

City of Redlands



December 12, 1975

Mr. Richard D. Jones, President
R-J Investments
610 Newport Center Drive, Suite 620
Newport Beach, CA 92660

RE: Redlands Mall

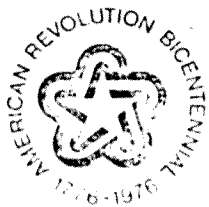


Dear Mr. Jones:

Reference is hereby made to that certain Disposition and Development Agreement entered into between the Redevelopment Agency of the City of Redlands and Howard E. Connor dated June 14, 1975, as modified by the Implementation Agreement executed by and between the Redevelopment Agency and R-J Investments dated July 29, 1975.

The purpose of this letter is to reflect the mutual agreement of the Agency and the Developer pertaining to certain provisions of said agreements. It is understood and agreed by the Agency and the Developer as follows:

1. The Developer, as identified in the Disposition and Development Agreement and the Implementation Agreement, is Redlands Mall Associates, a limited partnership, of which R-J Investments and Ernest W. Hahn, Inc. are the general partners.
2. The Schedule of Performance attached to the Implementation Agreement as Attachment No. 3 is modified in the following respects:



An Official Bicentennial City

Mr. Richard D. Jones

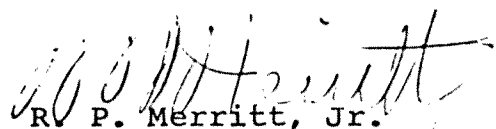
December 12, 1975

Page 2

- A. The conveyance of title to the Developer shall occur on or before December 31, 1975.
 - B. The commencement of construction by Developer shall occur on or before December 31, 1975 and shall be completed on or before March 15, 1977.
 - C. The commencement of construction by Agency shall occur not later than October 1, 1976 and shall be completed not later than February 15, 1977.
 - D. The real property identified as "C" on Attachment No. 1 shall be developed separately from the Site in accordance with a schedule to be agreed upon by the Agency and Developer.
3. The Scope of Development attached to the Implementation Agreement as Attachment No. 4 is modified in the following respects:
- A. Clause I B pertaining to Public Development, etc. on page 4 shall read as follows:
 - "B. Rough grading with fill material as may be required, properly compacted in accordance with the recommendations contained in the Soils Report prepared by Leroy Crandall and Associates dated November 22, 1975."
 - B. Clauses II A 1 and 2 on page 5 are amended by adding "including any connection fees which may be required by law."

If the foregoing accurately states our mutual agreement, please execute the copy of this letter which is enclosed and return it for our records.

Very truly yours,

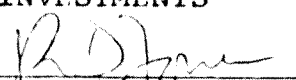


R. P. Merritt, Jr.
Acting Executive Director
Redlands Redevelopment Agency

RPM:my

APPROVED:

R-J INVESTMENTS

By 
DATE Dec 14 1975

R-J INVESTMENTS

SUITE 620 UNION BANK BUILDING

610 NEWPORT CENTER DRIVE

NEWPORT BEACH, CALIFORNIA 92660

RICHARD D. JONES
PRESIDENT

AREA CODE 714
640-0961

August 26, 1975

Redevelopment Agency of the
City of Redlands
City Hall
Redlands CA 92373

ATTENTION: MR. R. P. MERRITT, ACTING EXECUTIVE DIRECTOR

RE: REDLANDS MALL - LEASE REVENUE BONDS

Gentlemen:

As requested by your bond counsel, we are writing to you to confirm certain agreements with respect to certain property which you have conveyed or will convey to the Developer in accordance with the Disposition and Development Agreement entered into on or about June 14, 1974, and the Implementation Agreement thereto entered into on or about July 29, 1975.

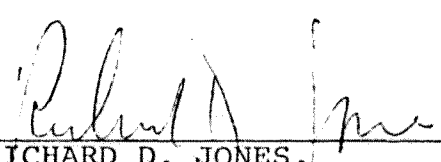
It is understood by us, and it is agreed, that the deed or deeds conveying property to us, or the agreement to be entered into between us for the operation and maintenance of the parking areas in Redlands Mall, will contain the following covenants and restrictions:

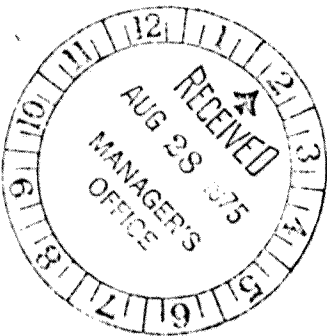
1. That the surface and subsurface parking areas within the Redlands Mall project will be used, managed and operated solely to provide parking for members of the public;
2. That said parking areas will not be used in the trade or business of any person; and
3. In the event that any revenues are received in connection with the operation or management of such parking areas, the same will not be retained.

Very truly yours,

R-J INVESTMENTS

By


RICHARD D. JONES,
President



DELIVERED BY HAND

R-J INVESTMENTS
UNION BANK BUILDING, SUITE 620
610 NEWPORT CENTER DRIVE
NEWPORT BEACH, CALIFORNIA 92660

August 15, 1975

Redevelopment Agency of the City of Redlands
City Hall
Redlands, California 92373

Attention: Mr. R. P. Merritt, Acting Executive Director

Re: Redlands Mall
Lease Revenue Bonds

Gentlemen:

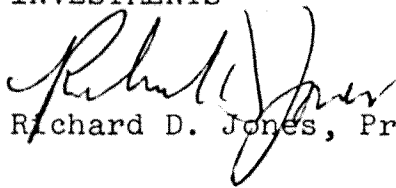
As requested by your bond counsel, we are writing to you to confirm certain agreements with respect to certain property which you have conveyed or will convey to the Developer in accordance with the Disposition and Development Agreement entered into on or about June 14, 1974, and the Implementation Agreement thereto entered into on or about July 29, 1975.

It is understood by us, and it is agreed, that the deed or deeds conveying property to us, or the agreement to be entered into between us for the operation and maintenance of the parking areas in Redlands Mall, will contain the following covenants and restrictions:

1. That the surface and subsurface parking areas within the Redlands Mall project will be used, managed and operated solely to provide parking for members of the public patronizing the shopping center;
2. That said parking areas will not be used in the trade or business of any person, except for public parking purposes incidental to such trade or business; and
3. In the event that any revenues are received by the Developer in connection with the operation or management of such parking areas, the same will not be retained by the Developer except to offset expenses incurred by the Developer in operating and maintaining the parking areas on behalf of the Redevelopment Agency and the City of Redlands.

Very truly yours,

R-J INVESTMENTS

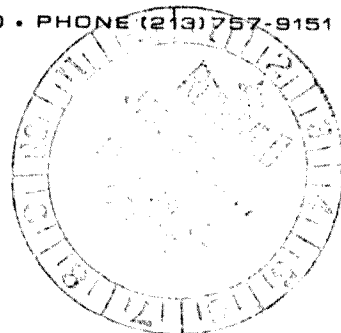
By 
Richard D. Jones, President



ERNEST W. HAHN, INC.

2311 WEST EL SEGUNDO BOULEVARD, HAWTHORNE, CALIFORNIA 90250 • PHONE (213) 757-9151

January 18, 1977



City of Redlands
City Hall
P. O. Box 280
Redlands, California 92373

ATTN: ROBERT H. MITCHELL, CITY MANAGER - ACTING EXECUTIVE
DIRECTOR OF THE REDLANDS REDEVELOPMENT AGENCY

RE: CONSTRUCTION, OPERATION AND EASEMENT AGREEMENT
DATED NOVEMBER 1, 1975 - REDLANDS MALL ASSOCIATES
REDLANDS MALL SHOPPING CENTER, REDLANDS, CALIFORNIA

Gentlemen:

This letter will serve as an Agreement, by and between REDLANDS MALL ASSOCIATES, a California limited partnership in which Ernest W. Hahn, Inc., a California corporation, is a general partner (Developer), and the CITY OF REDLANDS, a public body, corporate and politic, duly created and functioning under the laws of the State of California (City), regarding that certain Construction, Operation and Easement Agreement, dated November 1, 1975 (REA), by and between the Redevelopment Agency of the City of Redlands (Agency), the City and Developer, with respect to Redlands Mall Shopping Center (Center).

This Agreement by and between Developer and City hereby supplements and amends the REA with respect to Article III, Maintenance, Management and Operation of Parking Facilities. All terms used herein that are defined in the REA shall have the same intent and meaning. Except as supplemented and amended as set forth herein, the terms and conditions of the REA shall remain in full force and effect.

In consideration of the mutual covenants, promises and obligations set forth herein, the City and Developer hereby agree as follows:

The City and Developer hereby agree that Developer, also known as Operator, pursuant to the REA, shall be entitled to receive from the City for management expenses, to include but not limited to, expenses for overhead costs such as bookkeeping, office and clerical expense, in an amount of fifteen percent (15%) of the total cost for maintenance and operation of the parking facilities. The fifteen percent (15%) cost for management expense shall not include such items as premiums for

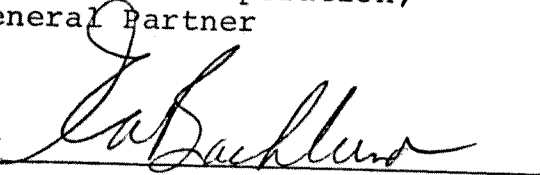
insurance required to be carried by Operator, taxes and assessments of any kind levied upon the parking facilities, or any other cost or expense more specifically set forth in Article III-D of the REA. The City and Developer agree that management costs shall be determined the same as calculated by Developer in similarly operated parking facilities wherein Developer is the Operator, pursuant to Parking Facilities Operation Agreements. The City agrees to be billed directly for any and all utility charges and expenses.

The City and Developer agree that this Agreement supplements and amends the REA as stated herein.

Very truly yours,

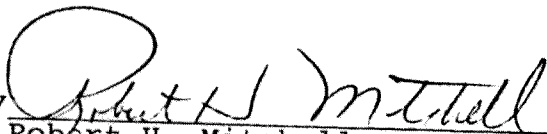
REDLANDS MALL ASSOCIATES, a
California limited partnership

By: ERNEST W. HAHN, INC., a
California corporation,
General Partner

By 

Approved and Accepted this
7th day of February, 1977.

THE CITY OF REDLANDS, a public
body, corporate and politic

By 

Robert H. Mitchell,
City Manager

cc: Richard D. Jones, Esq.
Jeremy V. Wisot, Esq.
Ronald E. Hahn
Terry D. Wimberley
Maynard Rice
Dale Nelson
John R. Raynoha
Hal A. Young, Jr., Esq.

RECORDED AT REQUEST
AND MAIL TO

R.D.A., CITY OF REDLANDS

P.O. Box 280

REDLANDS, CA. 92373



779

BOOK 8917 PAGE 1184

RECORDED IN OFFICIAL RECORDS

APR 30 1976 AT 12 30 P.M.

V. DENNIS WARDLE
CLERK-RECORDER

SAN BERNARDINO COUNTY, CALIF..

CONSTRUCTION, OPERATION AND EASEMENT AGREEMENT

THIS AGREEMENT, made and entered into as of November 1, 1975, by and between the REDEVELOPMENT AGENCY OF THE CITY OF REDLANDS, a public body, corporate and politic, organized and existing under the Community Redevelopment Law of the State of California, hereinafter referred to as "Agency", the CITY OF REDLANDS, a municipal corporation, hereinafter referred to as "City", and REDLANDS MALL ASSOCIATES, a California limited partnership, hereinafter referred to as "Developer",

W I T N E S S E T H:

WHEREAS, City has adopted and Agency is implementing a Redevelopment Plan for the central part of the City of Redlands pursuant to the Community Redevelopment Law of the State of California, a portion of which is to be redeveloped and improved into a retail shopping center and adjacent and subjacent parking facilities, which portion is legally described in Part 1 of "Exhibit A" and is shown on "Exhibit B" attached hereto and incorporated herein by reference, and is hereinafter referred to as the "Site"; and

WHEREAS, on or about June 14, 1974, Agency and Developer's predecessor entered into a written Disposition and Development Agreement, which was modified by a written Implementation Agreement entered into by Developer and Agency on or about July 29, 1975, and by a letter agreement executed concurrently herewith, which agreements collectively are hereinafter referred to as the "DDA", by which Agency agreed, among other things, to acquire the Site and to demolish existing structures and improvements thereon and to convey to Developer certain portions of the Site, which portions are legally described on Part 2 of "Exhibit A", and are hereinafter collectively referred to as the "Developer Tract"; and

WHEREAS, Agency further has agreed by said DDA to construct upon the real property retained by it within the Site, which property is legally described in Part 3 of "Exhibit A", and which is hereinafter referred to as the "Agency Tract", certain surface parking facilities and other improvements incidental thereto; and

WHEREAS, Developer has agreed to construct upon the Developer Tract certain commercial buildings, some of which are to be connected by an Enclosed Mall, and a parking garage beneath a portion of said buildings, which parking garage is to be located within the property which is legally described in Part 4 of "Exhibit A"; and

WHEREAS, City has leased from Agency the Agency Tract for a term commencing on February 15, 1978, or such other date that Agency shall notify City in writing that the Agency Tract or any portion thereof is available for use by City for parking purposes, and terminating on May 1, 2009, or such earlier date that all principal and interest, together with premiums, on the revenue bonds issued by Agency to finance the construction of the improvement which it is to construct pursuant to the DDA have been paid and all security devices executed in connection therewith have been discharged, and upon the termination of said lease title to the Agency Tract will vest in City, which lease is hereinafter referred to as the "City Lease"; and

WHEREAS, pursuant to said lease, City has agreed to operate and maintain the Agency Tract during the term thereof as a public parking facility; and

WHEREAS, Agency, City and Developer desire to make integrated use of the tracts of land owned or leased by each and to develop, operate and maintain their respective tracts as a retail shopping center and public parking facilities, which collectively

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are hereinafter referred to as the "Shopping Center", and in order to accomplish such purpose and the objectives of the Redevelopment Plan, it is necessary for the parties to this agreement to grant certain easements on, to, over, across and through their respective tracts and to make certain provisions for the construction, maintenance, management and operation of the Parking Facilities to be located thereon;

NOW, THEREFORE, in consideration of the foregoing and the respective covenants and agreements of the parties to this agreement as hereinafter set forth, IT IS AGREED as follows:

I. DEFINITIONS

As used hereinafter in this agreement, the following terms shall have the following respective meanings:

A. The term "Agency Improvements" shall mean the improvements constructed on the Agency Tract for the parking of motor vehicles, including all surface parking areas, all incidental and interior roadways, ramps, bridges, sidewalks, walkways, curbs, driveways, parking lot lights, traffic signals, paving, striping and landscaping within or adjacent to areas used for parking of motor vehicles, together with all other improvements which Agency is required to construct under the DDA or hereunder or which at any time may be constructed on the Agency Tract (except for items installed pursuant to the easements granted under Section IV C), such as additions to the Parking Garage as provided in Section II A, utility systems and connections thereof to existing public systems, street lighting and other necessary off-site improvements. (See 3a continued)

B. The term "Developer Improvements" shall mean the Enclosed Mall and the commercial buildings to be located on the Site.

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A. (Continued)

Agency improvements also shall include the sidewalks and trellis surrounding the Developer Improvements, even though the same may be located on the Developer tract, provided that upon completion thereof such sidewalks and trellis shall be maintained by, and taxes and insurance thereon shall be the responsibility of Developer notwithstanding Section III C.

C. The term "Major" means any Occupant (as hereinafter defined) of space within the Developer Improvements which exceeds 25,000 square feet.

D. The term "Occupant" shall mean Developer and any person from time to time entitled to use or occupy any portion of the Developer Improvements under any lease or other instrument or agreement, and specifically shall include The Harris Company and Von's Grocery Co. and their respective successors and assigns.

E. The term "Operator" shall mean the person authorized to perform and responsible for the maintenance and operation of the Parking Facilities.

F. The term "Parking Facilities" shall mean the Agency Improvements and the Parking Garage as hereinafter defined.

G. The term "Parking Garage" shall mean the structure to be constructed within the property described in Part 4 of "Exhibit A", including footings, foundations, columns and slabs which may support in some degree the Developer Improvements, but not including the structural slab of the Developer Improvements.

H. The term "Permittees" shall mean all Occupants and their respective officers, agents, employees, contractors, customers, invitees, licensees, subtenants and concessionaires.

I. The term "Project Architect" shall mean Charles Kober Associates, or such other architect or architects duly licensed to practice in the State of California as may from time to time be designated by Agency and Developer.

II. DESIGN AND CONSTRUCTION OF IMPROVEMENTS

A. Parking Garage. Developer agrees to construct the

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therefor prepared by the Project Architect and approved by Agency and Developer. Such construction shall be commenced and completed on a schedule which will permit the construction and completion of all of the Developer Improvements on or before March 15, 1977.

Although the general construction of the Parking Garage is to be performed by Developer, Agency acknowledges that certain aspects of such construction are its responsibility, which are generally identified as surface striping and bumper installation, if any, installation of fire sprinkler system, electrical system and ventilation system, painting, earthwork, removal of utilities, perimeter walls, ceiling and floor of building area adjoining the east end of Parking Garage and the stairways located at the west end of the Parking Garage. The work to be performed by Developer and Agency with respect to the Parking Garage shall be as shown on separate sets of drawings identifying the work to be performed by each, showing the approval signatures and dates thereof of Developer and Agency. The drawings shall also indicate any amendments with appropriate signatures and dates. Approval signatures shall be on original drawings only with originals held by the Project Architect. No reproduces shall be released by the architect. Cost of the design of the Parking Garage shall be paid by the Agency. Any change made during construction shall be documented by revision and authentication of the original drawings.

B. Agency Improvements. Agency has engaged the services of the Project Architect for the purpose of designing and preparing the plans and specifications for all Agency Improvements to be located on the Site, including landscaping, landscape irrigation, lighting, storm drainage, paving, planters, retaining walls and other related facilities to provide a complete and usable parking area. Agency

agrees to submit all plans, including progressive working drawings, to Developer for approval. Agency will allow Developer reasonable time for review and provide a space for approval by Developer in the title block on all original drawings. The Project Architect shall retain all original drawings and distribute only updated copies with proper revision approvals. Developer shall return all progress drawings with comments within thirty (30) days from receipt. Failure to do so will be construed as acceptance without comment. Any request for change to a progress drawing shall be in writing with the reasons stated. Agency shall cause the Project Architect to make such changes as requested by Developer unless the same are unreasonable or unnecessary, in which case Agency shall advise Developer of its reasons.

Agency shall cause plans to be submitted to Developer for approval showing the following items, whether or not prepared by the Project Architect:

1. All access roadways, exterior boundary walls or fences, curbs, curb cuts, entrance driveways, interior roadways and utility loop systems and lines;
2. A composite parking layout for all of the parking areas, including paving, striping, bumpers, curbs, islands and location of electroliers and lighting systems;
3. A composite landscaping plan specifying overall plant materials and planting;
4. Storm sewers and drains, sanitary sewers and other drainage lines or systems, water, telephone, gas, electric power and other utility lines, conduits and systems, including taps for commercial connections to the Developer Improvements and extensions thereof situated outside the Site, to be connected to established

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public utility systems, and fire hydrants, lighting facilities and other similar facilities for common use:

5. Improvement of adjacent streets and other off-site improvements;

6. The location and extent of sidewalks and trellis abutting the Developer Improvements and around the perimeter of the Site, and

7. The conditions, standards and architectural treatment under which all such improvements shall be located, constructed or installed.

After the plans for the construction of the Agency Improvements have been approved, Agency agrees not to cause nor permit any changes to be made thereto without the prior approval of Developer.

Agency agrees to cause the Agency Improvements to be constructed in accordance with the plans and specifications therefor approved in accordance with this Section II B, or with respect to Agency Improvements within the Parking Garage, the plans and specifications described in Section II A. Such construction shall be commenced not later than October 1, 1976, and shall be completed on or before February 15, 1977.

C. Developer Improvements. Developer has engaged the services of the Project Architect for the purpose of designing and preparing the plans and specifications for all Developer Improvements except the premises to be occupied by Von's Grocery Co. The Project Architect has been engaged by Developer to incorporate the Von's store design in the overall project and provide any required coordination of design to insure a complete and compatible design of all improvements in the Shopping Center, including the improvements to be made by Agency. Developer agrees to coordinate all plans, including progressive working

Developer will allow Agency and City reasonable time for review and provide a space for approval by Agency, insofar as compatibility is concerned, in the title block on all original drawings. The Project Architect shall retain all original drawings and distribute only updated copies with proper revision approvals. Agency shall return all progress drawings with comments within thirty (30) days from receipt. Failure to do so will be construed as acceptance without comment. Any request for change to a progress drawing shall be submitted in writing with the reason stated. Developer shall cause the Project Architect to make such changes as requested by Agency unless the same are unreasonable or unnecessary, in which case Developer shall advise Agency of its reasons.

Developer agrees to commence and prosecute the construction of the Developer Improvements in accordance with a schedule mutually approved by Agency and Developer which will permit the opening of the Developer Improvements for business not later than April 1, 1977.

D. General Construction Requirements. Agency and Developer agree to perform their respective construction obligations (1) so as not to cause any increase in the cost of constructing the remainder of the Shopping Center or any part thereof, which is not reasonably necessary, (2) so as not to unreasonably interfere with any construction work being performed on the remainder of the Site, or any part thereof, or (3) so as not to unreasonably interfere with the use, occupancy or enjoyment of the remainder of the Site or any part thereof by each other or by any Occupant, or by their respective authorized representatives.

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Agency and Developer agree to hold each other harmless from all claims, including any action or proceedings, including attorneys' fees, resulting from any accident, injury or loss or damage whatsoever occasioned to any person or to the property of any person as shall occur by reason of the performance of any construction work by either. Developer and Agency and any contractor working under their supervision on the Site shall provide to the other certificates of insurance, including a thirty (30) day notification prior to cancellation, showing as a minimum the following coverage:

All General Contractors and Heavy Sub-Contractors:

Bodily Injury	\$1,000,000. each person
	1,000,000. each occurrence
	1,000,000. aggregate products - completed operations
Property Damage - Auto	300,000. each occurrence
Property Damage, other than auto	300,000. each occurrence
	300,000. aggregate, all other

Light Sub-Contractors and others:

Bodily Injury	\$300,000. each person
	500,000. each occurrence
	500,000. aggregate products - completed operations
Property Damage - Auto	300,000. each occurrence
Property Damage, other than auto	300,000. each occurrence
	300,000. aggregate, all other

Workmen's Compensation and Employer's Liability - Statutory Limits

Agency and Developer agree that all construction to be performed hereunder by either shall be done in a good and workmanlike manner, with first-class materials and in accordance with all applicable laws, rules, ordinances and regulations of the State of California and the City of Redlands. Each party shall pay all costs, expenses, liabilities and liens arising out of or in any way connected with such construction.

The parties hereto each severally covenant and agree to indemnify and hold harmless each other and the Tract of each other party against liability, loss, damage, costs or expenses, including attorneys' fees, on account of claims of lien of laborers or materialmen, or others, for work performed or supplies furnished, in connection with their respective improvements, and in the event that any Tract shall become subject to any such lien on account of work performed, or supplies furnished in connection with any other Tract, the party performing such work shall, at the request of the party owning or leasing the Tract subject to such lien, promptly cause such lien to be released and discharged of record, either by paying the indebtedness which gave rise to such lien, or posting such bond or other security as shall be required by law to obtain such release and discharge.

Wherever under the terms of this agreement any party is permitted to perform any work upon the Tract of another party, it is expressly understood and agreed that such party will not permit any mechanics' or materialmen's or other similar liens to stand against the Tract upon which such labor or material has been furnished in connection with any such work performed by any such party. Such party may bond and contest the validity of any such lien, but upon final determination of the validity and the amount thereof, such party shall immediately pay any judgment rendered, with all proper costs and charges, and shall have the lien released

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E. Transfer of Parking Garage. Upon completion by

Developer of all construction which it is required to perform hereunder with respect to the Parking Garage, it may at its option offer to convey the Parking Garage to the Agency, and if Developer exercises such option, Agency agrees to accept the conveyance of the Parking Garage from Developer. Upon such conveyance, Agency agrees to pay to Developer the interest expense incurred by Developer to finance the construction of the Parking Garage.

F. Accounting for Parking Garage Costs. Developer agrees to maintain books and records reflecting the cost incurred by it in constructing the Parking Garage which shall identify such costs separately from the costs to the Developer of constructing the Developer Improvements. Upon completion of construction of the Parking Garage, a determination shall be made of the total cost of constructing the Parking Garage, less the cost of footings and foundations included therein which would be necessary to support the Developer Improvements above the Parking Garage if the same were to be constructed on grade, and such total costs shall be compared to the product of the total number of square feet of Developer Improvements multiplied by four dollars (\$4.00). If the total cost of the Parking Garage so determined shall be less than such product, Developer shall pay ~~one~~^{ANY} deficiency so determined to Agency and if such total cost is more than such product, Agency shall pay such excess to Developer.

III. MAINTENANCE, MANAGEMENT AND OPERATION OF PARKING FACILITIES

A. Use of Parking Facilities. The parties agree that during the term of this agreement and any extension thereof the Parking Facilities shall be used, managed, maintained and operated as hereinafter provided to provide parking on a non-exclusive basis for members of the

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general public and for pedestrian and other uses incidental thereto. The Agency, the City and the Developer, as their interests may appear, covenant for themselves and their respective successors and assigns that for the term of this agreement or any extension thereof the Parking Facilities shall be available for said purposes, that they shall be maintained, managed and operated as provided in Section III C, and that there shall be sufficient parking within the Parking Facilities so that the ratio of automobile parking spaces within the Parking Facilities to the total gross floor area of the Developer Improvements, exclusive of the Enclosed Mall, shall be not less than 5.11 spaces per 1,000 square feet, and that there are not less than 907 standard-size automobile parking spaces.

- 11a -

CORRECTED COPY
DECEMBER 18, 1975

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B. Appointment of Developer as Operator. Agency and City, as their respective interests in the Parking Facilities may appear from time to time, subject to the provisions of Section III F, hereby designate Developer as Operator and grant to Developer, including any person succeeding to the entire interest of Developer in the Developer Improvements, the right and authority, as the agent of Agency and City, and either of them, for the term of this agreement and any extension thereof, to operate, manage, maintain and control the Parking Facilities in accordance with this agreement, the DDA and the Redevelopment Plan.

C. Standards of Maintenance. Except as hereinafter expressly provided, Operator shall manage, operate and maintain or cause to be managed, operated and maintained the Parking Facilities as the agent of Agency and City in good order, condition and repair, subject to reimbursement by Agency or City for the costs of performing such management, operation and maintenance as hereinafter provided.

Without limiting the generality of the foregoing, Operator shall perform the following items of work with respect to the Parking Facilities:

1. Maintain the Parking Facilities in a clean, neat and orderly condition, including removal of all debris, papers, filth and refuse which may accumulate thereon, and wash or thoroughly sweep paved areas as required;

2. Maintain all surfaces of the Parking Facilities level, smooth and evenly covered with the type of surfacing material originally installed thereon or such substitute therefor as shall be in all respects equal thereto in quality, appearance and durability;

3. Maintain such appropriate entrance and exit and directional signs, markers and lights as shall be reasonably required for use of the Parking Facilities in accordance with practices prevailing in the operation of similar areas in the community;

- 3a. Provide personnel to patrol the Parking Facilities

4. Clean lighting fixtures and relamp the same as needed to maintain lighting with electric time switches on a seven (7) day program and clean and repair the electric switching equipment;
5. Repaint striping, markers, directional signs and similar signs as necessary to maintain the same in first-class condition;
6. Maintain landscaping as necessary in a first-class thriving condition, including the landscape irrigation system;
7. Empty and wash trash containers at intervals sufficient to maintain the same in a clean condition;
8. Clean all catch basins on a schedule sufficient to maintain all storm drain lines in a free-flowing condition and inspect and keep in proper working order all mechanical equipment related to storm and sanitary sewer facilities;
9. Recommend to Agency or City for approval reasonable and non-discriminatory rules and regulations for the use of the Parking Facilities by Occupants and Permittees; and
10. Maintain and repair all utilities' systems located upon or serving the Parking Facilities, except as the same may be required to be maintained by franchised utility companies.

D. Costs of Common Area Management, Maintenance and Operation. Except for the cost related to the sidewalk and landscaping surrounding the Developer Improvements which are located on the Developers Tract, which cost shall be borne by the Developer, all costs necessarily or reasonably incurred by Operator in connection with the management, maintenance or operation of the Parking Facilities shall be borne by Agency or City.

At least forty-five (45) days prior to the initial

thereafter (July 1 - June 30), Operator shall prepare and submit to Agency or City a budget for the estimated cost of managing, maintaining and operating the Parking Facilities for the ensuing fiscal year or portion thereof. The budget shall segregate costs of custodial services from those for repairs and alterations. The budget prepared by Operator shall be reviewed and approved by Agency or City in accordance with the usual procedures for budget approval of City. Operator, Agency or City shall attempt to resolve any differences which they may have over the proposed budget for the ensuing fiscal year and such budget shall be finally approved not later than the commencement of such ensuing fiscal year. If such differences cannot be resolved by the parties, the same shall be submitted to arbitration, by one arbitrator to be selected by the Agency or City and one selected by Developer, and a third appointed by the two arbitrators so selected.

Agency or City shall pay to Operator on the first day of each calendar month after the initial opening of the Parking Facilities for use by the public and for so long as there shall be an Operator other than Agency or City, an amount equivalent to one-twelfth (1/12) of the approved budget for the current fiscal year, except that for partial fiscal years such sum shall be in an amount which will result in equal monthly payments over such partial fiscal year. Within sixty (60) days after the close of each fiscal year, Operator shall render to Agency or City a final accounting of the expenditures made by Operator during the preceding fiscal year for the management, maintenance and operation of the Parking Facilities and if the total amount of such expenditures is less than the total proposed budget, such excess shall be reimbursed to Agency or City or credited toward payments due in the future. Any expenditures which may become necessary and which are beyond the budget approved

by Agency or City must first be approved by Agency or City. Agency or City shall have the right at its expense to audit Operator's books and records upon reasonable notice not more than once for each fiscal year.

Without limiting the nature or types of costs and expenses which may be included in the budget or expenditures relating to the management, maintenance and operation of the Parking Facilities, such budget and expenditures shall include amounts for the following items:

1. All items of work described in Section III C;
2. All premiums for insurance required to be carried by Operator under Section III E of this agreement; and
3. All taxes and assessments of any kind or nature levied upon, imputed by virtue of or measured by the value of the Parking Facilities, the Agency Improvements and the Agency Tract, including taxes and assessments levied against or charged to Operator, Developer or any other Occupant in lieu of ad valorem taxes upon or by reason of any interest, estate or benefit in the Parking Facilities, the Agency Tract or the Agency Improvements.

Agency or City agrees to indemnify and hold harmless Operator, Developer and each Occupant from and against all claims, demands, liens, causes of action and expenses, including reasonable attorneys' fees, for, related to or arising in connection with all such costs and expenses described in the preceding paragraph.

Operator shall not be entitled to receive any profit in connection with the management, maintenance and operation of the Parking Facilities, but may include as part of its expense any overhead costs directly attributable thereto, such as bookkeeping, office and clerical expense.

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E. Indemnification and Insurance.

1. Indemnity and Public Liability Insurance.

Operator, as the agent of Agency or City, hereby agrees to and does indemnify each other party to this agreement, respectively, against and from all claims, demands and causes of action, and liabilities, costs and expenses, including reasonable attorneys' fees incurred in connection therewith, arising from or as a result of the death or injury to persons or loss or damage to property occurring in or about the Parking Facilities except such damage, loss or injury as may be caused by the sole negligence of such party. Operator shall at all times during the term of this agreement maintain or cause to be maintained in full force and effect comprehensive public liability insurance covering the Parking Facilities with a financially responsible insurance company or companies, including coverage for any accident resulting in personal injury to or death of any person and consequential damage arising therefrom, and including comprehensive property damage insurance in the amount of not less than One Million and No/100 Dollars (\$1,000,000.00) per occurrence. Agency, City and each Major shall be named as additional insureds under such policy. Such insurance shall expressly insure the indemnity of Operator contained herein.

2. Fire and Extended Coverage Insurance. Agency or City shall for the term of this agreement keep or cause to be kept a policy or policies of insurance against loss or damage to the Parking Facilities and appurtenances and permanent equipment resulting from fire, lightning, vandalism, malicious mischief, riot and civil commotion and such other perils ordinarily included within the term "extended coverage", and earthquake, and such other perils as

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Agency or City and Developer may agree should be insured against, in amounts equal to the full current actual replacement value of the Parking Facilities, with only such deductibles, exclusions from coverage and limitations as are necessary to obtain reasonable premium rates from reputable insurance companies.

3. General Provisions. All policies of insurance required hereunder shall be issued by insurers of recognized responsibility, licensed and permitted to do business in the State of California. Such policies shall provide that the same may not be cancelled or materially altered without at least thirty (30) days' prior written notice to Agency, City and Developer. All parties to this agreement shall be furnished certificates of such insurance. The limits of such insurance shall be periodically reviewed for the purpose of determining whether the same should be increased from time to time to amounts which may be reasonable and customary for facilities of like size and operation. Any insurance may be carried under a policy or policies covering other properties owned or controlled by the party carrying the same, provided that such policy or policies allocate to the insurance obligations of this agreement an amount not less than the amount of insurance required to be carried pursuant hereto.

F. Replacement of Developer as Operator. In the event that Operator shall fail to manage, maintain and operate the Parking Facilities as provided in this agreement, and any party to this agreement or any Major shall have notified Agency or City and Developer in writing that it is dissatisfied with the performance by Operator of its duties as Operator, specifying with particularity the respects in which it considers Operator's performance to be unsatisfactory, Agency or City shall have the right, upon the failure

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of Operator to cure any default with respect to its obligations within thirty (30) days after such written notice, or in the event the same cannot reasonably be cured within thirty (30) days, to have commenced to cure the same within such thirty (30) day period and to have diligently proceeded to cure such default, to designate another person acceptable to the Developer and Majors as Operator under this agreement, in which case such designee shall succeed to all rights and obligations of Operator as specified in this agreement, and by such succession shall be deemed to have assumed the covenants of Operator contained in this agreement.

In the event that at any time during the term of this agreement there shall not be any person performing the duties of Operator in accordance with this agreement, Agency or City shall perform such duties until such time as a new Operator is designated by Agency or City, which designation shall be subject to the approval of Developer.

G. Charges for Parking. Operator shall not impose nor permit the imposition of any charge for the use of the Parking Facilities without the consent of Agency or City; provided, however, that the provisions of this Section III G shall not apply to charges of any kind whatsoever imposed by any governmental authority on the Agency, the City, the Operator, or any Occupant or Permittee as part of a parking management program, transportation control plan, or other governmental regulation of parking; and provided, further, that Developer may charge to and collect from Occupants the costs and expenses, if any, incurred by it as Operator which are not paid or reimbursed by Agency or City as provided in Section III D.

A system of validation parking may be instituted by Operator, provided that any such proposed system and the charges and hours permitted by the Operator without charge shall be submitted to the Agency or City and the Majors for approval prior to the institution of such a system. In the event such a validated parking system is instituted by Operator, the Operator shall pay to the Agency or City any amount collected by Operator in excess of actual out-of-pocket amounts expended by Operator to establish and administer such a system.

IV. EASEMENTS

A. Non-exclusive Easements Upon Agency Tract for Automobile Parking and Pedestrian and Incidental Uses. Agency and City, as their interests may appear, hereby grant to Developer and to each other Occupant, for their respective use and for the use of their respective Permittees, in common with all others entitled to use the same, easements on, to, over, across and through the Agency Tract (1) for ingress to and egress from the Developer Improvements, (2) for the passage and parking of motor vehicles, (3) for the passage and accommodation of pedestrians, and (4) for the doing of such other things as are authorized and required to be done on the Agency Tract pursuant to this agreement.

Agency and City further grant the right and authorize Developer to grant the easements hereinabove described to Occupants for their respective use and for the use of their respective Permittees, in common with all others entitled to use the same, from time to time during the term of this agreement.

The easements granted by this Section IV A shall continue throughout the term of this agreement and any extension thereof.

B. Non-exclusive Easements for Utility Services. Agency and City, as their interests may appear, hereby grant to Developer and to each other Occupant non-exclusive easements on, to, over, under, across and through the Agency Tract for the operation, flow and passage and use of sewers, water and gas, electrical power, telephone service and other utilities serving the Developer Improvements and the Parking Garage. Developer grants to Agency or City and to Operator non-exclusive easements for similar purposes upon the Developer Tract, provided that the same shall not interfere with the beneficial use or occupancy of the Developer Improvements.

The easements granted by this Section IV B shall continue as long as the Developer Improvements or the Parking Garage, as the case may be, are in existence or are required or planned to be reconstructed.

C. Easements for Construction. Agency and City, as their interests may appear, hereby grant to Developer non-exclusive easements upon and over the Agency Tract for the purpose of facilitating construction work on the Developer Tract, including the storage of construction materials, supplies and equipment, the erection of construction shacks and other temporary facilities, improvements and utilities incidental to such construction, the parking of automobiles of contractors and their employees and others engaged in work upon the Site and similar purposes. Such easements shall exist so long as the Developer Improvements are in existence, provided that they shall be used only during the period of initial construction of the Developer Improvements and the Parking Garage and during any period of reconstruction thereof. The exercise of

such easements shall be preceded by a written request accompanied by a map designating the areas and uses for such easements, which shall be approved by Agency, such approval not to be unreasonably withheld.

D. Easements for Encroachments. Agency and City, as their interests may appear, hereby grant to Developer and to each other Occupant non-exclusive easements, on, to, over, under, across and through the Agency Tract of (1) footings, foundations and supports for the Developer Improvements to a maximum lateral distance of six feet, and (2) canopies, flag poles, roof and building overhangs, awnings, alarm bells, signs, lights and lighting devices and other similar appurtenances to the Developer Improvements to a maximum lateral distance of fourteen feet. Such easements shall exist so long as the Developer Improvements are in existence or are required or planned to be reconstructed.

E. Easements for Support of Developer Improvements.

Developer hereby declares, fixes and establishes for the benefit of the Developer Improvements, and each owner and Occupant thereof from time to time easements on, to, over, under, across and through the Parking Garage for the attachment and adequate support of that portion of the Developer Tract and the Developer Improvements which are situated above the Parking Garage, including the construction, installation, maintenance, repair and reconstruction by Agency or City for the benefit of and use by Developer and other Occupants of such Developer Improvements of necessary columns, footings, foundations, slabs and other structural elements determined by the Project Architect necessary to the safe and secure structural support of said Developer Improvements. Such easements shall remain in existence so long as the Developer Improvements are in existence or are

F. Easements for Pedestrian Transportation. Developer hereby declares, fixes and establishes for the benefit of the Developer Improvements and each owner and Occupant thereof from time to time easements on, to, over, under and across the Parking Garage for the purpose of constructing, installing, attaching, maintaining and operating means of access or transportation for pedestrians from the Parking Garage to the Developer Improvements, including elevators, escalators, stairways, bridges and ramps. Such easements shall remain in existence so long as both the Parking Garage and the Developer Improvements are in existence.

G. Location of Easements. The location of the easements described in Section IV B, IV C, IV D, IV E and IV F shall be subject to the approval of the owner of the tract burdened thereby, which approval shall not unreasonably be withheld, and upon completion of construction of the facilities for which easements are granted under Section IV B, IV C and IV D, Developer, Agency and City, upon the request of any of them, shall join in the execution of an agreement in recordable form appropriately identifying the type and location of each such respective facility.

H. Dominant and Servient Tenements. Each easement granted herein is granted expressly for the benefit of the tract of the grantee thereof, which shall be the dominant tenement, and the tract upon which the easement is located shall be the servient tenement, but where only a portion of a tract is bound and burdened, or benefited, by the particular easement, only that portion so bound and burdened, or benefited, as the case may be, shall be deemed to be the servient or dominant tenement. Any easement granted pursuant to the provisions of this section may be abandoned or terminated by execution of an agreement so abandoning or terminating the same by the Agency or City and the Developer.

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I. Reservation of Easements Upon a Transfer as Described in Section II E. In the event that Developer transfers the Parking Garage to Agency as provided in Section II E, Developer agrees to make such conveyance and Agency agrees to accept the same with the reservation of easements for the benefit of the Developer Improvements and each owner and Occupant thereof for the purposes described in Section IV A, B, D, E and F hereof.

V. DAMAGE AND RECONSTRUCTION

A. Parking Facilities. In the event that during the term of this agreement the Parking Facilities, including the Parking Garage, or any portion thereof, are damaged or destroyed by fire, earthquake or other casualty or event so that they become wholly or partly unusable, Agency or City shall rebuild and repair the same so that they shall be restored to use as contemplated by the plans and specifications prepared pursuant to Section II A and B; provided that Agency or City shall not be required to rebuild and repair any greater portion of the Parking Facilities than shall be required to provide safe and adequate support for the Developer Improvements situated or to be reconstructed above the Parking Garage and to provide 5.11 parking spaces per 1,000 square feet of floor area of the Developer Improvements.

Notwithstanding the foregoing, such rebuilding or repair shall not be required after the expiration of the City Lease unless at the same time that such work is commenced Agency or City shall have received from Developer assurances in writing that it will continue to operate at least 75,000 square feet of the buildings constituting the Developer Improvements, excluding the Enclosed Mall, and that the center for a period of not less than ten (10)

Agency agrees that during the term of the City Lease, providing at least 75,000 square feet of the buildings constituting the Developer Improvements, excluding the Enclosed Mall, are in existence and are being operated as a retail shopping center, or are being reconstructed for that purpose, it will not exercise its right under Section 9 (b) of the City Lease to use the proceeds of any insurance to retire any outstanding securities or other debts or liabilities of the Agency except for proceeds which are in excess of the amount necessary to complete such rebuilding and repair.

B. Developer Improvements. If during the term of the City Lease the Developer Improvements, or any portion thereof, are damaged or destroyed by fire or other casualty or event so that they become wholly or partly unusable, Developer shall rebuild and repair the same so that they shall be restored to use as contemplated by the original plans and specifications for the Developer Improvements; provided that Developer's obligation to restore any portion of the Developer Improvements which may be situated above the Parking Garage shall be conditioned upon the performance by Agency or City of its obligation to restore the Parking Garage or such portion thereof as may be necessary to provide safe and adequate support for such Developer Improvements.

Developer shall for the term of the City Lease keep or cause to be kept a policy or policies of insurance against loss or damage to the Developer Improvements and appurtenances and permanent equipment resulting from fire, lightning, vandalism, malicious mischief, riot and civil commotion and such other perils ordinarily included within the term "extended coverage" in an amount equal to the full current actual replacement value of the Developer Improvements with only such deductibles, exclusions from coverage and

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limitations as are necessary to obtain reasonable premium rates from reputable insurance companies. Such policies shall provide that the same may not be cancelled or materially altered without at least thirty (30) days' prior written notice to Agency or City. Agency and City shall be provided with a certificate of such insurance. The limits of such insurance shall be periodically reviewed for the purpose of determining whether the same shall be increased from time to time to amounts which may be reasonable and customary for facilities of like size and operation. Any insurance may be carried under a policy or policies covering other properties owned or controlled by Developer or any general partner thereof, provided that such policy or policies allocate to the insurance obligations of this agreement an amount not less than the amount of insurance required to be carried pursuant hereto.

C. Reconstruction Plans. All such rebuilding and repair shall be performed in accordance with plans and specifications conforming to the requirements of Section II and the DDA, and approved by Developer and Agency or City to the same extent as its approval was required for the initial construction of the Parking Facilities.

VI. EMINENT DOMAIN

If during the term of this agreement any portion of the Parking Facilities shall be taken under the power of eminent domain or sold to any governmental agency in lieu of its exercise of the power of eminent domain, either of which occurrences is referred to herein as a "taking", Agency or City, to the extent that the same is reasonably practicable, and provided that at least 75,000 square feet of floor area of the buildings constituting the Developer

has received from Developer assurances in writing that it will operate at least the same amount of Developer Improvements for a period of not less than ten (10) years thereafter, shall use any award received in connection with such taking for the purpose of constructing substitute parking facilities equivalent to those taken within reasonable proximity to the Developer Improvements, and shall so construct such parking facilities with due diligence, which parking facilities shall thereafter be used, managed, operated and maintained as if they were a part of the initial Parking Facilities, and shall be subject to the same rights and easements provided herein as may be applicable.

Notwithstanding the foregoing, if the floor area of the Developer Improvements is reduced as a result of such taking, Agency or City shall be required to reconstruct only such parking facilities as may be necessary to provide 5.11 parking spaces per 1,000 square feet of floor area of the Developer Improvements.

If the construction of such substitute parking facilities is not reasonably practicable or if Developer shall not be operating or shall not have assured the continued operation of that amount of the Developer Improvements specified above for the minimum period stated, Agency or City may use such proceeds for any lawful purpose and the balance of the Parking Facilities, if any, shall continue to be used, managed, operated and maintained as provided in this agreement, subject to the provisions of Section VII D.

VII. TERM OF AGREEMENT

A. Initial Term. The term of this agreement shall commence as of the date of its execution and shall extend for a period of thirty-one (31) years from the date that the term of the City Lease commences.

B. Option by Developer to Extend Term. Developer, at its option, may extend the term of this agreement for a period of thirty (30) additional years subject to the following:

1. At least six (6) months prior to the expiration of the term, Developer shall notify Agency or City in writing that it intends to exercise such option to extend the term;
2. Developer shall agree to pay all costs and expenses of managing, maintaining and operating the Parking Facilities during the extension of the term; and
3. Developer shall have the right to terminate this agreement at the end of any five (5) year period of the extension of the term by written notice to Agency or City of its intention to so terminate at least ninety (90) days prior to the expiration of such five (5) year period.

Wherever in this agreement it is provided that any party shall have a right or an obligation during the term hereof, said provision also shall be deemed to apply to the period of the extension, if Developer exercises its option to extend the term.

C. Developer's Option to Purchase Parking Facilities.

At any time after the expiration of the City Lease and the vesting in City of title to the Agency Tract, but within one (1) year after the termination of this agreement, including any extension, Developer may, at its option, purchase the Parking Facilities not then owned by it. The purchase price to be paid by Developer, if it elects to exercise such option, shall be determined by the agreement of Developer and City, but if they are unable to agree, shall be the fair market value of said Parking Facilities determined by appraisal in the following manner: Developer and City each shall select a real estate appraiser having M.A.I. credentials, or equal, who shall

select a third appraiser having equivalent credentials, and a consensus appraisal report shall be prepared by all of said appraisers establishing such fair market value. In the event that all of said appraisers are not able to agree upon such fair market value, the determination of any two of said appraisers shall be binding and conclusive upon City and Developer, and if no two appraisers can agree, the average of the values determined by the closest two appraisers shall be conclusive. The cost of such appraisal shall be borne equally by City and Developer.

D. Early Termination. This agreement and the rights and obligations of the parties hereunder, except as otherwise provided, may be terminated prior to the expiration of the term specified in Section VII A or the extension specified in Section VII B upon the mutual agreement of Agency or City and Developer, provided that such agreement shall require the consent of the holder of any first mortgage or deed of trust upon the Developer Improvements.

E. Easement Upon Termination. Upon the expiration of the term of this agreement or any early termination hereof and so long as any portion of the Developer Improvements is being operated for commercial or business purposes, Developer and all Occupants and Permittees shall be entitled to such access and ingress and egress across the Agency Tract and the Parking Garage as shall be required by any laws and ordinances then existing or, absent such laws, as may be the minimum necessary for the continued use and occupancy of the Developer Improvements which are then in existence. All easements provided in Section IV shall continue despite such termination as may be provided therein.

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VIII. RIGHTS AND OBLIGATIONS
OF SUCCESSORS AND ASSIGNS

A. Covenants Running with the Land. The declarations, covenants, conditions, restrictions and grants made by each party under this agreement are intended to run with the land and shall be binding upon and inure to the benefit of the successors, legal representatives and assigns of each of such parties. Each owner, grantee, lessee and occupany of the Agency Tract, the Developer Tract and the Parking Garage, respectively, shall be deemed, by the acceptance of the conveyance of such tract, or any portion thereof, to have accepted the same and possession thereof subject to all of the declarations, conditions, restrictions and grants contained in this agreement.

B. Meaning of Terms "Developer", "Agency" and "City".
The terms "Developer", "Agency" and "City", respectively, shall mean such parties to this agreement and their respective successors and assigns, but shall only mean, insofar as the terms and provisions of this agreement to be kept, performed, observed and enforced by such parties, or any of them, are concerned, the person who at the time in question is the owner or lessee, as the case may be, of the Agency Tract, the Developer Tract or the Parking Garage, respectively, and shall be binding upon and enforceable by such parties or their successors or assigns only during and in respect of the periods during which each respectively is such owner or lessee of the Agency Tract, the Developer Tract or the Parking Garage. Notwithstanding anything to the contrary contained herein, Agency or City shall at all times remain liable for the performance of the covenants and conditions on its part to be performed hereunder,

and nothing herein contained shall be construed to relieve Agency or City from its obligations under Sections II, III, V and VI of this agreement.

C. Reference to "Agency or City". Wherever in this agreement it is provided that an obligation shall be performed by or a right shall belong to "Agency or City", such provision shall mean Agency as to the Parking Garage, if it succeeds to Developer's interest therein, and as to the Agency Tract shall mean as follows:

1. Prior to the commencement of the term of the City Lease, such provision shall mean Agency.
2. During the term of the City Lease, such provision shall mean whomever as between Agency and City is so obligated or so entitled under the City Lease.
3. In the event of a default under the City Lease and its early termination by virtue thereof, such provision thereafter shall mean Agency.
4. Upon and after the expiration of the City Lease and the vesting of title to the Agency Tract in City in accordance with the terms of said lease, such provision shall mean City.

IX. NOTICES

Any notice, demand, request, consent, approval, designation or other communication which any party to this agreement is required or desires to serve, give or make to or upon any other party hereto shall be in writing and delivered personally or by registered or certified United States mail addressed as follows:

To Agency: Redevelopment Agency of the
 City of Redlands
 30 Cajon Street
 Redlands, California 92373
 Attention: Executive Director

To City: City of Redlands
 30 Cajon Street
 Redlands, California 92373
 Attention: City Manager

To
 Developer: Redlands Mall Associates
 c/o Ernest W. Hahn, Inc.
 2311 West El Segundo Boulevard
 Hawthorne, California 90250

with a copy to:

R-J Investments
 610 Newport Center Drive, Suite 620
 Newport Beach, California 92660

Any party may designate a different address for the delivery or service of notices by notice similarly given.

X. MISCELLANEOUS PROVISIONS

A. Non-discrimination. There shall be no discrimination against or segregation of any person or a group of persons on account of sex, race, color, creed, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Site nor shall the transferee himself or any person claiming under or through him establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Site.

B. Non-waiver. No waiver of any breach of this agreement shall be implied from any omission by any party to take action with respect to such breach if the same continues or is repeated. No waiver of any breach shall affect any breach or cover any period of time other than the breach and period of time for which such waiver is given. One or more waivers of any breach in the performance of any term, provision or covenant of this agreement shall not be deemed to be a waiver of any subsequent breach in the performance of any term, provision or covenant or any other term, provision or covenant. The consent or approval by any party to or of any act or request by any other party requiring consent or approval shall not be deemed to waive or render unnecessary the consent to or approval of any subsequent similar acts or requests.

C. Severability. If any term, provision, covenant or condition contained in this agreement shall to any extent be invalid or unenforceable, the remainder of this agreement or the application of such term, provision, covenant or condition to persons or circumstances other than those in respect of which it is invalid or unenforceable shall not be affected thereby, and each term, provision, covenant and condition of this agreement shall be valid and enforceable to the fullest extent permitted by law.

D. Approvals and Consents. In any instance in which consent or approval of any matter is required, such consent or approval shall be given in writing and shall not be unreasonably withheld. Approval or disapprovals shall be given within thirty (30) days following the receipt of the item or request to be approved or consented to, or the same shall be conclusively deemed to have been approved or consented to. Any disapproval shall specify with particularity the reasons therefor.

E. Reference to "Person". The word "person" as used in this agreement shall mean and include all individuals, partnerships, firms, associations and corporations or any other form of business entity, and the use of the singular shall include the plural.

IN WITNESS WHEREOF, the parties have duly executed this agreement as of the date first above written.

REDEVELOPMENT AGENCY OF THE
CITY OF REDLANDS

By *Jack B. Cummings*
Chairman

Peggy A. Mosley
Secretary

CITY OF REDLANDS

By *Jack B. Cummings*
Mayor

Peggy A. Mosley
City Clerk

REDLANDS MALL ASSOCIATES

By Ernest W. Hahn, Inc., General Partner

By *Ernest W. Hahn*
EX. VICE PRESIDENT

By R-J Investments, General Partner

By *Robert J. Jones*
President

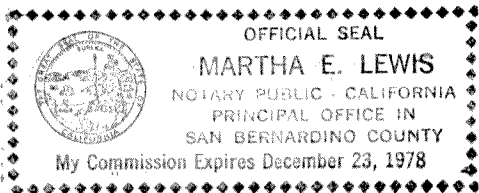
Approved as to form

Edward T. Valdez
Counsel for Redevelopment Agency
and City of Redlands

STATE OF CALIFORNIA)
COUNTY OF San Bernardino) SS.

On December 18, 1975, before me, the undersigned, a Notary Public in and for said State, personally appeared Jack B. Cummings, known to me to be the Chairman, and Peggy A. Mosley, known to me to be the Secretary, of the REDEVELOPMENT AGENCY OF THE CITY OF REDLANDS, the public body that executed the within instrument, known to me to be the person who executed the within instrument on behalf of said public body therein named, and acknowledged to me that such public body executed the within instrument.

WITNESS my hand and official seal.

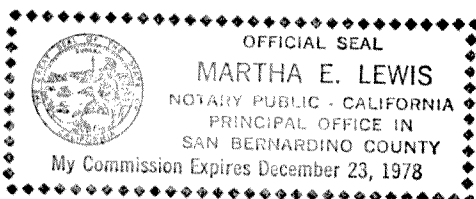


Martha E. Lewis

STATE OF CALIFORNIA)
COUNTY OF San Bernardino) SS.

On December 18, 1975, before me, the undersigned, a Notary Public in and for said State, personally appeared Jack B. Cummings, known to me to be the Mayor, and Peggy A. Mosley, known to me to be the City Clerk, of the CITY OF REDLANDS, the municipal corporation that executed the within instrument, known to me to be the person who executed the within instrument on behalf of said municipal corporation therein named, and acknowledged to me that such municipal corporation executed the within instrument.

WITNESS my hand and official seal.



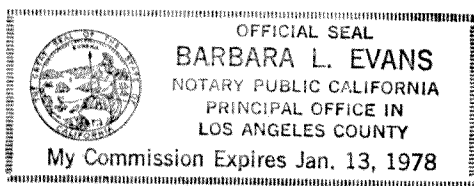
Martha E. Lewis

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STATE OF CALIFORNIA)
COUNTY OF Los Angeles) SS.

On March 3rd, 1976, before me, a Notary Public in and for said County and State, personally appeared James L. Burke, Jr., known to me to be the Ex. Vice President of Ernest W. Hahn, Inc., the corporation that executed the within instrument and known to me to be the person who executed the within instrument on behalf of said corporation, said corporation being known to me to be one of the partners of REDLANDS MALL ASSOCIATES, the partnership that executed the within instrument, and acknowledged to me that such corporation executed the same as such partner and that such partnership executed the same.

WITNESS my hand and official seal.

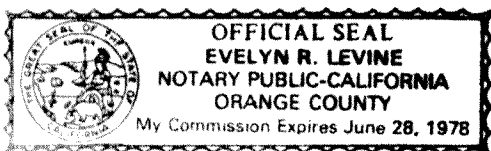


Barbara L. Evans

STATE OF CALIFORNIA)
COUNTY OF Orange) SS.

On Jan. 30, 1976, 1975, before me, a Notary Public in and for said County and State, personally appeared RICHARD D. JONES, known to me to be the President of R-J Investments, the corporation that executed that executed the within instrument and known to me to be the person who executed the within instrument on behalf of said corporation, said corporation being known to me to be one of the partners of REDLANDS MALL ASSOCIATES, the partnership that executed the within instrument, and acknowledged to me that such corporation executed the same as such partner and that such partnership executed the same.

WITNESS my hand and official seal.



Evelyn R. Levine

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That real property located in the City of Redlands, County of San Bernardino, State of California, described as Parcels 1, 2, 3, 4, 5 and 6, as shown on Parcel Map No. 2998, recorded January 8, _____, 1976 in Book 25, Pages 90-92 of Parcel Maps, records of San Bernardino County.

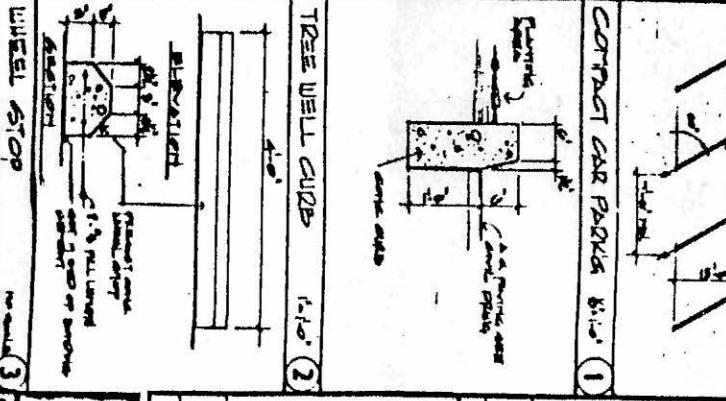
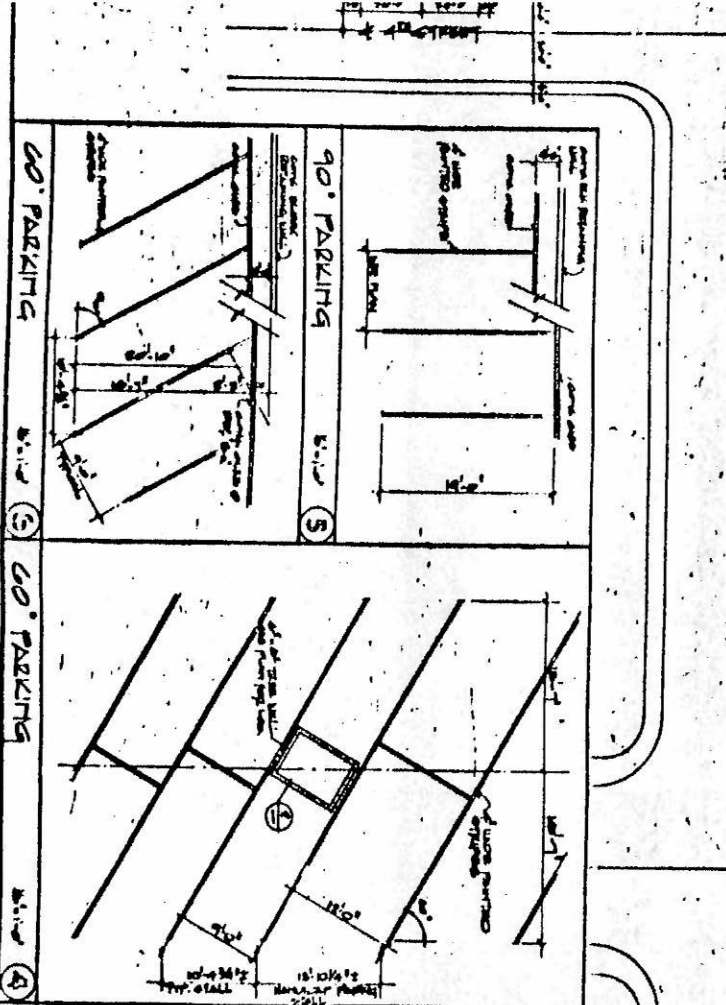
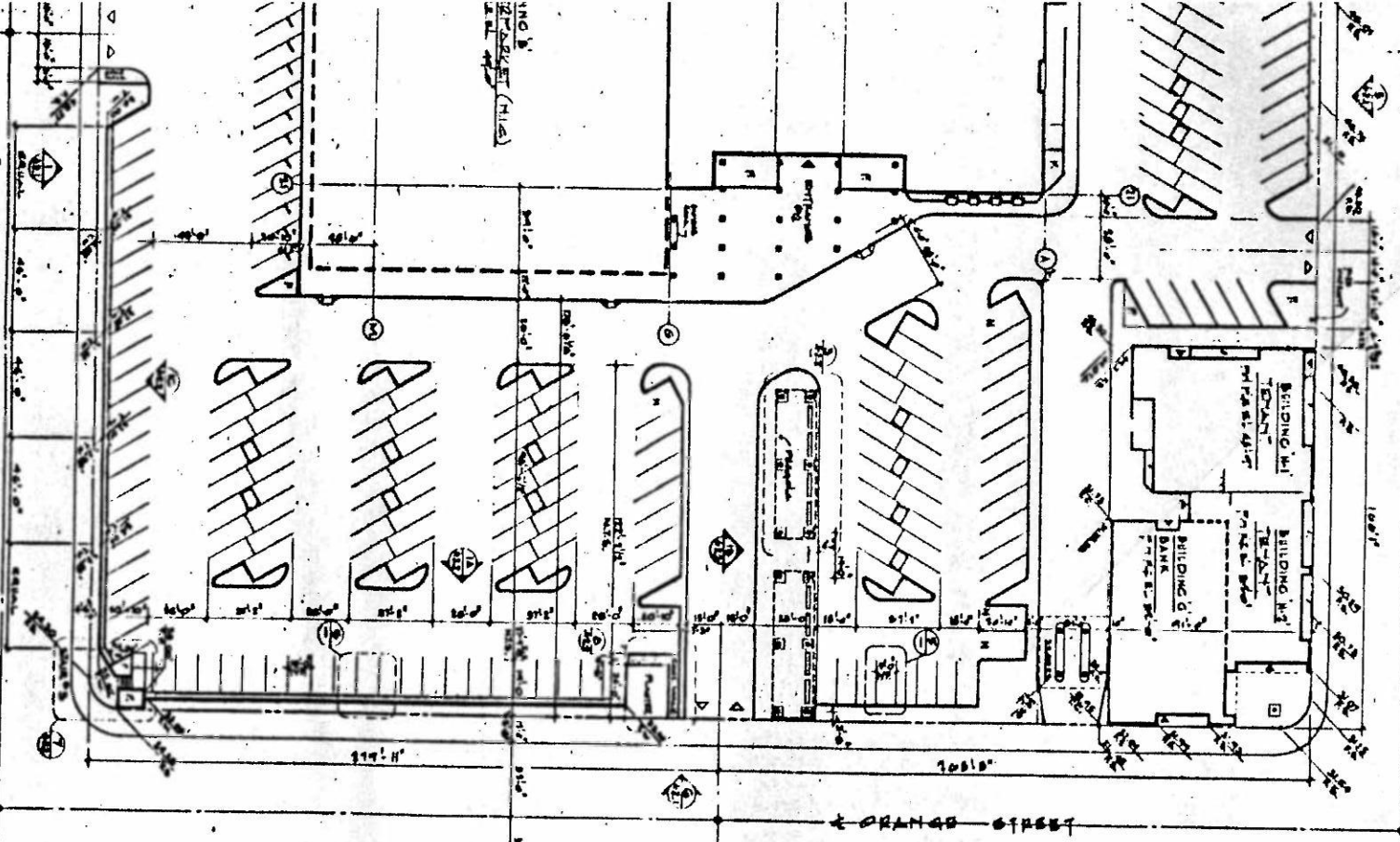
TOGETHER WITH Lots 1 through 17 inclusive of Block B of the Orange Grove Addition in the City of Redlands, as per map recorded in Book 4, Page 38 of Maps, records of San Bernardino County.

That real property located in the City of Redlands, County of San Bernardino, State of California, described as Parcels 1, 2, 4 and 5, as shown on Parcel Map No. 2998, recorded January 8, 1976 in Book 25, Pages 90-92 of Parcel Maps, records of San Bernardino County.

That real property located in the City of Redlands, County of San Bernardino, State of California, described as Parcels 3 and 6, as shown on Parcel Map No. 2998, recorded January 8, 1976 in Book 25, Page 90-92 of Parcel Maps, records of San Bernardino County.

TOGETHER WITH Lots 1 through 17 inclusive of Block B of the Orange Grove Addition in the City of Redlands, as per map recorded in Book 4, Page 38 of Maps, records of San Bernardino County.

That real property located in the City of Redlands, County of San Bernardino, State of California, described as Parcel 4, as shown on Parcel Map No. 2998, recorded January 8, 1976 in Book 25, Page 90-92 of Parcel Maps, records of San Bernardino County.



NO.	DATE	REVISION
1		
2		
3		

Charles Kober Associates

EXHIBIT "B"

JOB NO. _____
 DRAWN BY _____
 CHECKED BY _____
 ARCHITECT _____
 SCALE AS NOTED

SITE PLAN AND DETAILS
REDLANDS MALL
 REDLANDS, CALIFORNIA
 PREPARED BY CHARLES KOBER ASSOCIATES, INC.
 1226