

SECOND AMENDMENT TO ENVIRONMENTAL IMPACT REPORT FUNDING AGREEMENT

This second amendment (this "Second Amendment") to the Environmental Impact Report Funding Agreement dated August 7, 2007 (the "Agreement") by and between the City of Redlands, a municipal corporation (hereinafter "City"), and On Texas Street LLC, a Delaware limited liability company (hereinafter "Applicant"), is made and entered into this 2nd day of June, 2009.

RECITALS

WHEREAS, it is the desire of the City and Applicant to amend Section 1 of their existing Agreement, entitled "Funding Obligation;" and

WHEREAS, the deposit referenced in Section 1 of the Agreement has been fully paid by Applicant; and

WHEREAS, to date, Applicant has paid the sum of Four Hundred Seven Thousand Eighty-One dollars (\$ 407,081) to City pursuant to the Agreement; and

WHEREAS, Applicant presently owes City Fifteen Thousand Nine Hundred Eight-One dollars (\$ 15,981) pursuant to the Agreement;

NOW, THEREFORE, the Agreement between City and Applicant is hereby amended to read as follows:

AGREEMENT

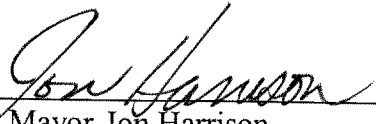
Section 1. The following amendment shall be made to Section 1, entitled "Funding Obligation, "of the Agreement.

"Section 1. Funding Obligation. Within ten (10) days of the date of written request of City, Applicant shall deposit the sum of Eighty-Eight Thousand dollars (\$88,000) (the "Deposit") with City to engage the consultant who will commence work on the EIR. The estimated cost of the EIR is Four Hundred Twenty-Three Thousand Seven Hundred Nineteen dollars (\$423,719.00) which includes the sum of Three Hundred Fifty-Three Thousand Ninety-Nine Dollars (\$353,099.00) as the estimated fee for the consultant's work and the sum of Seventy Thousand Six Hundred Ten dollars (\$70,610.00) 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 ten (10) days of the date City submits written invoices to Applicant."

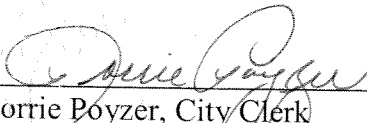
Section 2. All other provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have executed this First Amendment, to be effective as of June 2, 2009.

CITY OF REDLANDS

By: 
Mayor Jon Harrison

ATTEST:


Lorrie Poyzer, City Clerk

ON TEXAS STREET, LLC

By: 

Name: Stan

Title: MANAGING Partner