of the remaining provisions. Nothing contained herein shall be construed so as to require the commission of any acts contrary to law, and wherever there is a conflict between any provisions of this Agreement and any present or future statute, law, ordinance, or regulation, the former shall be curtailed and limited only to the extent necessary to make it comply with such statute, law, ordinance, or regulation. Any action arising out of this Agreement, or the matters addressed herein, shall be brought within the Superior Court of California, County of Riverside.

The parties, by agreeing to the terms of this Agreement, acknowledge they have had the opportunity to consult, and in fact did consult with an attorney in connection with their decision whether to execute this Agreement, and they have read and signed this Agreement without duress, coercion or undue influence, and with a full understanding of the terms.

IN WITNESS WHEREOF, this Agreement is executed on the dates set forth below.

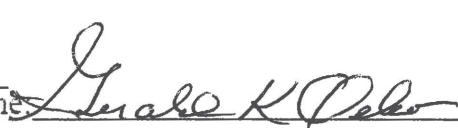
Dated: 12/4/18

COUNTY OF RIVERSIDE

By: 
Juan C. Perez, Assistant County Executive
Officer – Transportation and Land
Management Agency Director

Dated: 11/30/18

CORONA CLAY COMPANY, INC.

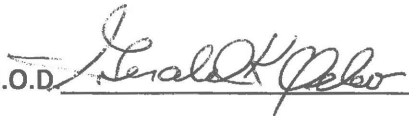
By: 
Name: Gerald K. DeLo
Title: President/owner

FORM APPROVED COUNTY COUNSEL
BY: 
TIFFANY N. NORTH
DATE: 11/30/18

November 30, 2018

Re: Settlement Agreement and Release from County of Riverside

The Settlement Agreement and Release was entered and signed on November 30th, 2018 by all Board of Directors of Corona Clay Company. All parties are in agreement.

Gerald K. Deleo, B.O.D.  Date 11-30-18

Craig J. Deleo, B.O.D.  Date 11-30-18

Cindy J. Deleo, B.O.D.  Date 11/30/18

Kiana Deleo, B.O.D.  Date 11/30/18

Brandon Ward, B.O.D. _____ Date _____

November 30, 2018

Re: Settlement Agreement and Release from County of Riverside

The Settlement Agreement and Release was entered and signed on November 30th, 2018 by all Board of Directors of Corona Clay Company. All parties are in agreement.

Gerald K. Deleo, B.O.D. Gerald K. Deleo Date 11-30-18

Craig J. Deleo, B.O.D. Craig J. Deleo Date 11-30-18

Cindy J. Deleo, B.O.D. Cindy J. Deleo Date 11-30-18

Kiana Deleo, B.O.D. Kiana Deleo Date 11/30/18

Brandon Ward, B.O.D. Brandon Ward Date 11/30/18

Exhibit A / Corona Clay Property



Legend

- Parcels
- County Centerlines
- Blue line Streams
- City Areas



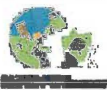
"IMPORTANT" Maps and data are to be used for reference purposes only. Map features are approximate, and are not necessarily accurate to surveying or engineering standards. The County of Riverside makes no warranty or guarantee as to the content (the source is often third party), accuracy, timeliness, or completeness of any of the data provided, and assumes no legal responsibility for the information contained on this map. Any use of this product with respect to accuracy and precision shall be the sole responsibility of the user.

0 752 1,505 Feet

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Notes



HANS 2278 FINAL

117°28'30"W

117°28'0"W

33°47'0"N

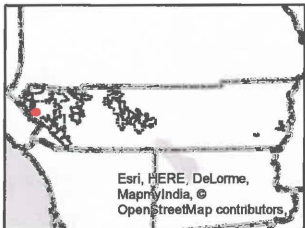
33°47'0"N

Lake Mathews Quadrangle

CONSERVE

- NO
- YES
- PARCELS
- Criteria Cells

9/24/2018



Disclaimer: Maps and data are to be used for reference purposes only. Map features are approximate, and are not necessarily accurate to surveying or engineering standards. The County of Riverside makes no warranty or guarantee as to the content (the source is often third party), accuracy, timeliness, or completeness of any of the data provided, and assumes no legal responsibility for the information contained on this map. Any use of this product with respect to accuracy and precision shall be the sole responsibility of the user.



0 225 450 900 1,350 1,800 Feet
1 inch = 417 feet

Mickey Zolez
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MINUTES OF THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



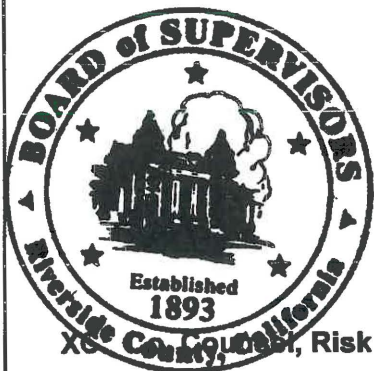
A.3 In Re Administrative Penalty Order Dated January 26, 2015; APN 283-190-021, 283-190-022, and 283-190-140; Corona Clay Company, Petitioner

On motion by Supervisor Jeffries and seconded by Supervisor Tavaglione in a 5-0 vote, the Board of Supervisors unanimously authorized the settlement terms presented by staff and further authorized the TLMA Director, Juan Perez, to execute the settlement agreement.

Roll Call:

Ayes: Jeffries, Tavaglione, Washington, Perez and Ashley
Noes: None
Absent: None

I hereby certify that the foregoing is a full true, and correct copy of an order made and entered on December 4, 2018 of Supervisors Minutes.



WITNESS my hand and the seal of the Board of Supervisors

Dated: December 4, 2018

Kecia Harper-Ihem, Clerk of the Board of Supervisors, in
and for the County of Riverside, State of California.

By: [Signature] Deputy

AGENDA NO.
A.3

XG County Clerk, Risk Mgmt.



John Hildebrand
Planning Director

RIVERSIDE COUNTY PLANNING DEPARTMENT

September 30, 2026

Western Riverside County Regional Conservation Authority

Executive Director

Attn: Aaron Hake
 4080 Lemon Street
 Riverside, CA 92501

RE: MSHCP Fee Credits for the Corona Clay Project

Greetings,

The County of Riverside has determined that the Corona Clay Project (Project) is eligible to receive Multiple Species Habitat Conservation Plan (MSHCP) fee credits. Our determination of the Project's eligibility for fee credits was used as an incentive to have the applicant to contribute a substantial portion of land to the Reserve Assembly. This letter further discusses the Project's qualifications for MSHCP fee credits.

BACKGROUND

Corona Clay Company (Corona Clay) submitted a Conditional Use Permit (CUP) application in December 2015 in conjunction with General Plan Amendment (GPA) No. 1144, Surface Mine Permit (SMP) No. 197R1 (AKA Dawson Canyon Reclamation Plan) Change of Zone (CZ) No. 6381, and Habitat Acquisition and Negotiation Strategy (HANS) No. 02278 to facilitate entitlement of existing unpermitted on-site land uses. Corona Clay owns four (4) parcels totaling 110.5 acres located approximately 0.75 miles east-northeast of the intersection of I15 and Temescal Canyon Road. The site is specifically located to the northeast of Park Canyon Road and Dawson Canyon Road. The APNs and areas include 283-190-019 (40.61 acres); 283-190-021 (20.26 acres); 283-190-022 (33.91 acres); and 283-190-040 (15.76 acres) for the CUP, GPA and CZ. SMP No. 197R1 is located entirely within 283-190-021.

A "Settlement Agreement and Release" (Agreement) between the County of Riverside and Corona Clay as of December 4, 2018, resolved past impacts and "all existing land use violations" as stated under the Agreement's Section III. 2, "Full and Final Agreement." The parties agreed that this is intended to be the comprehensive resolution of all existing land use violations on the Property and that this agreement is intended to be a full and final settlement of all claims subject to this Agreement." Per the Agreement, a GPA and CZ as described below were required to change the land use designations and zoning of developed lands and those lands designated for conservation habitat in order to be consistent with the General Plan, the zoning ordinance, and the HANS development footprint (HANS 2278 Final Map; 9/24/2018). A Western Riverside County Multiple Species Habitat Conservation Plan Consistency Analysis was prepared (WSP 2021, updated January 2024) that determined that the project would be consistent with the goals and objectives of the MSHCP with implementation of proposed conservation, restoration, and recommendations. The CUP is required to entitle those existing uses on-site and a SMP is required to reclaim a one-acre over-steepened slope.

MSHCP CREDIT QUALIFICATION

RCA Board Resolution No. 2016-003 sets forth the standards for land to qualify for credits:

A. Proposed conservation land must be within Criteria Cells and contribute to Reserve Assembly.

In accordance with WRCMSHCP Criteria Cell development standards and in conjunction with the County of Riverside conservation requirements, the Project Proponent initiated Habitat Acquisition and Negotiation Strategy HANS02278 (HANS 2278). The parcel report for the project shows a status of "Applied." HANS 2278 designated approximately 59.3 acres of the Project Site for development and roads and approximately 50.9 acres for conservation habitat (see attached Exhibit A). The HANS 2278 became the guiding document for the 2018 Agreement and the subsequent GPA, CZ, and CUP by defining those areas of existing and continuing development uses and those areas to be designated for conservation habitat.

In summary from the Consistency Analysis, the entire project site is within four MSHCP Criteria Cells: 2937, 2934, 3039 and 3041. All cells are in Subunit 3 Temescal Wash West of the Temescal Canyon Area Plan in the Gavilan Habitat Management Unit (HMU). Cells 2937, 3039, 3041 are in Cell Group F of the area plan and Cell 2934 is in Cell Group E.

B. Conservation land must be of a size, configuration, and location such that it can be managed as part of the MSHCP Conservation Area.

Conservation within Cell Group F will contribute to assembly of the proposed extension of Existing Core 2. Areas conserved within this cell group will be connected to a variety of uplands and wetlands proposed for conservation in Cell Group E to the north, Cell Group G to the south, and to coastal sage scrub habitat proposed for conservation in Cells 2937 and 2935 in the Lake Matthews Area Plan to the north. Conservation within this cell group will range from 65%-75% of the cell group focusing on the central and eastern portions of the cell group.

Conservation within Cell Group E will contribute to assembly of proposed extension of Existing Core 2. Areas conserved within this cell group will be connected to a variety of uplands and wetlands proposed for conservation in Cell Group D to the north and Cell Group F to the south. Conservation within this cell group will range from 65%-75% of the cell group focusing on the central portions of the cell group.

The subject project is at the center of Cell Group F, so is important to the group's goal of conservation of "65%-75% of the cell group focusing on the central and eastern portions of the cell group" and for connections (linkages) to Cell Group E to the north, Cell Group G to the south, and to coastal sage scrub habitat proposed for conservation in Cell 2937. Lands proposed for conservation on the project parcels will accomplish all of these connectivity goals, including extension of Existing Core 2 by preserving undeveloped space running across the property from west to east across the northernmost and the southern project site, including the Dawson Canyon drainage. North to south connectivity will be preserved along the western and eastern edges of the site. Only a small portion of the northern edge of the project property occurs within eastern Cell Group E, but this portion will contribute to the goals of that group by extending Existing Core 2, conserving coastal sage scrub, and connecting (linking) to Cell Group F to the south. Approximately 45% of the site (50.9 acres) will be conserved to meet MSHCP goals and to mitigate past and future impacts. Due to its size, configuration and location the proposed conservation land can be managed as part of the MSHCP Conservation Area.

C. Fuel modification/hazardous vegetation areas, manufactured slopes, storm drain or detention basin outfalls, constructed slope protection, and Best Management Practices (i.e., bioswales, infiltration trenches, basins) will be excluded from fee credits, waivers, and reductions and will not be accepted for management by the RCA.

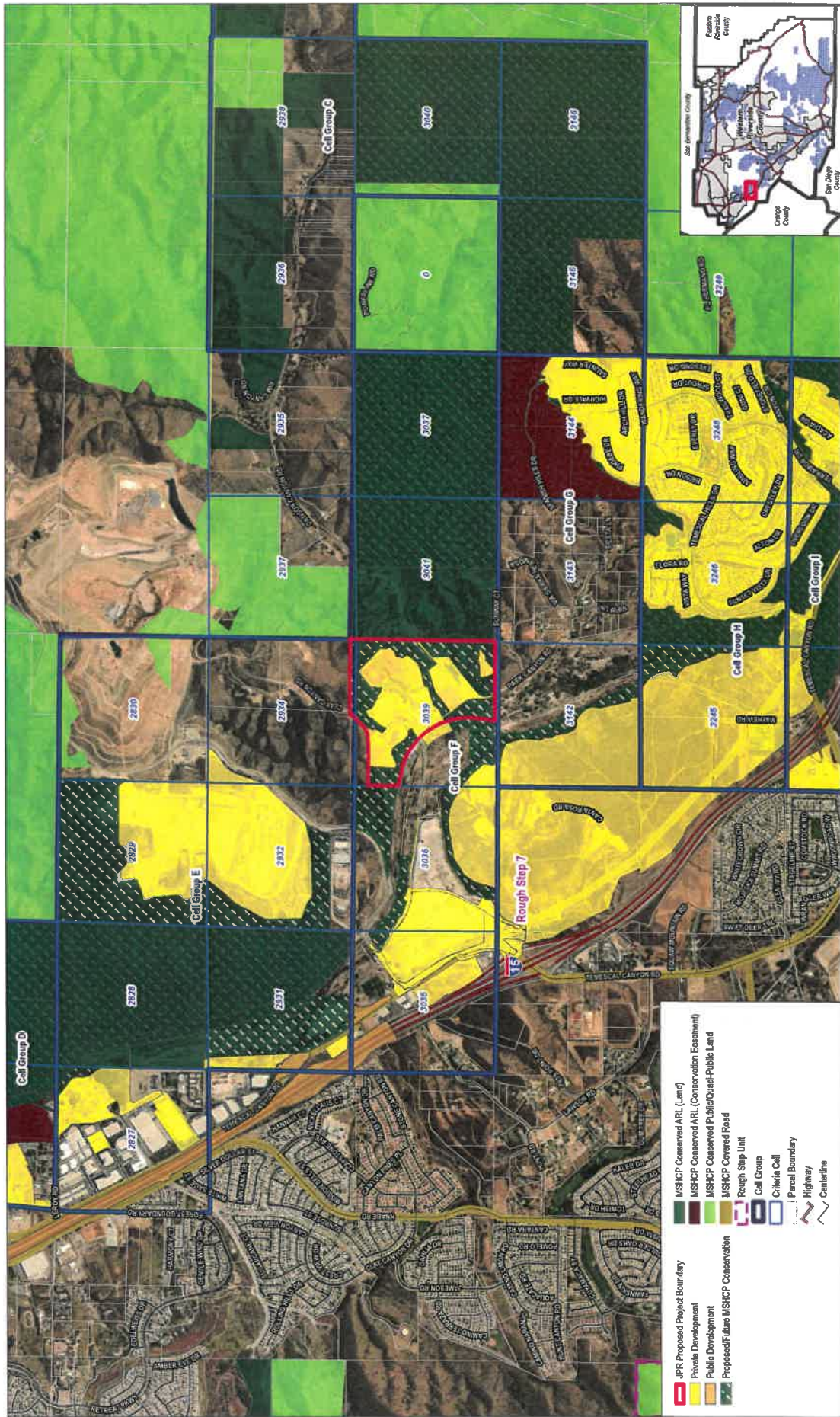
No fuel modification/hazardous vegetation areas, manufactured slopes, storm drain or detention basin outfalls, constructed slope protection, and Best Management Practices (i.e., bioswales, infiltration trenches, basins) are proposed and would be excluded from the RCA conveyance lands. Therefore, the County anticipates that all 50.9 acres qualify for fee credits.

The Corona Clay Project is a contributor to fulfilling portions of RCA's MSHCP vision and plan. Although the Project has been under operation prior to the MSHCP adoption, Riverside County has been working with the applicant for the conveyance of 50.9 acres of land to add to the MSHCP for conservation in perpetuity. As an incentive to the applicant to convey 50.9 acres of land for preservation, the applicant has requested to receive MSHCP credits and Riverside County determined the land is eligible for MSHCP fee credits. Riverside County has provided RCA with a land appraisal on July 7, 2026 that determines the value of the MSHCP fee credits.

Sincerely,



John Hildebrand
Planning Director
County of Riverside, Planning Department
4080 Lemon St. 12th Floor
Riverside, CA 92501
(951) 955-1888



SOURCE: Western Riverside County Regional Conservation Authority 2022, City of Riverside 2022, East Baermap 2022. Map created on 3/17/2024.

14547
 Western Riverside County Regional Conservation Authority
 145472270 Corona Way



EXHIBIT A
 JPR Log No. 24-01-30-01- Regional