

AGREEMENT

This Agreement is made this 7th day of May, 2002, by and between the City of Redlands, a municipal corporation ("City"), and Redlands Joint Venture LLC ("RJV"), relating to the relocation and increase in the size or capacity of the City's Center Trunk Sewer Main.

RECITALS

WHEREAS, on February 2, 2001, the City, RJV and the County of San Bernardino (the "County") entered into a Settlement Agreement which, among other things, established a procedure for the possible relocation of the City's Center Trunk Sewer Main presently traversing RJV's property; and

WHEREAS, RJV has submitted engineering plans to the City to relocate the Center Trunk Sewer Main within the County's existing right-of-way in Spencer Drive and San Bernardino Avenue; and

WHEREAS, pursuant to the terms of the Settlement Agreement, the City has requested RJV to increase the size and capacity of the Center Trunk Sewer Main in Spencer Drive by three inches in diameter to a total 24" diameter pipeline; and

WHEREAS, pursuant to the terms of the Settlement Agreement, the City must pay the costs, as reasonably determined by RJV, of any increase in the size or capacity requested by the City for the Center Trunk Sewer Main;

WHEREAS, RJV has submitted a statement of costs, as reasonably determined by RJV, for the increase in size and capacity of the Center Trunk Sewer Main in Spencer Drive for \$78,566.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the City of Redlands and Redlands Joint Venture LLC agree as follows:

AGREEMENT

Section 1. The foregoing recitals are true and correct and are incorporated herein as part of this Agreement.

Section 2. Prior to undertaking the relocation of the Center Trunk Sewer Main, RJV shall submit engineering and other plans, as required by the City, showing the specifications and proposed relocation of the City's Center Trunk Sewer Main for approval by the City's Municipal Utilities Department.

Section 3. Prior to undertaking the relocation of the Center Trunk Sewer Main, RJV shall apply for and obtain an encroachment permit from the City for construction and relocation of the

Center Trunk Sewer Main in accordance with the plans approved by the City's Municipal Utilities Department.

Section 4. Prior to acceptance of the relocation of the Center Trunk Sewer Main by the City, RJV shall comply with all of the requirements of the City-approved engineering plans, the encroachment permit, the requirements herein for obtaining easements, licenses, or permits conveying title and quit claiming RJV's interest in the relocated Center Trunk Sewer Main.

Section 5. RJV shall be solely responsible for conveying unencumbered title for the relocated Center Trunk Sewer Main to the City, and RJV shall be responsible for the removal and payment of any and all liens, stop notices or other encumbrances that may be filed by any person or entity in connection with RJV's construction and relocation of the Center Trunk Sewer Main prior to the main's acceptance by the City.

Section 6. City and RJV shall execute any and all reciprocal documents necessary to transfer each others interest to said sewer lines including quitclaim deeds in favor of the other conveying each other's interest in the sewer easement presently traversing RJV's property and the City's now relocated Center Truck Sewer Main within San Bernardino County's right-of-way in Spencer Drive and San Bernardino Avenue. If quitclaim deeds are to be prepared, they shall be substantially in the form attached hereto as Exhibit "A."

Section 7. City shall pay RJV \$78,566 upon completion of the sewer line installation and acceptance by the City, County and State of California Department of Transportation, Caltrans.

Section 8. Attorneys' 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 the recovery of its reasonable attorneys' fees.

Section 9. Entire Agreement/Amendment. This Agreement represents the entire agreement of the parties hereto as to the matters contained herein, and supersedes all prior negotiations, understandings and agreements related hereto. This Agreement may be amended or modified only by written agreement executed by the parties hereto.

Section 10. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

Section 11. Public Works Law. City hereby notifies RJV that the oversizing work proposed to be undertaken by RJV for the Center Trunk Sewer Main may constitute a public project or public work that is governed by the California Labor Code's prevailing wage and other laws. RJV shall be solely responsible for compliance with such laws.

Section 12. Mutual Release and Indemnity.

A. RJV shall defend, indemnify and hold harmless the City, its elected officials, officers, employees and agents from and against any and all claims, losses, damages, lawsuits, liability and judgments arising out of, or resulting from any acts or omissions of RJV and its employees' and agents' wrongful and negligent acts or omissions in the performance of RJV's activities and obligations pursuant to this Agreement. Such indemnity shall extend, but not be limited to; claims, causes of action, damages and liability including wrongful death, worker's compensation claims and any award of attorneys' fees.

B. City shall defend, indemnify and hold harmless RJV, its elected officials, officers, employees and agents from and against any and all claims, losses, damages, lawsuits, liability and judgments arising out of, or resulting from any acts or omissions of City and its employees' and agents' wrongful and negligent acts or omissions in the performance of City's activities and obligations pursuant to this Agreement. Such indemnity shall extend, but not be limited to; claims, causes of action, damages and liability including wrongful death and any award of attorneys' fees.

Section 13. Standard of Care/License. RJV represents and warrants that it has all licenses, permits and approvals of whatever nature that are legally required to perform the work contemplated by this Agreement.

Section 15. No Partnership/Joint Venture. It is the express intention of the parties hereto that nothing in this Agreement shall be interpreted or construed as establishing or creating a relationship of partnership, joint venture, or employer-employee between RJV and the City.

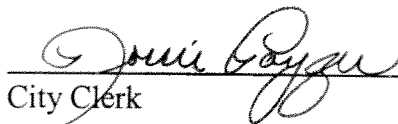
CITY OF REDLANDS

REDLANDS JOINT VENTURE, LLC



Mayor

ATTEST:

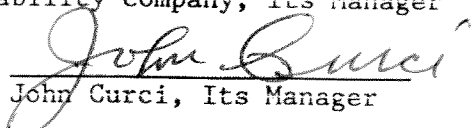

City Clerk

REDLANDS JOINT VENTURE, LLC, a
California limited liability company

By: Majestic Realty Co., a California
corporation, Its Manager

BY: 
Edward P. Roski, Jr., President

By: Curci-Turner Company, LLC a California
limited liability company, Its Manager

By: 
John Curci, Its Manager

'EXHIBIT A'

ORDER NO. 416155-U-1
RECORDING REQUESTED BY
FIRST AMERICAN TITLE INSURANCE COMPANY

WHEN RECORDED MAIL TO:
City of Redlands

(FILL IN BEFORE RECORD)

THE UNDERSIGNED GRANTOR DECLARES:
DOCUMENT TRANSFER TAX SEXEMPT**

COMPUTED ON THE CONSIDERATION OR VALUE OF PROPERTY CONVEYED; OR
COMPUTED ON THE CONSIDERATION OR VALUE LESS LIENS OR
ENCUMBRANCES REMAINING AT THE TIME OF SALE.
APN: Portion of

QUITCLAIM DEED

FOR A VALUABLE CONSIDERATION, RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED,

City of Redlands, a Municipal corporation

HEREBY REMISE, RELEASE AND FOREVER QUITCLAIM(S) To [
California corporation

THE REAL PROPERTY IN THE CITY OF REDLANDS, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA.
DESCRIBED AS FOLLOWS: See the attached Exhibit "A"

DATE _____

City of Redlands, a Municipal corporation

By: _____

STATE OF CALIFORNIA]
COUNTY OF _____]

ON _____

PERSONALLY APPEARED _____

PERSONALLY KNOWN TO ME (OR PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE) TO BE
THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND
ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED
CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) IN THE INSTRUMENT THE PERSON(S) OR
THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.
WITNESS MY HAND AND OFFICIAL SEAL.

SIGNATURE _____

MAIL TAX STATEMENT TO:



MAJESTIC REALTY CO.

13191 Crossroads Parkway North, Sixth Floor • City of Industry, CA 91746-3497
Office (562) 692-9581 • FAX (562) 695-2329

June 27, 2002

Via Federal Express

Mr. Gary Phelps
Municipal Utilities Director
City of Redlands
35 Cajon Street, Suite 15-A
Redlands, CA 92373

Re: Agreement Relating to Sewer Line Relocation

Dear Gary:

Attached herewith, please find a fully executed copy of the agreement referenced above.

We expect to have lean-free completion of all work on or before 7/9/02. The City of Redlands issued permits for the project and is managing the work inspections. Consequently, we will rely upon you for fulfillment of the obligations under paragraph (7). Likewise, we will rely upon you to record the requisite quitclaim deed surrendering the City's sewer line easement, which currently encumbers the subject property.

Thank you for your cooperation.

Sincerely,

Majestic Realty Co

John Hunter

cc: John Davidson
Daniel McHugh, Esq.
Edward Roski, Jr.
John Semcken
John Burroughs
Chuck Lea

Enclosures