ATTACHMENT A

Tentative Tract No. 52866
City Plan Case No. 99-0218 DA
Proposed Development Standards
February 24, 1999

Exhibit E-9(B)

DEVELOPMENT STANDARDS

The Development Standards are attached to and made a part of that certain Development Agreement dated _____, between the City of Los Angeles, a municipal corporation ("City") and SunCal Companies, Inc. a California corporation ("Developer") and shall apply to the public and private, on-site and off-site improvements and construction which comprise the

1.0 CONSISTENCY WITH DISTRICT PLAN

City hereby finds that these Development Standards are and shall be deemed to be consistent with the District Plan and all developments approved hereunder are and shall be deemed to be consistent with the District Plan.

2.0 DEFINITIONS

The following words, whenever used herein, shall be construed as defined in this Article 2. Except for those terms defined in this Article 2, defined terms herein shall have the meaning given them in the Development Agreement. Words and phrases not defined herein or in the Development Agreement shall be construed as defined in Section 12.03 of the Los Angeles Municipal Code ("LAMC"), if defined therein.

2.1 " Area 5" - that portion of the Property shown as Area 5 on the Tentative Tract Map (as defined below).

2.2 " Area 8" - that portion of the Property shown as Area 8 on the Map.

2.3 "Area 9" - that portion of the Property shown as Area 9 on the Map.

2.4 "Development (Developed Lot)" - the placement or erection of any structure including without limitation any building, road or utility lines on the property; any grading; subdivision of land; construction, reconstruction or alteration of the size of any structure or any public improvements whether or not on the property undertaken in connection with the Project. A "Developed Lot" - is a Lot upon which Development (as defined herein) has commenced.

2.5 "Density" - the number of allowable dwelling units per acre on the Property.

2.6 "Lot" - each and every legal lot or parcel comprising all or a portion of the Property.

2.7 "Property" - the subject parcel, also known as "Dayton Canyon Estates", located at 24000 Roscoe Boulevard within Council District Nos. 3 and 12, including the portion of the parcel to be annexed (approximately 78.2 acres) that is currently located in the County of Los Angeles. The site area is to be subdivided into 147 single-family lots (on approximately 105 net acres) and 5 open space lots (approximately 254 acres) for a total of 152 lots on approximately 359 net acres.

2.9 "Map" - that map (Tract Map 52866) attached hereto as Attachment A, and by this reference incorporated herein, dated May 5, 1999.

2.10 "Maximum Building Height" - the height of any building or structure measured from the highest point of the roof structure or parapet wall to the elevation of the ground surface which is vertically below said point of measurement.

3.0 DEVELOPMENT STANDARDS - SCENIC CORRIDOR

3.1 **Area 8 and Area 9: Residential RE11 and RA Zoned Areas.** "RE11" zoned lots in Area 8, modified by the provisions set forth herein, are identified on the Map as Lots 1, 2, 129, 130, 131, 132, 133, 134, and 139. "RA" zoned lots in Area 9, modified by the provisions set forth herein, are identified as Lots 146 and 147 on the Map. Notwithstanding any provision of LAMC to the contrary, every lot classified in either Area 8 or Area 9 within the Map Area, classified either the "RE 11" zone or "RA" zone, shall conform to the following requirements:

3.1.1 Area 8: Lots 1, 2, 129, 130, 131, 132, 133, 134, and 139. No allowances for a reduction in lot area, width, setbacks, or yard areas shall be permitted for the subject lots in Area 8, zoned RE11, as shown on the Tentative Tract Map 52866, dated May 5, 1999. These lots shall be in substantial conformance with

the Map and Exhibit B , Valley Circle Corridor Plan at RE11, dated May 5, 1999 (revised 2/09/2000), as to lot area, setbacks, width, and yard areas, subject to review and determination by the Advisory Agency.

3.1.1.1 Except as expressly restricted under Section 3.1.1 above, any allowances for lot averaging or a reduction in lot area for remaining Area 8 parcels zoned RE11, as shown on the Tentative Tract Map 52866, dated May 5, 1999, shall be subject to the standards defined in Section 17.05 H, subject to review and determination by the Advisory Agency.

3.1.2 Area 9. Area 9 shall be expressly limited to development of one lot and one single-family dwelling unit, unless otherwise determined by the Advisory Agency that adequate access and emergency services are provided to Area 9, as follows:

3.1.2.1 Subdivision of Area 9 into a maximum two lots and a maximum two single-family dwelling units (permitting one dwelling unit per lot) is predicated on the legal guarantee of the proposed secondary driveway access, and more importantly, related physical improvements (i.e. paving and installation of fire hydrants) in order to reduce potential emergency

access and fire hazard impacts. If the subject access and improvements as identified in the draft Memoranda of Understanding are not actualized, Area 9 shall be subdivided into only one lot (permitting one dwelling unit). The determination of density, adequate access, and fire safety provisions shall be made by the Advisory Agency, in consultation with the Bureau of Engineering and Fire Department, as part of the subdivision action.

3.1.2.2 If two lots are permitted within Area 9, lot averaging shall be permitted, with the express restriction that lot averaging shall not provide for the ability to reduce the lot area, setback, yard or width requirements as shown for proposed Lots 146 and 147 in substantial conformance with dimensions identified on Tentative Tract Map 52866, dated May 5, 1999.

3.2 **Area 5, Residential RE9 Zoned Area.** "RE9" zoned lots in Area 5, modified by the provisions set forth herein, are identified on the Map as Lots 24 thru 44, and 67 thru 90. Notwithstanding any provision of LAMC to the contrary, every lot classified in Area 5 within the Map, classified in

the "RE9" zone , shall conform to the following requirements:

3.2.1. Any allowances for lot averaging or a reduction in lot area for Area 5, for parcels zoned RE9, as shown on the Tentative Tract Map 52866, dated May 5, 1999, shall be subject to the standards defined in Section 17.05 H, and be subject to review and determination by the Advisory Agency. Lot averaging shall not provide for the ability to reduce the minimum width dimensions established in Section 3.2.2 below.

3.2.2. Lot width dimensions shall be a minimum of 60 feet for all lots in Area 5. Lot width dimensions for the RE9- zoned parcels facing opposite RE11- zoned parcels in Area 6a and Area 6b may be increased to be consistent with lot widths established for the RE11 zoned parcels, to present a uniform streetscape appearance. The Developed Lots shall be in substantial conformance with dimensions identified on Tentative Tract Map 52866, dated May 5, 1999, subject to review and determination by the Advisory Agency.

3.3 **Valley Circle Boulevard - Plummer Street Scenic Corridor.** Notwithstanding any provision of LAMC to the contrary, every lot within Valley Circle Boulevard - Plummer Street Scenic Corridor (LAMC Section

17.05 T) as shown on the Map Area shall conform to the following requirements:

3.3.1 Building Height. Except as noted in Section 3.3.3.1 below, the height of any building or structure shall not exceed one-story and 26 feet maximum, measured from the highest point of the roof structure or parapet wall to the elevation of the ground surface which is vertically below said point of measurement for Lots 1, 2, 129, 130, 131, 132, 133, 134, and 139, as shown on the Tentative Tract Map 52866, dated May 5, 1999, and identified on Attachment B, Valley Circle Corridor Plan at RE11, dated May 5, 1999 (revised 2/09/2000).

Except as expressly noted above for Lots 1, 2, 129, 130, 131, 132, 133, 134, and 139, for any remaining lot located on the subject property, (including the proposed annexation Areas 5, 6a, and 6b), the height of any permitted building or structure shall not exceed 36 feet elevation above the ground surface which is vertically below said point of measurement.

3.3.2 Viewshed Protection. For all lot areas within the project site (including the proposed annexation Areas 5, 6a, and 6b), any building or structure visible from Valley Circle Boulevard shall

not be constructed within 50 vertical feet of the top of a prominent ridgeline; the location of prominent ridgelines shall be determined by the Advisory Agency.

3.3.3 Setbacks. On Lots 1, 2, 129, 130, 131, 132, 133, 134, and 139, as shown on the Tentative Tract Map 52866, dated May 28, 1999, any building or structure shall be setback a minimum 25 feet from the easternmost lot line abutting Valley Circle Boulevard. The setback widths shall substantially conform to dimensions identified on Exhibit B, Valley Circle Boulevard Improvements, Option 3, dated February 2, 2000, but shall maintain the minimum 25-foot width requirement.

3.3.3.1 Setback Restrictions. Within Area 8, Lots 1, 2, 129-134, and 139 shall be specifically restricted from constructing any vertical structures or improvements within the rear yard area of their respective lot in excess of twelve (12) feet in height, as measured from the surrounding finished lot elevation. All rear yard improvements on the above lots shall be designed in conformance with any future architectural guidelines adopted by the Dayton Canyon Estates Homeowners Association, specifically

as they relate to: massing, location within the rear yard, color palette, and materials. All improvements within the rear yards of the above referenced lots, including landscaping, pools, flatwork, and vertical construction, shall receive the approval of the Homeowner's Association prior to commencement of any installation. The Homeowner's architectural guidelines shall be subject to the review of the Advisory Agency.

3.3.4 Lot Areas. Except as expressly restricted herein and noted under Sections 3.1 and 3.2 above, any allowances for lot averaging or a reduction in lot area or lot width for portions of the property zoned RE11 and RE9 shall be subject to the standards defined in Section 17.05 H, subject to review and determination by the Advisory Agency.

3.3.5 Lighting. Night lighting on private property located on any lot located within 100 feet of the proposed future Valley Circle Boulevard right-of-way, as shown on the Tentative Tract Map 52866, dated May 5, 1999, shall be permitted, provided it is low-height, low illumination safety lighting of a color similar to

incandescent light which is shielded and directed onto the property.

3.3.6 Fences, Gates, and Walls. All fences, gates and walls visible from Valley Circle Boulevard shall be constructed of the following materials: rough-cut, unfinished wood; native-type stone; split-face concrete bloc; textured plaster surface walls; black or dark green chain link; wrought-iron in combination with small-gauge tubular steel posts (tubing posts not to exceed 1½" square in dimension); or a combination thereof.

3.3.7 Public Right-of-Way Landscaping and Maintenance. Landscaping shall be installed by the Developer for the portion of the public right-of-way adjacent to Valley Circle Boulevard extending from Roscoe Boulevard to a point approximately 1,100 feet north thereof, substantially in conformance with Exhibit D, Valley Circle Boulevard Street Widening Plan, Option 3, dated February 2, 2000, and consistent with the provisions of Section 5.1, below. Landscape plans for the subject right-of-way shall be prepared by a licensed landscape architect, subject to review and approval by the Advisory Agency, prior to recordation of Tract 52866. In the event that such plans are

not completed prior to the recordation of the Final Map, the developer shall record a covenant and agreement satisfactory to the City Planning Department to submit such a plan to the City Planning Department for approval prior to obtaining any building or grading permits. The landscape plans shall consider use of native, naturalized, and/or drought-tolerant tree species including, but not limited to, the following: Quercus agrifolia, Quercus chrysolepis, Quercus lobata, Platanus racemosa, Alnus rhombifolia, Geijera parviflora, Rhus lancea, and Schinus molle.

The subject public right-of-way shall be maintained by the Developer or Homeowner's Association, subject to conditions as defined by the Advisory Agency, to be established in the covenants and agreements for the recorded Tract 52866.

3.3.8 Roofs. All roofs visible from Valley Circle Boulevard shall be surfaced with non-glare materials and no equipment shall be placed thereon. This provision shall not apply to solar energy devices. Roof design shall emphasize shed roof orientation versus gable roof orientation for building elevations adjacent to and facing Valley Circle Boulevard.

3.3.9 Drain pipes. Drain pipes, if not installed underground and/or visible from Valley Circle Boulevard shall be black or earth tone brown.

3.3.10 Utilities. The Advisory Agency, where feasible, shall require that all utilities installed in connection with the development of the new subdivision be placed underground.

4.0 DEVELOPMENT STANDARDS - GENERAL PROVISIONS

4.1 **Residential Dedications and Improvements.** Development of the project shall be conditioned on implementing the public and infrastructure improvements as specified under the recorded Tract Map for the Tract 52866. The project design shall include a functional requirement for a trailhead to be located on the project site, subject to the determination of the Advisory Agency.

4.2 **Building Heights.** No building or structure shall exceed a maximum 36 feet in height, except for those areas within the Valley Circle Boulevard - Plummer Street Scenic Corridor expressly restricted to a maximum 26 feet in height as defined in Section 3.3.1 above.

4.3 **Density.** Development of the Property shall not exceed a total 147

dwelling units.

4.3.1 **Splits or Resubdivision of Lots.** In the event of a split or resubdivison of any Lot, the Allocation made to such Lot shall be further allocated by Developer among the Lots thus created. Developer shall record a memorandum of such Allocation at the time of the resubdivision. Each of the lots created as result of the lot split or resubdivision shall be subject to and bound by all of the provision of this Section 4.3.

4.4 **Oak Tree Preservation.** Any portion of the project area, including any area annexed from the County of Los Angeles, shall provide Oak Tree reports, grading, and landscaping plans and conduct construction activities in conformance with the City's Oak Tree Preservation Ordinance (LAMC, Section 17.05 R) and Oak Tree Reports Ordinance (Section 17.06 C).

4.5 **Signs.** The following provisions shall apply to the subject project:

4.5.1 Signs required by law, or other public utility signs which are customarily utilized in the performance of the utility's function shall be permitted. Such signs shall be removed within 15 days following completion of the utility's function.

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4.5.2 One freestanding, construction sign shall be permitted on a lot where a building or structure is being erected or remodeled which identifies the owner, architects, engineers, lawyers, financing agent and/or contractors involved in the project; provided that such sign shall not extend more than ten feet above ground level, nor exceed 40 square feet in area. Such sign shall be removed within 15 days following completion of the construction or remodeling project.

4.5.3 Freestanding real estate signs shall be permitted which indicate that the building, land or portion thereof are for sale, lease or rent; provided that the freestanding signs are located on the property to which they relate and do not exceed 15 square feet in area and ten feet in height. Such signs shall be removed within 15 days from the date the building and/or portion thereof is no longer for sale, lease or rent.

4.5.4 Model Dwellings. Not more than one sign shall be placed on each designated model dwelling. Said sign shall not exceed 12 square feet in area and shall be used only for identification or directional purposes. Prohibited are banners, posters, pennants, ribbons, streamers, string of light bulbs, balloons or

any other inflatable object, spinners, or other similar moving devices.

4.5.5 Traffic direction or parking information signs shall be permitted, provided that such signs do not exceed 15 square feet in area and ten feet in height.

4.5.6 Temporary flags, banner signs, pennants and balloons for non-community related events or commercial messages shall be expressly forbidden.

4.6 Parking.

4.6.1. Parking shall be required at a minimum two (2) covered off-street spaces per dwelling unit. Provision for additional off-street parking and guest parking in driveways shall be made at one (1) guest space per every (2) dwelling units.

4.6.2 Construction Vehicles. All construction vehicles shall park on-site rather than on surrounding streets upon completion of on-site grading sufficient to accommodate vehicles.

5.0 TRAFFIC CIRCULATION

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February 24, 1999

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5.1 In order to assure orderly development of the Property and to increase the efficiency of area streets to move automobiles and to require other traffic management programs to mitigate the impact of the Project consistent with and in full satisfaction of City ordinances, the following traffic mitigation measures shall be required as part of the conditions imposed by the responsible agencies:

5.1.1 Valley Circle Boulevard. Valley Circle Boulevard shall be dedicated and widened on the west side to Modified Major Highway standards, or as amended by the Department of Transportation in concurrence with the Department of City Planning, along the entire project frontage which extends from Roscoe Boulevard to a point approximately 1,100 feet north thereof, substantially in conformance with Exhibit D, Valley Circle Boulevard Street Widening Plan, Option 3, dated February 2, 2000. The proposed dedication and widening and related improvements shall be consistent with the intent of the Valley Circle Boulevard - Plummer Street Scenic Corridor plan (LAMC Section 17.05 T), subject to review by the Department of Transportation and the Bureau of Engineering, in consultation with the Advisory Agency. Traffic signal equipment, roadway striping, street lights, utility poles, trees, curbs and gutters, etc, shall be relocated and modified as required.

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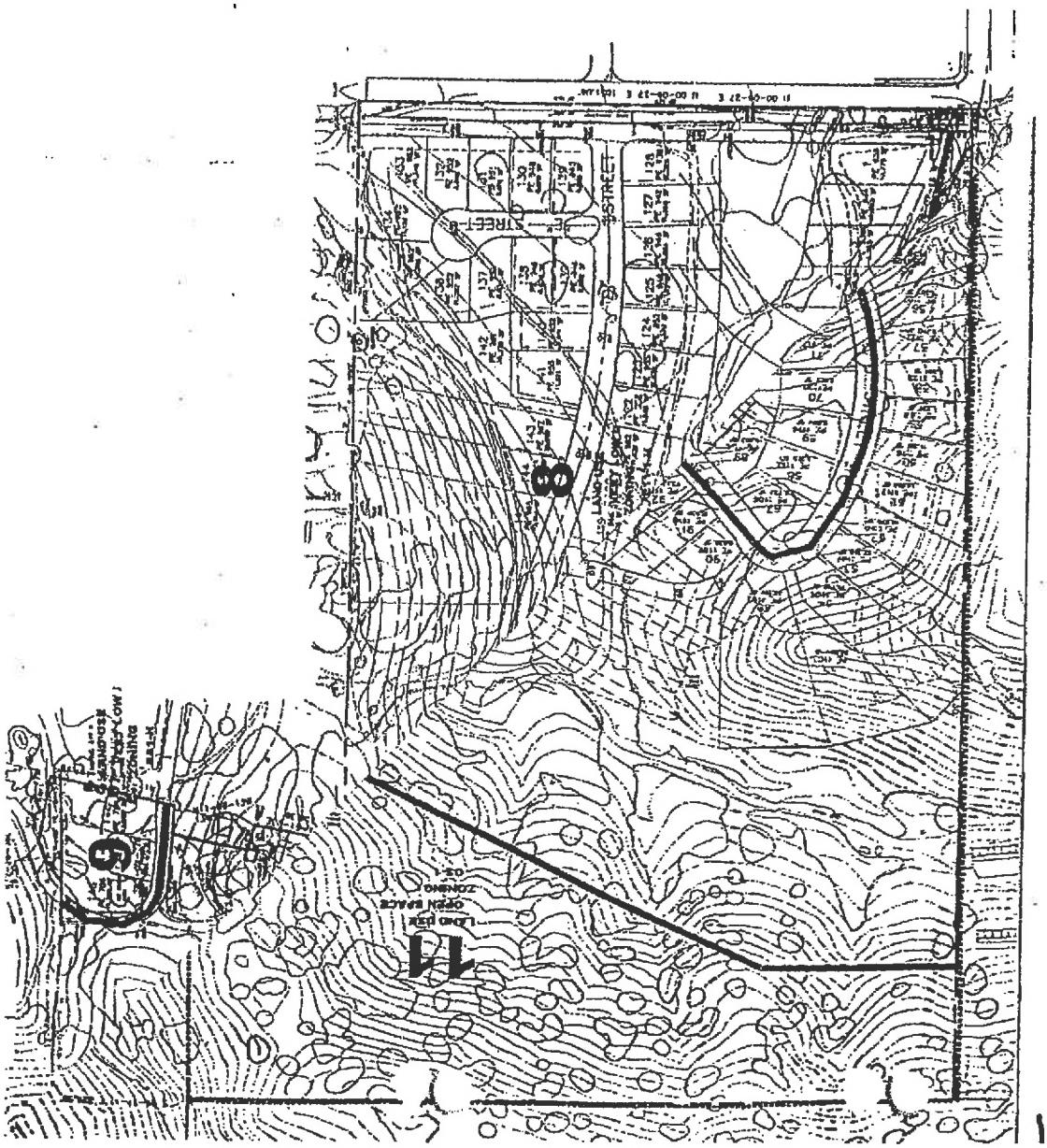
5.1.2 Roscoe Boulevard. Roscoe Boulevard west of Valley Circle Boulevard shall be dedicated, widened and realigned as necessary to provide safe and efficient access, to the satisfaction of the Department of Transportation and the Bureau of Engineering. Traffic signal equipment, roadway striping, street lights, utility poles, trees, curbs and gutters, etc, shall be relocated and modified as required.

6.0 AMENDMENTS

Amendments to these Development Standards shall be made in accordance with Section 6(h) of the Development Agreement, provided that with such deletions or modifications, the Project shall still mitigate project-related visual/aesthetic impacts for the entire site, and visual/aesthetic impacts specifically related to the Valley Circle Boulevard - Plummer Street Scenic Corridor to a less than significant level.

Attachments:

Attachment A: Draft Memorandum of Understanding (Jensen Dr. driveway access)



ATTACHMENT A.5

LEAD SHEET

01 1130169

RECORDED/FILED IN OFFICIAL RECORDS
RECORDER'S OFFICE
LOS ANGELES COUNTY
CALIFORNIA
3:21 PM JUN 29 2001

SPACE ABOVE THIS LINE FOR RECORDERS USE

TITLE(S)

FEE

D.T.T.

FREE V
13

CODE
20

CODE
19

CODE
9___

Assessor's Identification Number (AIN)
To Be Completed By Examiner OR Title Company In Black Ink

Number of Parcels Shown

THIS FORM IS NOT TO BE DUPLICATED

RECORDING REQUESTED BY AND MAI
NAME SUN CAL COMPANIES
STREET 21601 DEVONSHIRE ST
CITY CHATSWORTH, CA 91311

01-1130169

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DEVELOPMENT AGREEMENT

by and between

THE CITY OF LOS ANGELES

and

SUNCAL COMPANIES, INC.

DEVELOPMENT AGREEMENT

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DEVELOPMENT AGREEMENT

This Development Agreement ("**Agreement**") is executed this _____ day of, 2000 by and between the CITY OF LOS ANGELES, a municipal corporation ("**City**"), and SUNCAL COMPANIES, INC., a California corporation ("**Developer**"), (the City and the Developer may be referred to herein as the "**Parties**") pursuant to California Government Code Section 65864 et seq., and the implementing procedures of the City, with respect to the following:

AGREEMENT

The Parties agree as follows:

1. DEFINITIONS

For all purposes of this Agreement, except as otherwise expressly provided or unless the context requires:

1.1 "Applicable Rules"

means the rules, regulations, ordinances and officially adopted policies of the City in force as of the Effective Date of this Agreement which are generally applicable to all or some properties within the City. Notwithstanding the language of this Section or any other language in this Agreement, (1) all specifications standards and policies regarding the design and construction of public works facilities shall be those that are in effect at the time the project plans for such public works facilities are being processed for approval and/or under construction and (2) Developer shall not be exempt from payment of affordable housing mitigation fees, if any, imposed pursuant to Ordinance No. 165,530 (see Los Angeles Municipal Code Section

91.0304(k)) or imposed pursuant to any subsequently enacted ordinance (provided, however, that Developer shall not be responsible for the same housing mitigation fee more than once). Furthermore, the Applicable Rules shall include the City-wide programs which shall be enacted after the Effective Date of this Agreement, for (1) storm water pollution abatement mandated by the Federal Water Pollution Control act of 1972, and subsequent amendments thereto, and (2) traffic congestion management mandated by the Congestion Management Program, California Government Code Section 65088, et seq., or any successor statute.

1.2 "CEQA"

means the California Environmental Quality Act (Public Resources Sections 21000 et seq.) and the State CEQA Guidelines (Cal. Code of Regs., Title 14, Sections 15000 et seq.).

1.3 "Developer"

means, at any given point in time, the person or persons having any legal or equitable interest in any part of the Property other than the following interests: liens for taxes or assessments; mechanic's liens; rights of way, easements or other interests that cannot ripen into a fee; and bare legal title, such as that created by a trustee, held as security for an obligation. A person having the requisite interest in only a part of the Property is a Developer only with respect to that part and only for so long as that person retains the requisite interest.

1.4 "Development Agreement Act"

means Sections 65864 through 65869.5 of the Government Code.

1.5 "Discretionary Action(s)"

means a legislative, quasi-judicial or executive action which requires the exercise

of judgment, deliberation or a decision on the part of the City including any board, commission or department and any officer or employee thereof, in the process of approving or disapproving a particular activity, as distinguished from an activity which merely requires the City, including any board, commission or department and any officer or employee thereof, to determine whether there has been compliance with statutes, ordinances or regulations.

1.6 **"Effective Date"**

is the date on which this Agreement is attested by the Clerk of the City of Los Angeles after execution by Developer and the Director of Planning of the City of Los Angeles pursuant to Section 6.1.

1.7 **"Fees"**

means Impact Fees, Processing Fees and any other fees or charges imposed or collected by the City.

1.8 **"General Plan"**

means the General Plan of the City.

1.9 **"Impact Fees"**

means those linkage fees, monetary exactions, fees imposed by ordinance, rule or regulation which are designed to fund physical improvements to mitigate and/or affect environmental, social, and/or economic impacts of this development, assessments or fair-share charges or other similar fees or charges imposed on and in connection with new development by the City pursuant to rules, regulations, ordinances and policies of the City. Impact Fees do not include (I) Processing Fees or (ii) other City-wide fees or charges of general applicability, provided that such City-wide fees or charges are not imposed on impacts of new development.

1.10 "Ministerial Permits and Approvals"

means those permits and approvals not included in section 1.5 herein entitled Discretionary Actions, but shall include, but not be limited to, the plans, inspections, certificates, documents, licenses, and all other actions required to be taken by the City in order for Developer to implement, develop and construct the Project and the Mitigation Measures, including without limitation, building permits, public works permits, grading permits, and other similar permits and approvals which are required by the Los Angeles City Code and project plans and other actions required by the Project Approvals to implement the Project and the Mitigation Measures.

1.11 "Processing Fees"

means all fees required by the City or any City Agency, including, but not limited to, fees for land use applications, project permits, building applications, building permits, grading permits, tract or parcel maps, lot line adjustments, air right lots, street vacations and certificates of occupancy which are necessary to accomplish the intent and purpose of this Agreement. Expressly exempted from Processing Fees are all Impact Fees which may be imposed by the City on development projects pursuant to laws enacted after the Effective Date of this Agreement, except as specifically provided for in this Agreement. The amount of the Processing Fees to be applied in connection with the development of the project shall be the amount which is in effect on a City-wide basis at the time an application for the City action is made. Notwithstanding the language of this Section or any other language in this Agreement, Developer shall not be exempt from the payment of affordable housing mitigation fees, if any, imposed pursuant to Ordinance No. 165,530 (see Los Angeles Municipal Code Section 91.0304(k)) or imposed by any subsequently enacted ordinance (provided, however, that Developer shall not be responsible for

the same housing mitigation fee more than once, or any portion of the same housing mitigation fee more than once), for the same development which is the subject matter of this Development Agreement), or from the payment of fees, if any, imposed on a City-wide basis as part of the City's program for storm water pollution abatement mandated by the Federal Water Pollution Control Act of 1972 and subsequent amendments thereto, or from the payment of fees, if any, imposed as a result of the City's program for compliance with the Congestion Management Program mandated by California Government Code Section 65088, et seq., or any successor statute.

1.12 "Project"

means the Property, and the proposed development of the Property as described in Section 3.1.2 below.

1.13 "Project Approvals"

means those City approvals, including, but not limited to, the certification of the Final Environmental Impact Report (FEIR), approval of tentative map No. 52866, the Development Standards adopted as part of this Agreement, the amendment of the General Plan, certain zoning changes, and the annexation of a portion of the Property to the City, all as adopted by the City and as amended on or before the Effective Date. The Project Approvals are listed in Exhibit "A" attached hereto; in addition, a copy of the Development Standards are attached as Exhibit C to this Agreement. The Development Standards attached as Exhibit C are those referenced in Tract No. 52866, condition No. 3, e.

1.14 "Property"

means the real property located within the boundaries of the City which is more particularly described in Exhibit "B" attached hereto.

1.15 "Reserved Powers"

means the rights and authority excepted from this Agreement's restrictions on the City's police powers and which are instead reserved to the City. The Reserved Powers include the powers to enact regulations or take future Discretionary Actions after the Effective Date of this Agreement that may be in conflict with the Applicable Rules and the Project Approvals, but: (I) are necessary to protect the public health and safety, and are generally applicable on a City-wide basis (except in the event of natural disasters as found by the Mayor or City Council such as floods, earthquakes and similar acts of God); (ii) are amendments to Chapter IX of the Los Angeles.

2. RECITALS OF PREMISES, PURPOSE AND INTENT

Municipal Code Section 91.0101 et seq. (Building Code) or Chapter V of the Los Angeles Municipal Code Section 57.01.01 et seq. (Fire Code) regarding the construction, engineering and design standards for private and public improvements to be constructed on the Property; (iii) are necessary to comply with state or federal laws and regulations (whether enacted previous or subsequent to the Effective Date of this Agreement) as provided in Section 3.2.3; or (iv) constitute Processing Fees and charges imposed or required by the City to cover its actual costs in processing applications, permit requests and approvals of the Project or in monitoring

compliance with permits issued or approvals granted for the performance of any conditions imposed on the Project.

2.1 State Enabling Statute

To strengthen the public planning process, encourage . private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California adopted the Development Agreement Act which authorizes any city to enter into binding development agreements establishing certain development rights in real property with persons having legal or equitable interests in such property. Section 65864 of the Development Agreement Act expressly provides as follows: The Legislature finds and declares that:

> "(a) The lack of certainty in the approval of development projects can result in a waste of resources, escalate the cost of housing and other development to the consumer, and discourage investment in and commitment to comprehensive planning which would make maximum efficient utilization of resources at the least economic cost to the public.
>
> "(b) Assurance to the applicant for a development project that upon approval of the project, the applicant may proceed with the project in accordance with existing policies, rules and regulations, and subject to conditions of approval, will strengthen the public planning process, encourage private participation in comprehensive planning, and reduce the economic cost of development."

Notwithstanding the foregoing, to ensure that the City remains responsive and accountable to its residents while pursuing the benefits of development agreements contemplated by the Legislature, the City: (1) accepts restraints on its police powers contained in development agreements only to the extent and for the duration required to achieve the mutual objectives of the City and Developer; and (2) to offset such restraints, seeks public benefits which go beyond those obtained by traditional City controls and conditions imposed on development project applications.

2.2 City Procedures and Actions

The City Council on _____, after conducting a duly-noticed public hearing, (a) adopted zone change Ordinance No. _____ (CPC File No. 99-0206 ZC/GPA/AN; CF 00-0945,), to become effective on the later to occur of the date the annexation of the property which is the subject of that zone change becomes final (LAFCO No. 98-1) or the thirty-first day after publication, approving this Agreement, (b) adopted the Resolution approving plan amendments (CPC File No. 99-0206/ZC/GPA/AN; CF 00-0945), (c) found that the Development Agreement provisions are consistent with the City's General Plan and Plans, (d) authorized the execution of this Agreement upon the finalization of the annexation proceedings of the property which is the subject of the zone change ordinance (LAFCO No. 98-1), and (d) certified the EIR in compliance with the requirements of the California Environmental Quality Act with respect to the City's execution of the Agreement.

2.3 Purpose of this Agreement

2.3.1 Developer's Objectives

In accordance with the legislative findings set forth in the Development Agreement Act, and with full recognition of the City's policy of judicious restraints on its police powers, Developer wishes to obtain reasonable assurances that the Project may be developed in accordance with the Applicable Rules and Project Approvals and with the terms of this Agreement and subject to the City's Reserved Powers. In the absence of this Agreement, Developer would have no assurance that it can complete the Project for the uses and to the density and intensity of development set forth in this Agreement and the Project Approvals. This Agreement, therefore, is necessary to assure Developer that the Project will not be (1) reduced in density, intensity or use, (2) subjected to new rules, regulations, ordinances or official policies or plans which are not related to compliance with state or federal mandates or health and safety conditions, except as permitted herein, or (3) subject to delays for reasons other than City-wide health and safety enactments related to critical situations such as, but not limited to, the lack of water availability or sewer or landfill capacity.

2.3.2 Mutual Objectives

Development of the Project in accordance with this Development Agreement will provide for the orderly development of the Property in accordance with the objectives of the General Plan. Moreover, a development agreement for the Project will eliminate uncertainty in planning for and securing orderly development of the Property, assure installation of necessary improvements, assure attainment of maximum efficient resource utilization within the City at the least economic cost to its citizens and otherwise achieve the goals and purposes for which the

Development Agreement Act was enacted. The Parties believe that such orderly development of the Project will provide many Public Benefits, as described in Section 2.3.3, to the City through the imposition of predictable and consistent development standards and requirements under the provisions and conditions of this Agreement. Additionally, although development of the Project in accordance with this Agreement may restrain the City's future land use or other relevant police powers, this Agreement provides the City with sufficient reserved powers during the term hereof to remain responsible and accountable to its residents. In exchange for these and other benefits to City, Developer will receive assurance that the Project may be developed during the term of this Agreement in accordance with the Applicable Rules, the Project Approvals and the Reserved Powers, subject to the terms and conditions of this Agreement.

2.3.3 Public Benefits

The Project will provide local and regional Public Benefits to the City, including without limitation: The Project will provide for the development of 147 single-family dwelling units in accordance with the General Plan. The Project will result in the preservation of more than a minimum 260 acres of open space through the dedication of such acreage to a conservancy agency. The Project will preserve and enhance recreational features through the improvement of certain equestrian and hiking trails within the Property. The Project will generate increased tax revenues for the City resulting in fiscal benefits to the City. The Project will include streetscape and landscape improvements to further enhance the Property and the surrounding community. The Project will implement additional improvements to ensure mitigation of environmental impacts in accordance with the General Plan.

2.4 Applicability of the Agreement

This Agreement does not: (I) grant density or intensity in excess of that otherwise established in the Applicable Rules; (ii) eliminate future Discretionary Actions relating to the Project if applications requiring such Discretionary Actions are initiated and submitted by the Developer after the Effective Date of this Agreement; (iii) guarantee that Developer will receive any profits from the Project; (iv) prohibit the Project's participation in any benefit assessment district that is generally applicable to surrounding properties; or (v) amend the City's General Plan from that otherwise established in the Project Approvals. This Agreement has a fixed term. Furthermore, in certain subsequent actions applicable to the Property, the City may apply such new rules, regulations and official policies as are contained in its Reserved Powers.

3. AGREEMENT AND ASSURANCES

3.1 Agreement and Assurance on the Part of Developer

In consideration for the City entering into this Agreement, and as an inducement for the City to obligate itself to carry out the covenants and conditions set forth in this Agreement, and in order to effectuate the premises, purposes and intentions set forth in Section 2 of this Agreement, Developer hereby agrees as follows:

3.1.1 Project Development

3.1.1.1 General

Developer agrees that it will use its best efforts, in accordance with its own business judgment and taking into account market conditions and its own economic considerations, to undertake any development of the Project in accordance with the terms and

conditions of this Agreement. Notwithstanding anything to the contrary contained in this Agreement, provided that Developer makes the good faith business decision not to proceed with the Project or any component thereof, (a) Developer shall not be required to commence or complete any construction, and (b) Developer may develop the Property or any of the Parcels with a development of the same or a less intensive uses, or of the same or less height or density as the Project, provided that such development otherwise complies with the Applicable Rules, the Project Approvals and this Agreement.

3.1.1.2 Bond

Prior to the issuance of a Grading Permit, the applicant shall post a bond, in an amount satisfactory to the Department of Building and Safety to ensure that, in the event grading for and construction of the project should commence but not be completed within five (5) years from the issuance of a valid Grading Permit, those undeveloped portions of the property (as defined below) can be restored to the greatest extent reasonably feasible to pre-project construction conditions. The bond shall be obtained from a company qualified to do business in the State of California and with a rating of AAA. This section shall apply only to those undeveloped portions of the Project that, in the determination of the Director of Planning, (a) are not necessary for the future implementation of public improvements required to service the developed portions of the Project; (b) are not necessary for the full completion or maintenance of completed public improvements for the developed portions of the Project; (c) are not necessary for implementation of required future public improvements or maintenance of fully completed public improvements for off-site protection; or (d) have not been improved with completed private improvements that would make such restoration impractical or not feasible, including, but

not limited to residential construction, landscaping, driveways, and other improvements permitted by Tract Map 52866.

3.1.1.3 Activation of Bond

Notwithstanding section 3.1.1.1 above, in the event Developer fails to complete the public improvements described herein, including but not limited to, grading or other infrastructure which is the subject matter of a bond, after five (5) years of the posting of said bond the City reserves the right to demand performance or payment from the surety under the terms of the bond.

3.1.2 Description of the Project

The Project consists of a residential development planned for a maximum of 147 single family detached dwelling units. The total property under the Developer's ownership is 359.4 acres. The portion of the property to be graded and reconfigured is approximately 64.2 acres, within a project area in City territory of 145 acres. The remainder of the Developer's acreage, a minimum 260 acres, will remain in unincorporated territory as permanent open space with title held by a conservancy agency. The project includes: the construction of a maximum of 147 single family residences; the construction of an internal circulation system; installation of utilities and site drainage improvements; relocation, realignment and improvement of existing equestrian and hiking trails, and including all Discretionary Approvals as more fully described in the Approvals. The Project is the development that is described in and permitted by the Project Approvals listed in Section 1.13 of this Agreement.

3.1.3 Timing of Development

The parties acknowledge that Developer cannot at this time predict when or at

what rate the Property would be developed. Such decisions depend upon numerous factors which are not all within the control of Developer, such as market orientation and demand, interest rates and competition. Because the California Supreme Court held in Pardee Construction Co. v. City of Camarillo, 37 Cal.3d 465 (1984), that the failure of the parties therein to provide for the timing of development permitted a later adopted initiative restricting the timing of development and controlling the Parties' agreement, it is the intent of Developer and the City to hereby acknowledge and provide for the right of Developer to develop the Project in such order and at such rate and times as Developer deems appropriate within the exercise of its sole and subjective business judgment. The City acknowledges that such a right is consistent with the intent, purpose and understanding of the Parties to this Agreement. Developer will use its best efforts, in accordance with its own business judgment and taking into consideration market conditions and other economic factors influencing its business decision, to commence or to continue development, and to develop the Project in accordance with the provisions and conditions of this Agreement and with the Applicable Rules.

3.2 Agreement and Assurances on the Part of the City

In consideration for Developer entering into this Agreement, and as an inducement for Developer to obligate itself to carry out the covenants and conditions set forth in this Agreement, and in order to effectuate the premises, purposes and intentions set forth in Section 2 of this Agreement, the City hereby agrees as follows:

3.2.1 Entitlement to Develop

Developer has the vested right to develop the Project subject to the terms and

conditions of this Agreement, the Applicable Rules, the Project Approvals and the Reserved Powers.

3.2.2 Consistency with Applicable Rules

Based upon all information made available to the City up to or concurrently with the execution of this Agreement, the City finds and certifies that no Applicable Rules prohibit or prevent the full completion and occupancy of the Project in accordance with the uses, intensities, densities, designs and heights, permitted demolition, and other development entitlements incorporated and agreed to herein and in the Project Approvals. Without limiting the generality of the foregoing, the City further finds and certifies that upon execution of this Agreement, development of this Project will be exempt from Ordinance No. 165,951 (as amended) contained in Los Angeles Municipal Code § 16, Chapter 1, Article 6.1 (the "Site Plan Review Ordinance") because during preparation of the EIR for this Project, the City considered significant aspects of the Project's relation to its site, surrounding property, traffic circulation, sewers and other infrastructures, and its general environmental setting (as required by the Site Plan Review Ordinance.)

3.2.3 Changes Mandated by Federal or State Law

This Agreement shall not preclude the application to the Project of changes in, or additions to, the Applicable Rules, including rules, regulations, ordinances and official policies, to the extent that such changes or additions are mandated to be applied to developments such as this Project by state or federal regulations, pursuant to the Reserved Powers. In the event state or federal laws or regulations prevent or preclude compliance with one or more provisions of this

Agreement, such provisions shall be modified or suspended as may be necessary to comply with such state or federal laws or regulations.

3.2.4 Subsequent Development Review

The City shall not require Developer to obtain any approvals or permits for the development of the Project in accordance with this Agreement other than those permits or approvals which are required by the Applicable Rules, the Reserved Powers or the Project Approvals. However, any subsequent Discretionary Action initiated by Developer which substantially changes the uses, intensity, density, building height or phasing of the Project, or decrease the lot area, setbacks, yards, parking, or other entitlements permitted on the Property, shall be subject to the rules, regulations, ordinances and official policies of the City then in effect. The Parties agree and acknowledge that the FEIR analyzes all reasonably foreseeable environmental consequences of the Project. The Parties agree that this Agreement does not modify, alter or change the City's obligations pursuant to CEQA and acknowledge that future Discretionary Actions may require additional environmental review pursuant to CEQA. In the event that additional environmental review is required by CEQA, the City agrees to utilize tiered environmental documents to the fullest extent permitted by law, as provided in Public Resources Code Sections 21093 and 21094.

3.2.5 Effective Development Standards

The City agrees that it is bound to permit the uses, intensities of use and densities on this Property which are permitted by this Agreement and the Project Approvals, including the Development Standards referenced in Section 1.13 and attached as Exhibit C to this Agreement. The Development Standards referenced in Condition No. 3, e of Tentative Tract Map 52866 are

those attached to this Agreement as Exhibit C. The City agrees that it is so bound, only insofar as this Agreement and the Project Approvals so provide or as otherwise set forth in the Applicable Rules or the Reserved Powers. The City hereby agrees that it will not unreasonably withhold or unreasonably condition any Discretionary Action which must be issued by the City in order for the Project to proceed, provided that Developer reasonably and satisfactorily complies with all City-wide standard procedures for processing applications for Discretionary Action. City shall cooperate with Developer for the purpose of coordinating all public improvements constructed under the Project Approvals with existing or newly constructed public improvements, whether located within or outside of the Property.

3.2.6 Interim Use

The City agrees that Developer may use the Property during the term of this Agreement for any use which is otherwise permitted by the applicable zoning regulations and the General Plan is effect at the time of the interim use.

3.2.7 Moratoria or Interim Control Ordinances

In the event an ordinance, resolution or other measure is enacted, whether by action of the City, by initiative, or otherwise, which relates directly or indirectly to the Project or to the rate, amount, timing, sequencing, or phasing of the development or construction of the Project on all or any part of the Property or the implementation of the mitigation measures adopted in connection with approval of the Project, City agrees that such ordinance, resolution or other measure shall not apply to the Property or this Agreement, unless such changes: (1) are found by the City to be necessary to the health and safety of the residents of the City, and (2) are

generally applicable on a City-wide basis (except in the event of natural disasters as found by the Mayor or the City Council such as floods, earthquakes and similar acts of God).

3.2.8 Infrastructure Financing

If Developer undertakes infrastructure financing, or the formation of assessment districts, community facilities districts, tax-exempt financing mechanisms, or other funding mechanisms related to traffic, sewer, water or other infrastructure improvements (including, without limitation, design, acquisition and construction costs) within the property, the City will cooperate fully in such endeavors to the greatest extent possible and will process any related applications as expeditiously as possible. To the extent any assessment district is formed in order to finance public improvements, facilities or services, Developer will be reimbursed by such assessment district to the extent that Developer spends funds or dedicates land for the establishment of public improvements, facilities or services funded by such assessment district.

3.2.9 Impact Fees

Impact Fees imposed by the City with respect to the Project shall be only those Impact Fees in force and effect as of the Effective Date. Impact Fees imposed by the City on the Project may not be increased in amount, except to the extent that any Impact Fee is adjusted during the Term, pursuant to its terms in place as of the Effective Date by a specified price index. The installation of improvements identified in the Mitigation Measures or the Conditions of Approval implemented in connection with the Project shall be accepted by the City in lieu of otherwise applicable Impact Fees. This Agreement shall not limit any impact fees, linkage fees, exaction, assessments or fair-share charges or other similar fees or charges imposed by other governmental entities and which the City is required to collect or assess pursuant to applicable

law (e.g., school district impact fees pursuant to Government Code Section 65995). Other than the fees set forth in this Section and in Section 3.2.10, Developer shall be protected against the implementation of new fees or charges on the Project.

3.2.10 Processing Fees

Developer shall pay all Processing Fees for Ministerial Permits and Approvals. Processing Fees shall be limited to Processing Fees in effect at the time the application for such Ministerial Permit or Approval is submitted.

4. PERIODIC REVIEW

Developer shall pay all Processing Fees for Ministerial Permits and Approvals. Processing Fees shall be limited to Processing Fees in effect at the time the application for such Ministerial Permit or Approval is submitted.

4.1 Annual Review

During the Term of this Agreement, the City shall review annually Developer's good faith compliance with this Agreement. Such periodic review shall be limited in scope to good faith compliance with the provisions of this Agreement as provided in the Development Agreement Act and Developer shall have the burden of demonstrating such good faith compliance.

4.2 Pre-Determination Procedure

Developer's submission of compliance with this Agreement, in a form which the Director of Planning may reasonably establish, shall be made in writing and transmitted to the Director of Planning not later than sixty (60) days prior to the yearly anniversary of the Effective

Date. The public shall be afforded an opportunity to submit written comments regarding compliance to the Director of Planning at least sixty (60) days prior to the yearly anniversary of the Effective Date. All such public comments shall, upon receipt by the City, be made available to Developer.

4.3 Director's Determination

Within thirty days of receipt of the annual report, as provided in Section 4.2, the Director of Planning shall make a preliminary determination ("Preliminary Determination") regarding whether or not Developer has complied in good faith with the provisions and conditions of this Agreement. This Preliminary Determination shall be made in writing with reasonable specificity, and a copy of the Preliminary Determination shall be provided to Developer in the manner prescribed in Section 6.15 below. Copies of the determination shall also be available to members of the public.

4.4 Appeal By Developer

In the event the Director of Planning makes a Preliminary Determination of non-compliance, Developer shall be entitled to appeal that determination to the Planning Commission within 20 days of receipt of the Preliminary Determination. After a public hearing on the appeal, the Planning Commission shall make written findings and determinations, on the basis of substantial evidence, whether or not Developer has complied in good faith with the provisions and conditions of this Agreement. Nothing in this Section or this Agreement shall be construed as modifying or abrogating Los Angeles City Charter Section 245 (City Council review of Commission and Board actions).

4.5 Period To Cure Non-Compliance

If, as a result of this Annual Review procedure, it is found and determined by the Planning Director or the Planning Commission, on appeal, that Developer has not complied in good faith with the material provisions and conditions of this Agreement, Developer shall have the right to appeal such finding and determination to the City Council. The City, after the City Council's denial of such appeal, or where no appeal is taken, after the expiration of the appeal period described in Section 6.3, shall submit to Developer a written notice of default in the manner prescribed in Section 6.15, stating with specificity those obligations of Developer which have not been performed. Upon receipt of the notice of default, Developer shall promptly commence to cure the identified default(s) at the earliest reasonable time after receipt of the notice of default and shall complete the cure of such default(s) not later than sixty (60) days after receipt of the notice of default, or such longer period as is reasonably necessary to remedy such default(s), provided that Developer shall continuously and diligently pursue such remedy at all times until such default(s) is cured.

4.6 Failure To Cure Non-Compliance Procedure

If the Director of Planning finds and determines that Developer, or its successors, transferees, and/or assignees, as the case may be, has not cured a default pursuant to this Section, and that the City intends to terminate or modify this Agreement or those transferred or assigned rights and obligations, as the case may be, the Director of Planning shall make a report to the Planning Commission. The Director of Planning shall then set a date for a public hearing before the Planning Commission in accordance with the notice and hearing requirements of Government Code Section 65867 and 65868. If after such public hearing, the Planning Commission finds and

determines, on the basis of substantial evidence, that Developer or its successors, transferees, and/or assignees, as the case may be, has not cured a default pursuant to this Section, and that the City shall terminate or modify this Agreement, or those transferred or assigned rights and obligations, as the case may be, the finding and determination shall be appealable to the City Council in accordance with Section 6.3. In the event of a finding and determination of compliance, there shall be no appeal by any person or entity. Nothing in this Section or this Agreement shall be construed as modifying or abrogating Los Angeles City Charter Section 245 (City Council review of Commission and Board actions.)

4.7 City Remedies

The City may terminate or modify this Agreement, or those transferred or assigned rights and obligations, as the case may be, after the final determination of the City Council as set forth in Section 4.6, or, where no appeal is taken, after the expiration of the appeal periods described in Section 6.3. There shall be no modification of this Agreement unless the City Council acts pursuant to Government Code Sections 65867.5 and 65868, irrespective of whether an appeal is taken as provided in Section 6.3.

4.8 Reimbursement Of Costs

Developer shall reimburse the City for its actual costs, reasonably and necessarily incurred, to accomplish the required annual review.

5. DEFAULT PROVISIONS

5.1 Default By Developer

5.1.1 Default

In the event Developer does not perform its obligations under this Agreement, in a timely manner, the City shall have all rights and remedies provided by this Agreement, provided that the City has first given notice as provided in Section 4.5 hereof, and provided further that Developer may appeal such declaration in the manner provided in, and subject to all terms and provisions of, Sections 4.6 and 4.7.

5.1.2 Notice of Default

The City through the Director of Planning shall submit to Developer by registered or certified mail, return receipt requested, a written notice of default in the manner prescribed in Section 6.15, identifying with specificity those obligations of Developer which have not been performed. Upon receipt of the notice of default, Developer shall promptly commence to cure the identified default(s) at the earliest reasonable time after receipt of the notice of default and shall complete the cure of such default(s) not later than sixty (60) days after receipt of the notice of default, or such longer period as is reasonably necessary to remedy such default(s), provided that Developer shall continuously and diligently pursue such remedy at all times until such default(s) is cured.

5.1.3 Failure to Cure Default Procedure

If after the cure period has elapsed, the Director of Planning fiends and determines that Developer, or its successors, transferees and/or assignees, as the case may be, remains in default and that the City intends to terminate or modify this Agreement, or those transferred or

assigned rights and obligations, as the case may be, the Director shall make a report to the Planning Commission and then set a public hearing before the Commission in accordance with the notice and hearing requirements of Government Code Sections 65867 and 65868. If after public hearing, the Planning Commission finds and determines, on the basis of substantial evidence, that Developer, or its successors, transferees and/or assigns, as the case may be, has not cured default pursuant to this Section, and that the City shall terminate or modify this Agreement, or those transferred or assigned rights and obligations, as the case may be, Developer, and its successors, transferees and/or assigns, shall be entitled to appeal that finding and determination to the City Council in accordance with Section 6.3. In the event of a finding and determination that all defaults are cured, there shall be no appeal by any person or entity. Nothing in this Section or this Agreement shall be construed as modifying or abrogating Los Angeles City Charter Section 245 (City Council review of Commission and Board actions).

5.1.4 Termination or Modifications of Agreement

The City may only terminate or modify this Agreement, or those transferred or assigned rights and obligations, as the case may be, in accordance with the provisions and procedures set forth in this Agreement, and after such final determination of the City Council or, where no appeal is taken, after the expiration of the appeal periods described in Section 6.3. There shall be no modifications of this Agreement unless the City Council acts pursuant to Government Code Sections 65867.5 and 65868, irrespective of whether an appeal is taken as provided in Section 6.3.

5.2 Default By The City

5.2.1 Default

In the event the City does not accept, process, or render a decision in a timely manner on necessary development permits, entitlement, or other land use or building approvals for use as provided in this Agreement upon compliance with the requirements therefor, or as otherwise agreed to by the Parties, or the City otherwise defaults under the provisions of this Agreement, Developer shall have all rights and remedies provided herein or by applicable law, which shall include compelling the specific performance of the City's obligations under this Agreement provided that the Developer has first complied with the procedures in Section 5.2.2. No part of this Agreement shall be deemed to abrogate or limit any immunities or defenses the City may otherwise have with respect to claims for monetary damages.

5.2.2 Notice of Default

Developer shall first submit to the City a written notice of default stating with specificity those obligations which have not been performed. Upon receipt of the notice of default, the City shall promptly commence to cure the identified default(s) at the earliest reasonable time after receipt of the notice of default and shall complete the cure of such default(s) not later than one hundred and twenty (120) days after receipt of the notice of default, or such longer period as is reasonably necessary to remedy such default(s), provided that the City shall continuously and diligently pursue such remedy at all times until such default(s) is cured. In the case of a dispute as to whether the City has cured the default, the Parties shall submit the matter to dispute resolution pursuant to Section 6.5 of this Agreement.

5.3 No Monetary Damages

It is acknowledged by the Parties that neither the City nor Developer would have entered into this Agreement if it were liable in monetary damages under or with respect to this Agreement or the application thereof. Both parties agree and recognize that, as a practical matter, it may not be possible to determine an amount of monetary damages which would adequately compensate Developer for its investment of time and financial resources in planning to arrive at the kind, location, intensity of use, and improvements for the Project, nor to calculate the consideration the City would require to enter into this Agreement to justify such exposure. Therefore, the Parties agree that the Parties shall not be liable in monetary damages and the Parties covenant not to sue for or claim any monetary damages for the breach of any provision of this Agreement.

6. GENERAL PROVISIONS

6.1 Effective Date

6.1.1 Agreement Effective After Annexation

This Agreement shall not become effective until, and is contingent upon, the later to occur of (a) final annexation of the entire portion of the Project which is the subject of Annexation Proceedings No. 98-1 or (b) the effective dates of all the Project Approvals.

6.1.2 Agreement Effective after Execution

This Agreement shall be effective upon such date as it is attested by the City Clerk of the City of Los Angeles after execution by Developer and the Director of Planning of the City of Los Angeles.

6.2 Term

The Term of this Agreement shall commence on the last date upon which the City takes final action to adopt the Project Approvals ("Term Commencement Date"). The Term Commencement Date may precede the Effective Date. and shall extend for a period of fifteen (15) years after the Term Commencement Date, unless said Term is otherwise terminated, modified or extended by circumstances set forth in this Agreement or by mutual consent of the City and Developer. Following the expiration of this Term, this Agreement shall terminate and be of no further force and effect; provided, however, that this termination shall not affect any right or duty arising from entitlement or approvals, including the Project Approvals on the Property, approved concurrently with, or subsequent to, the Effective Date of this Agreement. The Term of this Agreement and any subdivision map or other Project Approval or Subsequent Approval shall automatically be extended for the period of time of any actual delay resulting from any enactments pursuant to the Reserved Powers or moratoria, or from legal actions or appeals which enjoin performance under this Agreement or act to stay performance under this Agreement (other than bankruptcy or similar procedures).

6.3 Appeals To City Council

Where an appeal by Developer to the City Council from a finding and/or determination of the Planning Commission is created by this Agreement, such appeal shall be taken, if at all, within twenty (20) days after the mailing of such finding and/or determination to Developer, or its successors, transferees, and/or assignees, as the case may be. The City Council shall act upon the finding and/or determination of the Planning Commission within eighty (80) days after such mailing, or within such additional period as may be agreed upon by Developer

and the City Council. The failure of the City Council to act shall not be deemed to be a denial or an approval of the appeal, which shall remain pending until final City Council action.

6.4 Enforced Delay; Extension Of Time Of Performance

In addition to specific provisions of this Agreement, whenever a period of time, including a reasonable period of time, is designated within which either Party hereto is required to do or complete any act, matter or thing, the time for the doing or completion thereof shall be extended by a period of time equal to the number of days during which such Party is actually prevented from, or is unreasonably interfered with, the doing or completion of such act, matter or thing because of causes beyond the reasonable control of the Party to be excused, including: war; insurrection; riots; floods; earthquakes; fires; casualties; acts of God; litigation and administrative proceedings against the Project (not including any administrative proceedings contemplated by this Agreement in the normal course of affairs (such as the Annual Review)); any approval required by the City (not including any period of time normally expected for the processing of such approvals in the ordinary course of affairs); restrictions imposed or mandated by other governmental entities; enactment of conflicting state or federal laws or regulations; judicial decisions; the exercise of the City's Reserved Powers; or similar bases for excused performance which is not within the reasonable control of the Party to be excused (financial inability excepted). This Section shall not be applicable to any proceedings with respect to bankruptcy or receivership initiated by or on behalf of Developer or, if not dismissed within ninety (90) days, by any third parties against Developer. If written notice of such delay is given to either party within thirty (30) days of the commencement of such delay, an extension of time for

such cause shall be granted in writing for the period of the enforced delay, or longer as may be mutually agreed upon.

6.5 Dispute Resolution

6.5.1 Dispute Resolution Proceedings

The Parties may agree to dispute resolution proceedings to fairly and expeditiously resolve disputes or questions of interpretation under this Agreement. These dispute resolution proceedings may include: (a) procedures developed by the City for expeditious interpretation of questions arising under development agreements; (b) non-binding arbitration as provided below; or (c) any other manner of dispute resolution which is mutually agreed upon by the parties.

6.5.2 Arbitration

Any dispute between the parties that is to be resolved by arbitration shall be settled and decided by arbitration conducted by an arbitrator who must be a former judge of the Los Angeles County Superior Court or Appellate Justice of the Second District Court of Appeals or the California Supreme Court. This arbitrator shall be selected by mutual agreement of the parties.

6.5.3 Arbitration Proceeding

Upon appointment of the arbitrator, the matter shall be set for arbitration at a time not less than thirty (30) nor more than ninety (90) days from the effective date or the appointment of the arbitrator. The arbitration shall be conducted under the procedures set forth in Code of Civil Procedure Section 638, et seq., or under such other procedures as are agreeable to both

parties, except that provisions of the California Code of Civil Procedure pertaining to discovery and the provisions of the California Evidence Code shall be applicable to such proceeding.

6.5.4 Extension Of Agreement Term During Dispute

The Term of this Agreement as set forth in Section 6.2 shall automatically be extended for the period of time in which the parties are engaged in dispute resolution to the degree that such extension of the Term is reasonably required because activities which would have been completed prior to the expiration of the Term are delayed beyond the scheduled expiration of the Term as the result of such dispute resolution.

6.6 Legal Action

Subject to the limitations on remedies imposed by this Agreement, either Party may, in addition to any other rights or remedies, institute legal action in any court of competent jurisdiction, to cure, correct, or remedy any default, enforce any covenant or agreement herein, enjoin any threatened or attempted violation, or enforce by specific performance the obligations and rights of the Parties hereto.

6.7 Applicable Law

This Agreement shall be construed and enforced in accordance with the laws of the State of California, and the venue for any legal actions brought by any party with respect to this Agreement shall be the County of Los Angeles, State of California for the state actions and the Central District of California for any federal actions.

6.8 Amendments

This Agreement may be amended from time to time by mutual consent in writing of the parties to this Agreement in accordance with Government Code Section 65868. Any

amendment to this Agreement which relates to the Term, permitted uses, density or intensity of use, height, or size of buildings, provisions for reservation and dedication of land, conditions, restrictions, and requirements relating to subsequent discretionary action or any conditions or covenants relating to the use of the Property, which are not provided for under the Project Approvals, shall require notice and public hearing before the parties may execute an amendment thereto. Developer shall reimburse the City for its actual costs, reasonably and necessarily incurred, to review any amendments requested by Developer including the cost of any public hearings.

6.9 Assignment

The Property, as well as the rights and obligations of Developer under this Agreement, may be transferred or assigned in whole or in part by Developer without the consent of the City; provided, however, that because this Agreement is intended to represent an integrated plan, the failure of any successor-in-interest to Developer to perform the obligations assigned to it may result, at the City's option, in a declaration that this Agreement has been breached and an election to terminate this Agreement in its entirety as provided for in Section 5.1 hereof. Developer, or any successor transferor, shall give prior written notice to the City of its intention to assign or transfer any of its interests, rights or obligations under this Agreement and a complete disclosure of the identity of the assignee or transferee, including copies of the Articles of Incorporation in the case of corporations and the names of individual partners in the case of partnerships. Any failure by Developer to provide said notice shall be curable in accordance with the provisions of Section 5.1. Upon the transfer of Developer's rights and interests, Developer shall be released from its obligations with respect to that portion of the Property transferred

provided that (a) Developer has provided to City notice of such transfer, and (b) the transferee expressly and unconditionally assumes all of the obligations of this Agreement.

6.10 Covenants

The provisions of this Agreement shall constitute covenants which shall run with the land comprising the Property for the benefit thereof, and the burdens and benefits hereof shall bind and inure to the benefit of all assignees, transferees, and successors to the Parties hereto.

6.11 Cooperation And Implementation

6.11.1 Processing

Upon satisfactory completion by Developer of all required preliminary actions and payment of appropriate Processing Fees, including the fee for processing this Agreement, the City agrees that it will accept and process, in good faith and in a timely manner, all applications for land use and construction approvals and permits necessary to implement the Project, including all Subsequent Approvals, in accordance with the terms of this Development Agreement. City shall promptly and diligently commence and complete all steps necessary to act on the Subsequent Approval application including, without limitation: (I) if legally required, providing notice and holding public hearings; and (ii) acting on any such Subsequent Approval application. No further environmental review or public hearing shall be required to implement the Ministerial Permits and Approvals. Developer shall, in a timely manner, provide the City with all documents, plans, fees and other information necessary for the City to carry out its processing obligations pursuant to this Agreement.

6.11.2 Other Governmental Permits

Developer shall apply in a timely manner for such other permits and approvals as

may be required from other governmental or quasi-governmental agencies having jurisdiction over the Project as may be required for the development of, or provision of services to, the Project. The City shall cooperate with Developer in its endeavors to obtain such permits and approvals and shall, from time to time at the request of Developer, attempt with due diligence and in good faith to enter into binding agreements with any such entity to ensure the availability of such permits and approvals, or services, provided such agreements are reasonable and not detrimental to the City. These agreements may include, but are not limited to, joint powers agreements under the provisions of the Joint Exercise of Powers Act (Government Code Section 6500, et seq.) or the provisions of other laws to create legally binding, enforceable agreements between such parties. To the extent allowed by law, Developer shall be a party to any such agreement, or a third party beneficiary thereof, entitled to enforce for its own benefit on behalf of the City, or in its own name, the rights of the City or Developer thereunder or the duties and obligations of the parties thereto. Developer shall reimburse the City for all costs and expenses incurred in connection with seeking and entering into any such agreement provided that Developer has requested such agreement. Developer shall defend the City in any challenge by any person or entity to any such agreement, and shall reimburse the City for any costs and expenses incurred by the City in enforcing any such agreement. Any fees, assessments, or other amounts payable by the City thereunder shall be borne by Developer, except where Developer has notified the City in writing, prior to the City entering into such agreement, that it does not desire for the City to execute such agreement.

6.11.3 Cooperation In The Event Of Legal Challenge

In the event of any legal action instituted by a third party or other governmental

entity or official challenging the validity of any provision of this Agreement or the Project Approvals the Parties hereby agree to affirmatively cooperate in defending said action.

6.12 Relationship Of The Parties

It is understood and agreed by the parties hereto that the contractual relationship created between the parties hereunder is that Developer is an independent contractor and not an agent of the City. Further, the City and Developer hereby renounce the existence of any form of joint venture or partnership between them and agree that nothing herein or in any document executed in connection herewith shall be construed as making the City and Developer joint venturers or partners.

6.13 Hold Harmless and Insurance

6.13.1 Hold Harmless

Developer hereby agrees to and shall indemnify, save, hold harmless and defend the City, and its elected and appointed representatives, boards, commissions, officers, agents, and employees (collectively, "the City" in this Section), from any and all claims, costs, and liability for any damages, personal injury or death which may arise, directly or indirectly, from Developer or Developer's contractors, subcontractors, agents, or employees' operations in connection with the construction of the Project, whether such operations be by Developer or any of Developer's contractors, subcontractors, by any one or more persons directly or indirectly employed by, or acting as agent for Developer or any of Developer's contractors or subcontractors. Developer further agrees to and shall indemnify, save, hold the City harmless and, if requested by the City, Developer shall defend the City in any action brought by a third party (1) challenging the validity of this Agreement or (2) seeking damages which may arise directly or indirectly from the

negotiation, formation, execution, enforcement or termination of this Agreement. Nothing in this Section shall be construed to mean that Developer shall hold the City harmless and/or defend it from any claims arising from, or alleged to arise from, the negligent acts, or negligent failure to act, on the part of the City. City agrees that it shall fully cooperate with Developer in the defense of any matter in which Developer is defending and/or holding the City harmless. City may make all reasonable decisions with respect to its representation in any legal proceeding.

6.13.2 Insurance

Without limiting its obligation to hold the City harmless, Developer shall provide and maintain at its own expense, during the Term of this Agreement, the following program of insurance concerning its operations hereunder. The insurance shall be provided by insurer(s) satisfactory to the City on or before the Effective Date of this Agreement. The program of insurance provided shall specifically identify this Agreement and shall contain express conditions that the City is to be given written notice at least thirty (30) days prior to any modification or termination of coverage. Such insurance shall be primary to and not contributing with any other insurance maintained by the Developer, shall name the City as an additional insured, and shall include, but not be limited to, either comprehensive general liability insurance endorsed for Premises/Project Site Operations, Products/Completed Operations, Contractual, Broad Form Property Damage, and Personal Injury or Builder's All-Risk Insurance, with a combined single limit of not less than $2,000,000 per occurrence. From time to time, but not more often than once every two (2) years, Developer shall increase the coverage limits of the insurance required under this Section if so directed by the City after a determination by the City that such an increase is justified using customary and reasonable risk management methods and principles.

Developer shall not be obligated to defend, save and/or hold City harmless from any and all claims, costs and liability for any damages, personal injury or death, which may arise, directly or indirectly, from any public improvements constructed to City standards and accepted by City, whether or not constructed by or for City.

6.14 Tentative Maps

Pursuant to California Government Code Section 66452.6(a), the duration of tentative maps filed subsequent to the Effective Date shall automatically be extended for the Term of this Agreement.

6.15 Notices

Any notice or communication required hereunder between the City or Developer must be in writing, and may be given either personally or by registered or certified mail, return receipt requested. If given by registered or certified mail, the same shall be deemed to have been given and received on the first to occur of (I) actual receipt by any of the addressees designated below as the party to whom notices are to be sent, or (ii) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If personally delivered, a notice shall be deemed to have been given when delivered to the party to whom it is addressed. Any party hereto may at any time, by giving ten (10) days' written notice to the other party hereto, designate any other address in substitution of the address, or any additional address, to which such notice or communication shall be given. Such notices or communications shall be given to the parties at their addresses set forth below:

If to Developer:

William Rattazzi, SunCal Companies; 21601 Devonshire Boulevard, Suite 116, Chatsworth, CA 91311;

with copies to

Law Office of Wayne Avrashow, Est., 16133 Ventura Boulevard, Suite 700, Encino, California 91436

If to the City:

Director of Planning, City of Los Angeles, Room 1600, 221 North Figueroa Street, Los Angeles, CA 90012;

with copies to

General Manager, Department of Transportation, City of Los Angeles, and

The City Attorney, City of Los Angeles, Real Property/Environmental Division Room 1800, Los Angeles City Hall, Los Angeles, CA 90012

6.16 Recordation

As provided in Government Code Section 65868.5, the City Clerk of Los Angeles shall record a copy of this Agreement with the Registrar-Recorder of the City of Los Angeles within ten (10) days following its execution by both parties. Developer shall provide the City Clerk with the fees for such recording prior to or at the time of such recording.

6.17 Constructive Notice And Acceptance

Every person who now or hereafter owns or acquires any right, title, interest in or to any portion of the Property, is and shall be conclusively deemed to have consented and agreed to every provision contained herein, whether or not any reference to this Agreement is contained

in the instrument by which such person acquired an interest in the Property.

6.18 Successors And Assignees

6.18.1 City's Rights And Obligations

If any part of the Property should, after the mutual execution of and Effective Date of this Development Agreement, be included within the boundaries of a county or another city, all of the City's rights and obligations under this Agreement shall inure to and be binding upon that county or other city with respect to the part of the Property included within that city's or county's boundaries to the fullest extent permitted by Government Code Section 65865.3 or other applicable regulations. In any event, the City shall retain all of its rights and obligations under this Agreement with respect to the part, if any, of the Property that remains within the incorporated portion of the City.

6.18.2 Developer's Rights And Obligations

All of the Developer's rights and obligations under this Agreement are appurtenant to the Property, run with the land, and are enforceable as equitable servitudes and covenants running with the land. Any person acquiring sufficient legal or equitable interest in a part of the Property to become a "Developer" (as defined in Section 1.3) shall obtain and assume all of the Developer's rights and obligations under this Agreement with respect to that part of the Property as provided in Section 6.10.

6.19 Severability

If any provisions, conditions, or covenants of this Agreement, or the application thereof to any circumstances of either party, shall be held invalid or unenforceable, the remainder of this Agreement or the application of such provision, condition, or covenant to persons or

circumstances other than those as to whom or which it is held invalid or unenforceable shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

6.20 Time Is Of The Essence

Time is of the essence for each provision of this Agreement of which time is an element.

6.21 Waiver

No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought and refers expressly to this Section. No waiver of any right or remedy with respect to any occurrence or event shall be deemed a waiver of any right or remedy with respect to any other occurrence or event.

6.22 No Third Party Beneficiaries

The only parties to this Agreement are the City and Developer and their respective successors-in-interest. There are no third party beneficiaries and this Agreement is not intended, and shall not be construed to benefit or be enforceable by any other person whatsoever.

6.23 Entire Agreement

This Agreement sets forth and contains the entire understanding and agreement of the parties and there are no oral or written representations, understandings or ancillary covenants, undertakings or agreements which are not contained or expressly referred to herein, and no testimony or evidence of any such representations, understandings, or covenants shall be admissible in any proceedings of any kind or nature to interpret or determine the provisions or conditions of this Agreement.

6.24 Legal Advice; Neutral Interpretation; Headings, Table Of Contents, and Index

Each party acknowledges that it has received independent legal advice from its attorneys with respect to the advisability of executing this Agreement and the meaning of the provisions hereof. The provisions of this Agreement shall be construed as to their fair meaning, and not for or against any party based upon any attribution to such party as the source of the language in question. The headings, table of contents, and index used in this Agreement are for the convenience of reference only and shall not be used in construing this Agreement.

6.25 Discretion to Encumber

This Agreement shall not prevent or limit Developer in any manner, at its sole discretion, from encumbering the Property or any portion of the Property or any improvement on the Property by any mortgage, deed of trust or other security device securing financing with respect to the Property or its improvements.

6.26 Entitlement to Written Notice of Non-Compliance

The mortgagee of a mortgage or beneficiary of a deed of trust encumbering the Property, or any part thereof, and their successors and assigns shall, upon-written request to the City, be entitled to receive from the City written notification of non-compliance by Developer of the performance of Developer's obligations under this Agreement which has not been cured within sixty (60) days after receipt of the notice of non-compliance, or such longer period as is reasonably necessary to remedy such items of non-compliance. Developer shall reimburse the City for its actual costs, reasonably and necessarily incurred, to prepare this notice of non-compliance. Each mortgagee shall have the right during the same period available to

Developer to cure or remedy, or to commence to cure or remedy, the areas of non-compliance set forth in City's notice.

6.27 Mortgagee Protection

This Agreement shall be superior and senior to any lien placed upon the Property after the date of recording this Agreement. The terms and conditions of this Agreement shall be binding upon and effective against any person or entity, who acquires title to the Property. Mortgagees shall not be entitled to devote the Property to any uses or to construct any improvements other than those authorized by this Agreement, or otherwise under the Project Approvals, the Subsequent Approvals and the Applicable Rules.

6.28 Counterparts

This Agreement may be executed in multiple counterparts, each of which is deemed to be an original, but all of which shall constitute one and the same agreement. This Agreement, not counting the Cover Page, Table of Contents [or Index,] or signature page, consists of 41 pages and 3 Exhibits which constitute the entire understanding and agreement of the parties.

The Exhibits are identified as follows:

Exhibit A - List of and copies of Project Approvals

Exhibit B - Property Description

Exhibit C - Development Standards, revised 9/26/2000, including attached driveway plan

State of California)
)
County of LOS ANGELES)

On 6/28/01 before me, ~~[illegible]~~ JUDITH L. CYPERT,
personally appeared CON HOWE

personally known to me (or proved to me 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) on 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 Judith L Cypert

ABA1 JUDITH L. CYPERT Comm. #1261636 NOTARY PUBLIC - CALIFORNIA LOS ANGELES COUNTY My Comm. Expires April 23, 2004 ABA1

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

Approved

May 1, 2000
James K. Hahn, City Attorney

By: Susan D. Pfann
Susan D. Pfann
Assistant City Attorney

DATE:

ATTEST:
City Clerk

By: Maria Kostenko

DATE:

CITY OF LOS ANGELES, a municipal corporation of the State of California

By: Con Howe
Con Howe, Director of Planning

DATE:

[SUNCAL COMPANIES, INC.], a [California] corporation

By: William Rattazzi
Name: WILLIAM RATTAZZI
Title: MEMBER.

By: _____
Name:
Title:

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51.

State of California)
)
County of LOS ANGELES)

On 6-20-01 before me, MICHAEL J. BERNARDO,
personally appeared WILLIAM ROBERT RATTAZZI

~~personally known to me (or~~ proved to me 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)~~ on 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 Michael J. Bernardo

MICHAEL J. BERNARDO
COMM. #1287786
NOTARY PUBLIC-CALIFORNIA
LOS ANGELES COUNTY
My Comm. Exp. January 16, 2005

EXHIBIT A