

ENVIRONMENTAL IMPACT REPORT FUNDING AGREEMENT

This Agreement is made and entered into this 18th day of January, 2005, by and between the City of Redlands, a municipal corporation (hereinafter "City") and RAFCO development (hereinafter "RAFCO").

RECITALS

WHEREAS, RAFCO is the applicant ("Applicant") for a Single Family Planned Residential Development (the "Project") which requires preparation of an Environmental Impact Report ("EIR"); and

WHEREAS, in accordance with City's Guidelines implementing the California Environmental Quality Act ("CEQA"), the EIR will be prepared by a consultant under contract to City; and

WHEREAS, Applicant proposes that the Project be processed with an EIR which will be prepared by a consultant under contract to City and paid for by Applicant; and

WHEREAS, by executing this Environmental Impact Report Funding Agreement, Applicant expressly agrees to advance payment for all costs and expenses City and the consultant incur in the preparation of the EIR related to Applicant's Project;

NOW, THEREFORE, in consideration of the mutual promises contained herein, the City of Redlands and RAFCO Development, agree as follows:

AGREEMENT

Section 1. Funding Obligation. Applicant shall deposit the minimum sum of Ten Thousand Dollars (\$10,000.00) with City to engage the consultant who will commence work on the EIR. The estimated cost of the EIR is Twenty-four Thousand One Hundred Eighty-Six Dollars (\$24,186) which includes the sum of Twenty Thousand One Hundred Fifty-Five Dollars (\$20,155) as the estimated fee for the consultant's work and the sum of Four Thousand Thirty-One Dollars (\$4,031.00) as the estimated administrative costs which will be incurred by City. The deposit will be applied towards the total cost of the EIR. Applicant shall thereafter make payments to City for the balance of all other costs and expenses for preparation of the EIR within fifteen (15) days of the date City submits written invoices to Applicant.

Section 2. Compliance Required. Applicant acknowledges that City may require Applicant to supply data and information both to determine whether Applicant's Project may have a significant effect on the environment and to assist City and the consultant in preparing the EIR. Applicant shall promptly comply with all such requests by City.

Section 3. Failure to Comply. If, at any time, Applicant unreasonably delays in paying any invoice from City when due, or in failing to provide City with information or data requested pursuant to Section 2 hereof, such unreasonable delay shall suspend the running of the time periods

described in State CEQA Guidelines sections 15107 and 15108 for the period of such unreasonable delay. Alternatively, Applicant acknowledges and agrees that City may, without liability to Applicant, disapprove the Project for Applicant's delay in satisfying City's requirements.

Section 4. Notices. All notices, bills and payments issued pursuant to this Agreement shall be in writing and may be given by personal delivery or by mail. Notices, bills and payments sent by mail shall be addressed as follows:

City
Jeff Shaw
Community Development Department
P.O. Box 3005
Redlands CA 92373

Applicant
Richard A. Feenstra, President
RAFCO Development
131 Cajon Street, Suite 6
Redlands, CA 92373

When so addressed, such notices shall be deemed given upon deposit in the United States Mail. In all other instances, notices, bills and payments shall be deemed given at the time of actual delivery. Changes may be made in the names and addresses of the person to whom notices, bills, and payments are to be given by giving notice pursuant to this Section.

Section 5. Attorneys' Fees. In the event any action is commenced to enforce or interpret any of the provisions of this Agreement the prevailing party shall be entitled to recover, in addition to its costs and other relief, its reasonable attorneys' fees.

Section 6. Entire Agreement. This Agreement represents the entire agreement and understanding between the parties as to the matters contained herein, and any prior negotiations, proposals or verbal agreements are superseded by this Agreement. Any amendment to this Agreement shall be in writing, approved by the City Council of City and signed by City and Applicant.

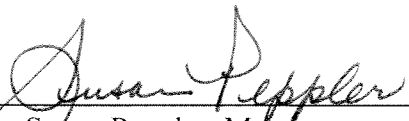
Section 7. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

Section 8. Defense and Indemnity. Applicant shall defend, indemnify and hold harmless City, its elected officials, officers, employees and agents from and against any and all actions, claims, demands, lawsuits, losses and liability for damages to persons or property, including costs and attorney fees, that may be asserted or claimed by any person, firm, entity, corporation, political subdivision or other organization arising out of or in connection with City's processing of Applicant's Project.

Section 9. No Third Party Beneficiary. Applicant expressly acknowledges and agrees that City's contract with the consultant to prepare an EIR for Applicant's Project, is for the benefit of the public and undertaken in compliance with City's obligations under CEQA, and is not for the benefit of Applicant.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates shown below.

CITY OF REDLANDS

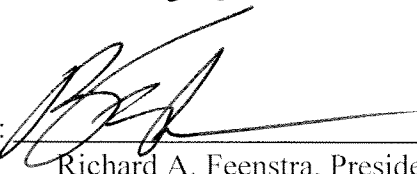
By: 
Susan Peppler, Mayor

Date Jan. 18, 2005

ATTEST:


City Clerk

Date Jan. 18, 2005

By: 
Richard A. Feenstra, President

Date 1/10/05