

**LOS ANGELES CITY PLANNING DEPARTMENT
RECOMMENDATION REPORT**

CITY PLANNING COMMISSION

DATE: February 24, 2005
TIME: After 8:30 a.m.*
PLACE: Marvin Braude Building
First Floor Conference Room
6262 Van Nuys Boulevard
Van Nuys CA.

PUBLIC HEARING Public Hearing to be held by the City
Planning Commission
Request is appealable, if denied.

CASE NO. CPC 2004-7739 DA

Development Agreement
CEQA: EIR 2002-2481
Location: 7000-8000 La Tuna Canyon Drive
Council District: 2
Plan Area: Sunland - Tujunga - Lakeview
Terrace - Shadow Hills - East La
Tuna Canyon & Sun Valley - La
Tuna Canyon
Plan Land Use: Minimum, Very Low I,
Very Low II Residential and Open
Space
Zone: A1-1, RE11-1
District Map: 192B193
Expiration date: April 6, 2005

REQUEST:

Pursuant to Section 65864-65869.5 of the California Government Code and the City implementing procedures, a Development Agreement between California Whitebird, Inc. and the City of Los Angeles. The applicant proposes to develop 280 single family residential dwelling units in exchange for the following public benefits: 1) Preservation of approximately 524.5 acres of undeveloped land as permanent public open space and to be conveyed to the Santa Monica Mountains Conservancy or another qualified transferee; 2) Maximum height of single family homes to be 30 feet and maximum floor area ratio not to exceed the maximum set forth in the Municipal Code; 3) That prior to issuance of any Certificate of Occupancy for any single family home, the developer shall construct an equestrian park on approximately three acres of land adjacent to La Tuna Canyon Road in the southwest portion of the project site, which will be available for public use. Following its completion, the equestrian park will be transferred to the City's Department of Recreation and Parks or another qualified transferee. The equestrian park will include a staging area for horses, and equestrian arena, parking for approximately two cars with trailers and potable water facilities; 4) The development of the project will help alleviate the substantial housing shortage in the City; and 5) The development of the project will provide economic benefits such as construction and new permanent jobs, additional property tax revenues and a boost to the local economy;

PROJECT: Construction of 280 single-family homes on individual lots clustered on 362.5 acres, a 3-acre equestrian park (open to the public), private recreational amenities and the preservation of 524.5 acres as permanent open space, on an 887 acre site. Approximately 211 of the homes would be constructed on the site located north of Interstate 210, which is commonly referred to as "Development Area A". The remaining 69 homes would be constructed on the portion of the project site located south of Interstate 210, which is commonly referred to as "Development Area B". La Tuna Canyon Road will provide direct vehicular access to both development areas.

APPLICANT: Whitebird, Inc. doing business as California Whitebird, Inc.

RECOMMENDATION:

1. **Approve and recommend** that the City Council adopt a Development Agreement between the City of Los Angeles and California Whitebird Inc, reflecting the project approved under CPC 2004-4344 GPA/MPR-ZC, and the associated conditions of approval and modifications recommended by the Planning Department to the Development Agreement as identified in the staff report.
2. **Approve and recommend** that the City Council adopt Environmental Impact Report No. 2002-2481 (GPA\ZC\MPR), copy contained in the administrative file. In addition, adopt the Statement of Overriding Consideration contained in the Administrative file.
3. **Adopt** the attached Findings.

Con Howe
Director of Planning



Daniel Scott, Senior City Planner



Robert Z. Dueñas, Hearing Officer
(818) 374-5036

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ADVICE TO PUBLIC: *The exact time this report will be considered during the meeting is uncertain since there may be several other items on the agenda. Written communications may be mailed to the *City Planning Commission Secretariat, 200 North Spring Street, Room 532, Los Angeles, CA 90012* (Phone No. 213-978-1300). While all written communications are given to the Commission for consideration, the initial packets are sent to the week prior to the Commission's meeting date. If you challenge these agenda items in court, you may be limited to raising only those issues you or someone else raised at the public hearing agendized herein, or in written correspondence on these matters delivered to this agency at or prior to the public hearing. As a covered entity under Title II of the Americans with Disabilities Act, the City of Los Angeles does not discriminate on the basis of disability, and upon request, will provide reasonable accommodation to ensure equal access to its programs, services and activities. Sign language interpreters, assistive listening devices, or other auxiliary aids and/or other services may be provided upon request. To ensure availability of services, please make your request not later than three working days (72 hours) prior to the meeting by calling the City Planning Commission Secretariat at (213) 978-1300.

FINDINGS

1. **General Plan Land Use Designation.** The adopted Sun Valley-La Tuna Canyon Community Plan designates approximately 250 acres of the project site for Minimum Land Use Category corresponding to the OS, A1, A2, and RE40 Zones. The adopted Sunland-Tujunga-Shadow Hills-Lakeview Terrace-East La Tuna Canyon Community Plan designates approximately 425.1 acres of land within the boundaries of the Vesting Tentative Tract Map (VTTM) as Minimum Residential, Very Low I Residential and Very Low II Residential. The VTTM is presently zoned A1-1, A1-K and RE11-1 Zones. There is a small area of 9 acres designated as Open Space at the southerly boundary along La Tuna Canyon Road. The adopted Plan establishes that, if privately owned, the designated Open Space is limited to minimum density (Footnote No. 9). Both adopted plans establish slope density requirements for properties in Minimum Residential Land Use Categories. Sun Valley Plan has no provision for clustering while the Sunland-Tujunga Community Plan permits clustering with certain limitations (Footnote 7).

2. **Development Agreement Findings:**

a. That the Development Agreement is consistent with the objectives, policies, and programs specified in the Sunland- Tujunga Community Plan as follows:

Policy 1-1.1: Designate land for single and multi-family residential development.

The project is consistent with Policy 1-1.1 in that the project is a single-family residential development on land currently designated for residential development.

Policy 1-1.2: Protect existing single-family residential neighborhoods from encroachment by higher density residential and other incompatible uses.

The project is consistent with Policy 1.1-2 in that it includes single-family homes and open space, similar to adjacent land uses. The proposed housing density in Development Area A is less dense than the existing housing density in the existing residential areas to the northeast and east.

Policy 1-1.3: Require that new single and multi-family residential development be designed in accordance with the Urban Design Chapter.

The project is consistent with Policy 1-1.3 in that it will generally be developed in accordance with the community design and landscaping standards set forth in the Urban Design Chapter. Similar to the standards included in the Urban Design Chapter, the project includes entryway improvements, street trees and public open space.

Policy 1-3.1: Consider factors such as neighborhood character and identity, compatibility of land uses, impacts on livability, impacts on services and public facilities, impacts on traffic levels, and environmental impacts when changes in residential densities are proposed.

The project is consistent with Policy 1-3.1. The existing residential areas near the project site include single-family homes that range in age, design and size. The project includes single-family homes similar to those in the adjacent residential areas, although proposed residential development will be less dense than the homes in the adjacent residential areas. The project includes similar land uses to those that already occur in the vicinity. The proposed homes will be adjacent to existing infrastructure associated with the nearby homes (including, but not limited to, roadways, electricity, water, and solid waste services). In addition, the project will preserve approximately 693 acres of the 887-acre project site as open space, and includes recreational facilities and an equestrian park. Project impacts to neighborhood character, services and public facilities, traffic, and other environmental

issues are addressed in the Final Environmental Impact Report (the "Final EIR") for the project.

Policy 1-3.3: Preserve existing views of hillside and mountainous areas.

The project is in substantial conformance with Policy 1-3.3. The project will not preserve all existing views of hillside and mountain areas. However, the project will conform to the scenic corridor and ridge line development requirements in the San Gabriel Verdugo Mountains Scenic Preservation Specific Plan (the "Specific Plan") adopted by the City Council on December 19, 2003 pursuant to Ordinance 175,736. Furthermore, the project will preserve approximately 693 acres (78 percent) of the 887-acre project site, largely consisting of undeveloped hillside and mountainous areas as open space. In addition, the project is largely confined to the more naturally level portions of the project site, avoids disturbance of designated "Prominent Ridge lines" and "Prominent Ridge line Protection Areas" in the Specific Plan and minimizes impacts on sensitive resources.

Policy 1-6.1: Ensure the availability of adequate sewers, drainage facilities, fire protection services and facilities and other public utilities to support development within the hillside areas.

The project is consistent with Policy 1-6.1, in that the project will provide adequate infrastructure to support development, including sewer, drainage, fire protection, water supply, transportation, and other necessary facilities. Detailed information on the proposed infrastructure is provided in the Final EIR.

Policy 1-6.2: Consider the steepness of the topography and the suitability of the geology in any proposal for development within the Plan area.

The project is consistent with Policy 1-6.2. The site plan for the project takes into account the steepness of the topography and geotechnical constraints within the project site. A detailed geotechnical study of the project site has been conducted, the results of which are summarized in the Final EIR. All geotechnical constraints will be mitigated to less than significant levels through a combination of compliance with the City's grading ordinance, implementation of the recommendations of the geotechnical engineers for the project, and the requirements of the Department of Building and Safety. In addition, and as discussed above, the Development Areas are situated in the more naturally level portions of the project site to reduce the required grading.

Policy 1-6.3: Require that grading be minimized to reduce the effects on environmentally sensitive areas.

The project substantially conforms with Policy 1-6.3. While the project would require approximately 4.488 million cubic yards of grading (including remedial grading), the project is a low-density residential development that minimizes grading and other effects on environmentally sensitive areas. Grading will be minimized by locating the Development Areas on the less steeply sloped portions of the project site and by clustering development in order to maximize the preservation of open space (i.e., approximately 693 acres (78 percent) of the project site).

In addition, the project avoids the disturbance of most of the ridge lines located on the project site. The Specific Plan has identified the Prominent Ridge lines subject to protection under the Specific Plan. The project has been designed to comply with all requirements and restrictions in the Specific Plan relating to designated Prominent Ridge lines and Prominent Ridge line Protection Areas.

Policy 1-8.1: Protect existing single-family equestrian oriented neighborhoods and horse keeping districts from encroachment by higher density residential and other incompatible uses.

The project is consistent with Policy 1-8.1. The project would not be developed within an existing single-family equestrian-oriented neighborhood. Rather, Development Area A is currently undeveloped and is located adjacent to an existing residential area, while Development Area B is currently undeveloped and is not located in proximity to any existing residential area, equestrian-oriented or otherwise. Furthermore, none of the lots in the neighborhood in close proximity to Development Area A have a RA zoning designation or are located in the "K" Equine keeping District. The average lot size for that neighborhood ranges from approximately 4,000 to 8,000 square feet, which is well below the 20,000 square foot minimum lot size now required for horse keeping on residential lots under the Specific Plan and the 17,500 square-foot minimum lot size previously required under the LAMC. Furthermore, none of the official or non-public equestrian trails shown on Map Nos. 3 and 4 in the Specific Plan are located anywhere near the existing residential neighborhood adjacent to Development Area A.

- b. The Development Agreement will not be detrimental to the public health, safety, and general welfare as it complies with the following policies:

Policy 5-1.2: Protect significant environmental resources from environmental hazards. The project is in substantial conformance with Policy 5-1.2. The project has been designed to minimize impacts on environmental resources located on the project site. For example, substantial setbacks are provided for the proposed homes near La Tuna Canyon Road in order to preserve the rural ambiance of that scenic highway. In addition, by clustering the proposed homes, approximately 693 acres (78 percent) of the project site will remain undeveloped. As a result, Drainage 2 (i.e., La Tuna Canyon Wash) and Drainage 14, which permit limited regional wildlife movement between the San Gabriel Mountains and the main body of the Verdugo Mountains (see Figure IV .D-3 in the Draft Environmental Impact Report (the "Draft EIR") for the project), will not be impacted by the project. Similarly, the project site design will not impact the vast majority of the significant vegetation on the project site. For example, the project site design will preserve approximately 82 percent of the coast live oaks and western sycamores on the project site.

Policy 9-1.1: Coordinate with the Fire Department as part of the review of significant development projects and General Plan Amendments affecting land use to determine the impact on service demands.

The project is consistent with Policy 9-1.1 in that the Fire Department has conducted a preliminary review of the project and will have subsequent and more detailed reviews at the subdivisions and plan check stages. The project is consistent with Policy 12-1.2 in that the intersection of Development Area A Access/I-210 Westbound Ramps and La Tuna Canyon Road will be signalized to mitigate a significant traffic impact.

Policy 13-1.1: Maintain a satisfactory LOS for streets and highways that should not exceed LOS "D" for Major Highways, Secondary Highways, and Collector Streets. If existing levels of services are LOS "E" or LOS "F" on a portion of a highway or collector street, then the level of service for future growth should be maintained at LOS "E" if possible.

The project is consistent with Policy 13-1.1. with the implementation of mitigation measure to signalize the intersection of Development Area A Access to 210 Westbound Ramps and La Tuna Canyon Road, the traffic impacts associated with the project will be less than

significant. Three of the study intersections in the project vicinity, including the 1-210 Eastbound Ramp/Sunset Boulevard, 1-210 Westbound Ramps/Sunland Boulevard and Tujunga Canyon Boulevard/Foothill Boulevard intersections are anticipated to have LOS "E" or LOS "F" during AM or PM peak hours, with mitigation, following the completion and occupancy of the project. However, the development of the project will not cause a significant traffic impact at any of those intersections in relation to the future pre-project (existing, ambient growth and related projects) traffic volumes. The LOS at each of those intersections is the same in the future pre-project and future post-project conditions.

- c. That the Development Agreement will promote the orderly development of the subject property in accordance with good land use practice, as it complies with the following policies:

Policy 5-1.4: Preserve as much of remaining undeveloped hillside land, as feasible, for open space and recreational uses.

The project is consistent with Policy 5-1.4 in that the project preserves approximately 693 acres (78 percent) of the project site as open space and includes a three-acre equestrian park.

Policy 13-1.2: Highways and Street dedications shall be developed in accordance with standards and criteria contained in the Highways and Freeways Element of the General Plan and the City's Standard Street Dimensions, except where environmental issues and planning practices warrant alternate standards consistent with capacity requirements. The project is consistent with Policy 13-1.2. The project includes development of access roads and an internal roadway system for the residential areas, as well as access to the proposed equestrian park. These roadway improvements and dedications will be developed in accordance with City requirements.

Policy 13-2.1: No increase in density and intensity shall be effectuated by zone change, variance, conditional use, parcel map or subdivision unless it is determined that the transportation system can accommodate the increased traffic generated by the project. The project is consistent with Policy 13-2.1. With the implementation of the traffic mitigation measure identified above, the project will accommodate the projected increase in traffic.

Policy 14-1.1: Plan for and encourage funding and construction of bicycle routes connecting residential neighborhoods to schools, open space areas and employment centers. The project is consistent with Policy 14-1.1. The project will incorporate bike paths into the new roadway system for access to the proposed recreation areas (e.g., trail heads and playgrounds), but not to schools. The closest school to the project site is approximately 2.4 miles away.

Although there is a planned bikeway on La Tuna Canyon Road (between Tuxford and Honolulu), it does not currently exist. The project does not include any roadway improvements that will conflict with the City's plans for the bikeway along La Tuna Canyon Road.

- d. That the Development Agreement is necessary to provide the certainty necessary for the comprehensive planning and implementation of a multi-phase or long term project that the traditional planning approval process does not provide.

As a project with two significant north and south parcels with multiple buildings to be built over a period of several years, the project could be exposed to a substantial hardship if its implementation was to be governed by the current legal vesting rules. The Development Agreement will give the project a significant amount of regulatory stability and predictability.

- e. That the Development Agreement will provide improved infrastructure and development standards not otherwise obtainable, and for which no nexus exists under the project's environmental clearance, that will benefit the City and its residents. They are as follows:
- i. Public Open Space. Approximately 524.5 acres of the project site shall be permanently preserved as public open space. Prior to the issuance of any certificate of occupancy with respect to the single-family homes to be constructed in the Development Areas, the project developer shall transfer fee title of such public open space to the Santa Monica Mountains Conservancy or another qualified entity that agrees to preserve such public open space as permanent open space.
 - ii. Height Limit. The maximum height (as defined in Section 12.03 of the Los Angeles Municipal Code under the heading "Height of Building or Structure") of the single-family homes to be constructed in the Development Areas shall be 30 feet and the size of such single-family homes shall not exceed the maximum applicable floor area ratio in the Los Angeles Municipal Code.
 - iii. Public Equestrian Park. Prior to the issuance of any certificate of occupancy with respect to any of the single-family homes to be constructed in the Development Areas, Developer shall construct an equestrian park on approximately three acres of land adjacent to La Tuna Canyon Road in the southern portion of the project site at the location shown on Exhibit "D", which will be available for public use. Following the completion of the equestrian park, the land and improvements that comprise the equestrian park will be transferred to the City's Department of Recreation and Parks or another qualified entity. The equestrian park will include a staging area for horses, an equestrian arena, a parking area for approximately two cars with trailers and potable water facilities.

3. **Environmental.** On September 7, 2004, the City Planning Department issued a Final Environmental Impact Report (State Clearinghouse No. 2002091018). Based upon the whole of the environmental record, the public hearing held December 9, 2004, the Planning Department finds that substantial evidence for each and every finding made is contained in the Draft and Final EIR, including a Statement of Overriding Considerations (Exhibit E-9 attached) and a Mitigation Monitoring Program (MMRP). The records upon which this decision is based are located in the Department of City Planning, Environmental Section, Room 750, 200 North Spring Street, Los Angeles, California 90012-2601.
4. Based upon the above findings, the recommended action is deemed consistent with public necessity, convenience, general welfare and good zoning practice.

STAFF REPORT

The Department of City Planning recommends the following modifications to the proposed Development Agreement submitted by the Applicant:

1. Section 3.1.1: Staff recommends this section be modified to reflect any approval/project that may be granted under CPC 2004-4344 GPA/MPA-ZC.
2. Section 3.1.3.1: Staff recommends that the transference of the open space areas both outside and inside VTT 61672 occur prior to the issuance of a grading permit as opposed to the issuance of a Certificate of Occupancy for a home. In the event no agency is willing to accept the open space areas, it shall be the responsibility of the Homeowners Association, (formed for the development on VVT 61672) to establish a funding source for the perpetual maintenance of the Open Space.
3. Section 3.1.3.3: Staff recommends the following;
 - a: The construction of the equestrian facility shall occur prior to the issuance of a grading permit as opposed to the issuance of a Certificate of Occupancy.
 - b. The addition of the following sentence. "In the event the City or other public or private agency declines acceptance of the equestrian facility, for any reason, the applicant shall establish a trust fund or other mechanism to ensure the continued operation and maintenance of the equestrian facility, in a manner satisfactory to the City."

The above modifications are necessary to ensure the public benefit expected by the establishment of the open space areas is guaranteed and acquired prior to the commencement of the project. The applicant requested the transference of the open space not occur until the issuance of a certificate of occupancy on the homes. Prior to the issuance of a certificate of occupancy the area within VTT 61672 will be graded, infrastructure will be installed and roads will be built. At any stage of that process the project can be halted for economic or other reasons and the transference will not occur. The public open space is a substantial benefit to the City and the area residents and worth protecting as early in the process as possible. The change in conditions from a "certificate of occupancy" to a "grading permit" would not impact the applicants ability to proceed with the project in that the grading will be done in a single-phase and there is no need for the applicant to retain ownership of the open space areas once they have commenced the land grading.

Project Request

The applicant has requested the City to enter into a Development Agreement for the following project:

CPC 2004-4344 GPA/MPR-ZC: The proposal is to develop 280 single-family lots over approximately 362.5 acres, development areas A and B. As part of the development the applicant proposes to sell/donate 524.5 acres to a public or non-profit agency to be held as public open space, area C. The site (including area C, is on an approximately 887 gross acres site zoned A1-1, A1-K and RE11-1 and is designated Minimum Residential, Very Low I Residential, Very Low II Residential and Open Space in the Sunland-Tujunga-Lake View Terrace-Shadow Hills-East La Tuna Canyon Community Plan (Sunland-Tujunga Community Plan) and the Sun Valley-La Tuna

Canyon Community Plan (Sun Valley Community Plan).

The subject property is located within the Verdugo Mountains in the northeastern San Fernando Valley. The 887 -acre project site is an irregularly-shaped property that extends along a southeast to northwest axis, and is roughly bounded by Verdugo Crestline Drive on the north and La Tuna Canyon Road on the south. The proposed development areas in the northern and southern subareas of the project site (which are bisected by Interstate 210) are located entirely within the area covered by the Sunland- Tujunga-Lake View Terrace-Shadow Hills-East La Tuna Canyon Community Plan (the "Sunland- Tujunga Community Plan"), which was adopted by the City Council on July 15, 1980. The Community Plan has been amended numerous times, and the last amendments were adopted on November 18, 1997.

The current land use designations for the portion of the project site located within the area covered by the Sunland- Tujunga Community Plan are Minimum Residential, Very Low I Residential, Very Low II Residential and Open Space.

The westerly portion of the project site is located within the area covered by the Sun Valley-La Tuna Canyon Community Plan (the "Sun Valley Community Plan"), adopted by the City Council on September 23, 1977. The Sun Valley Community Plan has been amended numerous times, and the last amendments were adopted on August 13, 1999. The portion of the project site located in the Sun Valley Community Plan area is designated Minimum Residential and will not change.

The project site is also located within the area covered by the San Gabriel Verdugo Mountains Scenic Preservation Specific Plan (the "Specific Plan") adopted by the City Council pursuant to Ordinance 175,736 on December 19, 2003.

PROJECT DESCRIPTION

The project includes the development of 280 single-family homes, a three-acre public equestrian park and the preservation of approximately 524.5 acres of the 887- acre project site as open space. The proposed single-family homes will be clustered on approximately 362.5 acres of the project site.

The project will also include a public equestrian park on approximately three acres of land adjacent to La Tuna Canyon Road in the southwestern portion of the project site, which will be available for public use. Additional open space and recreational facilities will be provided throughout the project site. The proposed private recreational facilities include tot lots, active play areas, passive open space areas, a vista point with picnic area and gazebo, and a pool with a jacuzzi, restroom building and barbeque area.

It is expected that construction of the project will begin in 2005 and be completed in 2009. It is currently contemplated that the 60-month construction schedule will consist of three major phases, including (1) grading, (2) foundation preparation/road building and (3) home building. It is also currently anticipated that grading and construction in the two Development Areas will occur independently.

Landform cut and fill grading techniques will be utilized where practical on the lots designated for single-family homes. Grading will also be necessary for vehicular access throughout the Development Areas, storm drainage facilities, utilities and landscaping. Grading operations will affect approximately 200 acres of the project site. There are no plans for offsite export or import of

fill material.

The project is a sensitively designed, low-density residential development that preserves the great majority of the project site as open space, places proposed homes on more naturally level portions of the project site, and includes substantial setbacks from existing residential areas. This avoids the disturbance of most of the ridge lines located on the project site and takes advantage of the existing natural topography to minimize the visibility of the proposed homes.

DISCUSSION DRAFT ONLY

December 20, 2004

E-1

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

SHEPPARD, MULLIN, RICHTER &
HAMPTON LLP
333 S. Hope Street, 48th Floor
Los Angeles, California 90071
Attn: Jack H. Rubens, Esq.

DEVELOPMENT AGREEMENT

between

THE CITY OF LOS ANGELES

and

CALIFORNIA WHITEBIRD, INC.

dated as of

_____, 2005

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DEVELOPMENT AGREEMENT

This Development Agreement ("Agreement"), dated as of _____, 2005, is entered into by and between the CITY OF LOS ANGELES, a municipal corporation (the "City"), and WHITEBIRD, INC., a Nevada corporation, doing business in California as California Whitebird, Inc. ("Developer"), pursuant to California Government Code Section 65864 et seq. and the implementing procedures of the City, based upon an initial application dated December ____, 2005, with respect to the following:

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. Notwithstanding the language of this Section or any other language in this Agreement, (a) the Applicable Rules shall include this Agreement and the Project Approvals in effect as of the Effective Date of this Agreement, except for the Reserved Powers, (b) all specifications, standards and policies regarding the design and construction of public works facilities, if any, shall be those that are in effect at the time the project plans are being processed for approval and/or under construction and (c) Developer shall be exempt from payment of affordable housing mitigation fees, if any, pursuant to Los Angeles Municipal Code Section 91.107.4.7 or any subsequently enacted ordinance. Furthermore, the Applicable Rules shall include the City-wide programs which will be enacted after the Effective Date of this Agreement for (i) storm water pollution abatement mandated by the Federal Water Pollution Control Act of 1972, and subsequent amendments thereto, and (ii) traffic congestion management mandated by the Congestion Management Program, California Government Code Section 65088 et seq., or any successor statute.

1.2 **"City Council"** means the City Council of the City, the legislative body of the City pursuant to Section 240 of the Los Angeles City Charter.

1.3 **"City Planning Commission"** means the Board of Commissioners of the Department of City Planning, as described in Section 551 of the Los Angeles City Charter.

1.4 **"Community Plan"** means the Sunland-Tujunga-Lake View Terrace-Shadow Hills-East La Tuna Canyon Community Plan.

1.5 **"Development Agreement Act"** means Section 65864 et seq. of the California Government Code.

1.6 **"Discretionary Action" or "Discretionary Approval"** means an 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 any officer or employee thereof, to determine whether there has been compliance with statutes, ordinances or regulations.

1.7 **"Effective Date"** is the date on which this Agreement is attested by the City Clerk of the City of Los Angeles after execution by Developer and the Mayor of the City.

1.8 **"General Plan"** means the General Plan of the City.

1.9 **"Mortgage"** means any mortgage, deed of trust, encumbrance, sale leaseback or other security interest encumbering all or any portion of the Property or Developer's interest in this Agreement, given by Developer for the purpose of securing funds to be used for financing the acquisition of the Property or any portion thereof, the construction of improvements thereon and/or any other expenditures reasonably necessary and appropriate to develop the Project.

1.10 **"Mortgagee"** means the holder of the beneficial interest under any Mortgage, or the owner of the Property, or portion thereof or interest therein, under a Mortgage.

1.11 **"Parties"** means, collectively, Developer and the City.

1.12 **"Party"** means any one of Developer or the City.

1.13 **"Processing Fees and Charges"** means all fees and charges required by the City, including, but not limited to, fees for land use applications, project permits, building applications, building permits, grading permits, maps and certificates of occupancy which are necessary to accomplish the intent and purpose of this Agreement. Expressly exempted from Processing Fees and Charges are all impact fees, linkage fees, or exactions which may be imposed by the City on development projects on a City-wide basis 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 and Charges 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, (a) Developer shall be exempt from the payment of affordable housing mitigation fees, if any, pursuant to Los Angeles Municipal Code Section 91.107.4.7 or any subsequently enacted ordinance and (b) Developer shall not be exempt 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.

1.14 "Project" means the development of 280 detached single-family homes on a portion of the Property, together with certain public and private recreational amenities, as more particularly described in the Project Approvals. The Project is commonly known as "Canyon Hills".

1.15 "Project Approvals" means the city approvals with respect to the Project set forth in Exhibit "C" attached hereto.

1.16 "Property" means that certain real property located at 7000-8000 La Tuna Canyon Road in the City, as more particularly described in Exhibit "A" attached hereto and as more particularly shown on Exhibit "B" attached hereto.

1.17 "Public Open Space" means approximately 514.5 acres of the Property, including (a) the shaded portion of the Property shown on Exhibit "B" attached hereto and incorporated herein by this reference, which includes Lots [281, 288, 292, 308, 330 and 335] of the Vesting Tentative Map, and (b) the portion of the Property designated as "Not A Part" on the title page of the Vesting Tentative Map.

1.18 "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, but: (a) 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); (b) are amendments to Chapter IX of the Los Angeles Municipal Code Section 91.101 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; (c) are necessary to comply with State and federal laws and regulations (whether enacted previous or subsequent to the Effective Date of this Agreement); or (d) 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.

1.19 "Specific Plan" means the San Gabriel/Verdugo Mountains Scenic Preservation Specific Plan adopted by the City Council on December 19, 2003 pursuant to Ordinance No. 175,736.

1.20 "Term" means the period of time during which this Agreement shall be in effect and shall bind the City and Developer, as described in Section 7.2, below.

1.21 "Vesting Tentative Map" means Vesting Tentative Tract Map No. 061672 with respect to the Project.

2. RECITALS OF PREMISES, PURPOSE AND INTENT.

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 a 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: (a) 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 parties; and (b) 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.

2.2.1 Planning Commission Action. On January __, 2005, the City Planning Commission conducted a duly-noticed public hearing with respect to the Project and took certain actions with respect to the Approvals and recommended that the City Council adopt an ordinance approving this Agreement.

2.2.2 City Council Action. The City Council on _____, 2005 after conducting a duly-noticed public hearing, adopted Ordinance No. _____, to become effective on the thirty-first day after publication, approving this Agreement, found that its provisions are consistent with the City's General Plan, including the Community Plan, and the Specific Plan, and authorized the execution of this Agreement.

2.3 Purpose of this Agreement.

2.3.1 Developer 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 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. This Agreement, therefore, is necessary to assure Developer that the Project will not be (a) reduced in density, intensity or use, (b) subjected to new rules, regulations, ordinances or official policies which are not related to compliance with State or federal mandates or health and safety conditions, or (c) subjected 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 Agreement will provide for the orderly development of the Property in accordance with the objectives set forth in the General Plan, including the Community Plan, and the Specific Plan. Moreover, a development agreement for the Project will eliminate uncertainty in planning for and securing orderly development of the Project, 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 to the City, as described in Section 3.1.3, below. Additionally, although development of the Project in accordance with this Development Agreement will restrain

the City's land use or other relevant police powers, the Development Agreement will provide 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 and Reserved Powers, subject to the terms and conditions of this Agreement.

2.4 Applicability of the Agreement. This Agreement does not: (a) grant density or intensity in excess of that otherwise established in the Applicable Rules; (b) eliminate future Discretionary Actions relating to the Project if applications requiring such Discretionary Action are initiated and submitted by the owner of the Property after the Effective Date of this Agreement; (c) guarantee that Developer will receive any profits from the Project; (d) prohibit the Project's participation in any benefit assessment district that is generally applicable to surrounding properties; or (e) amend the City's General Plan. This Agreement has a fixed term. Furthermore, in any 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 Article 2 of this Agreement, Developer hereby agrees as follows:

3.1.1 Project Development. The Project consists of the development of 280 single-family detached homes that will be clustered on approximately 194 acres on the eastern portion of the 887-acre Property. 211 homes will be constructed on approximately 142 acres of land on a portion of the Property located on the north side of Interstate 210 and commonly referred to as "Development Area A". 69 homes will be constructed on approximately 52 acres of land on a portion of the Property located on the south side of Interstate 210 and commonly referred to as "Development Area B". The Project also includes the design and installation of a traffic signal at the intersection of Development Area A Access/Interstate 210 Westbound Ramps and La Tuna Canyon Road, as well as the construction of an internal circulation system, the installation of utilities and site drainage improvements and private recreational amenities. It is understood that Developer's development of the Project depends on a number of factors, including without limitation the housing market, the availability of financing and the general economic climate of the area. Nothing in this Agreement shall be construed as requiring Developer to develop Project and any failure to develop, or a delay in developing, the Project shall not be deemed a default of Developer under this Agreement; provided, however, that if Developer proceeds with the development of the Project in accordance with its own business judgment and taking into account market conditions

and economic considerations, it shall carry out such development in accordance with the terms and conditions of this Agreement.

3.1.2 Phasing of Development. The parties acknowledge that Developer cannot at this time predict when or the rate at which phases of 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 terms and conditions of this Agreement and with the Applicable Rules.

3.1.3 Additional Consideration for this Agreement. The Project will provide the public benefits:

3.1.3.1 Public Open Space. The Public Open Space shall be preserved as permanent open space. Prior to the issuance of any certificate of occupancy with respect to the single-family homes to be constructed on the Property, Developer shall transfer fee title to the Public Open Space to the Santa Monica Mountains Conservancy or another qualified transferee that agrees to preserve the Public Open Space as permanent open space.

3.1.3.2 Maximum Height and Size. The maximum height (as defined in Section 12.03 of the Los Angeles Municipal Code under the heading "Height of Building or Structure") of the single-family homes to be constructed on the Property shall be 30 feet and the size of the single-family homes to be constructed on the Property shall not otherwise exceed the maximum floor area ratio set forth in the Los Angeles Municipal Code.

3.1.3.3 Public Equestrian Park. Prior to the issuance of any certificate of occupancy with respect to any of the single-family homes to be constructed on the Property, Developer shall construct an equestrian park on approximately three acres of land adjacent to La Tuna Canyon Road in the southwest portion of the project site at the location shown on Exhibit "D", which will be available for public use. Following the completion of the equestrian park, the land and

improvements that comprise the equestrian park will be transferred to the City's Department of Recreation and Parks or another qualified transferee. The equestrian park will include a staging area for horses, an equestrian arena, a parking area for approximately two cars with trailers and potable water facilities.

3.1.3.4 Housing. The development of the Project will help alleviate the substantial housing shortage in the City and, in particular, the northeast San Fernando Valley.

3.1.3.5 Economic Benefits. The development of the Project will provide hundreds of construction jobs, new permanent jobs, additional property tax revenues and otherwise provide a substantial boost to the local economy.

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 Article 2 of this Agreement, the City hereby agrees as follows:

3.2.1 Entitlement to Develop. Developer has the right to develop the Project subject to the terms and conditions of this Agreement, the Applicable Rules 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, densities, designs and heights incorporated and agreed to herein.

3.2.3 Changes in Applicable Rules.

3.2.3.1 Nonapplication of Changes in Applicable Rules. Any change in, or addition to, the Applicable Rules, including, without limitation, any change in any applicable general or specific plan, zoning or building regulation, adopted or becoming effective after the Effective Date of this Agreement, including, without limitation, any such change by means of ordinance, City Charter amendment, initiative, referendum, resolution, motion, policy, order or moratorium, initiated or instituted for any reason whatsoever and adopted by the Mayor, City Council, City Planning Commission or any other Board, Commission or Department of the City, or any officer or employee thereof, or by the electorate, as the case may be, which would, absent this Agreement, otherwise be applicable to the Project and which would conflict in any way with the Applicable Rules or this Agreement, shall not be applied to the Project unless such changes represent an exercise of the City's Reserved Powers.

3.2.3.2 Developer Consent to Changes in Applicable Rules. Notwithstanding the provisions of Section 3.2.3.1, or any other provision of this Agreement, Developer may, in its sole discretion, consent in writing to the application of any change in the Applicable Rules to the Project.

3.2.3.3 Changes in Building and Fire Codes. Notwithstanding any provision of this Agreement to the contrary, development of the Project shall be subject to changes occurring from time to time in the Uniform Building Code and other uniform construction codes. In addition, development of the Project shall be subject to changes occurring from time to time in Chapters V and IX of the Los Angeles Municipal Code regarding the construction, engineering and design standards for both public and private improvements, provided that such changes are (a) necessary to the health and safety of the residents of the City, and (b) 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).

3.2.3.4 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. 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 or the Reserved Powers. However, any subsequent Discretionary Action or Discretionary Approval initiated by Developer which changes the uses, intensity, density, building height or phasing of the Project, or decreases the lot area, setbacks, yards, parking or other entitlements permitted on the Property as of the effective date of the ordinance authorizing the execution of this Agreement, shall be subject to the rules, regulations, ordinances and official policies of the City then in effect. Unless amended to provide otherwise, this Agreement shall not apply to any such subsequently approved Discretionary Actions.

3.2.5 Effective Development Standards. The City agrees that it is bound to permit the uses, intensity of use and density on this Property which are permitted by this Agreement, 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 or Discretionary Approval which must be issued by the City in order for the Project to proceed, provided that Developer reasonably and satisfactorily

complies with all preliminary procedures, actions, payments of Processing Fees and Changes, and criteria generally required of developers by the City for processing applications for developments and consistent with this Agreement.

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 in 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 to the rate, timing, sequencing, or phasing of the development or construction on all or any part of the Property, City agrees that such ordinance, resolution or other measure shall not apply to the Property or this Agreement, unless such changes: (a) are found by the City to be necessary to the health and safety of the residents of the City, and (b) 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).

4. PERIODIC REVIEW.

4.1 Annual Review. During the Term of this Agreement, the City shall review annually Developer 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. On or before the yearly anniversary of the Effective Date of the Agreement, the Director of Planning shall make a determination regarding whether or not Developer has complied in good faith with the provisions and conditions of this Agreement. This determination shall be made in writing with reasonable specificity, and a copy of the determination shall be provided to Developer in the manner prescribed in Section 7.15. 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 finding and determination of non-compliance, Developer shall be entitled to appeal that determination to the City Planning Commission. After a public hearing on the appeal, the City 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 Director of Planning or the City Planning Commission, on appeal, that Developer has not complied in good faith with the provisions and conditions of this Agreement, the City, after denial of any appeal or, where no appeal is taken, after the expiration of the appeal period described in Section 7.3, shall submit to Developer, by registered or certified mail, return receipt requested, a written notice of default in the manner prescribed in Section 7.15, 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), by mutual consent of the City and Developer, 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 City Planning Commission. The Director of Planning shall then set a date for a public hearing before the City Planning Commission in accordance with the notice and hearing requirements of Government Code Sections 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 7.3. 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 Termination Or Modification Of Agreement. The City may terminate or modify this Agreement, or those transferred or assigned rights and obligations, as the case may be, after such final determination of the City Council or, where no appeal is taken, after the expiration of the appeal periods described in Section 7.3. 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 7.3.

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 the Agreement in a timely manner, the City shall have all rights and remedies provided herein, which shall include compelling the specific performance of the obligations of Developer under this Agreement, or modification or termination of this Agreement, provided that the City has first complied with the procedure in Section 5.1.2; provided, however, that the City shall have no right to monetary damages under this Agreement as the result of any default by Developer.

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 finds 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 City Planning Commission and then set a public hearing before the City Planning Commission in accordance with the notice and hearing requirements of Government Code Sections 65867 and 65868. If, after public hearing, the City 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 7.3. 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 Modification Of Agreement. The City may terminate or modify this Agreement, or those transferred or assigned rights and obligations, as the case may be, after such final determination of the City Council or, where no appeal is taken, after the expiration of the appeal periods described in Section 7.3. 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 7.3.

5.2 Default By The City.

5.2.1 Default. In the event the City does not accept, process, or render a decision on necessary development permits, entitlements, 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 arbitration pursuant to Section 7.5 of this Agreement.

5.3 No Monetary Damages. It is acknowledged by the parties that the City would not 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 will not be possible physically, financially and as a matter of land use planning, to restore the Property to its prior state following the commencement of the Project. Furthermore, Developer has invested a considerable amount of time and financial resources and planning to determine the kind, location and intensity of use, improvements and structure for the Project. For these reasons, 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 each of the parties may pursue any remedy at law or equity available for any breach of any provision of this Agreement, except 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. MORTGAGEE PROTECTIONS.

6.1 Encumbrances on the Property. Developer shall have the same right to encumber Developer's right, title and interest in, to and under this Agreement and the Property that Developer would have absent this Agreement pursuant to one or more Mortgages, provided that any such Mortgage is given for the purpose of securing funds to be used for financing the acquisition of the Property or any portion thereof, the construction of improvements thereon, and/or any other expenditures reasonably necessary and appropriate to develop the Project.

6.2 Mortgagee Protection. This Agreement shall be superior and senior to the lien of any Mortgage recorded after the date on which this Agreement is recorded. Notwithstanding the foregoing, no breach of this Agreement shall defeat, render invalid, diminish or impair the lien of any Mortgage made in good faith and for value, and any acquisition or acceptance of title or any right or interest in or with respect to the Property or any portion thereof by Mortgagee, whether pursuant to foreclosure, trustee's sale, deed in lieu of foreclosure, lease termination or otherwise, shall be subject to all of the terms and conditions of this Agreement and any such Mortgagee which takes title to the Property or any portion thereof shall be entitled to the benefits arising under this Agreement.

6.3 Mortgagee not Obligated. No Mortgagee shall have any obligation or duty pursuant to the terms of this Agreement to perform the covenants or obligations of Developer hereunder, or to guarantee such performance, provided that to the extent any covenant to be performed by Developer is a condition to the performance of a covenant by City, the performance thereof shall continue to be a condition precedent to the City's performance hereunder.

6.4 Notice of Default to Mortgagee; Right to Cure. Whenever the City shall deliver any notice or demand to Developer with respect to any breach or default by Developer under this Agreement or the results of any periodic review pursuant to Article 4, the City shall concurrently deliver to each Mortgagee a copy of such notice or demand, provided that such Mortgagee(s) has informed the City in writing of its address for notices. Each Mortgagee shall have the right, but not the obligation, to cure any such default within sixty (60) days after receipt of such notice or, if such default can only be cured by any such Mortgagee upon obtaining possession of the Property, such Mortgagee(s) shall have the right to diligently and continuously seek to obtain possession of the Property through a receiver or otherwise, and to cure such default within sixty (60) days after obtaining possession, and the City may not exercise any of its remedies under this Agreement until the expiration of such sixty (60)-day period; provided, however, that if a default cannot with diligence be remedied or cured, or the remedy or cure cannot commence, within such sixty (60)-day period, such Mortgagee shall have additional time period as is reasonably necessary to obtain possession of the Property and cure such default, provided that such Mortgagee shall continuously and diligently pursue such remedy until such default is cured. Notwithstanding the foregoing, the City's failure to comply with this Section shall not constitute a default or grounds for termination of this Agreement.

6.5 Amendment. This Agreement shall not, without the prior written consent of all Mortgagees holding Mortgages encumbering any portion of the Property, be amended so as to (a) terminate this Agreement prior to the expiration of the Term or (b) change any provision of this Agreement which, by its terms, is specifically for the benefit of Mortgagees or specifically confers rights on Mortgagees. No amendment to this Agreement made without the consent of any Mortgagee shall be binding on such Mortgagee or its successors interest should it become a party hereto.

6.6 Modification of Article; Conflicts. The City hereby agrees to cooperate in including in this Agreement by suitable amendment from time to time any provision which may reasonably be requested by any proposed Mortgagee for the purpose of allowing such Mortgagee reasonable means to protect or preserve a lien and security interest of its Mortgage hereunder, as well as such other documents containing terms and provisions customarily required by Mortgagees (taking into account the customary requirements of their participants, syndication partners or rating agencies) in connection with any such financing. The City agrees to execute and deliver (and to acknowledge, if necessary, for recording purposes) any agreement necessary to effectuate any such amendment; provided, however, that any such amendment shall not in any way materially adversely affect any rights of either Party under this Agreement. If there is any conflict between this Article 6 and any other provisions contained in this Agreement, this Article 6 shall control.

6.7 Bankruptcy. Notwithstanding anything to the contrary in this Article 6, if any Mortgagee is prohibited from commencing or prosecuting foreclosure or other appropriate proceedings in the nature thereof by any injunction issued by any court or by reason of any action by any court having jurisdiction of any bankruptcy or insolvency proceeding involving Developer, the times specified in Section 6.7 for commencing or prosecuting foreclosure or other proceedings shall be extended for the period of such prohibition. In addition, if this Agreement is rejected by Developer or otherwise terminated in connection with any proceeding, then upon the request of any Mortgagee, a new development agreement upon the same terms and conditions as this Agreement shall be entered into between such Mortgagee and the City.

7. GENERAL PROVISIONS.

7.1 Effective Date. This Agreement shall be effective upon such date as it is attested by the City Clerk of the City of Los Angeles ("Effective Date") after execution by Developer and the Mayor of the City of Los Angeles.

7.2 Term. The term of this Agreement ("Term") shall commence on the Effective Date and shall extend for a period of twenty (20) years after the Effective Date, unless said Term is otherwise terminated, modified or extended by circumstances set forth in this Agreement or by mutual consent in writing of the Parties hereto. Following the expiration of the 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 entitlements or approvals, including the Project Approvals on the Property. The Term of this Agreement shall automatically be extended for the period of time of any actual delay resulting from the exercise of the City's Reserved Powers or Moratoria.

7.3 Appeals To City Council. Where an appeal by Developer to the City Council from a finding and/or determination of the City 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, in accordance with Section 7.15. The City Council shall act upon the finding and/or determination of the City Planning Commission within eighty (80) days after such mailing, or within such additional period as may be agreed upon by the Developer and the 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.

7.4 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; strikes; walkouts; 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 (e.g., 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 will be granted in writing for the period of the enforced delay, or longer as may be mutually agreed upon.

7.5 Dispute Resolution.

7.5.1 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 agreed upon by the Parties.

7.5.2 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.

7.5.3 Arbitration Procedures. 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 of 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.

7.5.4 Extension Of Agreement Term. The Term of this Agreement as set forth in Section 7.2 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.

7.6 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 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, seek declaratory relief with respect to its rights, obligations or interpretations of this Agreement, or pursue other remedies under applicable law.

7.7 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 state actions and the Central District of California for any federal actions.

7.8 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 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.

7.9 Assignment. The Property, as well as the rights and obligations of Developer under this Agreement, may be transferred or assigned in whole 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 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. 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.

7.9.1 Release Upon Assignment. Upon assignment, in full or in part, of Developer's rights and interests under this Agreement pursuant to this Section 7.9 in connection with the sale or transfer of any portion of the Property, Developer shall be released from its obligations under this Agreement with respect to such portion of the Property, provided that (a) Developer has delivered to the City the notice required pursuant to the preceding paragraph and (b) the transferee expressly and unconditionally assumes all of the rights and obligations of Developer under this Agreement with respect to such portion of the Property.

7.9.2 Allocation of Rights. Notwithstanding anything to the contrary in this Section, Developer shall have the right to allocate contractually with any proposed purchaser, transferee or assignee of the portion of the Property located north of Interstate 210 and/or the portion of the Property located south of Interstate 210 the rights and obligations of Developer hereunder with respect to such portion of the Property, including without limitation permitted density and/or other development rights, and the right and obligation to construct improvements, all of which shall be set forth in a written assignment and assumption agreement between Developer and the proposed purchaser, transferee or assignee.

7.9.3 Sale of Individual Lots. Notwithstanding anything to the contrary in this Agreement, the burden of this Agreement shall terminate as to any lot which has been finally subdivided and sold individually or in a "bulk" sale of four (4) or fewer lots to the purchaser thereof, and thereupon and without the execution or recordation of any further document or instrument such lot shall be released from and no longer subject to or burdened by the provisions of this Agreement; provided, however, that the benefits of this Agreement shall continue to run as to any such lot until the earlier of the construction of a building on such lot or the termination of this Agreement, at which time this Agreement shall terminate as to such lot.

7.10 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 the Parties hereto and their respective assignees, transferees, and successors.

7.11 Cooperation And Implementation.

7.11.1 Processing. Upon satisfactory completion by Developer of all required preliminary actions and payment of appropriate Processing Fees and Charges, including the fee for processing this Agreement, the City shall commence and diligently process all required steps necessary for the implementation of this Agreement and development of the Property in accordance with the terms of this Agreement. 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.

7.11.2 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 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 it. 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.

7.11.3 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, the Parties hereby agree to affirmatively cooperate in defending said action.

7.12 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.

7.13 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 (a) challenging the validity of this Agreement or (b) 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. The City may make all reasonable decisions with respect to its representation in any legal proceeding.

7.14 Tentative Maps. Pursuant to California Government Code Section 66452.6(a), the duration of the Vesting Tentative Map and other tentative maps filed subsequent to the Effective Date with respect to any portion of the Property shall automatically be extended for the Term of this Agreement.

7.15 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 (a) actual receipt by any of the addressees designated below as the party to whom notices are to be sent, or (b) 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 the City:

Director of Planning
City of Los Angeles
City Hall Room 561-C
200 North Spring Street
Los Angeles, California 90012

with copies to:

General Manager
Department of Transportation
City of Los Angeles
/////Room 1200, City Hall
200 North Spring Street/////

Los Angeles, California 90012

City Attorney, City of Los Angeles
Real Property/Environment Division
1700 City Hall East, 200 N. Main Street
Los Angeles, California 90012

If to Developer:

California Whitebird, Inc.

Attention: _____

with a copy to:

Sheppard, Mullin, Richter & Hampton LLP
333 S. Hope Street, 48th Floor
Los Angeles, California 90071
Attention: Jack H. Rubens, Esq.

7.16 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 County 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.

7.17 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.

7.18 Successors And Assignees. The provisions of this Agreement shall be binding upon and shall inure to the benefit of the Parties, any subsequent owner of all or any portion of the Property and their respective successors and assignees.

7.19 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.

7.20 Time Of The Essence. Time is of the essence for each provision of this Agreement of which time is an element.

7.21 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.

7.22 No Third Party Beneficiaries. The only parties to this Agreement are the City and Developer and their 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.

7.23 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.

7.24 Legal Advice; Neutral Interpretation; Headings; Table Of Contents. Each Party 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 and table of contents used in this Agreement are for the convenience of reference only and shall not be used in construing this Agreement.

7.25 Estoppel Certificates. Any Party may, at any time, deliver written notice to any other Party requesting such Party to certify in writing that, to the best knowledge of the certifying Party, (a) this Agreement is in full force and effect and a binding obligation of the Parties, (b) this Agreement has not been amended or modified either orally or in writing, or if so amended, identifying the amendments, and (c) the requesting Party is not in default in the performance of its obligations set forth in this Agreement or, if in default, to describe therein the nature of such default(s). A Party receiving a request hereunder shall execute and return such certificate within fifteen (15) days following the receipt thereof. Any third party, including a Mortgagee, shall be entitled to rely on such certificate.

7.26 Counterparts. This Agreement is executed in three (3) duplicate originals, each of which is deemed to be an original. This Agreement, not counting the Cover Page or Table of Contents, consists of ___ pages and _____ Exhibits which constitute the entire understanding and agreement of the parties. The Exhibits are identified as follows:

Exhibit "A"	Legal Description
Exhibit "B"	Depiction of Property and Public Open Space

Exhibit "C"
Exhibit "D"

Project Approvals
Equestrian Park Location

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

"City":

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

APPROVED AS TO FORM:
ROCKARD S. DELGADILLO,
City Attorney

By _____
James K. Hahn,
Mayor

By _____

City Attorney

DATE: _____

ATTEST:
ELIAS MARTINEZ, City Clerk

By _____
Deputy

DATE: _____

"Developer":

WHITEBIRD, INC., a Nevada corporation, doing business in California as California Whitebird, Inc.

APPROVED AS TO FORM:

By _____
Linda Thomas,
President

By _____
Jack H. Rubens for
SHEPPARD, MULLIN,
RICHTER & HAMPTON LLP,
Counsel for Developer

DATE: _____

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

[SEE FOLLOWING PAGES]

LEGAL DESCRIPTION:

PORTION OF LOT 203 OF THE WESTERN EMPIRE TRACT, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 18, PAGES 162 AND 163 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AND

PORTIONS OF LOTS 2 AND 7 OF FRACTIONAL SECTION 24, TOWNSHIP 2 NORTH, RANGE 14 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, AND

PORTION OF LOT 203 OF THE WESTERN EMPIRE TRACT, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 18, PAGES 162 AND 163 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AND

PORTION OF LOT 1 OF SECTION 26, TOWNSHIP 2 NORTH, RANGE 14 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND FILED IN THE DISTRICT LAND OFFICE ON JULY 18, 1904, AND

PORTION OF LOT 5 OF SECTION 24, LOT 1 OF SECTION 25 AND THE EAST 150 FEET OF LOT 1 OF SECTION 26, TOWNSHIP 2 NORTH, RANGE 14 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, AND

PORTIONS OF LOTS 2 AND 3 OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER AND THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER; ALL FRACTIONAL SECTION 23, TOWNSHIP 2 NORTH, RANGE 14 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA ACCORDING TO THE OFFICIAL PLAT THEREOF, AND

PORTIONS OF LOT 64 OF THE WEST PORTION OF TUJUNGA RANCH, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 29 PAGES 50, 51 AND 52 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE RECORDER OF SAID COUNTY, AND

PORTION OF THE NORTH ONE-HALF OF LOT 96 OF THE MONTE VISTA TRACT, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 6 PAGE 324 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AND THAT PORTION OF

THE HIGHWAY VACATED BY ORDER OF THE BOARD OF SUPERVISORS IN ROAD BOOK 13 PAGE 44, ADJOINING SAID LOT ON THE EAST AND NORTH AND LYING WESTERLY OF THE WESTERN EMPIRE TRACT, AS PER MAP RECORDED IN BOOK 1. PAGE 162 OF MAPS, AND LYING SOUTHERLY OF THE CENTER LINE OF SAID HIGHWAY ADJOINING SAID LOT ON THE NORTH, AND

PORTION OF THE SOUTH HALF OF LOT 96 AND ALL OF LOT 97 OF MONTE VISTA, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 6, PAGES 324 AND 325 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AND THOSE PORTIONS OF THE HIGHWAY VACATED BY AN ORDER OF THE BOARD OF SUPERVISORS OF SAID COUNTY, ON FILE IN ROAD BOOK 13, PAGE 44, IN THE OFFICE OF THE SAID BOARD OF SUPERVISORS, ADJOINING SAID LOTS 96 AND 97 OF THE EAST AND LYING WESTERLY OF THE WESTERN EMPIRE TRACT, AS PER MAP RECORDED IN BOOK 18, PAGES 162 AND 163 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AND

THOSE PORTIONS OF FRACTIONAL SECTIONS 24 AND 25, TOWNSHIP 2 NORTH, RANGE 14 WEST, IN THE RANCHO SAN RAFAEL, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, INCLUDED WITHIN THE LINES OF V. BEAUDRY'S MOUNTAINS, IN SAID CITY, AS PER MAP RECORDED IN BOOK 36, PAGES 67 TO 71 INCLUSIVE OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AND

ALSO LOT 7, AND THE SOUTHEAST ONE-QUARTER OF THE SOUTHEAST ONE-QUARTER, ALL IN SECTION 23, TOWNSHIP 2 NORTH, RANGE 14 WEST, SAN BERNARDINO MERIDIAN, IN SAID CITY, ACCORDING TO THE OFFICIAL PLAT THEREOF, AND

ALSO LOTS 3, 4 AND 6 IN SECTION 24, TOWNSHIP 2 NORTH, RANGE 14 WEST, SAN BERNARDINO MERIDIAN, IN SAID CITY, ACCORDING TO THE OFFICIAL PLAT THEREOF, AND

PORTION OF THE NORTHWEST ONE-FOURTH OF THE NORTHWEST ONE-FOURTH OF SECTION 30, TOWNSHIP 2 NORTH, RANGE 14 WEST, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON COUNTY SURVEYOR'S MAP B-725 ON FILE IN THE OFFICE OF THE COUNTY ENGINEER OF SAID COUNTY, AND

PORTION OF THE NORTH HALF OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 30 AND THE NORTH HALF OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 30, TOWNSHIP 2 NORTH, RANGE 13 WEST, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON COUNTY SURVEYOR'S MAP NO. B-725 ON FILE IN THE OFFICE OF THE COUNTY ENGINEER OF SAID COUNTY, AND

PORTION OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 25, TOWNSHIP 2 NORTH, RANGE 14 WEST, IN THE RANCHO SAN RAFAEL, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, INCLUDED WITHIN THE LINES OF V. BEAUDRY'S MOUNTAINS, AS PER MAP RECORDED IN BOOK 36, PAGES 67 THROUGH 71, INCLUSIVE OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AND

PORTIONS OF LOT 229 OF THE WESTERN EMPIRE TRACT, SHEET NO. 4, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 18 PAGE 162 ET SEQ., OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AND

ALSO LOTS 3, 4 AND 6 IN SECTION 24, TOWNSHIP 2 NORTH, RANGE 14 WEST, SAN BERNARDINO MERIDIAN, IN SAID CITY, ACCORDING TO THE OFFICIAL PLAT

PORTION OF LOT 206 ½ OF THE WESTERN EMPIRE TRACT, SHEET NO. 4, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 18 PAGE 162 ET SEQ., OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AND

PORTION OF LOT 206 OF THE WESTERN EMPIRE TRACT, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 18 PAGES 162 AND 163 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AND

PORTIONS IF LOTS 1 AND 2 OF FRACTIONAL SECTION 24, TOWNSHIP 2 NORTH, RANGE 14 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND

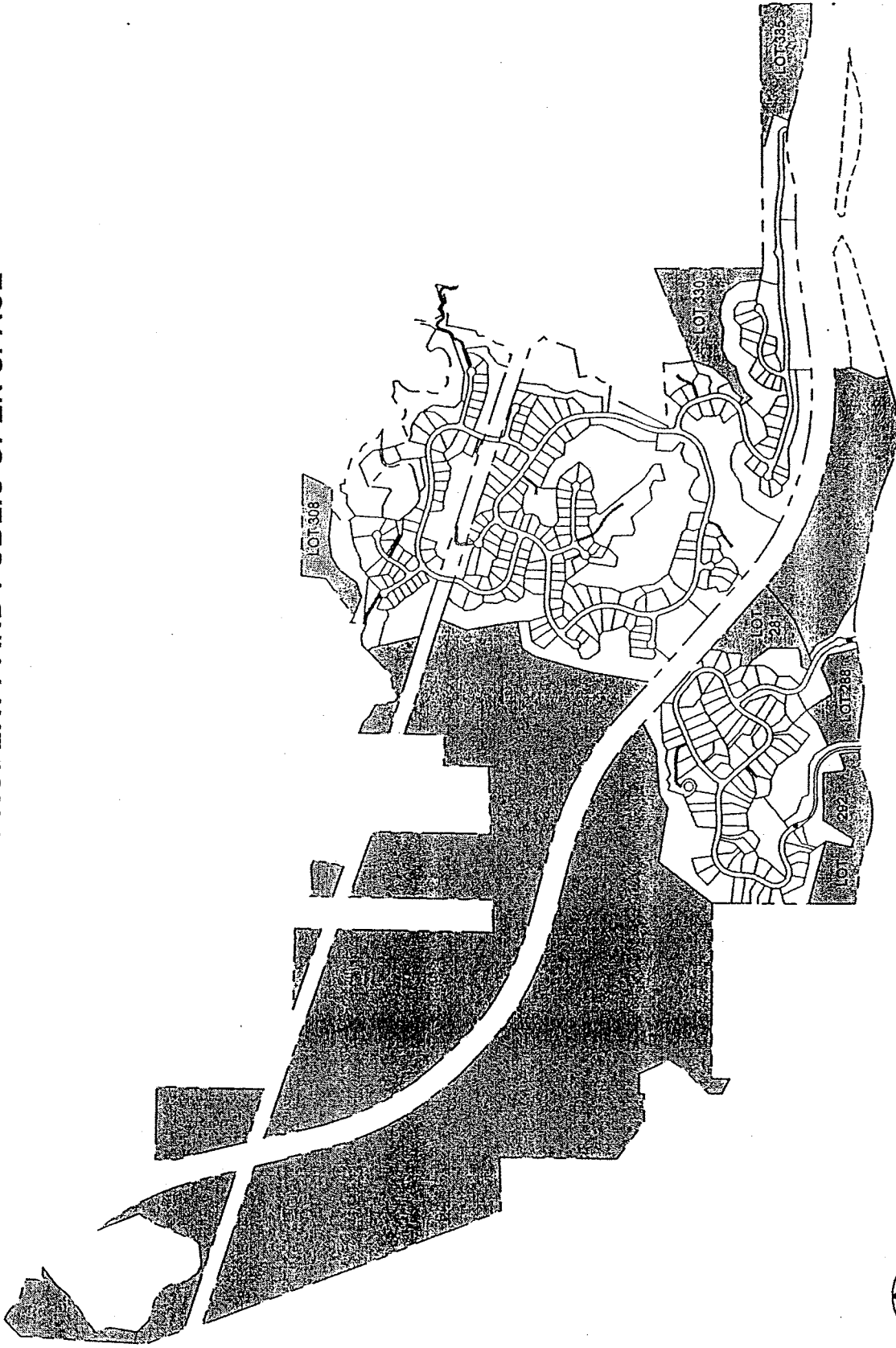
THE WEST 130.00 FEET, MEASURED AT RIGHT ANGLES, OF THAT PORTION OF THE WEST HALF OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 23, TOWNSHIP 2 NORTH, RANGE 14 WEST, SAN BERNARDINO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, LYING NORTH OF THE NORTH LINE OF LA TUNA CANYON ROAD, AS DESCRIBED IN THE DEED RECORDED IN BOOK 7415 PAGE 284 OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXHIBIT "B"

DEPICTION OF PROPERTY AND PUBLIC OPEN SPACE

[SEE FOLLOWING PAGE]

DEPICTION OF PROPERTY AND PUBLIC OPEN SPACE



LEGEND



PUBLIC OPEN SPACE



OPEN SPACE LOTS IN VESTING
TENTATIVE MAP

NOT TO SCALE
DECEMBER 2004

CANYON HILLS



EXHIBIT "C"

PROJECT APPROVALS

1. General Plan Amendment and Zone Change (Case No. CPC-2004-4344-ZC-GPA-MPR) as follows:
 - a. General Plan Amendment to change the land use designations in the Community Plan for portions of the Property from Minimum Residential, Very Low I Residential, Very Low II Residential and Open Space to Minimum Residential and Low Residential.
 - b. Zone Change to change the zoning designations for portions of the Property from A1-1 (Agricultural) and RE11-1 (Residential Estate) to RE9-1-H (Residential Estate), RE11-1-H (Residential Estate) and RE20-1-H (Residential Estate).
2. Vesting Tentative Tract No. 061672.
3. Site Plan Review (Case No. CPC-2004-4345-SPP-SPR).
4. Project Permit Compliance Review with respect to the Specific Plan, including oak tree removal/relocation permit (Case No. CPC-2004-4345-SPP-SPR).
5. Final Environmental Impact Report for the Project (ENV-2002-2481-EIR).

EXHIBIT "D"
EQUESTRIAN PARK LOCATION

[SEE FOLLOWING PAGES]