

ENVIRONMENTAL IMPACT REPORT
FUNDING AGREEMENT

This Agreement is made and entered into this 6th day of September, 2005, by and between the City of Redlands, a municipal corporation (hereinafter "City") and Standard Pacific Homes (hereinafter "Standard Pacific").

RECITALS

WHEREAS, Standard Pacific is the applicant ("Applicant") for a Single Family Planned Residential Development (the "Project") which requires environmental review pursuant to the California Environmental Quality Act ("CEQA"); and

WHEREAS, the City's Environmental Review Committee has determined that an Environmental Impact Report ("EIR") must be prepared for the Project; and

WHEREAS, in accordance with City's Guidelines implementing CEQA, the EIR will be prepared by a consultant under contract to City; and

WHEREAS, by executing this Environmental Impact Report Funding Agreement, Applicant expressly agrees to advance payment for all costs and expenses City incurs 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 Standard Pacific Homes agree as follows:

AGREEMENT

Section 1. Funding Obligation. Within ten (10) days of the date of written request of City, Applicant shall deposit the sum of Sixty-Seven Thousand Seven Hundred Eighty Eight Dollars (\$67,788.00) (the "Deposit") with City to engage the consultant who will commence work on the EIR. The estimated cost of the EIR is Sixty-Seven Thousand Seven Hundred Eighty Eight Dollars (\$67,788.00) which includes the sum of Fifty-Six Thousand Four Hundred Ninety Dollars (\$56,490.00) as the estimated fee for the consultant's work and the sum of Eleven Thousand Two Hundred Ninety-Eight Dollars (\$11,298.00) 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. Compliance Required. Applicant acknowledges that City may require Applicant to make additional payments, supply data and information 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 advancing monies as requested by City, paying any invoice from City when due, or 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 given pursuant to this Agreement shall be in writing and may be given by personal delivery or by mail. Notices, sent by mail shall be addressed as follows:

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

Applicant
Standard Pacific Homes
255 E. Rincon Street, Suite 200
Corona CA 92879

When so addressed, such notices shall be deemed given upon deposit in the United States Mail. In all other instances, notices 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 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 terms or conditions of this Agreement the prevailing Party shall, in addition to costs and any other relief, be entitled to recovery of its reasonable attorneys' fees, including fees for in-house counsel of the Parties at rates prevailing in San Bernardino County, California.

Section 6. Entire Agreement/Amount. 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.

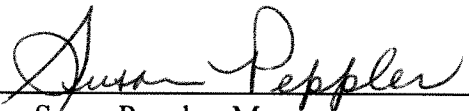
Section 7. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

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 attorneys' 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.

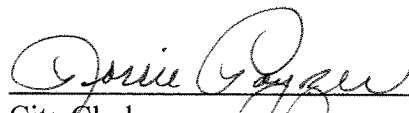
IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the dates shown below.

CITY OF REDLANDS

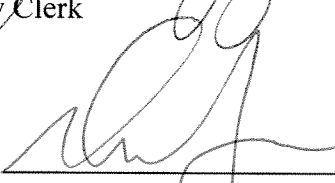
By: 
Susan Pepler, Mayor

Date Sept. 6, 2005

ATTEST:


City Clerk

Date Sept. 6, 2005

By: 
Michael White
Authorized Representative for
Standard Pacific Homes

Date 9/1/05

ATTEST:

By: 
Secretary

Date 9/1/05