

## SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (“Agreement”) is entered into this 4th day of September 2025, by and among Sierra Club and Center for Biological Diversity (“Petitioners”) one the one hand and Majestic Realty Co. (“Developer”) on the other hand. Each of Petitioners and Developer is sometimes referred to herein as a “Party,” and collectively as the “Parties.”

WHEREAS, Developer applied to the County of Riverside for certain land use entitlements (including a general plan amendment, zone change, and plot plan) necessary to develop the Majestic Thousand Palms project (the “Project”); and

WHEREAS, the Project proposes the construction and operation of a 1,238,992 square foot warehouse/distribution/manufacturing development on approximately 82.99 acres; and

WHEREAS, on February 25, 2025, the Riverside County Board of Supervisors certified an environmental impact report (“EIR”) for the Project (State Clearinghouse No. 2022110600) and approved Developer’s application for certain entitlements needed to develop and construct the Project, including, but not limited to, General Plan Amendment No. 220004, Change of Zone No. 2200013, and Plot Plan No. 220022; and

WHEREAS, Petitioners filed a petition for writ of mandate challenging the project on or about March 27, 2025 (the “Lawsuit”); and

WHEREAS, the Parties have engaged in settlement negotiations, and have reached terms, as set forth herein, upon which to settle their disputes, and wish to avoid litigation and resolve their disputes concerning the Project on the terms set forth herein; and

WHEREAS, the Parties anticipate the Project being subject to the South Coast Air Quality Management District’s Rule 2305–Warehouse Actions and Investments to Reduce Emissions (WAIRE) Program.

NOW, THEREFORE, the Parties hereby agree as follows:

A. Construction-Related Terms: All terms set forth herein shall be required of Developer and the Project in connection with the construction of the Project.

1. Heavy-duty trucks entering the construction site during grading and building construction phases shall be model year 2014 or later. All heavy-duty trucks shall also meet CARB’s lowest optional low oxides of nitrogen (NOx) standard starting in the year 2022.

2. Developer shall recycle and/or salvage for reuse a minimum of 65 percent of the nonhazardous construction and demolition waste in accordance with Section 5.408.1 of the California Green Building Standards Code Part 11.
3. In order to reduce VOCs during construction of the Project, during construction activities, Developer shall ensure that "Super-Compliant" low VOC paints be utilized that have been reformulated to exceed the regulatory VOC limits put forth by AVAQMDs Rule 1113. Super-Compliant low VOC paints shall be no more than 10 grams per liter (g/L) of VOC.
4. All buildings constructed as part of the Project shall be constructed to attain a LEED Silver "equivalency" rating pursuant to the most current version of the USGBC LEED rating system in effect at the time of Project construction, with verification of equivalency by qualified professional.

B. Operational/Design-Related Terms: All terms set forth herein shall be required of the Developer and required of the Project.

1. HVAC and/or HEPA air filtration systems shall be installed in all warehouse facilities.
2. Cold storage warehouse operations (chilled, refrigerated, or freezer warehouse space) shall be prohibited.
3. At the time of building construction, Developer shall install at least three (3) Fast 350 kW EV chargers or equivalent at the Project facility.
4. All heavy-duty trucks accessing the Project site shall be model year 2014 or later. All heavy-duty trucks shall also meet CARB's lowest optional low oxides of nitrogen (NOx) standard starting in the year 2022.
5. Prior to issuance of the first certificate of occupancy for the Project, Developer shall install conduit and infrastructure for Level 2 (or faster) electric vehicle charging stations on-site for employees for the percentage of employee parking spaces commensurate with Title 24 requirements in effect at the time of building permit issuance. Developer shall install EV charging units in 50% of the EV capable stalls.
6. Within five years of the first certificate of occupancy of the Project building, Developer shall install a maximally-sized solar photovoltaic (PV) array on all available roof areas of the building that are not encumbered by necessary appurtenances. Solar arrays shall be maintained fully for the life of the Project.
7. Within five years of first issuance of certificate of occupancy for the Project building, Developer shall install 2 hours of battery backup storage at the rated

capacity of all onsite solar photovoltaic arrays. Battery energy storage shall be maintained fully operational for the life of the Project.

8. Only super-compliant low VOC paints and coatings will be used during operation.
9. All on-site cargo equipment (yard trucks, yard goats, pallet jacks, forklifts, etc.) shall be electric only. No natural gas or diesel cargo equipment shall be used as part of Project operations. This requirement shall be specified in all tenant leases and any sale agreements. This requirement shall continue for the life of the Project.
10. Truck idling shall be limited to no more than three minutes (total). This idling restriction shall include idling of any Transport Refrigeration Units (TRUs) and Accessory Power Units (APUs) at the Project facility. At the time of Project construction, Developer shall install appropriate bilingual signage stating that truck engines shall be turned off after three minutes including the operation of TRUs and APUs. Signage shall be posted in all areas serving trucks and shall be visible from truck cabs. Signage shall be posted in all areas serving the Project and shall be replaced as necessary.
11. A Truck Routing Plan shall be developed prior to issuance of the first certificate of occupancy and shall specify the routes that trucks shall use to the nearest freeway connection. The Truck Routing Plan shall state that Project trucks shall only be permitted to use Rio del Sol to and from the Project site from the nearest freeway and regional connections. The Truck Routing Plan shall further specify that trucks shall not be permitted to utilize the following roadways segments: Robert Road (south of the Project site including any extension/improvement); Del Norte Way. El Centro Way/Road; Via Pared; Sierra del Sol; La Canada; and 30<sup>th</sup> Avenue (east of the Project site/east of intersection of Robert Road and 30<sup>th</sup> Avenue, including any future extension). In addition, the Truck Routing Plan shall state that trucks shall not idle or park in any residential areas located south of the Project site. A copy of the Truck Routing Plan shall be provided to the County and Petitioners at the time of completion.

C. Other Terms

1. Within 3 calendar days of the execution and delivery of this Agreement, Petitioners shall file a request for dismissal, with prejudice, of the Action, including all respondents and real parties, in its entirety.
2. To resolve the claim of attorney's fees and costs, within 10 calendar days of the Court's dismissal of the Action, with prejudice, Developer shall pay Petitioners Center For Biological Diversity's and Sierra Club's reasonable attorney's fees and costs in the total amount of \$100,000. Attorney's fees and costs shall be

made payable and furnished to Petitioner Center for Biological Diversity. The Center for Biological Diversity shall provide Developer with a taxpayer identification number as a condition to the payment. Except for this payment, each Party shall bear its own costs of suit incurred in the Action.

### 3. Non-Opposition

3.1 Prohibition on Opposition. Petitioners agree not to file any litigation challenging the Project, or submit comments opposing the Project to any administrative agency with respect to any permits or other entitlements needed to effectuate the Project, or needed to implement this Agreement, provided the Project is constructed and implemented in accordance with this Agreement. Developer shall provide Petitioners with written notice of any alleged breach.

### 3.2 Limitations.

(a) The obligations of Petitioners in this Section 3 shall not apply to any application for development of the Project site that is not in compliance with all requirements of this Agreement and the adopted mitigation program in the EIR. Petitioners reserve all rights in order to challenge any future phases of development or alternative development proposals, on the Project site that are not reflected in the Project as it was approved on February 25, 2025 and modified by Sections A and B of this Agreement.

(b) The obligations of Petitioners in this Section 3 shall not prohibit the Petitioners from commenting on, supporting, and/or opposing proposed actions by any governmental authority that are generally applicable and not substantially limited to the development of the Project, even though such proposed agency actions may have an impact on the Project due to the general applicability of such proposed governmental actions. Examples of governmental actions of general applicability that the Petitioners are free to comment on, support, and/or oppose include, but are not limited to: rules promulgated by any local air district related to emissions; regulations promulgated by California agencies related to emissions; approval of regional transportation plans; approval of habitat conservation plans; approval of climate action plans; approval of urban water management plans; state or federal listing decisions for threatened and endangered species; land use and zoning designations; and the regulation of industrial equipment.

3.3 Remedies. If there is a breach of the obligations in Section 3, Petitioners shall have thirty (30) days from the date Developer gives written notice of the breach to withdraw and disavow the offending comments. Specific performance is the sole remedy for any breach of this Section.

#### 4. Mutual General Releases.

- a. Except as set forth in this Agreement, Petitioners (on behalf of themselves, their predecessors and successors) hereby release Developer and its respective owners, affiliates, members, officers, employees, agents, predecessors, successors, assigns, assignees, successors-in-interest, principals, partners, managers, representatives, attorneys, and all persons and entities acting by, thru, under or in concert with them, or any of them, from any and all claims, demands, liabilities, obligations, costs, expenses, fees, actions, and/or causes of action that Petitioners have or had, except as expressly reserved herein, arising out of, based upon, or relating directly to the Project approval or the Lawsuit (including the existence, prosecution or defense thereof), whether known, unknown or suspected, and Petitioners hereby waive the provisions of Civil Code section 1542, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

The release in this Section 4(a) is a separate consideration for the release contained in Section 4(b), and Petitioners would not have executed this Agreement nor agreed to this Section 4(a) but for the release contained in Section 4(b). Petitioners do not waive any claims, demands, liabilities, obligations, costs, expenses, fees, actions, and/or causes of action which do not arise out of the Project approvals or the Litigation.

- b. Except as set forth in this Agreement, Developer (on behalf of itself, its predecessors and successors) hereby releases Petitioners and their respective owners, affiliates, members, officers, employees, agents, attorneys, and all persons and entities acting by, thru, under or in concert with them, or any of them, from any and all claims, demands, liabilities, obligations, costs, expenses, fees, actions, and/or causes of action that Developer has or had, except as expressly reserved herein, arising out of, or connected to, directly or indirectly to the Project approval or the Lawsuit (including the existence, prosecution or defense thereof), whether known, unknown or suspected, and Developer hereby waives the provisions of Civil Code section 1542, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN

HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

The release in this Section 4(b) is a separate consideration for the release contained in Section 4(a), and Developer would not have executed this Agreement nor agreed to this Section 4(b) but for the release contained in Section 4(a). Developer does not waive any claims, demands, liabilities, obligations, costs, expenses, fees, actions, and/or causes of action which do not arise out of the Project approvals or the Litigation.

- c. Each Party expressly waives and relinquishes all rights and benefits under that Civil Code section 1542 and any law or legal principle of similar effect in any jurisdiction, with respect to the claims released hereunder.
  - d. Each of the Parties has executed this Agreement voluntarily, with full knowledge of its significance, and with the express intention of affecting the legal consequences provided by a waiver of California Civil Code Section 1542.
5. The Parties' sole and exclusive remedy for breach of this Agreement shall be an action for specific performance or injunction. Except to the extent this Agreement expressly obligates a Party to pay money, no Party shall seek or be entitled to any monetary damages in the event of any breach or default under this Agreement. In addition, no legal action for specific performance or injunction shall be brought or maintained until: (a) the non-breaching Party provides written notice to the breaching Party which explains with particularity the nature of the claimed breach, and (b) within thirty (30) days after receipt of said notice, the breaching Party fails to cure the claimed breach or, in the case of a claimed breach which cannot be reasonably remedied within a thirty (30) day period, the breaching Party fails to commence to cure the claimed breach within such thirty (30) day period, and thereafter to diligently complete the activities reasonably necessary to remedy the claimed breach.
6. Developer represents and warrants that it has an option contract to purchase the property that is the subject of the Project approvals and that it is the sole applicant for entitlements for the Project.
7. Each Party acknowledges that it has conducted its own factual investigation, is not relying on any other Party, and assumes the risk that there are material unknown facts or that facts are other than as is presumed. The Parties further acknowledge that they are aware that they may hereafter discover material facts in addition to or different from those which they now know or believe to be true with respect to the subject matter of this Agreement, and further acknowledge that there may be

future events, circumstances, or occurrences materially different from those they know or believe likely to occur, but that it is their intention to enter into and be bound by this Agreement.

8. This Settlement Agreement is not a permit, or a modification of any permit, under any federal, State, or local laws or regulations. Developer is responsible for achieving and maintaining complete compliance with all applicable federal, State, and local laws, regulations, and permits, and Developer's compliance with this Settlement Agreement shall be no defense to any action commenced pursuant to any such laws, regulations, or permits, except as set forth herein.
9. Unless otherwise expressly provided in this Agreement, no waiver by a Party of any provision hereof shall be deemed to have been made unless expressed in writing and signed by such Party. No delay or omission in the exercise of any right or remedy accruing to any Party upon any breach under this Agreement shall impair such right or remedy or be construed as a waiver of any such breach theretofore or thereafter occurring. The waiver by a Party of any breach of any term, covenant or condition herein stated shall not be deemed to be a waiver of any other term, covenant, or condition.
10. The Parties each hereby affirm and acknowledge that they have read this Agreement, that they know and understand its terms, and have signed it voluntarily and after having been advised by counsel. The Parties have had a full and unhindered opportunity to consult with their attorneys, accountants, financial advisors, and such other consultants as they may have desired prior to executing this Agreement.
11. The Parties acknowledge that each Party and its counsel have reviewed this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendment or exhibits hereto.
12. Except as otherwise noted, all references to days shall be to court days, based on the Riverside County court calendar.
13. Each of the persons signing this Agreement on behalf of a Party hereby represents that he or she has the requisite authority to bind the Party on whose behalf he or she is signing this Agreement, and that all requisite approvals of such Party, its board of directors, shareholders, members, general partners, or others have been obtained. Upon the request of any Party, each Party shall deliver evidence of such authorization to all other Parties. Each Party represents and warrants that the execution and delivery of this Agreement by such Party, and the performance of such Party's obligations hereunder, have been duly authorized by such Party, and that all consents or approvals necessary to cause this Agreement to be binding upon such Party have been obtained and are in full force and effect.

14. This Agreement shall be deemed executed and delivered within the State of California; the rights and obligations of the Parties hereunder shall be governed, construed and enforced in accordance with the laws of the State of California. The venue for any dispute arising from or related to this Agreement, its performance, and its interpretation shall be the Superior Court of California, County of Riverside.
15. This Agreement is entered into in full compromise of disputed claims. It is fully acknowledged by all parties hereto that the execution of this Agreement and the payment of consideration and performance hereunder is not and shall not be construed in any way as any admission of liability or wrongdoing on the part of any of the parties hereto, and that all parties completely and expressly deny any liability and merely intend by their actions pursuant hereto to avoid prolonged and further litigation. This Agreement represents and contains the entire agreement and understanding among the parties hereto with respect to the subject matter of this Agreement and supersedes any and all prior written and oral agreements and understandings. This Agreement may be amended or modified only through a writing executed by all the Parties.
16. Developer may assign and delegate any or all of its obligations under this Agreement to any purchaser, assignee, tenant, end user, etc. of the Project, without consent of Petitioners. The covenants, terms, conditions, and restrictions of this Agreement shall be binding upon, and inure to the benefit of, the Parties hereto and their respective personal representatives, heirs, successors, and assigns. Where rights accrue to or obligations are imposed on Developer in this Agreement, such rights and obligations shall constitute a servitude running with the applicable portion of the Property and shall run with the land, including, but not limited to, Developer choosing not to exercise its option to purchase the Property. Developer shall provide sixty (60)-day written notice to Petitioners of any intent to transfer fee title to any portion of the Property. Developer agrees that any such transfer shall include a written, recorded agreement by which all Developer's rights and obligations under this Agreement are assigned to and assumed by transferee to the extent those rights and obligations pertain to the transferred portion of the Property. If the fee in the Property is held by more than one owner, all such owners shall be jointly and severally liable for the obligations of Developer to pay money under this Agreement. Nothing in this Agreement shall prevent, delay or limit a lien holder's ability to foreclose on the Property; and, the Parties agree that the ability of Petitioners to pursue injunctive or any other relief shall not impair a lien holder's ability to foreclose on the Property in a timely manner. As provided above, the covenants, terms, conditions, and restrictions of this Agreement shall be binding upon, and inure to the benefit of, the Parties and their respective personal representatives, heirs, successors, and assigns, and, as applicable, shall run with the land, in the event of foreclosure on the subject property.



17. If any provision of this Agreement is held in whole or in part to be unenforceable for any reason, the remainder of that provision and of the entire Agreement will be severable and remain in effect.
18. Any notice or communication given or permitted to be given under this Agreement shall be deemed to have been given three (3) calendar days following deposit of such notice or communication in the United States mail with first class postage prepaid, certified mail return receipt requested, and addressed as follows:

If to Developer:

Majestic Realty Co.  
13191 Crossroads Parkway North, 6th Floor  
City of Industry, CA 91746  
Attn: Phillip Brown

With a copy, which shall not constitute notice, to:

John A. Ramirez  
Rutan & Tucker, LLP  
18575 Jamboree Road, 9<sup>th</sup> Floor  
Irvine, CA 92612  
jramirez@rutan.com

If to Petitioners:

Center for Biological Diversity  
2100 Franklin St., Suite 375  
Oakland, CA 94612  
Attn: Meredith Stevenson and Frances Tinney  
mstevenson@biologicaldiversity.org  
ftinney@biologicaldiversity.org

Sierra Club  
Aaron Isherwood, Managing Attorney  
Sierra Club  
2101 Webster St., Suite 1300  
Oakland, CA 94612

With a copy, which shall not constitute notice, to:

Law Office of Abigail Smith  
2305 Historic Decatur Road, Suite 100  
San Diego, CA 92106  
abby@socalceqa.com

19. This Agreement may be executed in any number of counterparts each of which shall be deemed an original and all of which shall constitute one and the same agreement, with the same effect as if all parties had signed the same signature page. Any signature page of this Agreement may be detached from any counterpart of this Agreement and reattached to any other counterpart of this Agreement identical in form hereto but having attached to it one or more additional signature pages.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first set forth above.

DEVELOPER:  
Majestic Realty, Co.

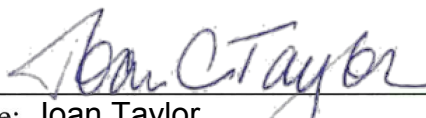
By:  

Name: \_\_\_\_\_  
Title: **Edward P. Roski, Jr.**  
**Chairman of the Board**

PETITIONERS:  
Center for Biological Diversity

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Sierra Club

By:   
Name: **Joan Taylor**  
Title: **Chair, Tahquitz Group**