

EXHIBIT Q

FINANCING TERMS

(1) Prior Contribution and Reimbursement Agreements/ Benefitted Property. If financing is done for the Improvements by assessment, whether to support the sale of bonds or otherwise, then the San Travasa Parcel and Desert Passage Parcel, shall not be assessed, but the Owners of the San Travasa Parcel shall contribute a total of \$520,000 to the cost of Improvements in cash upon the entity adopting a resolution to sell bonds with regard to the Improvements. If the bonds are not sold within one (1) year after the adoption of the resolution, then the contribution will be returned until the bonds are sold for the Improvements.

(2) If financing is done for the Improvements by assessment, whether to support the sale of bonds or otherwise, the Rancho Mirage JDA Parties shall be reimbursed \$425,000.00 as an agreed upon discounted reimbursement of the costs of design and construction of the Rancho Mirage Wash Segment with such amount to be paid upon the completion of financing to pay or reimburse the costs of all or substantially all Improvements. On or before such time, Shea Homes Limited Partnership/Rancho Mirage Homeowners Association shall transfer the Rancho Mirage Wash Segment to the entity that will own the Improvements.

(3) Other Benefitted Property. If financing is done for the Improvements by assessment, whether to support the sale of bonds or otherwise, with respect to any properties that are benefitted by the Improvements which are not Parcels subject to this Agreement, the City or an applicable district shall use reasonable efforts to assess or tax such properties in the same manner as the Parcels if reasonably possible or at a minimum shall assess buy-ins and impose equivalent continuing obligations against such properties upon and after an Entitlement Event. An Entitlement Event shall mean, except as stated in the next sentence, the earliest to occur of the property of (i) the issuance of the next entitlement requiring City approval (including, without limitation, zoning, annexation, or pre-plat approval); (ii) the recording of a final plat; or (iii) the issuance of a first construction permit of whatever nature (*i.e.*, grading, building, etc.). The issuance of an entitlement or construction permit substantially related to agricultural use (such as issuance of a building permit for a barn) shall not constitute an Entitlement Event. To the extent the City or an applicable district fails or is unable to assess non-participating land owners, the City or an applicable district shall not be liable for any amount not assessed.

(4) City Property Obligation. If assessments are made on other properties, the City will contribute a proportionate amount for the City Parcel described on Exhibit B-5.