City Managers Department
14177 Frederick Street
P. O. Box 88005
Moreno Valley CA 92552-0805
Telephone: 951.413.3020

August 4, 2025

Via Electronic and Personal Delivery

Juan Perez, Chief Operating Officer
County of Riverside
4080 Lemon Street 4th Floor
Riverside, CA 92501

Re: Letter Agreement Concerning Lead Agency Status
Rancho Belago Estates (aka Gilman Hills)

Dear Mr Perez,

As you may know, Highland Fairview Environmental Foundation and HF Rad, LLC ("Owners") are the fee simple owners of an approximately 1,820-acre site currently situated within the jurisdictional boundaries of the County of Riverside ("County"), but located within the City of Moreno Valley's Sphere of Influence **("Subject Property")**. The Subject Property is more particularly described and depicted in **Exhibit A,** attached hereto. The Owners are seeking to develop the Subject Property with medium-high density housing, mixed uses which will include a hotel, a golf course, a school and various parks and open space amenities, as depicted in the Conceptual Development Plan **("Proposed Project")**, attached hereto as **Exhibit B**.

The Owners and the City recently entered into a **Pre-Annexation/Development Memorandum of Understanding**, attached hereto as **Exhibit C**, wherein the Owners have requested and the City has consented to serving as Lead Agency, pursuant to the California Environmental Quality Act ("CEQA") and the CEQA Guidelines, in the context of the City's environmental review and consideration of the Proposed Project, and subsequent annexation of the Subject Property by the City, subject to the County's approval.

In light of the foregoing, it is respectfully requested that the County acknowledge and agree that the City of Moreno Valley may serve as Lead Agency in the capacity set forth in this letter. Upon approval of the City serving as Lead Agency, the Owners will then formally withdraw their Gilman Hills (aka Quail Ranch + Eden Hot Springs + Rados Ranch) entitlement applications on file with the County and the City will review the same, subject to the City's local zoning and development standards.

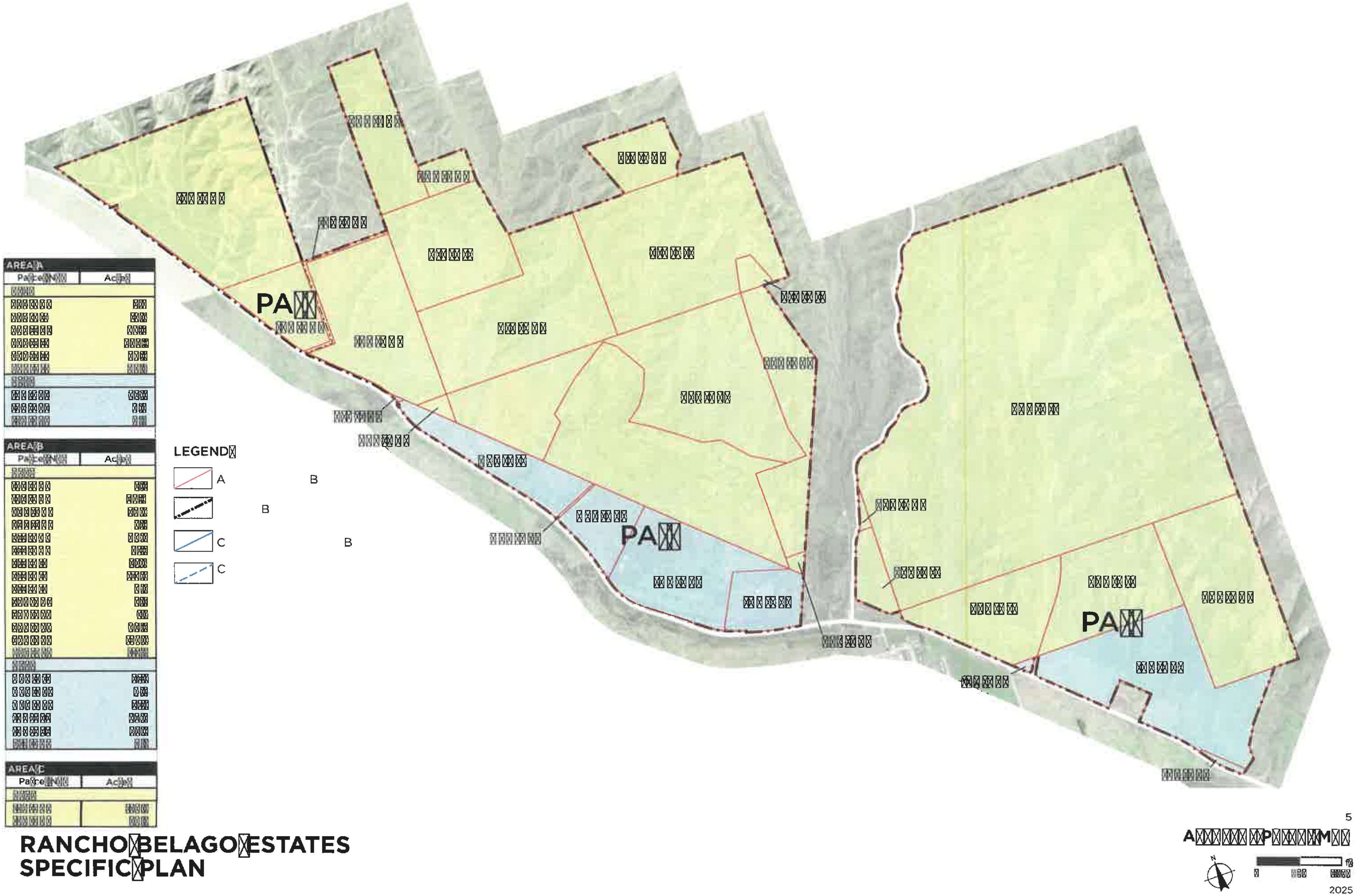
Regards,

Brian Mohan, City Manager

Letter Agreement Signature Page

County of Riverside	City of Moreno Valley
Juan Perez, Chief Operating Officer	Brian Mohan, City Manager
Date:	Date: 8/5/25

Exhibit "A"
LEGAL DESCRIPTION AND DEPICTION
[SEE ATTACHED]



RANCHO BELAGO ESTATES SPECIFIC PLAN

Exhibit "B"
CONCEPTUAL DEVELOPMENT PLAN
[SEE ATTACHED]

LEGEND:

Land Use	Acres
Medium High Residential	810.7
Mixed Use	36.0
School	12.3
Golf Course	218.3
Open Space	695.6
Road	47.1
Total:	**1,820.0**

P Park Overlay

Project Boundary

RANCHO BELAGO ESTATES SPECIFIC PLAN

Figure 2-1

Land Use Plan

N

0 625 1,250 ft

June 2025

Exhibit "C"
PRE-ANNEXATION/DEVELOPMENT MEMORANDUM OF UNDERSTANDING
[SEE ATTACHED]

PRE-ANNEXATION/DEVELOPMENT MEMORANDUM OF UNDERSTANDING

This Pre-Annexation/Development Memorandum of Understanding ("MOU") is made and entered into this 27th day of June, 2025 (hereinafter, "Effective Date"), by and between the City of Moreno Valley, a municipal corporation in the County of Riverside, State of California ("City"), and Highland Fairview Environmental Foundation and HF Rad, LLC ("Owners"), with City and Owners sometimes together hereinafter referred to as the "Parties."

RECITALS

WHEREAS, Owners are the fee simple owners of approximately 1,820-acre site currently within the County of Riverside ("County") and the City of Moreno Valley's Sphere of Influence in Southern California's Inland Empire region, as more particularly described and depicted in **Exhibit "A,"** attached hereto and incorporated herein by this reference ("Subject Property"); and

WHEREAS, Owners have provided City with a conceptual Land Use Plan ("Proposed Project"), as depicted in **Exhibit "B,"** attached hereto and incorporated herein by this reference; and

WHEREAS, Owners desire that the Subject Property be the subject of City land use project approvals and associated environmental review and clearances ("Development"), and be annexed into the jurisdictional boundaries of the City ("Annexation") pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (California Government Code §§56000 *et seq.*), and hereby request that City support such Development and Annexation approvals, including the Annexation by Riverside County Local Agency Formation Commission ("LAFCO"), subject to compliance with the California Environmental Quality Act ("CEQA") and the CEQA Guidelines; and

WHEREAS, City acknowledges that the Subject Property is situated within the City of Moreno Valley's designated Sphere of Influence under City of Moreno Valley's 2006 General Plan which serves as a benchmark for future annexation decisions; and

WHEREAS, this MOU represents a framework for good faith efforts moving forward, and is expressly contingent on full compliance with CEQA and the CEQA Guidelines and the future review and full consideration of the Proposed Project's land use entitlements, feasible mitigation measures, and feasible project alternatives, including the "No Project" alternative, and all such Development and Annexation shall be considered for approval by the City, including Annexation approval by LAFCO; and

WHEREAS, while the City retains its discretion, exercised lawfully, to approve or disapprove the Proposed Project's land use entitlements, impose mitigation measures, apply conditions of approval, consider project alternatives, or modify the Proposed Project/Development, the City Council supports the Proposed Project's conceptual Land Use Plan, Proposed Project, and Annexation, subject to full compliance with CEQA and all applicable law; and City staff shall use its best efforts to expeditiously process all Project/Development land use approvals, as well as all environmental review, including the Proposed Project and Annexation.

NOW THEREFORE, in consideration of the mutual covenants and promises and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties understand, agree, and covenant as follows:

AGREEMENT

Section 1. RECITALS

The Recitals set forth above are hereby incorporated into this MOU by this reference, as though fully set forth herein.

Section 2. OWNERS' OBLIGATIONS

In consideration of City's support for the Proposed Project/Development, its land use entitlements and environmental review, and the Annexation process moving forward, Owners shall: (1) submit the appropriate Development and Annexation applications and attachments; (2) pay the City the required Development and Annexation application fees, subject to the City using its best efforts to provide a credit to Owners against such fees for all of Owners' unreimbursed application payments that it made to the County; (3) incur the required costs, including any costs associated with pertinent environmental review, to initiate the process for Development and Annexation of the Subject Property by City and LAFCO; (4) reiterate that the Proposed Project's description includes uses that are expected to generate transient occupancy tax and sales tax revenue for City that the City Manager or designee deems sufficient to cover the costs of municipal services anticipated to be provided by City and any of its affiliated agencies for the Proposed Project/Development; (5) consent to City serving as both the permitting authority related to the Proposed Project's discretionary land use entitlements and environmental review City deems necessary for the Proposed Project, and as the "Lead Agency" under CEQA related to review and consideration of the Development and Annexation by City; and (6) enter into necessary funding agreements, approved as to form by Owners and the City Attorney.

In addition, Owners shall irrevocably consent to pursue Development and Annexation pursuant to the terms and conditions set forth in this MOU.

Section 3. CITY'S OBLIGATIONS

In consideration of Owners' Obligations as described in Section 2, above, City

hereby irrevocably consents to promptly process and consider for approval the Development and Annexation pursuant to the terms and conditions set forth in this MOU, and shall: (1) work with County to mutually agree that City shall be both the permitting authority and the CEQA Lead Agency for the environmental analysis of the Proposed Project/Development and Annexation, with the County and LAFCO acting as CEQA responsible agencies pursuant to the provisions of CEQA; (2) express its support for the Annexation, in writing and orally, prior to or at the requisite LAFCO public hearing, subject to the terms and conditions set forth in this MOU; and (3) work, promptly and diligently, with the County on a pre-annexation agreement to be executed within sixty (60) days from the effective date of this MOU, subject to any reasonable extensions of time, deemed necessary by the City, Owners, and the County to successfully complete said pre-annexation agreement.

Section 4. **MUTUAL OBLIGATIONS**

In consideration of entering into this MOU, the Parties mutually agree that they shall diligently pursue consideration of the Development and Annexation of the Subject Property as contemplated by this MOU, including the filing with LAFCO for the Annexation, all of which is essential to the plan for providing services required by LAFCO in its consideration of the Annexation application.

In further consideration of entering into this MOU, the City may impose conditions or mitigation measures to directly and solely avoid or mitigate Project and Annexation impacts, provided however, that such mitigation or conditions do not impose requirements on Owners mandating that they provide or fund any city or public facilities or infrastructure beyond what is objectively demonstrable, proportional, and having an essential nexus to a significant, quantifiable, direct, and unavoidable impact based on objective, identified written public health and safety standards or conditions (a) as they existed on the date the Development application is deemed complete, and (b) as presented and analyzed in advance in the Project's Draft Environmental Impact Report (EIR); and if not in existence at time of project application completion and contained in such Draft EIR, the City shall not impose, or seek, any such additional mitigation or condition.

The Parties further agree to mutually consider both the Development and Annexation to be a high priority.

Moreover, the Parties shall cooperate in every way with the requests of the County, LAFCO, and any other public agency during the Development and Annexation proceedings, including but not limited to, the land use entitlements, environmental review, tax sharing/exchange, cost sharing, and all other commitments necessary to successfully complete Development and Annexation of the Subject Property. Further, the Parties mutually agree to work cooperatively and in good faith on such Development and Annexation, including City processing to completion, promptly and diligently, all Development and Annexation and in accordance with the Parties' agreed-upon Development/Annexation schedule ("Schedule"), unless deemed infeasible by City. Said Schedule shall include all Development and Annexation applications for the Subject

not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by another party.

D. In the event that a default of any party to this MOU may remain uncured for more than ten (10) calendar days following receipt of written notice of default, as provided above, a "breach" shall be deemed to have occurred. In the event of a breach, the injured party shall be entitled to seek any appropriate remedy or damages by initiating legal proceedings.

Section 8. NOTICES

All notices given hereunder shall be in writing. Notices shall be presented in person, email, or by overnight delivery by a nationally recognized delivery service to the addresses set forth below. Notice presented by email shall be deemed effective on the date shown on the email. Any party may change the party's address for receipt of written notice by notifying the other parties in writing of a new address for delivering notice to such party.

To City:
City of Moreno Valley
Attn: Community Development Director
14177 Frederick Street
Moreno Valley, CA 92553
Telephone: (951) 413-3215
Email: angelicaf@moval.org

To Owners:
Highland Fairview
Attn: Iddo Benzeevi
President and CEO
29000 Eucalyptus Ave.
Moreno Valley, CA 92555
Cell: (951) 867-5300
Email: ibenzeevi@highlandfairview.com

Section 9. CUMULATIVE REMEDIES

In the event of a breach or default of this MOU, the non-breaching party shall be entitled to all remedies available pursuant to the terms of this MOU, at law and in equity, including, but not limited to, specific performance of this MOU, and all such remedies are cumulative in nature and may be asserted by such non-breaching party in the alternative and the assertion of a remedy by a party shall not be deemed an exclusive election of remedies or waiver of any other rights conferred on that party by the terms of this MOU.

Section 10. LITIGATION EXPENSES AND ATTORNEYS FEES

In the event any action, suit, or proceeding is brought for the enforcement of, or the declaration of any right or obligation pursuant to this MOU, or as a result of any alleged

breach of any provision of this MOU, the prevailing party in such suit or proceeding shall be entitled to recover its costs and expenses, including reasonable attorney's fees, from the losing party, and any judgment or decree rendered in such a proceeding shall include an award thereof.

Section 11. **ENTIRE AGREEMENT**

This MOU contains the entire agreement between City and Owners with respect to the subject matter hereof and supersedes all prior understandings, if any, with respect thereto. This MOU may not be modified, changed, supplemented, or terminated, nor may any obligations hereunder be waived, except by written instrument signed by each party.

Section 12. **ASSIGNMENT**

This MOU shall not be assignable by any party without the prior written consent of City and Owners, as applicable, which shall not be unreasonably withheld.

Section 13. **AMBIGUITIES OR UNCERTAINTIES**

This MOU is in all respects intended by each party hereto to be deemed and construed to have been jointly prepared by all parties and the Parties hereby expressly agree that any uncertainty or ambiguity existing herein shall not be interpreted against any of them. Except as expressly limited by this section, all of the applicable rules of interpretation of contracts shall govern the interpretation of any uncertainty or ambiguity of this MOU.

Section 14. **GOVERNING LAW AND VENUE**

This MOU shall be governed by, interpreted under, construed and enforced in accordance with, the laws of the State of California. This MOU is made and entered into in the County of Riverside, California, and any legal action or proceeding arising from or related to this MOU shall be brought in the appropriate Branch of the Riverside County Superior Court.

Section 15. **WAIVERS**

No waiver of any breach of any agreement, provision or failure of a condition herein contained shall be deemed a waiver of any preceding or succeeding breach or failure thereof, or of any other agreement, provision or condition contained herein, nor an extension of time for performance of any other obligation or act.

Section 16. **CAPTIONS AND HEADINGS**

The headings and captions of the various sections and paragraphs of this MOU has been inserted only for the purpose of convenience and are not a part of this MOU and shall not be deemed in any manner to modify, explain, expand or restrict any of the provisions of this MOU.

Section 17. **COUNTERPARTS AND SIGNATURES**

This MOU may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts shall together constitute but one and the same MOU. City and Owners agree that facsimile and electronic signatures of this MOU shall be deemed a valid and binding execution hereof.

Section 18. **FURTHER ASSURANCES**

The Parties hereby agree, each at their own expense, to perform all such further acts and execute and deliver all such further agreements, instruments, and other documents as the other parties shall reasonably request to effectuate the spirit and purpose of this MOU.

Section 19. **SEVERABILITY**

If any provision of this MOU is found to be invalid, or if the application of this MOU to any person or circumstance is disallowed or found to be invalid, the remainder of the provisions of the MOU, or the application of the MOU to persons or circumstances other than those to which its application was disallowed or found invalid, will not be affected and will remain in full force and effect.

Section 20. **AUTHORITY TO ENTER MOU**

The Parties represent that they have all the requisite power and authority to conduct their business and to execute this MOU and to perform their respective obligations hereunder. Each party warrants that the individuals who have signed this MOU have the legal power, right, and authority to make this MOU and to bind each respective party.

SECTION 21. **NO DAMAGES RELIEF AGAINST CITY**

The Parties acknowledge that City would not have entered into this MOU had it been exposed to damage claims from Owner for any breach thereof. As such, the Parties agree that in no event shall Owner be entitled to recover damages against City for breach of this MOU.

[THE REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the Parties hereto have caused this MOU to be executed as of the date first written above.

CITY OF MORENO VALLEY

BY: _____
Brian Mohan, City Manager

OWNERS (AS SHOWN ABOVE)

BY: _____
Iddo Benzeevi, President/CEO

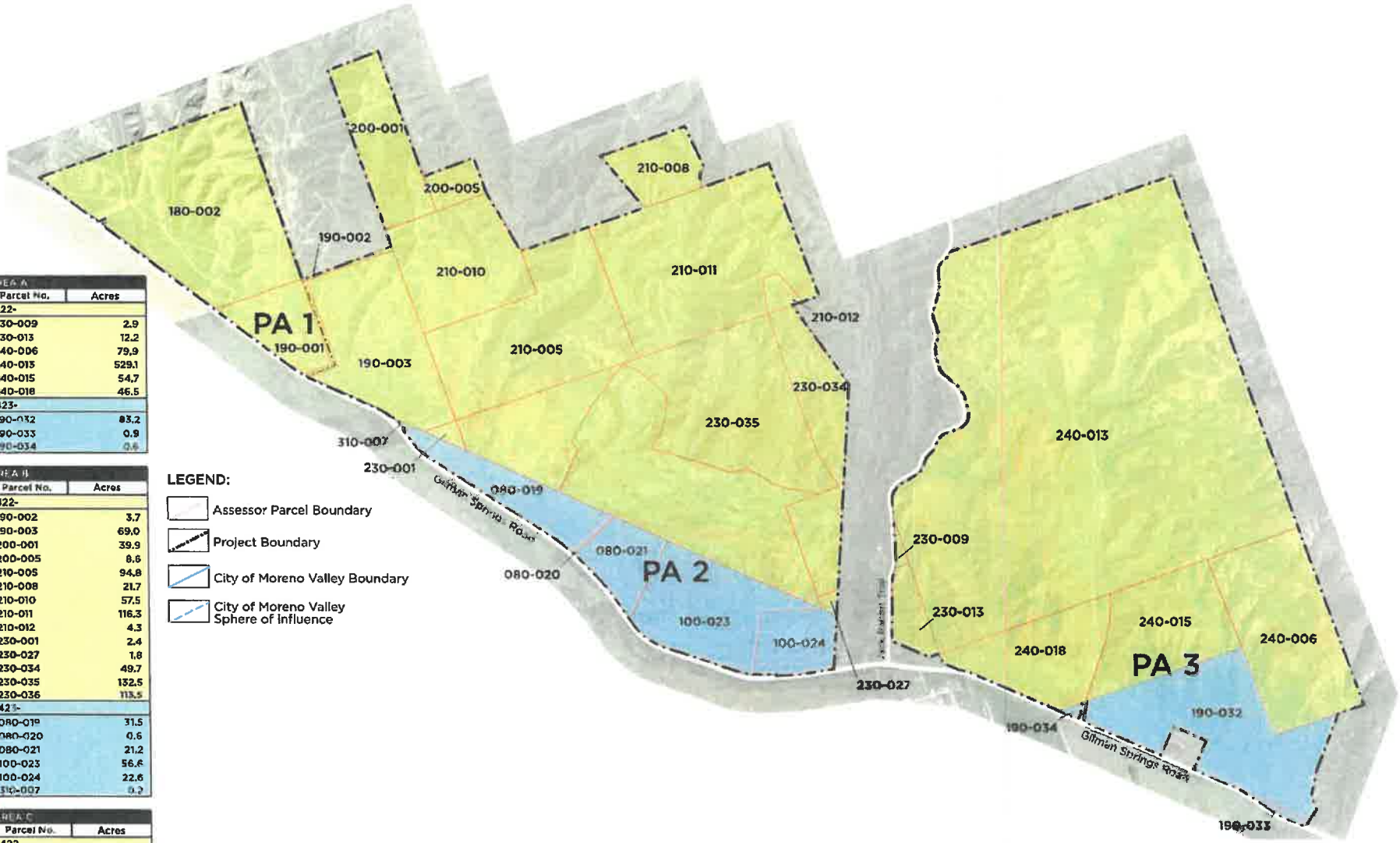
ATTEST:

BY: _____
M. Patricia Rodriguez, CMC, City Clerk

APPROVED AS TO FORM:

BY: _____
Steven B. Quintanilla, City Attorney

Exhibit "A"
ASSESSOR PARCEL MAP
[SEE ATTACHED]



AREA A	
Parcel No.	Acres
422-	
230-009	2.9
230-013	12.2
240-006	79.9
240-013	529.1
240-015	54.7
240-018	46.5
423-	
190-032	83.2
190-033	0.9
190-034	0.6

AREA B	
Parcel No.	Acres
422-	
190-002	3.7
190-003	69.0
200-001	39.9
200-005	8.6
210-005	94.8
210-008	21.7
210-010	57.5
210-011	116.3
210-012	4.3
230-001	2.4
230-027	1.8
230-034	49.7
230-035	132.5
230-036	113.5
423-	
080-019	31.5
080-020	0.6
080-021	21.2
100-023	56.6
100-024	22.6
310-007	0.2

AREA C	
Parcel No.	Acres
422-	
180-002	124.3
190-001	24.8

RANCHO BELAGO ESTATES SPECIFIC PLAN

Figure 5

Assessor Parcel Map

0 625 1,250 ft

June 2025

Exhibit "B"
CONCEPTUAL LAND USE PLAN
[SEE ATTACHED]

LEGEND:

Land Use	Acres
Medium High Residential	810.7
Mixed Use	36.0
School	12.3
Golf Course	218.3
Open Space	695.6
Road	47.1
Total:	1,820.0

P Park Overlay

Project Boundary

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Figure 2-1

Land Use Plan

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June 2025