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City of Redlands
P. O. Box 3005
Redlands, CA 92373

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COUNTY, CALIF.

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DEVELOPMENT AGREEMENT

between

BARTON DEVELOPMENT COMPANY, and
THE GLORIOUS REDLAND INVESTMENT PARTNERSHIP

and

CITY OF REDLANDS

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EXHIBIT

"A"	LEGAL DESCRIPTION OF PROPERTY
"B"	THE PROJECT
"C"	PUBLIC INFRASTRUCTURE CONDITIONS

DEVELOPMENT AGREEMENT

(Pursuant to Government Code
Sections 65864 - 65869.5)

THIS DEVELOPMENT AGREEMENT ("Agreement") is entered into on September 3, 1991, between BARTON DEVELOPMENT COMPANY, a California corporation ("Barton") and THE GLORIOUS REDLAND INVESTMENT PARTNERSHIP, a California Limited Partnership ("Glorious") [collectively "Developer"], and the CITY OF REDLANDS, a municipal corporation organized and existing under the laws of the State of California ("City"). Developer and City are sometimes collectively referred to herein as the "parties."

R E C I T A L S

This Agreement is predicated upon the following facts:

A. These Recitals refer to and utilize certain capitalized terms which are defined in this Agreement. The parties intend to refer to those definitions in conjunction with the use thereof in these Recitals.

B. California Government Code ("Government Code") Sections 65864-65869.5 (collectively the "Development Agreement Law") authorize the City to enter into binding development agreements with persons having a legal or equitable interest in real property for the development of such property, all for the purpose of strengthening the public planning process, encouraging private participation and comprehensive planning and reducing the economic costs of such development.

C. This Agreement is adopted pursuant to Government Code Section 65865.

D. Developer has entered into an agreement to purchase, or is the current fee owner, of approximately three hundred six (306) acres of land as described on Exhibit "A" (the "Property"), which is located in the City.

E. Developer proposes to develop a multi-phased master planned business park project (the "Project") on the Property requiring major investment in public facilities and substantial front end investment in on-site and off-site improvements in order to make the Project feasible.

F. The Property is located within the boundaries of the East Valley Corridor Specific Plan ("Corridor Plan") which was adopted as Ordinance No. 2086 by the City Council of the City on September 5, 1989, pursuant to the provisions of Government Code Sections 65450, et seq.

G. The City's General Plan designation for the Property is Urban Services District. The Property is located within a Special Development land use designation under the Corridor Plan and is contained entirely within a single Planned Development Envelope. Developer and City desire to provide through this Development Agreement development criteria and parameters of allowable development applicable to the Property which will provide for maximum, efficient utilization of the Property in accordance with sound planning principles and the Corridor Plan as adopted by the City.

public hearing on this Agreement and made written recommendations and findings on the Agreement to the City Council.

J. The City Council has found that this Agreement:

(a) Is consistent with the objectives, policies, general land uses and programs specified in the City's General Plan and the Corridor Plan;

(b) Is compatible with the uses authorized in, and the regulations prescribed for, the zoning district in which the Property is located;

(c) Is in conformity with and will promote public convenience, general welfare and good land use practice;

(d) Will not be detrimental to the public health, safety and general welfare;

(e) Will not adversely affect the orderly development of property or the preservation of property values; and

(f) Will promote and encourage the development of the Project by providing a greater degree of requisite certainty.

K. On August 26, 1991, the City Council of the City adopted Ordinance No. 2170, approving this Agreement with Developer.

L. City has found and determined that the execution of this Agreement is in the best interest of the public health, safety and general welfare of City and its residents and that adopting this Agreement constitutes a present exercise of its police power.

AGREEMENT

The parties agree as follows:

1. Definitions.

1.1 "Agreement" is this Development Agreement.

1.2 "Agreement Date" is the date this Agreement is approved by the City Council.

1.3 "Applicable Law of the Project" means the Corridor Plan and Concept Plan, in so far as they pertain to the Property, and all of those ordinances, resolutions, codes (except as provided in Section 12.1), rules, regulations and official policies of City governing the development and use of the Property as of the Agreement Date, including, without limitation, the permitted uses of the Property, the density and intensity of use, the maximum height and size of proposed buildings, the provisions for reservation or dedication of land for public purposes, and the design, improvement and construction standards and specifications applicable to the development of the Property. Specifically, but without limitation, the Applicable Law of the Project shall allow Developer to develop the Project as a planned development with uses allowed under the Corridor Plan and the Concept Plan and specifically in accordance with the intensity, specifications and phasing for the Project described in Exhibit "B." To the extent any of the foregoing are amended from time to time with the consent of Developer, the Applicable Law of the Project shall include such matters as so amended.

Agreement Date. Subsequent amendments to the Corridor Plan shall not, without the prior written consent of Developer, apply to the Project or the Concept Plan.

1.7 "Effective Date" is that date which is the later to occur of when: (a) the time for filing a referendum petition relating to this Agreement expires if no such petition is filed within such period; (b) the results of a referendum election are declared by the City Council if a referendum petition is filed within the applicable period; or (c) in the event of any legal action relating to or affecting the validity or enforceability of this Agreement or the Concept Plan, including without limitation any action challenging the approval or validity of this Agreement or the Concept Plan, or any referendum related to them, the date of dismissal with prejudice of the action, or of final disposition of the action by the court and exhaustion or termination of all applicable periods for judicial review, whether by writ, appeal, or otherwise.

1.8 "Developer" is Barton Development Company, a California corporation, and The Glorious Redland Investment Partnership, a California limited partnership, and their successors in interest to all or any part of the Property.

1.9 "Project" is the proposed development of the Property as a multi-phased master planned business park as described in the Concept Plan and Exhibit "B."

1.10 "Property" is the real property on which the Project will be located as described on Exhibit "A".

2. Exhibits. The following documents are referred to in this Agreement, attached hereto and incorporated herein by this reference:

<u>Exhibit Designation</u>	<u>Description</u>
A	Legal Description of the Property
B	The Project
C	Public Infrastructure Conditions

3. Mutual Benefits. This Agreement is entered into for the purpose of carrying out the Project Plan for the Project in a manner that will insure certain anticipated benefits to both City, including, without limitation, residents of City, and Developer as set forth in this section. City and Developer agree that certain assurances on the part of each party as to the Project will be necessary to achieve those desired benefits.

3.1 Benefits to City. The benefits to City (including, without limitation, the residents of City) under this Agreement include, but are not limited to: (a) improvements to roadways; (b) an increase in property tax revenues and sales tax revenues to be derived by the City; (c) the creation of jobs within the City; and (d) siting of another major medical services facility within the City.

3.2 Benefits to Developer. Developer has expended and will continue to expend substantial amounts of time and money on the planning and infrastructure construction of the Project. In addition, Developer will expend substantial amounts of time and money in constructing public improvements and facilities and in

is the fee owner of the Property; and (b) Developer has a legal interest in the Property.

5. Binding Effect of Agreement. The burdens of this Agreement bind and the benefits of this Agreement inure to the successors in interest of the parties thereto.

6. Project as a Private Undertaking. It is specifically understood and agreed by and between the parties hereto that the development of the Project is a private development, that neither party is acting as the agent of the other in any respect hereunder, and that each party is an independent contracting entity with respect to the terms, covenants and conditions contained in this Agreement. No partnership, joint venture or other association of any kind is formed by this Agreement. The only relationship between City and Developer is that of a government entity regulating the development of private property by the owner of such property.

7. Term. The term of this Agreement shall commence upon the Effective Date and shall continue until all permits and approvals required to complete the development of the Project have been issued, provided that in no event shall such term exceed twenty (20) years following the Effective Date of this Agreement.

8. Changes in Project. Developer shall not be entitled to any change, modification, revision or alteration in the Project relating to the permitted uses of the Property, the density or intensity of use, the maximum height and size of proposed buildings or the provision for reservation or dedication of land for public purposes without review and approval by the City. Subject to the foregoing provisions of this Section 8, City acknowledges that Developer may seek new entitlements to use and amendments to entitlements to use in connection with the development of the Project. The approval of any such amendments or new entitlements to use shall be in the sole discretion of the City in the manner described in 11.4.

9. Hold Harmless.

9.1 By Developer. Developer agrees to and shall defend, indemnify and hold harmless City, its elected officials, officers, agents, employees, and representatives from: (a) liability for damage or claims for damage for personal injury including death and claims for property damage which may arise from the activities of Developer or those of Developer's contractors, subcontractors, agents, employees or other persons acting on Developer's behalf which relate to the Project; and (b) any claims, costs and liability arising as a result of any legal action brought against City which challenges the validity of this Agreement, the Concept Plan or any City proceedings relating to the approval of either of such documents, or any of the terms and conditions herein. Nothing in this section shall be construed to mean that Developer shall hold City harmless and defend it from any claims of personal injury, death or property damage arising from, or alleged to arise from, the negligence, or any deliberately harmful act, willful or gross negligence on the part of City, its elected representatives, officers, agents and employees.

9.2 By City. City agrees to and shall hold harmless Developer, its officers, agents, employees, partners and representatives from liability for damage or claims for damage for personal injury including death and claims for property damage which may arise from the activities of City or those of City's

agrees that, after execution of this Agreement, subsequent discretionary reviews, actions and approvals are required for Developer's construction of the Project. Because the Project will be constructed in phases, Developer and City agree, with reference to City Municipal Code Section 18.220.260, that it is not practicable to hold the public hearing on this Agreement concurrent with all related land use approvals required for the Project. With respect to Government Code Section 65865.2, the development regulations governing subsequent discretionary actions are the Applicable Law of the Project. Upon submission by Developer of all appropriate applications for such subsequent discretionary approvals for the Project, City shall promptly commence and diligently prosecute all procedures necessary to authorize such approvals, including without limitation: (a) holding all required public hearings and giving of required notice of such hearings; and (b) granting of the approval applied for, provided that it is consistent with the Project. As provided in Government Code Section 65865.2, any subsequent discretionary actions by City or any conditions, terms, restrictions and requirements for such discretionary actions by City shall not prevent the development of the Project for the uses and to the minimum density or intensity of development set forth in Exhibit "B." City, therefore, agrees to the following:

10.1 No Conflicting Enactments. Neither the City Council of City nor any other agency of City shall enact an ordinance, policy, rule, regulation or other measure (collectively "City Action") which relates to the rate, timing or sequencing of the development or construction of all or any part of the Project or which is otherwise in conflict with the Project as described in this Agreement. In the event any City Action is so enacted, City agrees that such City Action shall not apply to the Project to the extent that the same is in conflict with any of the express provisions of this Agreement, including without limitation the minimum development intensity, specifications and phrasings described in Exhibit B.

10.2 Intent of Parties. In addition to and not in limitation of the foregoing, it is the intent of Developer and City that no moratorium or other limitation (whether relating to the rate, timing or sequencing of the development or construction of all or any part of the Project and whether or not enacted by initiative or otherwise) affecting subdivision maps, building permits, occupancy certificates or other entitlements to use approved, issued or granted within City, or portions of City, shall apply to the Project to the extent such moratorium or other limitation is in conflict with this Agreement. Notwithstanding the foregoing, should an ordinance, general plan or zoning amendment, measure, moratorium, policy, rule, regulation or other limitation enacted by citizens of City through the initiative process be determined by a court of competent jurisdiction to invalidate or prevail over all or any part of this Agreement, Developer shall have no recourse against City pursuant to this Agreement, but shall retain all other rights, claims and causes of action at law or in equity which Developer may have independent of this Agreement. The foregoing shall not be deemed to limit the Developer's right to appeal any determination of such ordinance, general plan or zoning amendment, measure, policy, rule, regulation, moratorium or other limitation which purports to invalidate or prevail over all or any part of this Agreement. Subject to the provisions of Section 9.1, City agrees to cooperate with Developer in all reasonable manners in order to keep this Agreement in full force and effect.

10.3 Subsequent Review. All subsequent review of

maximums; provided that the setback will be increased one-half (1/2) foot for every foot of building height above seventy-five (75) feet to a maximum setback of fifty (50) feet.

11. General Development of the Project.

11.1 Project. While this Agreement is in effect, Developer shall have a vested right to develop the Project in accordance with the terms and conditions of this Agreement, and City shall have the right to control the development of the Project in accordance with the terms and conditions of this Agreement. Except as otherwise specified in this Agreement, the Applicable Law of the Project shall control the overall design, development and construction of the Project. The permitted uses of the Property, the density and intensity of use, the maximum height and size of proposed buildings, the provision for reservation and dedication of land for public purposes and other terms and conditions of development applicable to the Property shall be those set forth in the Applicable Law of the Project.

11.2 Phasing and Timing of Development. The parties acknowledge that although Developer currently anticipates that the Project will be phased and constructed in increments over an approximately twenty (20) year time frame, at the present time Developer cannot predict when or the order in which Project phases will be developed. Such decisions depend upon numerous factors which are not within the control of Developer, such as market orientation and demand, interest rates, competition and other similar factors. To the extent permitted by the this Agreement, Developer shall have the right to develop the Project in phases in such order and at such times as Developer deems appropriate within the exercise of its subjective business judgment so long as the Project is constructed as an integrated master planned development as contemplated by the Concept Plan. City agrees that Developer shall be entitled to apply for tentative maps, vesting tentative maps, building permits, occupancy certificates and other entitlements to use at any time, in a timely manner, provided that such application is made in accordance with State and local law.

11.3 Effect of Agreement on Land Use Regulations. The rules, regulations and official policies governing permitted uses of the Property, the density and intensity of use of the Property, the maximum height and size of proposed buildings and the design, improvement and construction standards and specifications applicable to development of the Property are the Applicable Law of the Project, except as provided in Section 12.1. In connection with any approval which the City is permitted or has the right to make under this Agreement relating to the Project, the City shall exercise its discretion to take action in a timely manner and which complies and is consistent with the Project and the standards, terms and conditions contained in this Agreement, and in a manner which will not interfere with the development of the Project for the uses and to the height, density and intensity specified in this Agreement or with the rate of development selected by Developer. The City shall accept for processing and timely review and act on all applications for further land use entitlement approvals with respect to the Project called for or required under this Agreement in a timely manner. Such application shall be processed in the normal manner for processing such matters.

11.4 Administrative Changes and Amendments. The parties acknowledge that refinements and further development of the Project may demonstrate that changes are appropriate with respect to the details and performance of the parties under this Agreement. The

time to time as necessary, with approval by City and Developer. The determination of whether such changes or adjustments shall be accomplished by administrative amendments or review by the Planning Commission shall be made by the City Director of Community Development, at his sole discretion. Any such administrative changes or amendments shall not be deemed to be an amendment to this Agreement under Government Code Section 65868, and unless otherwise required by law, no such administrative amendments shall require prior notice or hearing. Notwithstanding the foregoing, the following matters shall not be considered administrative changes or amendments, but shall be considered substantive amendments which shall be reviewed by the Planning Commission and approved by the City Council;

- (a) Alteration of the permitted uses of the Property;
- (b) Increase in the density or intensity of use or the number of lots;
- (c) Increase in the maximum height and size in permitted buildings;
- (d) Deletion of a requirement for the reservation or dedication of land for public purposes; and
- (e) Any amendment or change requiring a subsequent or supplemental environmental review.

11.5 Mello-Roos Community Facilities District; Other Assessment District or Financing Mechanisms. Pursuant to Chapter 2.5 (commencing with Section 53312) Part I, Division 2, Title 5 of the Government Code of the State of California, commonly known as the "Mello-Roos Community Facility Act of 1982," Developer may, at its sole election, petition the City Council of City to establish a Community Facilities District including the Property for the purpose of acquiring, constructing and financing through the sale of bonds the acquisition and construction of certain public facilities described in Exhibit "C" hereto, which facilities in whole or in part are necessary to meet increased demands placed on the City as a result of the development of Developer's Property. Alternatively, or in addition thereof, Developer may request that the City initiate and complete proceedings under the Municipal Improvement Act of 1911, the Municipal Improvement Act of 1913, the Improvement Bond Act of 1915, the Landscaping and Lighting Act of 1972, or any and all other available financing mechanisms to provide public financing for the construction of public improvements on the Property. If so requested by Developer, City shall cooperate with Developer and use its best efforts in taking all steps necessary to cause the community facilities district or other entity to be formed and to issue bonds for such purposes. Developer recognizes that City may, on its own initiative and without obtaining the prior consent of Developer to do so, initiate proceedings for the formation of any community facilities district or other special tax district of the type described in this Section. However, the City shall determine which of the public improvements will be financed with the proceeds of the sale of the bonds, the timing of the issuance and sale of the bonds and the amount of the bonds which will be issued and sold based on prevailing municipal financing practices and criteria; provided that City will in good faith cooperate with Developer and other property owners within the community facilities district and give first priority to satisfying the timing requirements of Section G of the Mitigation Monitoring Plan in such an order to allow the development of the Project and other proposed projects in

11.7 Assessments and Fees. City shall not, without the prior written consent of Developer, impose any benefit assessment, or impact fee applicable to the Property, or the development of the Project, or any portion thereof, except assessments and fees imposed upon, and having a benefit area consisting of land within the City boundaries and of no less than an area bounded by the Santa Ana River, Mountain View Avenue, Redlands Boulevard, and Tennessee Avenue or of general application to developments then located in the City. Fees and assessments payable to City shall be at rates applicable on the date the fee is due and payable.

11.8 Subsequent Actions. City shall timely process, in a timely manner for processing such matters, any necessary entitlements to use, including parcel maps, vesting tentative tract maps, tentative tract maps, conditional use permits, or other discretionary approvals or entitlements to use contemplated by the Project, and any grading, construction or other permits filed by Developer in accordance with the substantive development standards set forth in the Applicable Law of the Project. The term of any tentative map filed for the Property within the terms of this Agreement shall automatically be extended for the term of this Agreement.

11.9 Approval Conditions. Developer, in order to mitigate certain impacts development of the Project will have and to provide City with other benefits, shall comply with the conditions contained in Exhibit "C." City agrees not to impose any other conditions, fees, charges, assessments or other exactions upon any of the subsequent approvals necessary for such development, or otherwise, except as permitted in this subparagraph and Paragraphs 11.5 and 11.7 of the Agreement.

City acknowledges and agrees that for purposes of any subsequent approvals necessary for development of the Project, City has already considered the orderly development of the Project and abutting properties and has imposed all necessary dedication and improvement requirements as conditions to the approval of this Agreement as set forth in Exhibit "C" and that the Property is adequate in size and shape for the intended multi-phased master planned business park and that the necessary street and highway system as augmented by such conditions is adequate to accommodate the traffic to be generated by the Project. City further acknowledges and agrees that, except with respect to those uses which, under the Redlands Municipal Code, require a conditional use permit ("CUP Uses") the only additional conditions City may impose on subsequent approvals will relate only to the matters specifically included in Redlands Municipal Code Section 18.12.080 D.3 subparagraphs a. through h. (on-site amenities and requirements) and Sections 18.12.150 and 18.12.160 (architectural review).

12. Rules, Regulations and Official Policies.

12.1 New Rules. This Agreement shall not prevent City from applying new rules, regulations and policies relating to Uniform Codes including, but not limited to, the Uniform Building Code, Uniform Electrical Code, Uniform Mechanical Code and Uniform Fire Code, which become applicable throughout City.

12.2 New Laws. In the event that state (including any state, regional agencies or district) or federal laws or regulations, enacted after this Agreement is executed, prevent or preclude compliance with one or more of the provisions of this Agreement, such provisions of this Agreement shall be modified or

prevent City in subsequent actions applicable to the Property from applying new rules, regulations and policies which do not conflict with those existing rules, regulations and policies set forth in the Applicable Law of the Project, nor shall this Agreement prevent City from denying or conditionally approving any subsequent development project application on the basis of such existing or new rules, regulations or policies; provided that Developer's vested right to develop the Project pursuant to Section 10 above is not impaired by any such application or actions by City.

13. Amendment or Cancellation of Agreement. This Agreement may be amended or canceled in whole or in part only by: (a) mutual consent of the parties in the manner provided for in Government Code Section 65868; or (b) by the City Council of the City in accordance with the provisions of City Municipal Code Section 18.220.230.

14. Enforcement. Unless amended or canceled as provided in Section 13, or modified or suspended pursuant to Government Code Section 65869.5, and except as otherwise provided in Government Code Section 65865.3(b), this Agreement is enforceable by either party hereto notwithstanding any change in any applicable general or specific plan, zoning, subdivision or building regulation or other applicable law or regulation adopted by City (or by the voters of City) unless found by a court of competent and final jurisdiction to prevail over this Agreement.

15. Periodic Review of Compliance With Agreement.

15.1 Periodic Review. City and Developer shall review this Agreement at least once every twelve (12) months from the date this Agreement is executed in accordance with the provisions of City Municipal Code Section 18.220.180. The cost of such periodic review shall be borne by Developer pursuant to a City ordinance providing for the same.

15.2 Good Faith Compliance. During each periodic review, each party is required to demonstrate good faith compliance with the terms of this Agreement. Each party agrees to furnish such reasonable evidence of good faith compliance as the other party, in the exercise of its reasonable discretion, may require.

16. Events of Default.

16.1 Default by Developer. If City determines on the basis of substantial evidence that Developer has not complied in good faith with the terms and conditions of this Agreement, City shall, by written notice to Developer, specify the manner in which Developer has failed to so comply and state the steps Developer must take to bring itself into compliance. If, within ninety (90) days after the effective date of notice from City specifying the manner in which Developer has failed to so comply, Developer does not commence all steps reasonably necessary to bring itself into compliance as required and thereafter diligently pursue such steps to completion, then Developer shall be deemed to be in default under the terms of this Agreement and City may cancel this Agreement in accordance with the provisions of City Municipal Code Section 18.220.230.

16.2 Default by City. If Developer determines on the basis of substantial evidence that City has not complied in good faith with the terms and conditions of this Agreement, Developer shall, by written notice to City, specify the manner in which City has failed to so comply and state the steps City must take to bring itself into compliance.

16.3 Specific Performance Remedy. Due to the nature and scope of the Project, it will not be practical or possible to restore the Property to its natural condition once implementation of this Agreement has begun. After such implementation, Developer may be foreclosed from other choices it may have had to utilize the Property and provide for other benefits. Developer has invested significant time and resources and performed extensive planning and processing of the Project in agreeing to the terms of this Agreement and will be investing even more substantial time and resources in implementing the Project in reliance upon the terms of this Agreement, and it is not possible to determine the sum of money which would adequately compensate Developer for such efforts. For the above reasons, City and Developer agree that damages would not be an adequate remedy if City fails to carry out its obligations under this Agreement. Therefore, specific performance of this Agreement is the only remedy which would compensate Developer if City fails to carry out its obligations under this Agreement, and City hereby agrees that Developer shall be entitled to specific performance in the event of a default by City hereunder. Notwithstanding the foregoing, nothing in this Agreement is intended to deprive Developer from recovering appropriate damages in the event that the terms of this Agreement are breached. City and Developer acknowledge that, if Developer fails to carry out its obligations under this Agreement, City shall have the right to refuse to issue any permits or other approvals which Developer would not otherwise have been entitled to pursuant to this Agreement. Therefore, City's remedy of terminating this Agreement shall be sufficient in most circumstances if Developer fails to carry out its obligations hereunder. Notwithstanding the foregoing, if City issues a permit or other approval pursuant to this Agreement in reliance upon a specified condition being satisfied by Developer in the future, and if Developer then fails to satisfy such condition, City shall be entitled to specific performance for the sole purpose of causing Developer to satisfy such condition. The City's right of specific performance shall be limited to those circumstances set forth above, and City shall have no right to seek specific performance to cause Developer to otherwise proceed with the development of the Project in any manner.

17. Institution of Legal Action. In addition to any other rights or remedies, either party may institute legal action to cure, correct or remedy any default, to enforce any covenants or agreements herein, to enjoin any threatened or attempted violation hereof, to recover damages for any default, or to obtain any other remedies consistent with the purpose of this Agreement. Any such legal action shall be brought in the Superior Court for San Bernardino County, California.

18. Waivers and Delays.

18.1 Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by the other party, and failure by a party to exercise its rights upon a default by the other party hereto, shall not constitute a waiver of such party's right to demand strict compliance by such other party in the future.

18.2 Third Parties. Nonperformance shall not be excused because of a failure of a third person except as provided in Section 18.3 below.

18.3 Force Majeure. Neither party shall be deemed to be in default or failure or delay in performance of any of its

19. Notices. All notices required or provided for under this Agreement shall be in writing and delivered in person and deposited in the United States mail, postage prepaid and addressed as follows:

TO CITY: City of Redlands
 30 Cajon
 P.O. Box 3005
 Redlands, California 92373
 Attn: City Manager and
 Community Development Director

TO DEVELOPER: Barton Development Company
 10535 Foothill Blvd., Suite 350
 Rancho Cucamonga, CA 91730
 Attn: James E. Barton

Either party may change the address stated herein by giving notice, in writing, to the other party and thereafter notices shall be addressed and submitted to the new address.

20. Attorney's Fees. In the event any action is commenced to enforce or interpret the terms or conditions of this Agreement, the prevailing party shall, in addition to any costs or other relief, be entitled to an award of its reasonable attorney's fees.

21. Transfers and Assignments.

21.1 Right to Assign. Developer shall have the right to sell, assign or transfer this Agreement, and any and all of its rights, duties and obligations hereunder, to any person or entity at any time during the term of this Agreement, provided, however, in no event shall the rights, duties and obligations conferred upon Developer pursuant to this Agreement be at any time so transferred or assigned except through a transfer of an interest of Developer in the Property, or portion thereof, so transferred. In the event of any such assignment, either the transferee or Developer shall be liable for the performance of all obligations of Developer. The Developer shall notify City in writing of the transfer of such obligations within thirty (30) days of the effective date of the transfer.

21.2 Release Upon Transfer. Upon the sale, transfer or assignment of Developer's rights and interest under this Agreement as permitted pursuant to Section 21.1, Developer shall be released from its obligations under this Agreement or other agreements assumed by transferee with respect to the Property, or portion thereof, so transferred provided that: (a) Developer is not then in default under the Agreement; (b) Developer or transferee has provided the City notice of such transfer; and (c) the transferee executes and delivers to City a written agreement in which: (i) the name and address of the transferee is set forth; and (ii) the transferee expressly and unconditionally assumes all of the obligations of Developer under this Agreement with respect to the Property, or a portion thereof, so transferred.

Notwithstanding Section 5 and Section 21.1 of this Agreement, in the event that Kaiser Foundation Hospitals, a California non-profit public benefit corporation ("Kaiser"), purchases a portion of the Property (the "Kaiser Parcel") and Kaiser and the City execute and record a development agreement pertaining to the Kaiser Parcel, then at the time when such development agreement is recorded, this Agreement shall cease to apply to the Kaiser Parcel and the owner of the Kaiser Parcel, as

provision of this Agreement, the parties hereby agree to cooperate in defending such action. Except as provided in Section 9.1, each party shall pay its own expenses in connection with such defense. In the event of any litigation challenging the effectiveness of this Agreement, or any portion hereof, this Agreement shall remain in full force and effect while such litigation, including any appellate review, is pending.

23. Eminent Domain. No provision of his Agreement shall be construed to limit or restrict the exercise by City of its power of eminent domain.

24. Authority to Execute. The person or persons executing this Agreement on behalf of Developer warrant and represent that they have the authority to execute this Agreement on behalf of their corporation, partnership or business entity and warrant and represent that they have the authority to bind Developer to the performance of its obligations hereunder.

25. Recordation. This Agreement and any amendment or cancellation hereto shall be recorded in the Office of Official Records of the County of San Bernardino, by the City Clerk within the period required by Section 65868.5 of the Government Code.

26. Protection of Mortgage Holders. Developer and City agree that this Agreement shall not prevent or limit Developer, in any manner, at Developer's sole discretion, from encumbering the Property or any portion thereof or any improvement thereon by any mortgage, deed of trust or other security device securing financing with respect to the Property. City acknowledges that the lenders providing such financing ("Mortgagees") may require certain Agreement interpretations and modifications and agrees upon request, from time to time, to meet with Developer and representatives of such Mortgagees to negotiate in good faith any such request for interpretation or modification. City will not unreasonably withhold its consent to any such requested interpretation or modification provided such interpretation or modification is consistent with the intent and purposes of this Agreement. Any Mortgagee of all or any portion of the Property shall be entitled to the following rights and privileges:

(a) Neither entering into this Agreement nor a breach of this Agreement shall defeat, render invalid, diminish or impair the lien of any mortgage on all or any portion of the Property made in good faith and for value, unless otherwise required by law.

(b) Any Mortgagee of a mortgage or deed of trust encumbering all or any portion of the Property which has submitted a request in writing to the City in the manner specified herein for giving notices shall be entitled to receive written notification from City of any default by Developer in the performance of Developer's obligations under this Agreement.

(c) If City timely receives a request from a Mortgagee requesting a copy of any notice of default given to Developer under the terms of this Agreement, City shall provide a copy of that notice to the Mortgagee within ten (10) days of sending the notice of default to Developer. The Mortgagee shall have the right, but not the obligation, to cure the default during the remaining cure period allowed such party under this Agreement.

performance; provided, however, that any sale, transfer or assignment by any Mortgagee in possession shall be subject to the provisions of Section 21 of this Agreement.

27. Severability of Terms. If any term, provision, covenant or condition of this Agreement shall be determined invalid, void or unenforceable, the remainder of this Agreement shall not be affected thereby to the extent such remaining provisions are not rendered impractical to enforce.

28. Subsequent Amendment to Authorizing Statute. This Agreement has been entered into in reliance upon the provisions of the Development Agreement Law in effect as of the Agreement Date. Accordingly, to the extent the subsequent amendment to the Government Code would affect the provisions of this Agreement, such amendment shall not be applicable to the Agreement unless necessary for this Agreement to be enforceable or unless this Agreement is modified pursuant to the provisions set forth in the Agreement and Government Code Section 65868 as in effect on the Agreement Date.

29. Section Headings. All section headings and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

30. Incorporation of Recitals and Exhibits. Recitals A through L and attached Exhibits "A," "B" and "C" are hereby incorporated herein by this reference as though fully set forth.

31. Rules of Construction and Miscellaneous Terms.

31.1 Gender. The singular includes the plural; the masculine gender includes the feminine; "shall" is mandatory, "may" is permissive.

31.2 Time of Essence. Time is of the essence regarding each provision of this Agreement in which time is an element.

31.3 Cooperation. Each party covenants to take such reasonable actions and execute all documents that may be necessary to achieve the purposes and objectives of this Agreement.

32. Effect on Title. Developer and City agree that this Agreement shall not create an encumbrance on any portion of the Property which is sold to an ultimate user of all or any portion of the Property.

33. Incorporation of Conditions from Environmental Review. In accordance with City Municipal Code Section 18.220.070B, all conditions and mitigation measures imposed on the Project by City to eliminate or reduce to a level of insignificance any adverse impacts resulting from the Project are hereby incorporated by this reference into this Agreement. No building permit or other development permit shall be issued for the Project unless such conditions and mitigation measures have been complied with. For purposes of this section, "compliance" shall be determined by reference to the Mitigation Monitoring Plan adopted by City for the Project on July 16, 1991.

34. Liability Insurance. In addition to its obligations under the provisions of Section 9.1 hereof, Developer agrees that any policy of liability insurance (which policy may include coverage of bodily injury liability and property damage liability) which developer maintains in force with respect to the Project shall contain an additional insured endorsement naming City, its

35. Security for Developer's Performance. In order to assure City that Developer will perform its obligations hereunder with respect to offsite improvements constructed by Developer within the public right of way, Developer agrees that, prior to the commencement by Developer of construction of each item of such offsite improvements, Developer will obtain and furnish to City a set aside letter covering such item of offsite improvements issued by Developer's lender, or any other person or entity reasonably acceptable to City ("the Security Device"). The Security Device shall be: (a) in such amount as the parties hereto may then agree, which amount shall in no event exceed 125% of the estimated cost of such offsite improvements; (b) in form and content reasonably acceptable to City; and (c) delivered to City prior to commencement of construction of each item of such offsite improvements. Upon completion of construction and acceptance by City of each item of such offsite improvements, City will release to Developer the Security Device. The provisions of this Section shall not apply to offsite improvements constructed pursuant to the provisions of Section 11.5 hereof.

The parties have executed this Development Agreement on the day and year first written above.

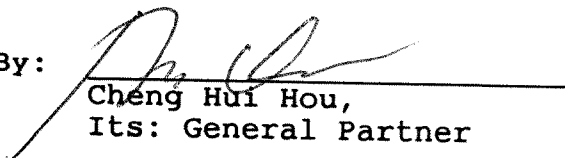
BARTON DEVELOPMENT COMPANY,
a California corporation

By: 

James E. Barton
Its: President

("Barton")

THE GLORIOUS REDLAND INVESTMENT
PARTNERSHIP, a California
Limited Partnership

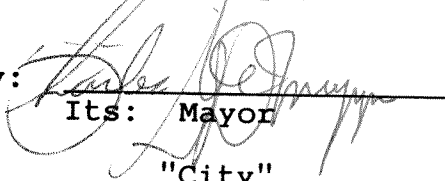
By: 

Cheng Hui Hou,
Its: General Partner

("Glorious")

"Developer"

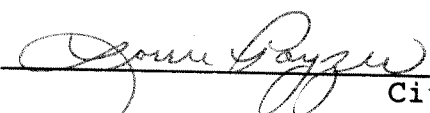
CITY OF REDLANDS,
a municipal corporation

By: 

Its: Mayor

"City"

Signed and Certified that a copy
of this document has been delivered
to the Mayor of the City

By: 

City Clerk

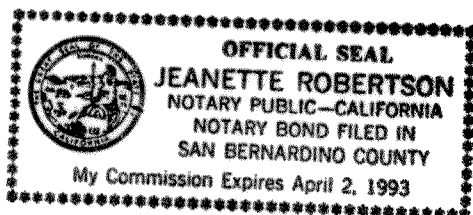
Approved as to its form:

STATE OF CALIFORNIA)

COUNTY OF San Bernardino)

: ss.

On this 5th day of September, 1991, before me, Jeanette Robertson, a Notary Public in and for said County and State, personally appeared JAMES E. BARTON, personally known to me (or proved to me on the basis of satisfactory evidence) to be the President of BARTON DEVELOPMENT COMPANY, a California corporation, the corporation that executed the within instrument and acknowledged to me that said corporation executed it.



Jeanette Robertson
Notary Public in and for said
County and State

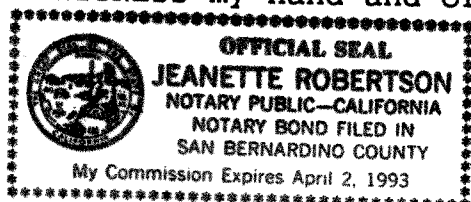
STATE OF CALIFORNIA)

COUNTY OF San Bernardino)

: ss.

On this 11th day of September, 1991, before me, Jeanette Robertson, a Notary Public in and for said County and State, personally appeared CHENG HUI HOU, personally known to me (or proved to me on the basis of satisfactory evidence) to be the General Partner of THE GLORIOUS REDLAND INVESTMENT PARTNERSHIP, A CALIFORNIA LIMITED PARTNERSHIP, the partnership that executed the within instrument and acknowledged to me that said partnership executed it.

WITNESS my hand and official seal.



Jeanette Robertson
Notary Public in and for said
County and State

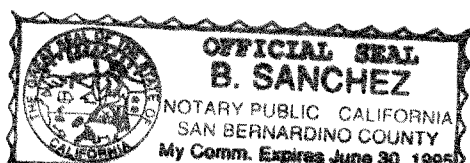
STATE OF CALIFORNIA)

COUNTY OF SAN BERNARDINO)

: ss.

On this 4th day of November, 1991, before me, B. Sanchez, a Notary Public in and for said County and State, personally appeared Charles G. Dermigny, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed this instrument as Mayor of the City of Redlands and acknowledged to me that the City of Redlands executed it.

WITNESS my hand and official seal.



B. Sanchez
Notary Public in and for said
County and State

91-469320

EXHIBIT "A"

"Developer's Property"

[attach legal description]

(EXHIBIT "A")

1/R/B362/04R/Reimburs.Agm

(Page 1 of 1)

	BARTON	THE GLORIOUS REDLAND INVESTMENT PARTNERSHIP	KAISER - PHASE 1	KAISER - PHASE 2	KAISER - PHASE 3	REGIONAL INFRASTRUCTURE
C. <u>LUGONIA AVENUE WEST OF B STREET TO SOUTHERLY TERMINUS OF STREET E</u>						
1) Between B Street and Bryn Mawr, dedicate to provide for a 52 foot half street northerly of street centerline.	X					
2) Between B Street and Bryn Mawr, construct standard curb and gutter 40 feet northerly of street centerline.	X					
3) Between Bryn Mawr Street and Victoria Avenue, dedicate to provide for a 104 foot street.	X					
4) Between Bryn Mawr Street and Victoria Avenue, construct standard curb and gutter of 40 feet each side of centerline.	X					
5) Between Victoria Avenue and Research Street, dedicate to provide for a 66 foot street.	X					
6) Between Victoria Avenue and Research Street, construct standard curb and gutter 26 feet each side of street centerline.	X					
7) Between Research Street and east side of Southern California Edison easement, dedicate to provide for a 33 foot half street.	X					
8) Between Research Street and east side of Southern California Edison easement, construct standard curb and gutter 26 1/2 feet northerly of street centerline.	X					
9) Between east side of Southern California Edison easement and west boundary of parcel 10 of the Concept Plan, dedicate to provide for a 33 foot half street						

	BARTON	THE GLORIOUS REDLAND INVESTMENT PARTNERSHIP	KAISER - PHASE 1	KAISER - PHASE 2	KAISER - PHASE 3	REGIONAL INFRASTRUCTURE
10) Between east side of Southern California Edison easement and west boundary of parcel 10 of the Concept Plan, construct standard curb and gutter 26 1/2 feet northerly of street centerline.		X				
11) Construct standard street section between curb and street centerline.	X	X				
12) Use traffic index of 9.0.	X	X				
13) Install master storm drain as required by the Public Works Department.	X	X				X
D. <u>LUGONIA AVENUE EAST OF B STREET TO CALIFORNIA</u>						
1) Dedicate to provide for a 52 foot half street northerly of street centerline.			X			
2) Construct standard curb and gutter 40 feet northerly of street centerline.			X			
3) Construct standard street section between curb and street centerline.			X			
4) Use traffic index of 9.0.			X			
5) Install master storm drain as required by the Public Works Department.			X			X
E. <u>VICTORIA AVENUE FROM EAST SIDE OF SOUTHERN CALIFORNIA EDISON EASEMENT TO ITS INTERSECTION WITH LUGONIA AVENUE</u>						
1) Dedicate to provide for a 104 foot street between Bryn Mawr Avenue and West side of Southern California Edison easement.	X					
2) Construct standard curb and gutter 40 feet each side of street centerline.						

	BARTON	THE GLORIOUS REDLAND INVESTMENT PARTNERSHIP	KAISER - PHASE 1	KAISER - PHASE 2	KAISER - PHASE 3	REGIONAL INFRASTRUCTURE
4) Use traffic index of 9.0.	X					
5) Install master storm drains as required by the Public Works Department.	X					X
F. <u>VICTORIA AVENUE EAST OF MOUNTAIN VIEW TO EAST SIDE OF SOUTHERN CALIFORNIA EDISON EASEMENT</u>						
1) Dedicate to provide for a 104 foot street between West side of Southern California Edison easement and Mountain View.	X	X				
2) Construct standard curb and gutter 40 feet each side of street centerline.	X	X				
3) Construct standard street section between new curbs.	X	X				
4) Use traffic index of 9.0.	X	X				
5) Install master storm drain as required by the Public Works Department.	X	X				X
G. <u>SAN BERNARDINO AVENUE</u>						
1) Dedicate 18.75 feet to provide for 60 foot half street southerly of street centerline including a sidewalk easement.	X					
2) Construct standard curb and gutter 52 feet each side of street centerline.	X					
3) Construct standard street section between new curb and street centerline.	X					
4) Use traffic index of 9.0.	X					
5) Install water mains as required by the Public Works Department.	X					
6) Install sewer mains as required by the Public Works Department.	X					
7) Install master storm drain as						

	BARTON	THE GLORIOUS REDLAND INVESTMENT PARTNERSHIP	KAISER - PHASE 1	KAISER - PHASE 2	KAISER - PHASE 3	REGIONAL INFRASTRUCTURE
H. <u>CALIFORNIA STREET - ALMOND AVENUE TO SAN BERNARDINO AVENUE</u>						
1) Dedicate 23.75 feet to provide for 65 foot half street westerly of street centerline.	X					
2) Construct standard curb and gutter 59 feet westerly of street centerline including a raised median island.	X					
3) Construct standard street section between new curb and street centerline.	X					
4) Provide one lane of traffic northbound and one lane of traffic southbound.	X					
5) Obtain right-of-way as necessary to provide two lanes of traffic northbound and two lanes of traffic southbound.	X					
6) Construct standard street section to provide two lanes of traffic northbound and two lanes of traffic southbound.	X					
7) If Barton has not performed 5) and 6) above as of the date Kaiser commences Phase 2, then Kaiser shall perform 5) and 6) as a condition to Kaiser - Phase 2.				X		
I. <u>CALIFORNIA STREET - ALMOND AVENUE TO LUGONIA AVENUE</u>						
1) Dedicate 23.75 feet to provide for 65 foot half street westerly of street centerline.			X			
2) Construct standard curb and gutter 59 feet westerly of street centerline including a raised median island and 10 feet easterly of street centerline.			X			
3) Construct standard street						

	BARTON	THE GLORIOUS REDLAND INVESTMENT PARTNERSHIP	KAISER - PHASE 1	KAISER - PHASE 2	KAISER - PHASE 3	REGIONAL INFRASTRUCTURE
4) Provide one lane of traffic northbound and one lane of traffic southbound.			X			
5) Obtain right-of-way as necessary to provide two lanes of traffic northbound and two lanes of traffic southbound.				X		
6) Construct standard street section to provide two lanes of traffic northbound and two lanes of traffic southbound.				X		
J. <u>CALIFORNIA STREET - LUGONIA AVENUE TO EASTBOUND I-10 RAMPS</u>						
1) Restripe to provide one lane of traffic northbound and one lane of traffic southbound.			X			
2) Widen street to provide two lanes of traffic northbound and two lanes of traffic southbound.				X		
K. <u>CALIFORNIA STREET - MISCELLANEOUS</u>						
1) Use traffic index of 9.0	X		X			
2) Install water main as required by the Public Works Department.	X		X			
3) Install sewer mains as required by the Public Works Department.	X		X	X		
4) Restrict all driveways to right-turns only.	X		X	X	X	
L. <u>STREETS A, B, C, D AND ALMOND AVENUE</u>						
1) Dedicate to provide for 88 foot street	X					
2) Construct standard curb and gutter 32 feet each side of street centerline.	X			X		
3) Construct standard street section between new curbs.	X			X		

	BARTON	THE GLORIOUS REDLAND INVESTMENT PARTNERSHIP	KAISER - PHASE 1	KAISER - PHASE 2	KAISER - PHASE 3	REGIONAL INFRASTRUCTURE
6) Install sewer mains as required by the Public Works Department.	X			X		
7) Install master storm drain as required by the Public Works Department.	X			X		X
M. <u>STREET E</u>						
1) Dedicate to provide for 66 foot street.		X				
2) Construct standard curb and gutter 26 feet each side of street centerline.		X				
3) Construct standard street section between new curbs.		X				
4) Use traffic index of 8.0.		X				
5) Install water mains as required by the Public Works Department.		X				
6) Install sewer mains as required by the Public Works Department.		X				
N. <u>GENERAL CONSTRUCTION REQUIREMENTS</u>						
1) Construct standard sidewalk along street frontage including handicapped ramps at curb returns.	X	X	X	X	X	
2) Install sodium vapor ornamental street lights per spacing for Public Works Engineering Administration standard specifications.	X	X	X	X	X	
3) Install street name sign posts as required.	X	X	X	X	X	
4) Install non-potable water systems for landscape irrigation use as required by the Public Works Department. Specific requirements will be determined at the time of future development.	X	X	X	X	X	

	BARTON	THE GLORIOUS REDLAND INVESTMENT PARTNERSHIP	KAISER - PHASE 1	KAISER - PHASE 2	KAISER - PHASE 3	REGIONAL INFRASTRUCTURE
5) Install separate domestic and irrigation services to each lot as required by the Public Works Department. If any lot is further subdivided, additional domestic and irrigation services shall be installed to each new lot created.	X	X	X	X	X	
6) Install Fire Hydrants as required by the City of Redlands Fire Department.	X	X	X	X	X	
7) Install sewer laterals to the property line of each lot as required by the Public Works Department.	X	X	X	X		
8) All active irrigation lines in the street right-of-way shall be replaced with either steel or C-900 PVC Pipe.	X	X	X			
0. <u>GENERAL CONSTRUCTION FEE REQUIREMENTS</u>						
1) Pay for street name signs and pay for stop signs as required.	X	X	X	X	X	
2) Pay the Watermain Frontage charge on a dollar per foot of frontage basis on Lugonia Avenue as a condition to the Final Approval.	X	X	X			
3) Pay the Sewermain Frontage Charge on a dollar per foot of frontage basis as a condition of Final Approval for Mountain Avenue, Lugonia Avenue, San Bernardino Avenue.	X	X	X			

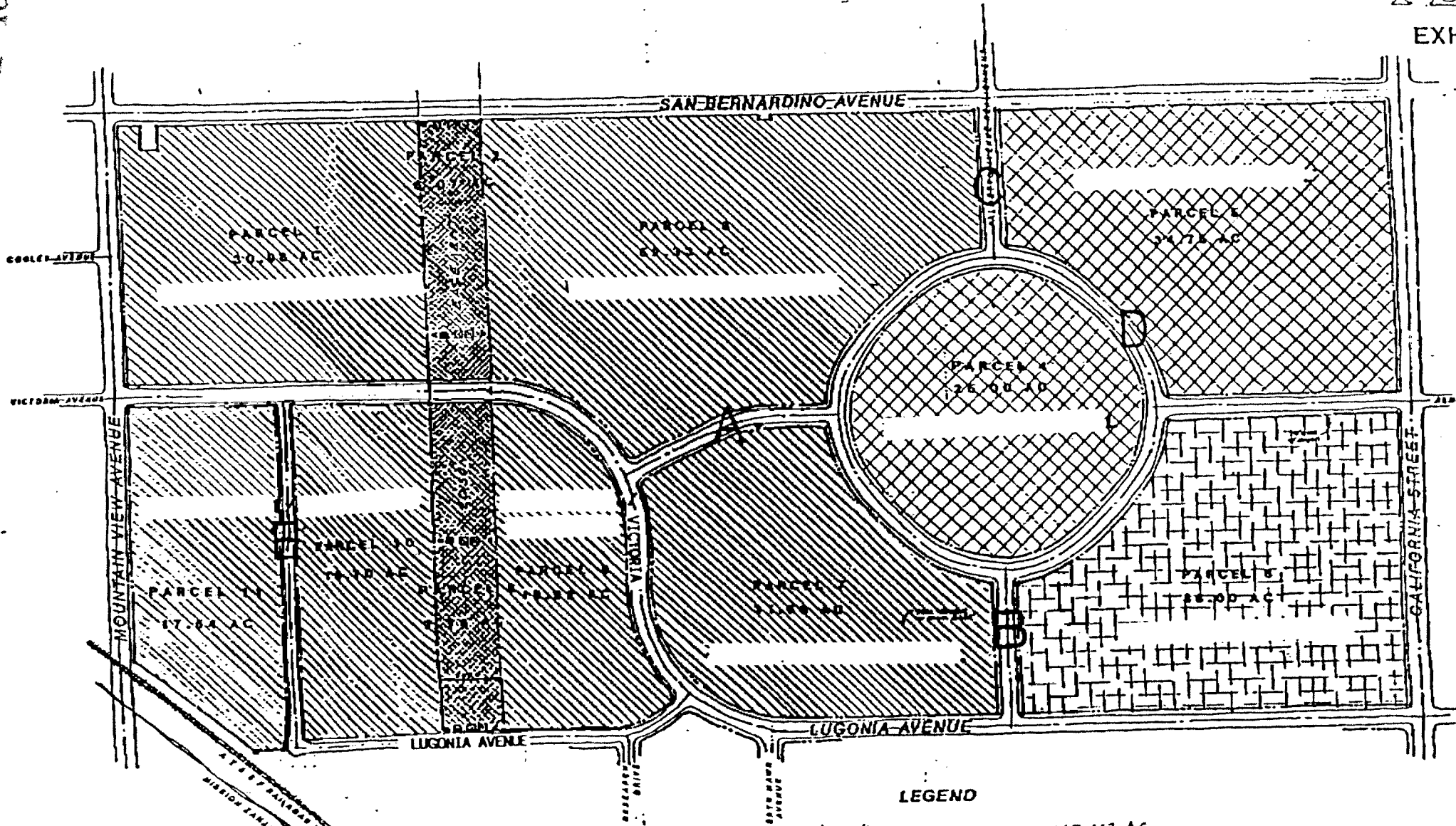
	BARTON	THE GLORIOUS REDLAND INVESTMENT PARTNERSHIP	KAISER - PHASE 1	KAISER - PHASE 2	KAISER - PHASE 3	REGIONAL INFRASTRUCTURE
P. <u>GENERAL BUILDING CONSTRUCTION FEE REQUIREMENT</u>						
1) Pay the Water Source Acquisition Charge on a dollar per 100 cu. ft. estimated monthly consumption basis as a condition of approval of an application for a water connection prior to meter installation. The fees will be reviewed at the time of Building Permit issuance and fees will be based on specific uses proposed.	X	X	X	X	X	
2) Pay the Water Capital Improvement Charge on a dollar per 100 cu. ft. estimated monthly consumption basis as a condition of approval of application for a meter connection prior to meter installation. The fees will be reviewed at the time of Building Permit issuance and fees will be based on specific uses proposed.	X	X	X	X	X	
3) Pay the Sewer Capital Improvement Charge on a 100 gpd estimated flow basis as a condition of issuance of the Building Permit. The fees will be reviewed at the time of building permit issuance based on specific uses proposed.	X	X	X	X	X	
Q. <u>INSTALLATION OF TRAFFIC SIGNALS AS PROVIDED IN SECTION G.3. OF THE PROJECT MITIGATION MONITORING PROGRAM</u>						
1) Install traffic signals at California Street and San Bernardino Avenue.	X			X		
2) Install traffic signals at California Street/Almond Avenue.	X		X			
3) Install traffic signals at California Street/Luqonia						

	BARTON	THE GLORIOUS REDLAND INVESTMENT PARTNERSHIP	KAISER - PHASE 1	KAISER - PHASE 2	KAISER - PHASE 3	REGIONAL INFRASTRUCTURE
4) Install traffic signals at California Street/Westbound I-10 ramps.	X	X		X		
5) Install traffic signals at California Street/Eastbound I-10 ramps.	X	X		X		
6) Install traffic signals at Mountain View Avenue/Lugonia Avenue.		X				
7) Install traffic signals at Lugonia Avenue/Research Park Drive (West Parcel 4).	X					
8) Install traffic signals at Lugonia Avenue/Bryn Mawr.	X					
9) Install traffic signals at Lugonia Avenue/South Parcel 4 Road.	X					
10) Install traffic signals at San Bernardino Avenue/Mountain View Avenue.	X	X			X	
R. <u>COMPLY WITH THE PROVISIONS OF SECTION G.4 OF PROJECT MITIGATION MONITORING PROGRAM</u>	X	X	X	X	X	X

Map of Project is attached hereto as Page 11.

91-469320

PL
EXH



LEGEND

	OFFICE/INDUSTRIAL	167.113 AC.
	RECREATION FACILITIES	35.0002 AC.
	DETACH/OFFICE	59.7544 AC.
	OPEN SPACE	13.8292 AC.
		275.6968 AC.

BARTON CEI
NEW
BA
DEVELOP

D. The DA provides that engineering benefit zone studies (collectively, the "EBZ Study") will be done by City at Developer's cost to determine which of the Improvements benefit property in addition to Developer's Property (the "Benefitting Properties"). City agrees to reimburse Developer for the pro rata share of the costs of those Improvements that also benefit other properties (the "Reimbursable Facilities"). The amount of the reimbursement will be determined by the EBZ Study and will be made from funds collected by City from the owners or developers of the Benefitting Properties.

E. Developer is willing to advance the costs of designing, constructing, installing and inspecting the Facilities subject to reimbursement from the Benefitting Properties.

TERMS

A. Design and Construction of Improvements. Pursuant to the provisions of the DA, including the timing set forth therein, Developer shall be responsible for designing, constructing, installing and providing for the inspection of the Improvements. The plans and specifications for the work shall be approved by City prior to construction, and the design, construction and installation of the Improvements shall be to the satisfaction of City in its sole and reasonably exercised discretion.

B. Source and Method of Reimbursement; Maximum Reimbursement.

1. City shall reimburse Developer for the costs,

(EXHIBIT "C-1")

including an amount attributable to interest, computed at the then existing Bank of America's Reference Rate upon the outstanding costs incurred, associated with the design, construction, installation and inspection of the Facilities, in an amount determined by the EBZ Study: (a) from then-available development impact fees collected pursuant to the Code from subsequent developers of Benefitting Properties; (b) from the proceeds of any community facilities district or assessment district formed, in part, to pay the same; or (c) from other fees that City may impose upon any developers of the Benefitting Properties (the "Reimbursement Funds"). City shall exercise its police power to the maximum lawful extent to collect fees for the pro rata share of the costs for the Reimbursable Improvements as determined by the EBZ Study, including enactment of new ordinances if necessary. Reimbursement shall be from the Reimbursement Funds and from no other source.

2. The total amount of the reimbursement obligation over the life of this Agreement shall be as determined in the EBZ Study.

3. City shall disburse reimbursements due to Developer under this Agreement semi-annually from the Reimbursement Funds collected from developers of Benefitting Properties as provided in this Agreement less an administrative fee of ____%. The first reimbursement shall occur no sooner than 6 months following City's formal acceptance of the Improvements.

C. Term of Reimbursement Obligation. City's obligation,

(EXHIBIT "C-1")

under this Agreement, to reimburse Developer for the Facilities shall continue for a period of thirty (30) years from the date of the DA, unless the obligation is sooner satisfied by payment in full of all reimbursable amounts due and owing to Developer under this Agreement. After such thirty-year period or payment in full, whichever occurs first, the reimbursement process shall cease.

D. Bids and Contracts. Developer shall be solely responsible for securing appropriate bids and awarding the contract for construction and installation of the Improvements in compliance with all applicable federal and state laws. Developer shall defend, indemnify and hold City, its elected officials, officers, agents and employees free and harmless from any and all claims, actions or liability whatsoever, including attorney's fees and court costs, arising out of or in connection with Developer's construction of the Improvements.

E. Inspection. City shall have the right at all times to inspect the construction of the Improvements to measure compliance with City plans and specifications.

F. Indemnification; Insurance.

1. Developer shall defend, indemnify and hold City, its elected officials, officers, employees and agents free and harmless from any and all liability from loss, damage, or injury to or death of persons or property in any manner arising out of or incident to Developer's performance of this Agreement, including without limitation all consequential damages, attorney's fees and court costs, resulting from the negligence of Developer or Developer's

(EXHIBIT "C-1")

agents. This indemnity shall extend to any claims arising because Developer has failed to properly secure any necessary easements, land rights, contracts, or approvals, but shall not extend to any claims arising out of the negligence of City.

2. Developer shall require all persons doing work on the Improvements, including their contractors and subcontractors, to obtain and maintain insurance of the types and in the amounts described below in a form and with carriers satisfactory to City.

a. Commercial General Liability Insurance.

Occurrence version commercial general liability insurance or equivalent form with a limit of not less than \$1,000,000.00 each occurrence shall be maintained. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or be no less than two times the occurrence limit. Such insurance shall:

i. Name City, its elected officials, officers, employees and agents as insureds with respect to performance of this Agreement. The coverage shall contain no special limitations on the scope of its protection afforded to the above-listed insureds.

ii. Be primary with respect to any insurance or self insurance programs covering City, its elected officials, officers, employees and agents.

iii. Contain standard separation of insureds provisions.

b. Business Automobile Liability Insurance.

Business automobile liability insurance or equivalent form with a limit of not less than \$500,000.00 each accident shall be maintained. Such insurance shall include coverage for owned, hired and non-owned automobiles.

c. Workers' Compensation Insurance. Workers'

compensation insurance with statutory limits and employers' liability insurance with limits of not less than \$1,000,000.00 each accident shall be maintained.

d. Other Insurance Requirements. Developer shall:

i. Prior to taking any actions under this Agreement, furnish City with properly executed certificates of insurance which shall clearly evidence all insurance required in this Section and provide that such insurance shall not be canceled, allowed to expire or be materially reduced in coverage except on forty-five (45) days' prior written notice to City.

ii. Provide to City certified copies of endorsements, and policies if requested by City, and properly executed certificates of insurance evidencing the insurance required herein.

iii. Replace or require the replacement of certificates, policies and endorsements for any insurance required herein expiring prior to completion and acceptance of the Improvements.

iv. Require to be maintained all insurance required herein from the time of execution of this Agreement until

(EXHIBIT "C-1")

the acceptance of the Improvements.

v. Require the placement of all insurance required herein with insurers licensed to do business in California.

G. Commencement of Construction and Inspection. Developer and its contractors and subcontractors shall not commence construction of the Improvements until Developer has received written authorization from City to proceed. All work performed on the Improvements shall be done in substantial compliance with City-approved plans, specifications and contract documents and in a good and workmanlike manner. All work performed by Developer, its contractors and subcontractors to construct the Improvements shall be subject to inspection by City, and Developer shall require its employees, contractors and agents to comply with all instructions given by City during construction of the Improvements. All fees and costs to construct the Improvements shall be borne solely by Developer, subject to reimbursement as provided herein. Inspection by City or its employees or agents shall not relieve Developers of their liability, if any, for design defects or improper or inadequate workmanship.

H. Compliance with Applicable Laws. Developer shall require that all work performed on the Improvements is performed in a manner which complies with all applicable federal, state, county and local government laws, regulations and rules, including all rules and regulations of City, as these rules and regulations may be modified or changed from time to time.

(EXHIBIT "C-1")

I. Prevailing Wages. Developer is aware of the requirements of California Labor Code Sections 1770 et seq., which would require the payment of prevailing wage rates and the performance of other requirements if it were determined that Developer's contracts with its contractor(s) to construct the Improvements were a public works contract as defined in Sections 1720 and 1720.2 of the California Labor Code. The parties hereto agree, however, that: (i) to the maximum extent permitted by law, Developer's contracts with its subcontractors shall not be deemed "public works contracts" as defined in the California Labor Code; and (ii) none of the parties hereto shall take a position inconsistent with the foregoing treatment of Developer's contracts. Developer agrees to hold City and its elected officials, officers, employees and agents harmless from any claim or liability including, without limitation, attorneys' fees and court costs, arising from any failure or alleged failure to comply with these provisions of the California Labor Code.

J. Contractor Licenses. All work performed on the Improvements shall be done only by contractors licensed in the State of California and qualified to perform the type of work required.

K. Acceptance of Work. Upon completion of the Improvements to the satisfaction of City, the Improvements shall be presented to the Redlands City Council for dedication and acceptance, and for authorization to file a Notice of Completion. The City Council may accept the Improvements if it determines that the Improvements were

(EXHIBIT "C-1")

constructed in accordance with the approved plans, specifications and contract documents, that they operate satisfactorily, and that all other requirements of this Agreement have been satisfied. Upon acceptance of the improvements, Developer shall assign to City all of Developer's rights and remedies, including warranties, as set forth in the approved contract documents, and thereafter City shall have the same recourse under said contract documents that City would have had if City itself had engaged Developer's contractor to construct the Improvements.

L. Liability for Work Prior to Formal Acceptance. Until the City Council has formally accepted the Improvements, Developer shall be solely responsible for all damage to the work caused by or arising out of Developer's or its contractor's or subcontractor's negligence and for all damages or injuries to any person or property at the work site caused by or arising out of Developer's or its contractor's or subcontractor's negligence, except damage or injury due to the negligence of City, its agents or employees.

M. Guarantee. Developer shall require its contractor(s) to provide one or more bonds, in form and content acceptable to City, to guarantee all work and materials for the Improvements to be free from all defects due to faulty materials or workmanship for a period of one (1) year after the date of formal acceptance of the work by City.

N. Record Drawings. Prior to acceptance of the Improvements by the City Council, Developer shall provide City with three (3) copies of record drawings with certification by a licensed engineer

(EXHIBIT "C-1")

in the State of California as to accuracy and completeness. Developer's contractor(s) shall be solely responsible and liable for insuring the completeness and accuracy of the record drawings.

O. Ownership of the Improvements. From and after acceptance of the Improvements by formal action of the City Council, ownership of the Improvements shall be vested exclusively in City.

P. Approval of Improvement Costs. Upon completion and final acceptance of the Improvements by formal action of the City Council, Developer shall, within thirty (30) days, provide City with an itemized bill showing all reasonable costs, including an amount attributable to interest at the Bank of America's Reference Rate, incurred by Developer to design, construct and install the Improvements. Such reasonable costs shall be limited to costs of acquiring necessary land and easements not currently owned by Developer, permit fees, and costs directly and necessarily related to the design, construction and installation of the Improvements. Developer agrees to provide City with bills evidencing costs incurred. Developer also agrees to provide City with any additional information as to any items shown on the cost bill as requested by City to substantiate the costs. Following completion of its analysis, City shall advise Developer, in writing, of any fees or costs shown on the cost bill which City will disallow and the reasons why these items are being disallowed by City. Only those costs approved by City, in its reasonably exercised discretion, will be allowed for reimbursement in accordance with this Agreement.

(EXHIBIT "C-1")

Q. Notice. Any notices required or desired to be sent pursuant to this Agreement shall be addressed as follows:

City

City Manager
City of Redlands
30 Cajon Street
P.O. Box 3005
Redlands, CA 92373

Developer

[Barton Development Company and
The Glorious Redland Investment
Partnership
c/o Barton Development Company
10535 Foothill Boulevard, Suite 350
Rancho Cucamonga, California 91730

OR

Kaiser Foundation Hospitals
393 East Walnut Street
Pasadena, California 91188
Attn: Property Acquisition Dept.]

R. Amendment. This Reimbursement Agreement may be amended by the parties hereto. Such amendment or amendments shall not require an amendment to the DA.

S. Attorney's Fees. In the event any action is commenced to enforce or interpret any term or condition of this Agreement, in addition to costs and any other relief, the prevailing party shall be entitled to reasonable attorney's fees.

T. Entire Agreement. This Agreement contains the entire agreement of the parties hereto with respect to the matters contained herein.

U. Assignment. This Agreement shall not be assigned without the written consent of the parties hereto, and any assignment without such written consent shall be void and ineffective.

V. Time of Essence. Time is of the essence of this Agreement.

(EXHIBIT "C-1")

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91-469320

City of Redlands

[Barton Development Company,
a California corporation

By: Mayor

ATTEST:

By: _____

James E. Barton
Its: President

City Clerk

The Glorious Redland Investment
Partnership, a California
limited partnership

By: _____

Cheng Hui Hou
Its: General Partner

OR

Kaiser Foundation Hospitals
a California non-profit public
benefit corporation

By: _____

Hugh A. Jones
Its: Senior Vice President

And: _____

Sandra H. Cox
Its: Assistant Secretary
and Regional Counsel]

(EXHIBIT "C-1")

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A. NOTES TO EXHIBIT "C"

1. For certain public improvements or facilities (described in this exhibit or in the Project's Mitigation Monitoring Program, which is hereby incorporated herein by this reference) a reimbursement agreement shall be executed by the City and the Developer when: (a) a Benefit Zone Study prepared pursuant to Section G of the Project's Mitigation Monitoring Program shows that property in addition to the Property is benefitted by the improvements or facilities; or (b) Developer is entitled to reimbursement pursuant to City ordinances, resolutions and policies, e.g., reimbursement for certain water, sewer and storm facilities. Such Agreements (which will be substantially identical to Exhibit "C-1" attached hereto and incorporated herein by this reference) will provide for Developer's reimbursement from impact fees imposed by City on other benefitted properties as they are developed and will be for a term of thirty (30) years.
2. Developer is responsible for those infrastructure items where there is an "X" in the columns designated with Developer's name and no "X" in the Regional Infrastructure column. The costs of such items will be paid by Developer and shall be subject to a reimbursement agreement with the City as provided in Section G of the Project's Mitigation Monitoring Program. Where there are 2 or more "X's" on any line item, the costs of the improvements or facilities will be allocated among each Developer on such reasonable basis as they may agree.
3. Where there is an "X" in Developer's column and in the "Regional Infrastructure" column, the item is anticipated to be constructed through a community facilities district, assessment district, or other public financing mechanism in which Developer will participate. If no such district or mechanism is formed, Developer will be responsible only for Developer's "fair share" of the cost of such items.
4. The cost of any improvements identified in the City's Master Street Improvement Plan constructed by Developer, or any assessments or CFD taxes to be paid therefor by Developer, will offset applicable City fees, dollar for dollar, pursuant to the City's Traffic Impact Fee Ordinance.
5. The master plan storm drain is designated as a regional infrastructure improvement and its cost will be offset against the City's drainage acreage fees in the same manner as provided in paragraph 4 above.

6. Medians in California Street between San Bernardino Avenue and I-10 will not be required unless the full improvements are constructed.
7. The condition to obtain right-of-way as necessary to provide traffic improvements adjacent to property that is not owned by either Barton, Kaiser or Glorious Redland Investment Partnership will require the City to condemn the property if necessary. The costs of such condemnation proceedings will be allocated among Barton, Kaiser, or Glorious Redland on an equitable basis.
8. Of the interior streets, Kaiser is only responsible for half width improvements of "B" Street, Almond, and "D" Street from Almond to "B" Street.
9. The general construction requirements apply to the property frontage only. Whoever develops first will be responsible for the cost of street lights on their interior street frontage. Because it benefits the property across the street, reimbursement agreement will be executed for this expense.
10. Developer will construct two (2) water lines in all the streets, one for domestic water and one for irrigation water. Potable water will be used for both domestic service and fire protection because there is insufficient capacity for fire protection from the non-potable system.
11. Kaiser's responsibility for water and sewer mains in Lugonia will be from "B" Street to California Avenue. The Water Source Acquisition charge, Water Capital Improvement charge, and Sewer Capital Improvement charge are all payable at the time the building permit is issued. The owner may furnish water use records to determine the amount of the fee.

B. ADDITIONAL CONDITIONS

1. Developer shall pay to City Two Hundred Thousand Dollars (\$200,000.00) to be used for the Redlands Senior Citizens Nutritional Center, or if such Center is not established for any other purpose which the City may then determine. This payment is due and payable on or before January 31, 1992, unless a referendum petition is filed with the City regarding the ordinance approving this Agreement or the Concept Plan in either of which case this payment will not become due and payable unless and until this Agreement becomes fully operative and effective and no longer subject to legal challenge.

2. Developer agrees that the Community Facilities District to be formed pursuant to Section 11.5 of this Agreement shall include among the public facilities to be funded in addition to those referred to in Exhibit "C" a fire station and associated equipment including one fire truck for a total cost not to exceed Two Million Dollars (\$2,000,000.00) and additional facilities or services (including but not limited to funding for regional open space and trails development not located on the Barton Center Redlands property) to be determined by City for a cost not to exceed Six Hundred Thousand Dollars (\$600,000.00).
3. There are presently existing on the Barton Center Redlands property two (2) existing water wells (the "Existing Wells") one of which is located on the Property (the "Barton Well") which wells are currently used to provide irrigation water for agricultural purposes. Developer will convey to the City the Barton Well as well as sufficient property (the "Well Site") surrounding the same to permit the installation, maintenance and operation of the pumping facilities necessary to provide Developer with water for the uses hereinafter specified. The City shall pay Developer, concurrently with the conveyance to it of the Barton Well and the Well Site, the fair market value of the same.

The fair market value of the Barton Well and the Well Site shall be determined by agreement between City and Developer or, in the absence of such agreement, by arbitration using Judicial Arbitration and Mediation Services, Inc. The fair market value of the Barton Well shall be based on the replacement cost of the same and will take into account the following criteria: age, casing diameter, depth, capacity, construction (materials and drilling method), condition of pumping equipment and eighty (80) year straight line depreciation. The fair market value of the Well Site shall be based on the highest and best use of the property upon which the same will be located.

Except as provided hereinabove with respect to the conveyance to the City of the Barton Well and the Well Site, Developer shall retain all water and water rights now existing with respect to the Property.

The City shall provide Developer with water for the following uses: (a) for agricultural uses now or hereafter existing on the Property; (b) for filling and maintaining the appropriate level of a lake or lakes which Developer intends to construct on a portion of the Property; and (c) for irrigation of all landscaping hereafter placed on the Property. The obligation of the City to provide Developer with water as provided herein is not contingent upon the ability of the City to obtain the

same from the Existing Wells, it being understood that, in the event the City is unable to obtain water from the Existing Wells in sufficient quantities to discharge its obligations hereunder, the City shall obtain such water from such alternative source or sources as may then be available to it and deliver the same to the Property for use by Developer as provided herein. City's obligation to provide water from alternative sources at the rates specified herein shall be limited to the capacity of the Existing Wells. Any water delivered to Developer exceeding the capacity of the Existing Wells shall be at the City's then existing rates and pursuant to then existing limits in generally applicable water service rules and regulations for domestic and non-potable water, as applicable.

The City shall, to the extent possible, utilize the Existing Wells to provide the water to be supplied by it as provided herein and, in connection therewith, shall design and construct on the well site or sites all pumping facilities necessary to provide the capacity and pressure to do so.

Water provided hereunder by the City for agricultural uses and for the lake or lakes to be constructed on the Property shall be provided at an annual rate which does not exceed the actual annual cost incurred by the City in the operation and maintenance of the Existing Wells or only to the second well if one well is abandoned (the "Production Cost"). The Production Cost shall be determined annually on a fiscal year basis (i.e. July 1 - June 30) and City shall, upon request of Developer, provide Developer with its calculations establishing the same.

Water provided hereunder by the City for irrigation of landscaping shall be provided at an annual rate which does not exceed Production Cost plus one thirtieth ($1/30$ th) of the City's Capital Recovery Cost (which term as used herein shall mean the actual cost incurred by the City in constructing pumping facilities installed on the well site or sites to the extent that such facilities are necessary to provide the water required by the Developer, it being understood that, to the extent such facilities are sized to permit City to provide water to places other than the Property, the cost of such oversizing shall be borne by the City and not the Developer).

The City's Water Source Acquisition Charges and Water Capital Improvement Charges shall not apply to the water provided hereunder.

The annual rate for the water provided hereunder to Developer shall be the same for Developer and the other users on the

Barton Center Redlands property and shall not be greater than the rate charged by the City for its potable water.

Except for service of water for agricultural uses on the Property, nothing herein shall be construed to require City to provide Developer with water in quantities or of quality different than that generally available to City users under then existing City water service rules and regulations.

4. Corner monumentation and landscaping will be provided by Developer prior to the completion of Phase I of the Project in order to unify the Project and show it is ready for development.

REIMBURSEMENT AGREEMENT FOR CONSTRUCTION
OF PUBLIC IMPROVEMENTS

This agreement ("Agreement") is made this _____ day of _____, 1991 by and between the City of Redlands, a municipal corporation (the "City"), and [Barton Development Company, a California corporation, and The Glorious Redland Partnership, a California limited partnership OR Kaiser Foundation Hospitals, a California non-profit public benefit corporation] (hereinafter referred to as "Developer").

RECITALS

A. Developer owns approximately ____ acres of real property located within the City (the "Developer's Property"), more particularly described on Exhibit "A" attached hereto and incorporated herein by reference.

B. City has adopted the Redlands Municipal Code (the "Code") establishing various development impact fees to offset the cost of development of City infrastructure.

C. As a condition to the approval of a development agreement between Developer and the City (the "DA"), City has required Developers to design, construct and install certain public facilities to serve Developer's Property and other properties (the "Improvements"). The Improvements are identified in Exhibit "C" of DA, including the Mitigation Monitoring Program incorporated therein.

(EXHIBIT "C-1")

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