Development Agreement

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RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

Office of the City Clerk
City Administration Building
202 C Street
San Diego, CA 92101

DEVELOPMENT AGREEMENT BETWEEN
THE CITY OF SAN DIEGO AND
PARDEE CONSTRUCTION COMPANY

PACIFIC HIGHLANDS RANCH
SUBAREA III
NORTH CITY FUTURE URBANIZING AREA

DOCUMENT NO. 00-18571
FILED SEP 08 1998
OFFICE OF THE CITY CLERK
SAN DIEGO, CALIFORNIA

NEGOTIATED AND ENTERED INTO PURSUANT TO CITY COUNCIL POLICY 600-37 ADOPTED BY THE CITY COUNCIL ON AUGUST 9, 1988, AND AS AMENDED ON SEPTEMBER 13, 1988

DEVELOPMENT AGREEMENT BETWEEN THE CITY OF SAN DIEGO AND PARDEE CONSTRUCTION COMPANY

PACIFIC HIGHLANDS RANCH SUBAREA III NORTH CITY FUTURE URBANIZING AREA

This DEVELOPMENT AGREEMENT [Agreement] is entered into between THE CITY OF SAN DIEGO, a municipal corporation [City or Party] and PARDEE CONSTRUCTION COMPANY, a California corporation [Owner or Pardee or Party] [collectively, the Parties]. This Agreement is entered into with reference to the following facts.

RECITALS.

A. **Code Authorization.** City, a charter city, is authorized pursuant to Government Code Section 65864 et seq. [California Development Agreement Legislation] to enter into development agreements with persons having legal or equitable interests in real property for the purpose of establishing certainty for both City and Owner in the development process. City enters into this Agreement pursuant to the provisions of the California Development Agreement Legislation, Charter of City and its home-rule powers, City Municipal Code section 111.0901 et seq., Council Policy 600-37, the City's Progress Guide and General Plan [General Plan], and applicable City Policies. The Parties acknowledge:

(1) This Agreement is intended to assure adequate public facilities at the time of development.

(2) This Agreement is intended to assure development in accordance with City's Capital Improvement Program and City's General Plan.

(3) This Agreement is intended to provide certainty to Owner in the development approval process by vesting the permitted use(s), density and intensity of use, and the limited timing and phasing of development relating to Owner's Property, and by providing for the development of Owner's Property pursuant to the rules, regulations, policies and provisions described herein.

(4) This Agreement will permit achievement of growth management goals and objectives as reflected in City's General Plan and Council Policy No. 600-37.

(5) Owner is required by the Subarea III Plan, the PFFP, and the MEIR - Mitigation Monitoring and Reporting Program to provide certain public facilities or public improvements.

(6) This Agreement will allow City to realize extraordinary and significant financial, open space, environmental, transportation, recreational, and public facility benefits in addition to those available through the existing regulatory process.

(7) Many of the extraordinary and significant benefits are of regional significance, contribute greater benefits than City could otherwise require of Owner, and represent benefits which could not otherwise be required as part of the City's development review and approval process.

(8) Because of the nature and significance of costs associated with the dedication of real property, the financing of infrastructure for regional and community facilities, and the extraordinary and significant nature of such benefits, certainty in the development process is an absolute necessity to Owner. The phasing, timing, and development of public infrastructure necessitates a significant commitment of resources, planning, and effort by Owner for public facility financing, construction, and dedication to be successfully completed. In return for Owner's participation and commitment to these significant contributions of private resources for public purposes, City is willing to exercise its authority to enter into this Agreement and to make a commitment to Owner of increased certainty in the development process for the Project.

(9) In consideration of Owner's agreement to provide extraordinary and significant benefits, City is hereby granting Owner assurances that it can proceed with development of the Project in accordance with City's ordinances, rules and regulations, existing as of the effective date of this Agreement. Owner would not enter into this Agreement or agree to provide the public benefits and improvements described in this Agreement, if it were not for the commitment of City that the Project can be developed in accordance with the Existing Laws.

B. Owner. Owner has a legal or equitable interest in Owner's Property (identified on attached Exhibit "A") located in City and County of San Diego, California. A map depicting the location of Owner's Property is attached as Exhibit "B" to this Agreement.

C. Interest of Owner. Owner represents that it has an equitable or legal interest in Owner's Property and is authorized to enter into this Agreement.

D. Planning Commission - City Council Hearings. On June 25, 1998, the Planning Commission of City [Planning Commission], after giving notice required by law, held a public hearing to consider Owner's application for this Agreement. On July 28, 1998, the City Council, after providing notice as required by law, held a public hearing to consider Owner's application for this Agreement.

E. Council Findings. The City Council finds that this Agreement is consistent with City's General Plan, Council Policy 600-37, the Land Development Code, as approved by City Council Ordinance No. O-18451 on December 9, 1997 and other applicable ordinances, plans, policies and regulations of City in effect as of the date of adoption of Ordinance No. O-18571 approving this Agreement.

F. City Ordinance. On September 8, 1998, the City Council adopted Ordinance No. O-18571 approving this Agreement. The ordinance became effective on October 8, 1998.

THE PARTIES AGREE AS FOLLOWS:

1.0 DEFINITIONS. In this Agreement, unless the context otherwise requires:

1.1 "California Development Agreement Legislation" means Government Code section 65864 through and including Section 65869.5.

1.2 "Carmel Valley" is that geographic area in City governed by the Carmel Valley (formerly North City West) Community Plan adopted by City Council Resolution No. R-212692.

1.3 "CEQA" is the California Environmental Quality Act found at Section 21000 et seq. of the Public Resources Code of the State of California, including implementing regulations thereof found in the California Code of Regulations.

1.4 "Default" means the occurrence of one or more of the events of default set forth in Section 7.1 of this Agreement.

1.5 "Del Mar Highlands Estates" means the property owned by Pardee in Subarea III described on the attached Exhibit "K."

1.6 "Effective Date" means November 3, 1998, the effective date of this Agreement, provided that on that date, the voters approve, at a city-wide election, a phase shift as provided in the NCFUA Framework Plan, changing the designation of approximately 2,102 acres in Subarea III from Future Urbanizing to Planned Urbanizing [the Phase Shift].

1.7 "Extraordinary and Significant Public Benefits" are the economic, environmental, and other benefits identified in Section 5.2 provided to City by Owner as consideration for entering into this Agreement.

1.8 "Existing Laws" means (i) the San Diego Municipal Code in effect on the effective date of Ordinance No. O-18571, approving this Agreement, as modified by the Land Development Code, adopted by the City Council pursuant to Ordinance No. O-18451 on

December 9, 1997, as the Land Development Code is unconditionally certified as a Local Coastal Program amendment; (ii) the Subarea III Plan and Local Coastal Program amendments necessary to implement the approved Plan, on the date the plan and amendments are unconditionally certified as a Local Coastal Program amendment; (iii) the master rezone approved by City Council on July 28, 1998, in connection with the Subarea III Plan, as unconditionally certified as a Local Coastal Program Amendment; and (iv) all other ordinances, resolutions, rules, regulations, and official policies of the City, including, without limitation, the General Plan, Community Plans, and Specific Plans all in effect on the effective date of Ordinance No. O-18571 approving this Agreement.

1.9 "Framework Plan" means the "Framework Plan for the North City Future Urbanizing Area" adopted by City Council as an amendment to the General Plan on October 1, 1992, by Council Resolution No. R-280787, as subsequently amended.

1.10 "General Plan" means the City of San Diego Progress Guide and General Plan adopted by the City.

1.11 "MEIR" means the master environmental impact report No. 96-7918/Sch. No. 97111077, certified by the City within the meaning of the CEQA, in the environmental evaluation of the impacts associated with the Project and the implementation of this Agreement.

1.12 "Mortgagee" means the mortgagee of a mortgage or beneficiary of a deed of trust encumbering Owner's Property or any part thereof and its successors and assigns.

1.13 "MSCP" is the Multiple Species Conservation Program for City which is designed to protect certain endangered, threatened and sensitive, plant and animal species.

1.14 "NCFUA" is the North City Future Urbanizing Area within City as indicated in City's General Plan.

1.15 "Notice of Default" means a notice from one Party to the other Party informing the recipient that it is in Default under this Agreement, which notice information is set forth in Section 7.2.1.

1.16 "Owner" means the person, persons, or entity having a legal or equitable interest in Owner's Property and includes Owner's successors in interest.

1.17 "Owner's Property" means the real property owned by Pardee which is described on attached Exhibit "A."

1.18 "Pardee Parcels" means all of the Owner's Property within Subarea III of the NCFUA exclusive of Del Mar Highlands Estates as described on attached Exhibit "A."

1.19 "Person" means any individual, corporation, partnership, limited liability company, trustee of a trust, or other legal entity.

1.20 "Project" means the development proposed upon the Pardee Parcels in substantial conformance with the Subarea III Plan, the associated Subarea III rezoning, the Phase Shift, and the MHPA Boundary Adjustment approved by City Council on July 28, 1998, including, without limitation, (i) the approximate 130 acre Conservation Land Bank; and (ii) necessary on- and off-site related infrastructure improvements, including, but not limited to, street and utility improvements.

1.21 "Project Entitlements" means the Subarea III Plan, the associated Subarea III rezoning, adopted by the City Council pursuant to Ordinance No. O-18580 on September 8, 1998, as certified by the Coastal Commission, and all of the discretionary permits and approvals granted or to be granted to complete the construction of the Project in accordance with this Agreement.

1.22 "PFFP" is the Public Facilities Financing Plan and Facilities Benefit Assessment for Subarea III in the NCFUA (excluding Appendix "A") approved by the City Council on July 28, 1998 by Resolution No. R-290522.

1.23 "Subarea III" means that part of the NCFUA depicted in the Subarea III Plan, as shown on attached Exhibit "C."

1.24 "Subarea III Plan" means the Pacific Highlands Ranch Subarea Plan for Subarea III of the NCFUA approved by the City Council as an amendment to the General Plan on July 28, 1998 by Resolution No. R-290521, as certified by the California Coastal Commission as an amendment of the Local Coastal Program.

1.25 "Subdivision Map Act" means the Subdivision Map Act of the State of California found at Government Code section 66410 et seq.

1.26 "Transportation Analysis" means the traffic impact analysis prepared for the Subarea III Plan as contained in the MEIR for the Project.

1.27 "Transportation Phasing Plan" means the transportation phasing plan associated with the development of Subarea III, as identified in attached Exhibit "D."

2.0 EXHIBITS. The following Exhibits, attached to this Agreement and incorporated by this reference, are identified as follows:

Exhibit	Description	Referred To In Section(s)
"A"	Legal Description of Owner's Property	Recital B, 1.17, 1.18, 5.3.4

	Map Depicting the Location of Owner's Property	Recital B
	Subarea III Plan Map	1.23, 1.24
	Subarea III Transportation Phasing Plan	1.27, 4.9
	Indemnity Agreement on Equestrian Trails	5.2.1
	Carmel Valley Police Substation Purchase Agreement	5.2.3
	Graphic depicting general location of fences and walls	5.2.8
	Graphic depicting brush management/ MHPA boundary buffer	5.2.9
	Graphic depicting the general location of the boundary adjustment in Neighborhood 10 VTM	5.3
	Form of Assignment and Assumption Agreement	3.3.2
"K"	Legal Description of Del Mar Highlands Estates	1.5

3.0 GENERAL PROVISIONS.

3.1 Property Subject to Agreement. The property subject to this Agreement is Owner's Property. No property shall be released from this Agreement until Owner has fully performed its obligations arising out of the Agreement or until released pursuant to provisions of Section 8.4 of this Agreement or until this Agreement is terminated pursuant to its terms.

3.2 Term of Agreement. The term of this Agreement shall commence on the Effective Date and shall extend for a period of twenty (20) years following the Effective Date unless this Agreement is earlier terminated, or its term modified or extended as provided in this Agreement. In addition, every approval granted for the Project other than ministerial approvals shall remain valid for a period of time equal to the term of this Agreement.

3.3 Assignment and Delegation.

3.3.1 Assignment of Interests. Owner may transfer or assign its interest in Owner's Property in whole or in part to any Person at any time during the term of this Agreement without the consent of City. Owner may assign or transfer all or any portion of its interest or rights under this Agreement to a Person acquiring an interest or estate in Owner's Property at any time during the term of this Agreement without the consent of City.

3.3.2 Delegation of Obligations. Owner may delegate or transfer its obligations under this Agreement to a Person acquiring an interest or estate in the Owner's Property only after receiving the prior written consent of the City Manager, which consent shall not be unreasonably withheld. When the City Manager is reasonably satisfied that the proposed transferee of the obligations is or will be financially able to fulfill the obligations of Owner under this Agreement, the City Manager shall grant written consent with respect to the portion of Owner's Property so transferred, in generally the form attached as Exhibit "J," within thirty (30) days after receipt of a written request from Owner for such consent. The City Manager may require surety bond or other security to insure performance of the assumed obligations. Within ten (10) days after receipt of Owner's written request for consent to delegate, the City Manager may request information from Owner or its transferee documenting such transferee's ability to satisfy the requirements of the foregoing sentence. The time period within which the City Manager may grant written consent (if the City Manager is reasonably satisfied) shall be extended twenty (20) days to review such documentation. Once the City Manager has consented to a transfer, delivery to and acceptance by the City Manager of an unqualified Assumption Agreement of Owner's obligations under this Agreement by such transferee shall relieve Owner of the obligations under this Agreement to the extent the obligations have been expressly assumed by the transferee. A transferee may not amend this Agreement without the written consent of the Person that, as of the effective date of this Agreement, is Owner. If a transferee defaults under this Agreement, such default shall not constitute a default by Owner of any other portion of Owner's Property hereunder and shall not entitle City to terminate or modify this Agreement with respect to such other portion of Owner's Property owned by a Person who is not in default.

3.3.3 Transfer to Public Agency. The reservation or dedication of a part or parts of Owner's Property to a public agency is not a transfer of duties and obligations hereunder to such public agency unless specifically stated to be the case in the instrument of conveyance used for such reservation or dedication, or other form of agreement with the public agency.

3.3.4 Assignee's Rights and Duties. Except as expressly limited herein, any and all approved successors and assignees of Owner shall have the same rights, benefits, duties, obligations and liabilities of Owner under this Agreement. If Owner's Property is subdivided, any subdivided parcel may be sold, mortgaged, hypothecated, assigned or transferred to a Person for development by them in accordance with the provisions of this Agreement. Owner shall remain

liable for any obligations from which Owner is not expressly released pursuant to any of the provisions of Section 3.3.

3.4 **Amendment or Cancellation of Agreement.** This Agreement may be amended from time to time or canceled by the mutual consent of City and Owner in the same manner as its adoption by an ordinance as set forth in California Government Code sections 65867 and 65868, and the San Diego Municipal Code and shall be in a form suitable for recording in the Official Records of San Diego County, California. The term "Agreement" shall include any amendment properly approved and executed. City and Owner acknowledge that the provisions of this Agreement require a close degree of cooperation between them and that minor or insubstantial changes to the Project may be required from time to time. Accordingly, changes to the Project which the City Manager determines are minor and insubstantial may be made without amending this Agreement.

3.5 **Enforcement.** Notwithstanding California Government Code section 65865.4 and San Diego Municipal Code section 111.0910, this Agreement is enforceable by City and Owner in any manner provided by law including specific performance. The remedies provided in Section 7.2 of this Agreement however, shall not include, and City shall not be liable for, any action in damages or any costs or attorney's fees resulting from any dispute, controversy, action or inaction, or any legal proceeding arising out of this Agreement.

3.6 **Hold Harmless.**

3.6.1 Owner shall hold City, its officers, agents, and employees harmless from liability as follows: (i) for damages, just compensation, restitution, or judicial or equitable relief arising out of claims for personal injury, and claims for property damage, which are caused by the operations of Owner, its contractors, subcontractors, agents or employees which relate to the development of Owner's Property or which are related to performance by either party of its obligations under Section 5.2 of this Agreement; and (ii) from and against any action or proceeding brought by a third party against the City to set aside, cancel, void or annul any of the following development approvals granted by the City in adopting: the General Plan/Framework Plan and Local Coastal Program amendments necessary for the approval of the Subarea III Plan; the Subarea III Plan; the rezoning of the Pardee Parcels; the MHPA Boundary Adjustments of Owner's Property; this Development Agreement or the City obligations contained in Section 5.2 of this Agreement; the PFFP, the Transportation Phasing Plan; the Phase Shift vote; discretionary permits and subdivision map(s) for Owner's Property; and the environmental documents required by CEQA for such development approvals.

3.6.2 Owner agrees to defend City and pay all costs for the defense of City and its officers, agents and employees regarding any action or proceeding that Owner has herein agreed to hold City harmless. Owner's obligation for legal fees and costs shall be limited to the legal fees and costs of only one legal counsel other than the City Attorneys office should it elect to participate in such litigation. Owner's agreement to hold City harmless applies to any action or

proceeding herein before mentioned regardless of whether or not City prepared, supplied, or approved this Agreement, plans or specifications, or both, for Owner's Property. Owner shall have the right to select legal counsel to represent City in any such proceedings subject to City Attorney's approval. Such approval will not be unreasonably withheld.

3.6.3 City may make all reasonable decisions with respect to its representation in any legal proceeding. However, if a settlement demand is made and Owner is willing to satisfy the settlement demand and City rejects the settlement demand, Owner's indemnity obligation in such proceeding shall from that point forward not exceed the amount of the settlement demand. Owner's agreement to indemnify and hold harmless as provided in this Section 3.6 does not apply to: (i) any claim or cause of action challenging City's approvals in adopting the MSCP; or (ii) any claim challenging the Council's approval of the alignment of SR-56 which is unrelated to the Subarea III Plan or Project Entitlements.

3.7 Binding Effect of Agreement. Except to the extent otherwise provided in this Agreement, the burdens of this Agreement bind and the benefits of this Agreement inure to Owner's successors in interest.

3.8 Relationship of City and Owner. The contractual relationship between City and Owner arising out of the Agreement is one of independent contractor and not agency. This Agreement does not create any third party beneficiary rights.

3.9 Notices. All notices, demands, and correspondence required or permitted by this Agreement shall be in writing and delivered in person, by facsimile, or mailed by first class or certified mail, postage prepaid, addressed as follows:

If to City, to:

The City of San Diego
City Administration Building
202 "C" Street, 9th Floor
San Diego, California 92101
Attention: City Manager
Facsimile: (619) 236-6067

With a Copy to:

The City of San Diego
City Administration Building
202 "C" Street, 5th Floor
San Diego, California 92101
Attention: Private Development Manager
Facsimile: (619) 236-6478

If to Owner, to:

Pardee Construction Company
10880 Wilshire Boulevard, Suite 1900
Los Angeles, California 90024
Attention: David Lyman, Esq.
Facsimile: (310) 446-1292

and

Pardee Construction Company
119 West "C" Street
Suite 2200
San Diego, California 92101
Attention: Michael Madigan

With a Copy to:

Seltzer Caplan Wilkins & McMahon
750 B Street, Suite 2100
San Diego, California 92101
Attention: Thomas F. Steinke, Esq.
Facsimile: (619) 685-3100

City or Owner may change its address by giving notice in writing to the other addressees indicated above. Thereafter, notices, demands, and correspondence shall be addressed and transmitted to the new addressees. Notice shall be deemed given upon personal delivery, or if by facsimile, upon successful transmission, or, if mailed, two (2) business days following deposit in the United States mail, properly sealed, postage prepaid, registered or certified, and return receipt requested.

4.0 DEVELOPMENT OF THE PROPERTY.

4.1 Rules, Regulations, and Policies. The rules, regulations and official policies governing the Project Entitlements and development of the Project are the Existing Laws and any future rules, regulations, and policies as provided in Section 4.6 of this Agreement.

4.2 Land Use Entitlements

4.2.1 Owner has the vested right, to the maximum extent allowed under California Development Agreement Legislation, except as expressly restricted in this Agreement, to complete development of the Project in accordance with the Existing Laws, subject to future rules, regulations and policies as provided in Section 4.6.

4.2.2 The Project and Project Entitlements may include the approval of vesting tentative maps pursuant to Section 66452.6 of the California Government Code. Any and all rights conferred pursuant to such vesting tentative map(s) are extended for the full term of this Agreement and shall survive any termination of this Agreement as otherwise provided under applicable law.

4.2.3 The right to regulate the rate and amount of growth is not abrogated by City. City retains the Police Power to provide for change in regulations, ordinances, policies and plans relating to moratoria, building permit allocations, timing and sequencing of development and financing and provision of adequate public facilities at the time of development. No vested rights as to any requirements in this section 4.2.3 either as to Existing Laws or future regulations, ordinances, policies and plans are conferred by this Agreement. In the exercise of its police power, the City Council shall recognize and consider the circumstances existing at the time this Agreement was authorized and shall limit its exercise of such power to matters of public health and safety. In addition, such exercise of the police power shall be by 2/3 vote of the City Council and shall be consistent with the purpose and intent of the California Development Agreement Legislation.

4.3 Construction Standards and Specifications. The construction standards and specifications for buildings, structures and necessary public improvements in the Project shall be the applicable construction standards and specifications in effect at the time any development approval is sought for the Project or any unit or structure contained within the Project.

4.4 Maximum Height and Size of Structures. The maximum height and size for all structures shall be as provided in the Existing Laws.

4.5 Environmental Review.

4.5.1 Other than the mitigation measures set forth for the Project in the MEIR (and any additional future mitigation programs contemplated therein), no other mitigation measures for environmental impacts created by the Project, as presently addressed by the MEIR, are required. When City requires any additional environmental review pursuant to CEQA or Existing Laws, City may impose additional mitigation measures to mitigate, as permitted by law, the adverse environmental impacts of such discretionary approvals.

4.5.2 City acknowledges that the Transportation Analysis has analyzed the traffic projected to be generated from Subarea III, as presented in the Subarea III Plan, and, in accordance with all applicable legal requirements, including, without limitation, the City of San Diego Traffic Impact Study Manual Guidelines [the Guidelines], a total of 5,182 dwelling units, 300,000 square feet commercial, 300,000 square feet industrial may be built without the necessity of preparing a new Transportation Analysis. Additional transportation analyses may be required by City with respect to implementation of the Subarea III Plan for specific site areas.

For purposes of this Section and any future traffic analysis under this Agreement, calculation of the peak hour trips shall be based upon the trip generation rates set forth in the Transportation Analysis and MEIR (or trip generation rates in effect at that time for land uses not described in the Transportation Analysis and MEIR).

4.6 **Discretionary Approvals.** Except as provided in Section 4.2, this Agreement does not prevent the City, when considering requests for discretionary approvals subsequent to the Effective Date, from applying new rules, regulations, and policies which are applicable to Owner's Property, including, but not limited to, changes in the General Plan, or changes in subdivision and/or building regulations, nor does this Agreement prevent the City from denying or conditionally approving any subsequent applications for land use entitlements based on such new rules, regulations and/or policies; provided, however, that such new rules, regulations, and official policies (i) are not in conflict with the Existing Laws; (ii) are of general application within the City; (iii) are not imposed solely with respect to Owner's Property; and (iv) do not prevent development of the Project for the uses and to the density or intensity of development provided for in this Agreement. In addition, this Agreement shall not prevent the City from exercising its police power to protect the health and safety of the public. This police power, exercised in accordance with Section 4.2.3 of this Agreement, is paramount to any rights or obligations created or existing between the Parties.

4.7 **Processing Fees.** All fees and charges intended to cover City costs associated with processing development applications for the Project including but not limited to fees and charges for application processing, inspections (including any administrative costs incurred in connection with review pursuant to Section 6 below), plan review, plan processing, and/or environmental review, which are existing, revised, or adopted during the term of this Agreement, shall apply to the development of the Project, provided, however, that such fees or charges are in force and effect on a City-wide basis at the time of application.

4.8 **Amendments to Facility Financing Plans.** This Agreement does not preclude the inclusion of and changes to the PFFP adopted on a community or City-wide basis where the inclusion or change is caused by (i) inflation, (ii) later, more accurate cost estimation; or (iii) later commonly accepted higher standards of construction; or is to address Pacific Highlands Ranch community facility deficiencies arising from and attributable to unforseen circumstances in the development of the Project.

4.9 **Transportation Phasing.** Nothing contained in the Transportation Phasing Plan precludes Owner from filing and processing subdivision maps for purposes of dividing Owner's Property into various sized parcels in order to facilitate the financing or development of the property provided the City Engineer determines the map to be in substantial conformance with the Project Entitlements. The City Engineer may condition the filing of any such maps to provide for orderly development and protect the interests of the public and purchasers of the individual parcels.

4.10 Future Approvals. To the extent that Owner provides complete, accurate applications with appropriate and necessary technical standards and reports, including, but not limited to, environmental analysis, the City shall use its best good faith efforts to process and take final action on Owner's completed applications for future land use permits and approvals in a timely manner.

4.11 Moratoriums. Moratoriums enacted by the City for the public health and safety which are imposed on Owner's Property or Project shall toll the time periods set forth in this Agreement.

4.12 Progress Reports Until Construction of Project is Complete. Owner shall make reports of the progress of construction of public facilities undertaken by Owner described in this Agreement in such detail and at such time as the City Manager or City Engineer reasonably requests.

4.13 City to Receive Construction Contract Documents. Owner shall furnish City, upon written request, copies of any public improvement construction contracts and supporting documents relating to Owner's Property.

4.14 Conditions of Discretionary Approvals. The requirements imposed as conditions of any discretionary approval received through the City's existing regulatory process are governed by the terms of those approvals except to the extent this Agreement expressly modifies or limits such conditions. Such conditions are not affected by the termination, cancellation, rescission, revocation, default or expiration of this Agreement.

4.15 Changes in Federal and State Law. Owner's Property may be subject to subsequently enacted state or federal laws or regulations which preempt local regulations, or mandate the adoption of local regulations, in conflict with this Agreement. Upon discovery of a subsequently enacted federal or state law affecting implementation of the Project, City and Owner shall meet and confer in good faith in a reasonable attempt to modify this Agreement, as necessary, to fully comply with such federal or state law or regulation. In such negotiations, City and Owner shall cooperate to resolve the conflict, while preserving the terms of this Agreement and the rights of Owner as derived from this Agreement to the maximum feasible extent. City shall limit imposition of new or additional requirements to the project to those necessary to establish full compliance with the change in state or federal law.

4.16 Credits & Reimbursements.

4.16.1 If City requests and Owner either advances funds for or constructs public facilities beyond those based upon a need created by the development of Owner's Property, Owner may seek reimbursement from developers or property owners benefitted by the advancement or construction. Owner is not entitled to seek reimbursement for the items of extraordinary benefit provided in Sections 5.2.2 through 5.2.10. Owner's reimbursement for the

items of extraordinary benefit listed in Sections 5.2.1 and 5.2.11 shall be as provided in those sections.

4.16.2 Reimbursement mechanisms may include City's conditioning of project approvals of any benefitting developer or property owner, or other reimbursement mechanisms in the sole, reasonable discretion of the City Council. If Owner elects to be reimbursed from development impact fees collected from other properties located within the NCFUA, or the PFFP, reimbursement may be in the form of either cash or credit against Owner's payment of PFFP fees at the time the fees would otherwise be due and payable to City.

5.0 DEVELOPMENT PROGRAM.

5.1 Effective Date of Agreement & Provision of Extraordinary Benefit.

5.1.1 This Agreement is effective upon the Effective Date. If the Phase Shift is subsequently invalidated or nullified for any reason, this Agreement shall terminate and the Parties shall be relieved of any obligations under this Agreement; and City shall reconvey and refund any property or funds already received as extraordinary benefit under Section 5.2 except with respect to Section 5.2.3, in which case City shall be required to reimburse Pardee for the difference between the Purchase Price of $3,000,000 and the fair market value at the time of acquisition of the property, plus interest at the same rate the City earns on pooled investments accruing from the date of acquisition to the date of invalidation of the Phase Shift. The refund of any funds received shall include interest accrued in the deposit account for the funds.

5.1.2 Owner is not required to provide any of the enumerated items of extraordinary benefit set forth in Section 5.2 except items 5.2.3 (Purchase Agreement for Police Substation Site); 5.2.5 (Conveyance of Parcels A & B); and 5.2.10 (Endowment Fund) and none of the City approvals provided in Section 5.3 are effective until the later of the following dates: (i) the date upon which every statute of limitations, applicable to any challenge of a successful phase shift, has run; (ii) the date of final resolution and conclusion of any proceedings or challenges (legal or otherwise) to a successful phase shift; or (iii) the date the conditions precedent to the ballot measure becoming effective are satisfied.

5.2 Extraordinary and Significant Public Benefits. Notwithstanding any provision in this Agreement, or of law, to the contrary, and as consideration for the Parties entering into this Agreement, Owner shall provide to City the enumerated extraordinary and significant benefits as follows:

5.2.1 Pardee will design and construct exclusive equestrian use and mixed use trails on Pardee's Parcels in Subarea III as depicted in the Subarea III Plan (approximately 6 miles) according to City's trail design standard. The trails shall be constructed in phases in connection with maps filed by Pardee. Pardee will be reimbursed from the PFFP, for its design and construction costs in constructing non-equestrian portions of the mixed-use trails only. City

shall defend and indemnify Pardee as provided in attached Exhibit "E" for design and construction of trails used by equestrians.

5.2.2. Pardee will forego receipt of payment for any amount in excess of $6 million for dedication of SR-56 Right-of-Way upon any parcel within Subarea III controlled by Pardee at the time right of way acquisition occurs.

5.2.3. No later than 30 days after the Effective Date, Pardee will enter into a purchase agreement to sell to City a police station site with a minimum of 4.0 gross (3.5 net developable) acres in Carmel Valley, the site to be mutually agreed upon, for a purchase price of no more than three million dollars. The terms of the purchase shall be as provided in attached Exhibit "F."

5.2.4. Pardee shall contribute $100,000.00 towards construction of a wildlife undercrossing at El Camino Real. The location of the wildlife undercrossing shall be determined by City. Pardee shall make the contribution to City no later than 30 days prior to the first scheduled City Council hearing to certify an environmental document and approve a capital improvement project which includes the undercrossing.

5.2.5 Pardee shall transfer to City, at no cost to City, fee title to Parcels A & B in Carmel Valley Neighborhood 8A exclusive of the mitigation land bank areas no later than 10 days after the Effective Date. City and Pardee shall negotiate in good faith a mitigation bank agreement consistent with NCCP Mitigation Bank guidelines to allow Pardee to establish a mitigation bank containing a total of 24 acres of mitigation credit. Specific acreages of vernal pools and Maritime Chaparral resources will be determined as part of the mitigation bank agreement. Upon entering in a mitigation bank agreement, Pardee may sell to City or third parties for use as mitigation. Pardee may sell the mitigation bank acreage for no more than $42,000 per acre. If the Phase Shift vote is invalidated as provided in Section 5.1, City shall reconvey Parcels A & B to Pardee in an "as is" condition.

5.2.6 Pardee shall convey to City, at no cost to City, title to the MHPA designated land on Pardee's Parcels. Conveyances will occur in phases as tentative subdivision maps and related ensuing final maps are approved. Pardee shall restore 131 acres of disturbed habitat within the MHPA within the Pardee Parcels. Restoration shall commence simultaneously with the mass grading of Pardee Parcels. Restoration shall be accomplished in conformance with the Pacific Highlands Ranch Conceptual Restoration Plan (Appendix C2 of MEIR 96-7918/Sch. No. 97111077). Pursuant to NCCP Mitigation Bank Guidelines Pardee may establish a mitigation bank for the 131-acre restoration area. Mitigation Credits will be available for sale as the restored habitat achieves the minimum success criteria identified in the revegetation plans approved consistent with the Conceptual Restoration Plan. The City will accept the fee title of property included in the bank as the credits are purchased. Pardee shall maintain and manage the wildlife resources on all portions of the land contained in the mitigation bank until transferred in fee title to City.

5.2.7. Pardee waives any claims it may have against City in processing the Neighborhood 8A plans, including, but not limited to, any claim for inverse condemnation. This waiver shall cease to be effective when this Agreement is terminated in accordance with its terms.

5.2.8. Wherever the City determines fencing will not fully avoid edge effects adjacent to the MHPA adjacent to Gonzalez Canyon wildlife corridor and south to Carmel Valley, Pardee shall construct walls to manage the edge effects. A graphic depicting the general location of the walls is attached as Exhibit "G."

5.2.9 Pardee shall maintain Brush Management Zones 1 and 2 on the Pardee Parcels outside of the MHPA adjacent to Gonzalez Canyon wildlife corridor and south to Carmel Valley. A graphic depicting the brush management/MHPA buffer is attached as Exhibit "H."

5.2.10 Pardee shall contribute $250,000 to establish an endowment fund for the maintenance of trails and habitat areas within the NCFUA and Carmel Valley within 10 days of the Effective Date.

5.2.11 Pardee shall guarantee up to $2,000,000 to fund project reports and environmental documentation for unfinished connectors at SR-56 and I-5 and SR-56 and I-15. To accomplish this, Pardee shall, within 10 days of the Effective Date establish an escrow account in the amount of $2,000,000 or provide some alternative form of security acceptable to the public agencies. Interest from funds deposited into the escrow account shall accrue to Pardee. Pardee shall advance funding up to the $2,000,000 maximum to the public agency responsible for preparing the project report and environmental documentation. Pardee shall pay the funds as costs are incurred. Pardee shall be eligible for reimbursement for the advancement of funds from funded "TEA 21" funding or other appropriate non-City regional, State, or federal funding sources.

5.3 City's Obligations with Respect to Development Program.

5.3.1 City approves an expanded development footprint on the Pardee-owned property within Neighborhood 10 in Carmel Valley which includes an adjustment of the MHPA boundary by approximately 9.5 net developable acres in exchange for an increase in the MHPA boundary of equivalent acreage within Subarea III. A graphic depicting the general location of the boundary adjustment in Neighborhood 10 VTM is attached as Exhibit "I." In the alternative, at Owner's option, City may either (1) allow an adjustment to the existing approved subdivision maps in Neighborhood 10 to allow for an additional 72 to 74 dwelling units; or (2) provide an increase in a development footprint in some other area(s) of Pardee-owned property within Neighborhood 10, subject to adequate environmental review and concurrence with the City and Wildlife Agencies. If such adjustments result in a reduction of MHPA encroachment in

Neighborhood 10, City will be allowed to use the reduction as credit towards other MHPA encroachment by the City.

5.3.2 City approves the transfer of the underlying zone rights to 6 dwelling units in Subarea V (in addition to the transfer of 9 dwelling units previously approved) from the Deer Canyon parcel (approximately 60 acres) to the Lorenz parcel (approximately 78 acres) creating a total permissible unit count of 46 dwelling units on the Lorenz parcel. These 46 dwelling units may be transferred from the Lorenz parcel to any other approved development footprints in Subarea V upon Owner's election, provided the transfer is consistent with the Subarea V Specific Plan. City staff will cooperate with Pardee and support State or Federal funding to acquire the Deer Canyon parcel for one million dollars.

5.3.3 City approves the revision of the Neighborhood 10 Precise Plan to allow for the construction of 200 multi-family dwelling units where 98 multi-family dwelling units are currently authorized.

5.4 Subsequent Changes to Project Necessitated by Other Permitting Entities. Entities, other than City, with permit issuing or approval authority for the Project or Owner's Property cause, may require Owner to amend City granted approvals for development of Owner's Property or the Project. If this occurs, to the extent that Owner provides complete, accurate applications with appropriate and necessary technical standards and reports, including, but not limited to, environmental analysis, the City shall use its best good faith efforts to process and take final action on Owner's completed applications for future land use permits and approvals in a timely manner. If changes are approved, City shall not impose new or revised conditions, exactions, fees, or mitigation requirements except those which relate directly to the requested amendment and are proportional to any substantial new impact created by the requested amendment.

5.5 Expiration Dates of Vesting Tentative Map and Tentative Map. Pursuant to California Government Code section 66452.6, the expiration date of Owner's tentative maps or vesting tentative maps for the Project, if and when approved, are extended upon being approved, and shall remain valid until the termination date of this Agreement. Notwithstanding any condition or provision which may provide to the contrary, every approval, other than ministerial, granted for the Project is extended until the termination date of this Agreement.

5.6 Affordable Housing. Owner shall comply with City's affordable housing requirement contained in the Framework Plan and the Subarea III Plan. All tentative maps or other development permits for all Pardee parcels shall be conditioned to assure that affordable housing requirements are met prior to the recordation of the first final map or issuance of a grading permit.

5.7 Limitations. Owner acknowledges that if any third party brings a bona fide legal action challenging the validity of the SR-56 alignment approved by the City Council, resolution

of such litigation either by judgment of the court, or through negotiated settlement could require revision of the Subarea III Plan.. Owner may elect to participate in such legal action. To the extent the legal action or negotiated settlement affects Owner's rights under this Agreement, City and Owner agree to cooperate in resolving the matter in an attempt to preserve the terms of this Agreement and the rights of City and Owner under this Agreement to the maximum extent feasible while resolving the litigation. If the Subarea III plan is revised as a result of such litigation, Owner may elect to either (1) proceed with vested development rights under the revised plan as provided in this Agreement or (2) terminate this Agreement. Any election to terminate shall be made in writing within 30 days of the date of the adoption of a revised Subarea III Plan. If Owner elects to terminate, Owner shall be relieved of any further obligations under this Agreement except the obligations referenced in Sections 5.2.1 [Equestrian Trails], 5.2.4 [Wildlife Undercrossing], 5.2.7 [Waiver as to Neighborhood 8A].

5.8 Equal Employment Opportunity Program. Owner shall not to discriminate against any employee or applicant for employment on any basis prohibited by law. Owner shall provide equal opportunity in all employment practices. In addition, to the extent applicable to this Agreement, Owner shall comply with the City's equal employment opportunity program, as that program is defined in the City Municipal Code, Chapter II, Article 2, Division 27, as of the effective date of Ordinance No. 0-18571 approving this Agreement.

6.0 ANNUAL REVIEW.

6.1 City and Owner Responsibilities. City shall, at least every twelve (12) months during the term of this Agreement, review the extent of good faith substantial compliance by Owner with the terms of this Agreement. Pursuant to California Government Code section 65865.1, as amended, and City Municipal Code section 111.0907, Owner shall have the duty to demonstrate by substantial evidence its good faith compliance with the terms of this Agreement at the annual review.

6.2 Review Letter. If Owner is found to be in compliance with this Agreement after the annual review, City shall, upon written request by Owner, issue a review letter in recordable form ("Review Letter") to Owner stating that, based upon information known or made known to the City Council, the City Planning Commission, and/or the City Manager, this Agreement remains in effect and Owner is not in default. Owner may record the Letter in the Official Records of the County of San Diego.

6.3 Failure of Periodic Review. City's failure to review at least annually Owner's compliance with the terms and conditions of this Agreement shall not constitute or be asserted by any Person as a breach of this Agreement. If City has not completed an annual review in any twelve month period, Owner may request, in writing, a Review Letter. If City fails to provide such Review Letter or otherwise complete such annual review and notify Owner in writing of its status hereunder within thirty (30) days after Owner's written request, Owner shall be deemed to be in conformity with all requirements and terms of this Agreement as of the request date. This

does not preclude the City from issuing a Notice of Default pursuant to Section 8, if and when the City determines there has been a default under this Agreement.

7.0 DEFAULT.

7.1 Events of Default. A default under this Agreement shall be deemed to have occurred upon the happening of one or more of the following events or conditions:

7.1.1 A warranty, representation or statement made or furnished by Owner to City is false or proves to have been false in any material respect when it was made.

7.1.2 A finding and determination made by the City Council following an annual review under the procedure provided for in California Government Code section 65865.1 that, upon the basis of substantial evidence, Owner has not substantially complied in good faith with one or more of the terms or conditions of this Agreement.

7.1.3 City arbitrarily refuses to consider requested development permits, applications, or entitlements submitted in accordance with the provisions of this Agreement.

7.1.4 Any other event, condition, act, or omission by City or Owner which materially interferes with the terms of this Agreement.

7.2 Procedure Upon Default.

7.2.1 Upon the occurrence of default, the City Council or Owner may terminate this Agreement only after providing the other Party thirty (30) days' written notice specifying the nature of the alleged default and, when appropriate, the manner in which said default may be satisfactorily cured. After proper notice and expiration of said thirty (30) day cure period without cure, this Agreement may be terminated. In the event that City or Owner's default is not subject to cure within the thirty (30) day period, City or Owner shall be deemed not to remain in default in the event that City or Owner commences to cure within such thirty (30) day period and diligently prosecutes such cure to completion. Failure or delay in giving notice of any default shall not constitute a waiver of any default, nor shall it change the time of default. Notwithstanding any other provisions of this Agreement to the contrary, the non-defaulting party may formulate and propose to the defaulting party options for curing any defaults under this Agreement for which a cure is not specified in this Agreement.

7.2.2 City does not waive any claim of defect in performance by Owner if, on periodic review, City does not propose to modify or terminate this Agreement.

7.2.3 Subject to Section 9.7 of this Agreement, non-performance shall not be excused because of a failure of a third person.

7.2.4 All other remedies at law or in equity which are not inconsistent with the provisions of this Agreement are available to City and Owner to pursue in the event there is a breach.

7.3 Institution of Legal Action. In addition to any other rights or remedies, City or Owner may institute a legal action to cure, correct, or remedy any default or breach, to specifically enforce any covenants or agreements set forth in this Agreement, or to enjoin any threatened or attempted violation of this Agreement, or to obtain any remedies consistent with the purpose of this Agreement. The prevailing party in any such legal action shall be entitled to recover attorneys' fees and costs. Legal actions shall be instituted in the Superior Court of the County of San Diego, State of California, or in the Federal District Court in the Southern District of California.

8.0 ENCUMBRANCES AND RELEASES ON PROPERTY

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

8.2 Entitlement to Written Notice of Default. The mortgagee of a mortgage or beneficiary of a deed of trust encumbering Owner's Property or any part thereof and their successors and assigns shall, upon written request to City, be entitled to receive from City written notification of any default by Owner of the performance of Owner's obligations under this Agreement which has not been cured within thirty (30) days following the date of the notice of such default.

8.2.1 Notwithstanding Owner's default, this agreement shall not be terminated by City as to any mortgagee or beneficiary to whom notice is to be given and to which either of the following is true:

(a) The mortgagee or beneficiary cures any default by Owner involving the payment of money within ninety (90) days after the notice of default; provided, however, that if any such default cannot, with diligence, be cured within such ninety (90) day period, then such mortgagee/beneficiary shall have additional time as may be reasonably necessary to cure such default if such mortgagee/beneficiary commences to cure within such ninety (90) day period and thereafter diligently pursues and completes such cure.

(b) As to defaults requiring title or possession of Owner's Property or any portion thereof to effectuate a cure: (i) the mortgagee/beneficiary agrees in writing, within ninety (90) days after receipt from City of the written notice of default, to perform the proportionate share of Owner's obligations under this Agreement allocable to that part of Owner's Property in which the mortgagee/beneficiary has an interest conditioned upon such mortgagee's/beneficiary's

acquisition of Owner's Property or portion thereof by foreclosure (including a trustee sale) or by a deed in lieu of foreclosure; (ii) the mortgagee/beneficiary commences foreclosure proceedings to reacquire title to Owner's Property of applicable portion thereof within said ninety (90) days and thereafter diligently pursues such foreclosure to completion, and (iii) the mortgagee/beneficiary promptly and diligently cures such default after obtaining title or possession. Subject to the foregoing, in the event any mortgagee/beneficiary records a notice of default as to its mortgage or deed of trust, City shall consent to the assignment of all of Owner's rights and obligations under this Agreement to the mortgagee/beneficiary or to any purchaser of Owner's interest at a foreclosure or trustee sale and Owner shall remain liable for such obligations unless released by City or unless the applicable portion of Owner's Property is transferred in accordance with Section 3.3 of this Agreement.

8.2.2 Notwithstanding Section 8.2.1 of this Agreement, if any mortgagee/beneficiary is prohibited from commencing or prosecuting foreclosure or other appropriate proceedings including by any process of injunction issued by any court or by reason of any action by any court having jurisdiction of any bankruptcy or insolvency proceedings involving Owner, the times specified in Section 8.2.1 of this Agreement for commencing or prosecuting foreclosure or other proceedings shall be extended for the period of the prohibition.

8.2.3 Neither entering into this Agreement nor a breach of this Agreement shall defeat, render invalid, diminish or impair the lien of any existing or future mortgage or deed of trust on Owner's Property made in good faith and for value.

8.3 Mortgagee Not Obligated. Except as provided to the contrary in this Agreement, no mortgagee or beneficiary shall have an obligation or duty under this Agreement to perform the obligations of Owner or other affirmative covenants of Owner hereunder, or to guarantee such performance, and no mortgagee or beneficiary shall be liable for any defaults or monetary obligations of Owner arising prior to acquisition of title to Owner's Property by such mortgagee or beneficiary or their respective successors or assigns; except that, to the extent any covenant to be performed by Owner is a condition to the performance of a covenant by City, the performance thereof shall continue to be a condition precedent to City's performance hereunder. In the event a mortgagee or beneficiary elects to develop Owner's Property in accordance with the Development Plan, the mortgagee or beneficiary shall be required to assume and perform the obligations or other affirmative covenants of Owner under this Agreement.

8.4 Releases. City agrees that upon written request of Owner and payment of all fees and performance of the requirements and conditions required of Owner by this Agreement with respect to Owner's Property, or any portion thereof, City Manager shall execute and deliver to Owner appropriate release(s) of further obligations imposed by this Agreement in form and substance acceptable to the San Diego County Recorder or as otherwise may be necessary to effect the release. City Manager shall not unreasonably withhold approval of such release(s).

8.5 Termination of Agreement With Respect to Individual Residential Lots Upon Sale to Public. Notwithstanding any other provisions of this Agreement, this Agreement shall terminate with respect to any residential lot and such lot shall be released and no longer be subject to this Agreement without execution or recordation of any further document when the lot has been subdivided and title conveyed to the lot's ultimate user.

9.0 MISCELLANEOUS PROVISIONS.

9.1 Rules of Construction. The singular includes the plural; the masculine gender includes the feminine; "shall" is mandatory; "may" is permissive. If there is more than one signatory to this Agreement, their obligations are joint and several.

9.2 Development Plan as a Private Undertaking. It is specifically understood by City and Owner that (i) the Development Plan is a private development; (ii) City has no interest in or responsibilities for or duty to third parties concerning any improvements to Owner's Property until City accepts the improvements pursuant to the provisions of this Agreement or in connection with subdivision map approvals; and (iii) Owner shall have the full power and exclusive control of Owner's Property subject to the obligations of Owner set forth in this Agreement.

9.3 Captions. The captions of this Agreement are for convenience and reference only and shall not define, explain, modify, construe, limit, amplify, or aid in the interpretation, construction, or meaning of any of the provisions of this Agreement.

9.4 Consent. Where the consent or approval of City or Owner is required or necessary under this Agreement, the consent or approval shall not be unreasonably withheld, delayed, or conditioned.

9.5 Covenant of Cooperation. City and Owner shall cooperate and deal with each other in good faith, and assist each other in the performance of the provisions of this Agreement.

9.6 Recording. The City Clerk shall cause a copy of this Agreement to be recorded with the Office of the County Recorder of San Diego County, California, within ten (10) days following final execution of this Agreement.

9.7 Delay, Extension of Time for Performance. In addition to any specific provision of this Agreement, performance by either party of its obligations hereunder shall be excused and the term of this Agreement extended during any period of delay caused at any time by reason of acts of God, or Civil proceedings, riots, strikes, or damage to work in process by reason of fire, floods, earthquake, or other such casualties. Each party shall promptly notify the other party of any delay hereunder as soon as possible after the delay is determined. This section does not apply to circumstances that could have been prevented by the exercise of prudence, diligence and due

care. The term of this Agreement shall be extended by the period of time that Owner is actually delayed as a result of such cause.

9.8 Interpretation and Governing Law. This Agreement and any dispute arising hereunder shall be governed and interpreted in accordance with the laws of the State of California.

9.9 Time of Essence. Time is of the essence in the performance of the provisions of this Agreement as to which time is an element.

This Agreement has been executed by the City of San Diego, acting by and through its City Manager, pursuant to Ordinance No. O-18571, authorizing such execution, and by Owner.

THE CITY OF SAN DIEGO

By _____
City Manager
Tina P. Christiansen

PARDEE CONSTRUCTION COMPANY

By _____
Michael D. Madigan

Title Senior Vice President

By _____
Charles A. Corum

Title Assistant Vice President

I APPROVE the form and legality of this Agreement this 3rd day of November, 1998.

CASEY GWINN, City Attorney

By _____
Prescilla Dugard
Deputy City Attorney

State of CALIFORNIA

County of SAN DIEGO

On October 8, 1998 (Date) before me, Edythe E. Goff, Notary Public (Name and Title of Officer (e.g., "Jane Doe, Notary Public"))

personally appeared MICHAEL D. MADIGAN and CHARLES A. CORUM (Name(s) of Signer(s))

☒ personally known to me – ~~OR – ☐ proved to me on the basis of satisfactory evidence~~ to be the person(s) whose name(s) ~~is~~/are subscribed to the within instrument and acknowledged to me that ~~he/she~~/they executed the same in ~~his/her~~/their authorized capacity(ies), and that by ~~his/her~~/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

EDYTHE E. GOFF
Commission # 1130620
Notary Public — California
San Diego County
My Comm. Expires Mar 23, 2001

WITNESS my hand and official seal.

Edythe E. Goff
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Development Agreement Between The City of San Diego And Pardee Construction Company: PACIFIC HIGHLANDS RANCH SUB AREA III NORTH CITY FUTURE URBANIZING AREA

Document Date: Not yet signed Number of Pages: 24 (plus Exhibits)

Signer(s) Other Than Named Above: Not yet signed by the City

Capacity(ies) Claimed by Signer(s)

Signer's Name: Michael D. Madigan

☐ Individual
☒ Corporate Officer
Title(s): Senior Vice President
☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other:

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer Is Representing:

Pardee Construction Company

Signer's Name: Charles A. Corum

☐ Individual
☒ Corporate Officer
Title(s): Assistant Vice President
☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other:

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer Is Representing:

Pardee Construction Company

EXHIBIT "A"

OWNER'S PROPERTY

Owner's Property consists of the following described parcels of real property within the City of San Diego, State of California:

Parcel A	Parcel A is located within Neighborhood 8A of the Carmel Valley Community. See page 2 of 12 on this Exhibit for the legal description of this Parcel.
Parcel B	Parcel B is located within Neighborhood 8A of the Carmel Valley Community. See page 3 of 12 on this Exhibit for the legal description of this Parcel.
Parcel C	Parcel C comprises all of Neighborhood 8C within the Carmel Valley Community. See page 4 of 12 on this Exhibit for the legal description of this Parcel.
FSLIC/Deer Canyon Parcel	The FSLIC/Deer Canyon Parcel is located within Subarea V of the North City Future Urbanizing Area. See page 5 of 12 on this Exhibit for the legal description of this Parcel.
Lorenz Parcel	The Lorenz Parcel is located within Subarea V of the North City Future Urbanizing Area. See page 6 of 12 on this Exhibit for the legal description of this Parcel.
Pardee Parcels	The Pardee Parcels consist of all of the Pardee real property ownership within Subarea III of the North City Future Urbanizing Area, exclusive of Del Mar Highlands Estates. See page 7 of 12 through page 10 of 12 on this Exhibit for the legal description of the Pardee Parcels. See Exhibit K for the legal description of Del Mar Highlands Estates.
Peñasquitos West Parcel	The Peñasquitos West Parcel is located within Subarea IV of the North City Future Urbanizing Area. See page 11 of 12 on this Exhibit for the legal description of this Parcel.
Vesting Tentative Map No. 96-0737	Vesting Tentative Map No. 96-0737 is located in Neighborhood 10 of the Carmel Valley Community. See page 12 of 12 on this Exhibit for the legal description of this Map.

EXHIBIT 'A'

LEGAL DESCRIPTION

OF

PARCEL 'A'

ALL OF FREMONT, A SUBDIVISION OF THE NORTHWEST QUARTER OF SECTION 29, TOWNSHIP 14 SOUTH, RANGE 3 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 1283, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, SEPTEMBER 3, 1910, EXCEPTING THEREFROM LOTS 1 THROUGH 11 INCLUSIVE, LOTS 19 THROUGH 27 INCLUSIVE, LOT 30 AND LOT 'A'.

EXHIBIT 'A'

LEGAL DESCRIPTION

OF

PARCEL 'B'

LOTS 2 THROUGH 8 INCLUSIVE AND LOT 'A' OF FREMONT, A SUBDIVISION OF THE NORTHWEST QUARTER OF SECTION 29, TOWNSHIP 14 SOUTH, RANGE 3 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 1283, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, SEPTEMBER 3, 1910.

EXHIBIT 'A'

LEGAL DESCRIPTION

OF

PARCEL 'C'

THE LAND REFERRED TO HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF SAN DIEGO, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 30, TOWNSHIP 14 SOUTH, RANGE 3 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO OFFICIAL PLAT.

PARCEL 2:

A TEMPORARY EASEMENT AND RIGHT-OF-WAY FOR INGRESS AND EGRESS AND ROAD PURPOSES AND UTILITY LINES TO BE USED IN COMMON WITH THE GRANTORS AND OTHERS OVER A STRIP OF LAND 50.00 FEET WIDE IN THE SOUTH HALF OF THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 14 SOUTH, RANGE 3 WEST, SAN BERNARDINO BASE AND MERIDAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, THE CENTERLINE OF SAID 50.00 FOOT STRIP BEING THE CENTERLINE OF THE EXISTING TRAVELED DIRT ROADWAY RUNNING IN A NORTHERLY AND SOUTHERLY DIRECTION ACROSS THE LAND DESCRIBED IN DEED TO TITLE INSURANCE AND TRUST COMPANY, RECORDED APRIL 22, 1965 AS FILE NO. 71978 OF OFFICIAL RECORDS, SAID EXISTING ROAD BEGINS IN THE NORTHERLY BOUNDARY OF SAID TITLE INSURANCE AND TRUST COMPANY'S LAND AND ENDS IN THE NORTH LINE OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 30.

THE EASEMENT DESCRIBED ABOVE SHALL TERMINATE AND BE OF NO EFFECT WHEN A PERMANENT ROAD IS CONSTRUCTED AND A PERMANENT EASEMENT IS CONVEYED TO THE OWNERS OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 30 AND MADE APPURTENANT TO SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 30.

EXHIBIT 'A'

LEGAL DESCRIPTION

OF

FSLIC/DEER CANYON PARCEL

THE NORTH HALF OF THE NORTHWEST QUARTER OR THE SOUTHEAST QUARTER AND THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 14, TOWNSHIP 14 SOUTH, RANGE 3 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO OFFICIAL PLAT THEREOF.

EXHIBIT 'A'

LEGAL DESCRIPTION

OF

LORENZ PARCEL

THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER, THE SOUTH HALF OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER, AND THE WEST 20 ACRES OF LOT 2, ALL IN SECTION 22, TOWNSHIP 14 SOUTH, RANGE 3 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO OFFICIAL PLAT THEREOF.

EXHIBIT 'A'

LEGAL DESCRIPTION OF

PARDEE PARCELS

THE LAND REFERRED TO HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF SAN DIEGO, AND IS DESCRIBED AS FOLLOWS:

PARCEL A:

PARCELS 1 AND 2 OF PARCEL MAP NO. 11718, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, OCTOBER 9, 1981 AS FILE NO. 81-321947 OF OFFICIAL RECORDS.

PARCEL B:

PARCEL 2 OF PARCEL MAP NO. 12027, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 26, 1982 AS FILE NO. 82-082638 OF OFFICIAL RECORDS.

PARCEL C:

THE EAST HALF OF THE WEST HALF OF THE SOUTHEAST QUARTER, AND THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 10; THE SOUTHERLY 400 FEET THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER, THE WEST HALF OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER, AND THE WEST HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 11; AND THE EAST HALF OF THE WEST HALF OF THE NORTHEAST QUARTER, THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER, THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER, AND THE EAST HALF OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 15, ALL BEING IN TOWNSHIP 14 SOUTH, RANGE 3 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPTING THEREFROM SAID SECTION 10, THAT PORTION LYING NORTHERLY OF THE CENTER LINE OF THAT DIRT ROAD (KNOWN AS BLACK MOUNTAIN ROAD OR FOURTH STREET EXTENSION) RUNNING IN A GENERALLY EAST-WEST DIRECTION THROUGH THE SOUTH HALF OF SECTION 10, AS SAID ROAD EXISTED AND WAS LOCATED ON AUGUST 31, 1956.

ALSO EXCEPTING THEREFROM THAT PORTION OF THE SOUTHEAST QUARTER OF SAID SECTION 10 LYING NORTHWESTERLY OF THE CENTER LINE OF THE 60 FOOT EASEMENT TO THE CITY OF SAN DIEGO, RECORDED SEPTEMBER 1, 1982, RECORDER'S FILE NO. 82-271465 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION THEREOF LYING WITHIN PARCEL MAP NO. 12027, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 26, 1982.

PARCEL D:

THE EASTERLY HALF OF THE SOUTHEAST QUARTER OF SECTION 8, TOWNSHIP 14 SOUTH, RANGE 3 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO OFFICIAL PLAT THEREOF.

EXCEPTING THEREFROM THAT PORTION THEREOF LYING WITHIN N.C.W. NEIGHBORHOOD 4A, UNIT 4, ACCORDING TO MAP THEREOF NO. 12149, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, AUGUST 10, 1988.

PARCEL E:

THOSE PORTIONS OF SECTION 9, TOWNSHIP 14 SOUTH, RANGE 3 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO OFFICIAL PLAT THEREOF, AS DESCRIBED IN THE FOLLOWING PARCELS "A", "B", AND "C".

PARCEL "A":

THE SOUTH HALF OF THE NORTHWEST QUARTER AND THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER.

PARCEL "B":

THE EASTERLY 100.00 FEET OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER.

PARCEL "C":

THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER.

EXCEPT THEREFROM THE EASTERLY 24 ACRES.

PARCEL F:

THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 9, TOWNSHIP 14 SOUTH, RANGE 3 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO OFFICIAL PLAT THEREOF.

PARCEL G:

THE EASTERLY 100.00 FEET OF THAT PORTION OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 16, TOWNSHIP 14 SOUTH, RANGE 3 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO OFFICIAL PLAT THEREOF, LYING NORTHERLY OF THE CENTER LINE OF COUNTY ROAD (KNOWN AS BLACK MOUNTAIN ROAD) AS SAME EXISTED ON APRIL 14, 1952, RUNNING EASTERLY AND WESTERLY THROUGH SAID NORTHWEST QUARTER OF THE NORTHWEST QUARTER, ACCORDING TO MAP OF OLD SURVEY NO. 57, FILED IN THE OFFICE OF THE COUNTY SURVEYOR OF SAN DIEGO COUNTY.

PARCEL H:

THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 9, TOWNSHIP 14 SOUTH, RANGE 3 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO OFFICIAL PLAT THEREOF.

PARCEL I:

THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER AND THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 16, TOWNSHIP 14 SOUTH, RANGE 3 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO UNITED STATES GOVERNMENT SURVEY APPROVED MAY 20, 1884.

EXCEPTING FROM THE ABOVE-DESCRIBED PARCEL 2, THAT PORTION LYING SOUTHERLY AND SOUTHEASTERLY OF THE CENTER LINE OF THE COUNTY ROAD KNOWN AS FOURTH STREET EXTENSION AND SOMETIMES KNOWN AS OLD SURVEY NO. 57, SAID COUNTY ROAD RUNS EASTERLY AND WESTERLY ACROSS SAID SECTIONS 9 AND 16.

PARCEL J:

THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 9, TOGETHER WITH THAT PORTION OF THE WESTERLY 100.00 FEET OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 16 LYING NORTHERLY OF THE COUNTY ROAD - KNOWN AS BLACK MOUNTAIN ROAD RUNNING EASTERLY AND WESTERLY THROUGH SAID NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 16, ACCORDING TO OLD SURVEY NO. 57 ON FILE IN THE OFFICE OF THE COUNTY SURVEY OF SAN DIEGO COUNTY, ALL BEIN GIN TOWNSHIP 14 SOUTH, RANGE 3 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO OFFICIAL PLAT THEREOF.

EXCEPTING FROM SAID SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 9, THE EASTERLY 100.00 FEET THEREOF.

PARCEL K:

THAT PORTION OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 16, TOWNSHIP 14 SOUTH, RANGE 3 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO OFFICIAL PLAT THEREOF LYING NORTHERLY OF THE CENTER LINE OF THE COUNTY ROAD - KNOWN AS 4TH STREET EXTENSION - RUNNING FROM EAST TO WEST THROUGH SAID NORTHWEST QUARTER OF SAID ROAD EXISTED ON APRIL 14, 1952.

EXCEPTING THE EASTERLY 100 FEET THEREOF.

ALSO EXCEPTING THE WESTERLY 100 FEET THEREOF.

PARCEL L:

PARCEL 1 OF PARCEL MAP NO. 9882, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, APRIL 10, 1980 AS FILE NO. 80-122371 OF OFFICIAL RECORDS.

PARCEL N:

THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 15, TOWNSHIP 14 SOUTH, RANGE 3 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO OFFICIAL PLAT THEREOF.

PARCEL O:

THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 15, TOWNSHIP 14 SOUTH, RANGE 3 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO OFFICIAL PLAT THEREOF.

EXHIBIT 'A'

LEGAL DESCRIPTION

OF

PEÑASQUITOS WEST PARCEL

THE WEST HALF OF THE SOUTH QUARTER OF SECTION 12, TOWNSHIP 14 SOUTH, RANGE 3 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO OFFICIAL PLAT THEREOF.

EXCEPTING THEREFROM THAT PORTION DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID SOUTH QUARTER; THENCE ALONG THE SOUTHERLY LINE THEREOF

1. SOUTH 88°58'58" EAST	1,074.67 FEET;	THENCE LEAVING SAID SOUTHERLY LINE
2. NORTH 47°28'36" EAST	538.79 FEET	TO THE BEGINNING OF A TANGENT 1,900.00 FOOT RADIUS CURVE CONCAVE NORTHWESTERLY; THENCE ALONG THE ARC OF SAID CURVE
3. NORTHEASTERLY AND NORTHERLY	1,078.22 FEET	THROUGH A CENTRAL ANGLE OF 32°30'52" TO THE NORTH LINE OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 12; THENCE ALONG THE NORTHERLY LINE THEREOF
4. NORTH 89°26'43" WEST	2,001.14 FEET	TO THE WEST LINE OF SAID SOUTHWEST QUARTER; THENCE
5. SOUTH 00°59'10" WEST	1,274.40 FEET	ALONG SAID WEST LINE TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM THAT PORTION, IF ANY, LYING WITHIN PARCEL MAP NO. 6902, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, FEBRUARY 15, 1978.

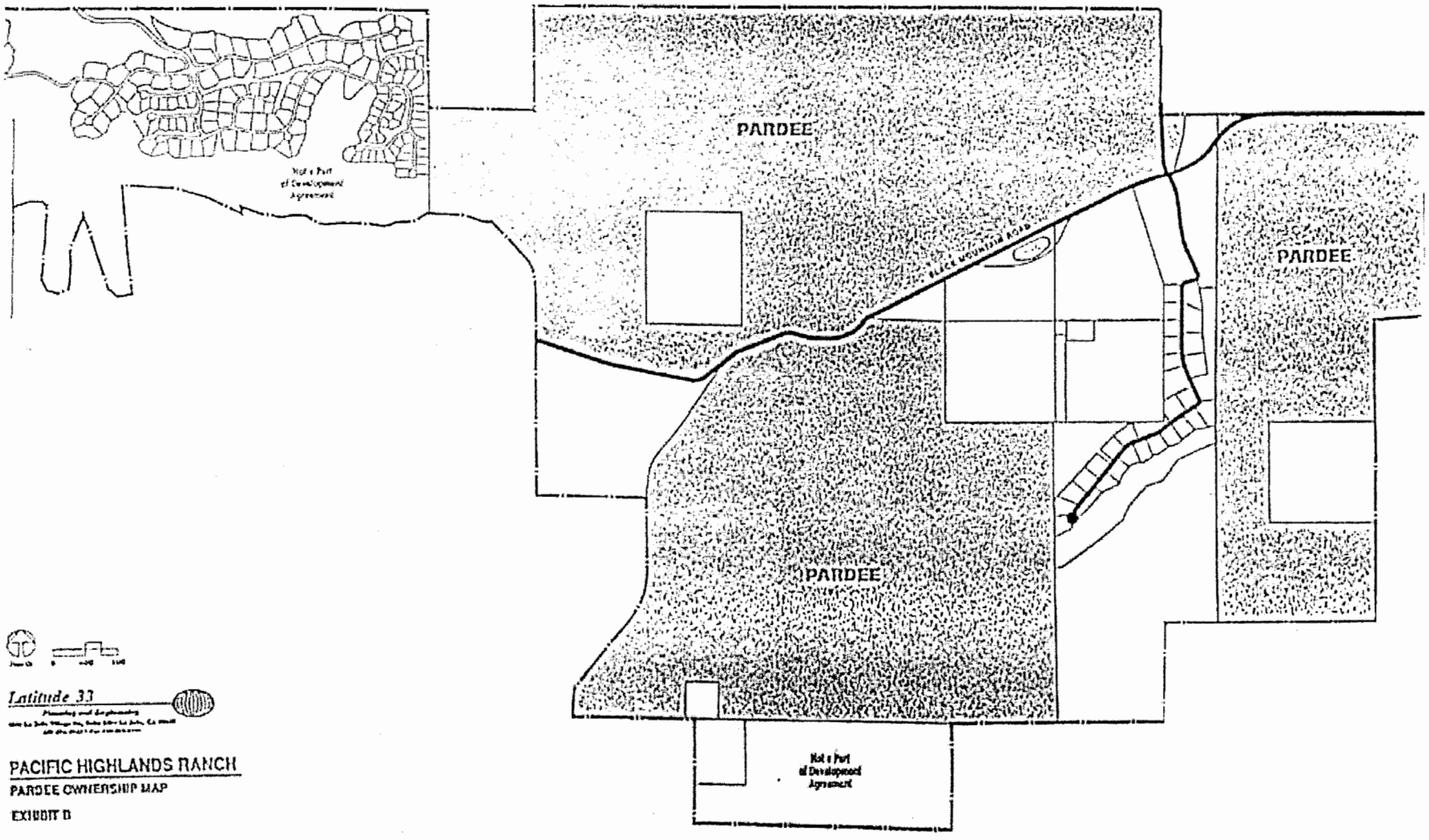
EXHIBIT 'A'

LEGAL DESCRIPTION

OF

VESTING TENTATIVE MAP NO. 96-0737

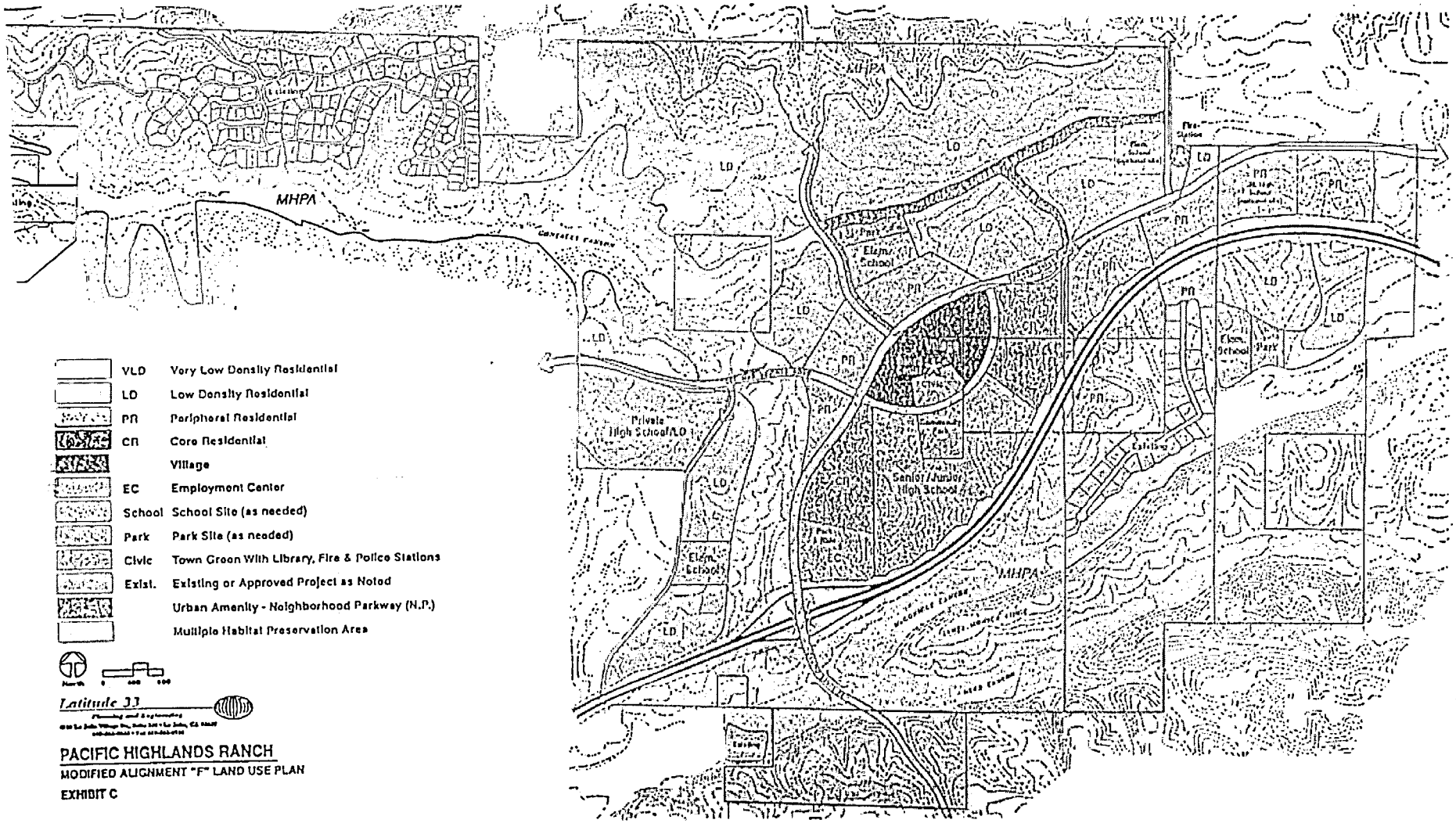
PORTIONS OF SECTION 28, T. 14 S., R. 3 W. AND PORTIONS OF THE EAST HALF SECTION 29, T 14 S., R. 3 W., S.B.M., ALL IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA.



PACIFIC HIGHLANDS RANCH

PARDEE OWNERSHIP MAP

EXHIBIT D



PACIFIC HIGHLANDS RANCH
MODIFIED ALIGNMENT "F" LAND USE PLAN
EXHIBIT C

EXHIBIT "D"

Appendix "A" - Transportation Phasing Plan

This enclosed Transportation Phasing Plan for Subarea 3 assumes that State Route 56 will be implemented as shown in this PFFP. If State Route 56 implementation is delayed for any reason, traffic thresholds and improvements will be as shown in the enclosed Alternative Transportation Phasing Plan for Subarea 3.

Subarea 3 Transportation Phasing Plan[2,4]

I.	Phase	Startup Phase for Subarea 3 / Del Mar Heights Road
	Proposed Access Improvement (to be assurred to the satisfaction of the City Engineer before development is authorized in this phase)[1]	Del Mar Heights Road - extend as 2 lanes of a 4 lane major to development areas. Provide ½ of ultimate street improvement.
	Approved Project or Subarea 3 Development	650 equivalent DU[3]
	Transportation Threshold Condition Regarding Status of Route 56 North Ramps (To Be Assured To The Satisfaction Of The City Engineer Before Development Is Authorized For Each Phase)	Successful vote November 1998 / Subarea Plan / Development Agreement approval by City Council. Completion of a Project Study Report (PSR) for the 5/56 north direct connectors. One unit / 4 acres density.
	Comment or Description of Other Regional Improvements to be assured to the satisfaction of the City Engineer (Before Development Is Authorized For Each Phase).	Route 56 Right-Of-Way in subarea 3 is assured[5], excluding R/W for the third interchange.
II.	Phase	Dual freeway completion / Route 56 Freeway
	Proposed Access Improvement (to be assurred to the satisfaction of the City Engineer before development is authorized in this phase)[1]	Route 56 connected through as a 4 lane freeway between I-5 and I-15. Subarea 3 community infrastructure as required, including widening of Camino Santa Fe, Del Mar Heights Road and Carmel Valley Road.
	Approved Project or Subarea 3 Development	1,250 DU + Private High School + Neighborhood Commercial (50,000 SF)
	Transportation Threshold Condition Regarding Status of Route 56 North Ramps (To Be Assured To The Satisfaction Of The City Engineer Before Development Is Authorized For Each Phase)	Funding of PR/ED, CALTRANS approval and FHWA approval of the 5/56 north direct connectors.
	Comment or Description of Other Regional Improvements to be assured to the satisfaction of the City Engineer (Before Development Is Authorized For Each Phase)	Route 56 @ I-15, east to north loop ramp, east to south right turn lane, add southbound on ramp lane. Del Mar Heights Road @ I-5 west to northbound I-5 right turn lane. Black Mountain Road @ Park Village Drive Intersection Improvements. (Dual NB to WB left turn lanes or SB right turn lane)

III.	Phase	5/56 North Connectors
	Proposed Access Improvement (to be assurred to the satisfaction of the City Engineer before development is authorized in this phase)[1]	Construct the 5/56 north direct connectors. Subarea 3 community infrastructure as required, including widening of Camino Santa Fe to 6 lanes.
	Approved Project or Subarea 3 Development	1,500 DU + Neighborhood Commercial (100,000 SF)
	Transportation Threshold Condition Regarding Status of Route 56 North Ramps (To Be Assured To The Satisfaction Of The City Engineer Before Development Is Authorized For Each Phase)	STIP funding, design and award contract for construction of the 5/56 north direct connectors[5]. 5/56 north direct connectors open to traffic[6]
	Comment or Description of Other Regional Improvements to be assured to the satisfaction of the City Engineer (Before Development Is Authorized For Each Phase)	Via De La Valle, between St Andres and El Camino Real east, improve to four lanes. El Camino Real between ½ mile Drive and Via De La Valle, improve to 4 lane major street. Carmel Valley Road, between Del Mar Heights Road andBlack Mountain Road, improve to four lanes. Widen Camino Ruiz from Carmel Valley Road to Carmel Mountain Road to 4 lanes. (Camino Ruiz / 56 diamond interchange) Route 56 widened to 6 lanes from I-5 to one mile east of the Camino Santa Fe interchange.
IV.	Phase	Buildout of Subarea 3
	Proposed Access Improvement (to be assurred to the satisfaction of the City Engineer before development is authorized in this phase)[1]	Completion of community infrastructure.
	Approved Project or Subarea 3 Development	1,600 DU + Neighborhood Commercial (150,000 SF) + Commercial Office
	Transportation Threshold Condition Regarding Status of Route 56 North Ramps (To Be Assured To The Satisfaction Of The City Engineer Before Development Is Authorized For Each Phase)	
	Comment or Description of Other Regional Improvements to be assured to the satisfaction of the City Engineer (Before Development Is Authorized For Each Phase)	I-15, from Route 56 to Escondido, HOV lane extension. I-5, from Del Mar Heights to Birmingham, add HOV lanes. Camino Ruiz from Carmel Valley Road to Carmel Mountain Road, widen to 6 lanes. Camino Ruiz @ Route 56, provide loops", or Third Interchange @ Route 56, provide third interchange. Black Mounain Road, from Route 56 to Mercy Road, widen to six lanes. Route 56 widened to 6 lanes.

Footnotes to Transportation Phasing Plan:

Before exceeding the allowable levels of development shown in each phase, the improvements listed in the right column must meet one of the following conditions to be assurred to the satisfaction of the City Engineer:

a) Improvement must be completed and open to traffic.

b) Improvement must be under contract.

c) Improvement must be bonded.

d) Improvement must be scheduled for construction in the City CIP for the year building permits are requested.

e) Improvements must be programmed for construction in the STIP for the year building permits are requested.

2 It should be noted that this plan is intended to serve as a guideline for the sequential development of street improvements. Because the geographic order of developments is not certain, it will be necessary to regularly review and revise this phasing plan in order to reflect current land development proposals and actual trip generation rates and trip distribution.

The 650 equivalent dwelling units includes a maximum of 50 EDUs for the administrative facilities of the private high school.

4 This transportation phasing plan assumes that State Route 56 will be implemented as shown in this PFFP. If State Route 56 implementation is delayed for any reason, traffic thresholds and improvements will be as shown in the attached Alternative Transportation Phasing Plan, pursuant to paragraph 2 on page 119 of the Traffic Study Report entitled "Transportation Analysis for the Future Urbanizing Subarea III", dated March 31, 1998.

Right of way is assured to the satisfaction of the City Engineer by either (i) acquisition, (ii) successfully entering into a purchase agreement, or by (iii) initiating the condemnation process.

This requirement to be satisfied at the commencement of this phase, i.e. 1,900 DUs for Phase III.

Subarea 3 Alternative Transportation Phasing Plan

I.	Phase	Startup Phase for Subarea 3 / Del Mar Heights Road
	Proposed Access Improvement (to be assured to the satisfaction of the City Engineer before development is authorized in this phase)[1]	Del Mar Heights Road - extend as 2 lanes of a 4 lane major to development areas. Provide ½ of ultimate street improvement.
	Approved Project or Subarea 3 Development	650 equivalent DU[2]
	Transportation Threshold Condition Regarding Status of Route 56 North Ramps (To Be Assured To The Satisfaction Of The City Engineer Before Development Is Authorized For Each Phase)	Successful vote November 1998 / Subarea Plan / Development Agreement approval by City Council. Completion of a Project Study Report (PSR) for the 5/56 north direct connectors. One unit / 4 acres density.
	Comment or Description of Other Regional Improvements to be assured to the satisfaction of the City Engineer (Before Development Is Authorized For Each Phase)	Route 56 Right-Of-Way in subarea 3 is assured[3] excluding R/W for the third interchange.
II.	Phase	Subarea 3 - Pre SR-56 if necessary / Carmel Valley Road & Route 56
	Proposed Access Improvement (to be assured to the satisfaction of the City Engineer before development is authorized in this phase)[1]	Widen Carmel Valley Road (Route 56) to 4 lanes along the Route 56 Corridor to Camino Santa Fe including the construction of the westbound off ramp (2 lanes) and extend and Widen Carmel Valley Road to 4 lanes.
	Approved Project or Subarea 3 Development	350 DU
	Transportation Threshold Condition Regarding Status of Route 56 North Ramps (To Be Assured To The Satisfaction Of The City Engineer Before Development Is Authorized For Each Phase)	Funding for PR/ED in year 2000 STIP for the 5/56 north direct connectors.
	Comment or Description of Other Regional Improvements to be assured to the satisfaction of the City Engineer (Before Development Is Authorized For Each Phase)	Alternative phasing threshold only if Route 56 is not on the current schedule, i.e: open to traffic by December, 2000. Construct Camino Ruiz as a 2 lane road from Carmel Valley Road to Route 56. Extend Route 56 as a 2 lane road from Black Mountain Road to Camino Ruiz.

III.	Phase	Subarea 3 - Pre SR-56 if necessary / Carmel Valley Road & Route 56
	Proposed Access Improvement (to be assured to the satisfaction of the City Engineer before development is authorized in this phase)[1]	Widen Carmel Valley Road (Route 56) to 4 lanes along the Route 56 Corridor to Camino Santa Fe including the construction of the westbound off ramp (2 lanes) and extend and widen Camino Santa Fe Road to 4 lanes.
	Approved Project or Subarea 3 Development	300 DU
	Transportation Threshold Condition Regarding Status of Route 56 North Ramps (To Be Assured To The Satisfaction Of The City Engineer Before Development Is Authorized For Each Phase)	Completion and CALTRANS District Director approval of the PR/ED for the 5/56 north direct connectors.
	Comment or Description of Other Regional Improvements to be assured to the satisfaction of the City Engineer (Before Development Is Authorized For Each Phase)	Alternative phasing threshold only if Route 56 is not on the current schedule, i.e. open to traffic by December, 2000.
IV.	Phase	Subarea 3 - Pre SR-56 if necessary / Carmel Valley Road & Route 56
	Proposed Access Improvement (to be assured to the satisfaction of the City Engineer before development is authorized in this phase)[1]	Widen Carmel Valley Road (Route 56) to 4 lanes along the Route 56 Corridor to Camino Santa Fe including the construction of the westbound off ramp (2 lanes) and extend and widen Camino Santa Fe Road to 4 lanes.
	Approved Project or Subarea 3 Development	300 DU + Private High School. + Nhd. Comm. (50,000 SF)
	Transportation Threshold Condition Regarding Status of Route 56 North Ramps (To Be Assured To The Satisfaction Of The City Engineer Before Development Is Authorized For Each Phase)	Submittal of CALTRANS approved 5/56 north direct connector PR/ED to FHWA for approval.
	Comment or Description of Other Regional Improvements to be assured to the satisfaction of the City Engineer (Before Development Is Authorized For Each Phase)	Alternative phasing threshold only if Route 56 is not on the current schedule, i.e. open to traffic by December, 2000 Widen Camino Ruiz to a 4 lane road from Carmel Valley Road to Route 56. Extend Route 56 as a 4 lane road from Black Mountain Road to Camino Ruiz. Route 56 @ I-15, east to north loop ramp, east to south right turn lane, add southbound on ramp lane. Del Mar Heights Road @ I-5 west to northbound I-5 right turn lane. Black Mountain Road @ Park Village Drive Intersection Improvements. (Dual NB to WB left turn lane, or SB right turn lane)

V.	Phase	Subarea 3 - Pre SR-56 if necessary
	Proposed Access Improvement (to be assured to the satisfaction of the City Engineer before development is authorized in this phase)[1]	Signalize and widen intersections to 6 lanes as required.
	Approved Project or Subarea 3 Development	300 DU + Nhd. Comm. (50,000 SF)
	Transportation Threshold Condition Regarding Status of Route 56 North Ramps (To Be Assured To The Satisfaction Of The City Engineer Before Development Is Authorized For Each Phase)	FHWA Approval of PR/ED for the 5/56 north direct connectors.
	Comment or Description of Other Regional Improvements to be assured to the satisfaction of the City Engineer (Before Development Is Authorized For Each Phase)	Alternative phasing threshold only if Route 56 is not on the current schedule, i.e. open to traffic by December, 2000.
VI.	Phase	Route 56 Freeway
	Proposed Access Improvement (to be assured to the satisfaction of the City Engineer before development is authorized in this phase)[1]	Route 56 connected through as a 4 lane freeway between I-5 and I-15.
	Approved Project or Subarea 3 Development	300 DU + Nhd. Comm. (100,000 SF)
	Transportation Threshold Condition Regarding Status of Route 56 North Ramps (To Be Assured To The Satisfaction Of The City Engineer Before Development Is Authorized For Each Phase)	Funding in the STIP for the 5/56 north direct connectors. Complete design of the 5/56 north direct connectors . 5/56 north direct connectors open to traffic[4].
	Comment or Description of Other Regional Improvements to be assured to the satisfaction of the City Engineer (Before Development Is Authorized For Each Phase)	

VII	Phase	Dual Freeway Completion
	Proposed Access Improvement (to be assured to the satisfaction of the City Engineer before development is authorized in this phase)[1]	Construct the 5/56 north direct connectors. Route 56 connected through as a 4 lane freeway between I-5 and I-15.
	Approved Project or Subarea 3 Development	1,200 DU + Nhd. Comm. (100,000 SF)
	Transportation Threshold Condition Regarding Status of Route 56 North Ramps (To Be Assured To The Satisfaction Of The City Engineer Before Development Is Authorized For Each Phase)	
	Comment or Description of Other Regional Improvements to be assured to the satisfaction of the City Engineer (Before Development Is Authorized For Each Phase)	Via De La Valle, between St Andres and El Camino Real east, improve to four lanes. El Camino Real between ½ mile Drive and Via De La Valle, improve to 4 lane major street. Carmel Valley Road, between Del Mar Heights Road and Black Mountain Road, improve to four lanes. Widen Camino Ruiz from Carmel Valley Road to Carmel Mountain Road to 4 lanes. Route 56 widened from I-5 to one mile east of the Camino Santa Fe Interchange.
VIII	Phase	Buildout of Subarea 3
	Proposed Access Improvement (to be assured to the satisfaction of the City Engineer before development is authorized in this phase)[1]	Completion of community infrastructure.
	Approved Project or Subarea 3 Development	1,600 DU + Commercial, Office
	Transportation Threshold Condition Regarding Status of Route 56 North Ramps (To Be Assured To The Satisfaction Of The City Engineer Before Development Is Authorized For Each Phase)	
	Comment or Description of Other Regional Improvements to be assured to the satisfaction of the City Engineer (Before Development Is Authorized For Each Phase)	I-15, from Route 56 to Escondido, HOV lane extension. I-5, from Del Mar Heights to Birmingham, add HOV lanes. Camino Ruiz from Carmel Valley Road to Carmel Mountain Road, widen to 6 lanes. Camino Ruiz @ Route 56, provide loops*, or Third Interchange @ Route 56, provide third interchange. Black Mounain Road, from Route 56 to Mercy Road, widen to six lanes. Route 56 widened to 6 lanes.

Footnotes to Alternative Transportation Phasing Plan:

1 Before exceeding the allowable levels of development shown in each phase, the improvements listed in the right column must meet one of the following conditions to be assurred to the satisfaction of the City Engineer:

a) Improvement must be completed and open to traffic.

b) Improvement must be under contract.

c) Improvement must be bonded.

d) Improvement must be scheduled for construction in the City CIP for the year building permits are requested.

e) Improvements must be programmed for construction in the STIP for the year building permits are requested.

2 The 650 equivalent dwelling units includes a maximum of 50 EDUs for the administrative facilities of the private high school.

3 Right of way is assured to the satisfaction of the City Engineer by either (i) acquisition, (ii) successfully entering into a purchase agreement, or by (iii) initiating the condemnation process.

4 This requirement to be satisfied at the commencement of this phase, i.e. 1,900 DUs for Phase VI.

5 It should be noted that this plan is intended to serve as a guideline for the sequential development of street improvements. Because the geographic order of developments is not certain, it will be necessary to regularly review and revise this phasing plan in order to reflect current land development proposals and actual trip generation rates and trip distribution.

Appendix "A-1"

Pacific Highlands Ranch Transportation Phasing Plan

The following table, taken from Table 8 of the report entitled "Transportation Analysis for the Future Urbanizing Subarea III" maybe used to determine when a certain phase of the Transportation Phasing Plan has been reached.

Land Use Type	Intensity	Unit	Trip Generation Rate[1]	Daily Trips
Employment Center	20	Ac	450/Ac	9,000
Mixed Use Core (Commercial)	300	KSF	70/KSF[4]	21,000
Estate Residential[2]	208	Du	10/Du	2,080
Very Low Density Residential	12	Du	10/Du	120
Low Density Residential	2,368	Du	10/Du	23,680
Peripheral Residential	1,098	Du	10/Du	10,980
Core Residential	996	Du	8/Du	7,968
Mixed-Use Core Residential	500	Du	6/Du	3,000
Park	10	Ac	50/Ac	500
Park/Recreational Facility	13	Ac	50/Ac	650
Private High School[3]	54	Ac	50/Ac	2,700
Elementary School	23	Ac	60/Ac	1,380
Junior High School	20	Ac	40/Ac	800
High School	50	Ac	50/Ac	2,500

Footnotes:

Expressed as Driveway Rates

This land use category includes the 172 dwelling units that have been approved for the Del Mar Highlands Estates vesting tentative map. While these units have been included in the computation of the total trips, the Del Mar Highlands Estate development is subject to its own tentative map conditions of approval and is not subject to the requirements of the Pacific Highlands Ranch Transportation Phasing Plan.

Should the Private High School site be developed as residential property, as opposed to a school, it is anticipated that approximately 255 Low Density Residential units will be built on this site and its daily trips quantity will be modified accordingly

Weighted average of Office and Retail Uses: Office (20/KSF); Main Street Retail (Village) (40/KSF); Commercial Retail (120/KSF).

EXHIBIT "E"

AGREEMENT RELATED TO EQUESTRIAN/MIXED USE TRAIL IMPLEMENTATION

This Agreement is entered into between The City of San Diego, a municipal corporation [the City], and Pardee Construction Company, a California corporation [Grantor] [collectively, the Parties], concerning the implementation of a proposed equestrian and mixed-use trails [the trails] as provided in the Subarea III Plan approved by the City on _____ by Ordinance No. O-_____

RECITALS

A. The City has determined that it is desirable to implement a comprehensive trail system which could be utilized by pedestrians, bikers and equestrians which would provide direct public access to the significant portions of the Multiple Species Conservation Program ("MSCP") planning area, and in particular, to the Pacific Highlands Ranch Project.

B. Grantor has indicated that the trail alignment which is reflected in concept in the Subarea III Plan is acceptable. Grantor is willing to dedicate from Pardee ownership, at its option, either an easement or a fee interest for the trail right-of-way to the City, as a gift.

C. City is willing to indemnify Grantor in connection with its provision of the trail as provided in this Agreement.

THE PARTIES AGREE AS FOLLOWS:

1 **Hold harmless.** The City shall at all times indemnify and save Grantor, Owner, its contractors, agents, officers, employees, residents, invitees and golfers [Indemnified Parties] free and harmless from and pay in full any and all claims, demands, losses, damages, and expenses that Indemnified Parties may sustain, or incur in any manner resulting from the establishment, construction, maintenance, state of use, repair, or presence of the trail, the improvements, including the fence mentioned below, and the ongoing use of said trail, including, but not limited to, any loss, damage, or expense arising out of: 1) loss of or damage to property; and 2) injury to, or death of person(s) or animal(s) (including any person(s) or animal(s) utilizing the trail being struck by an errant golf ball(s)), except to the extent of any loss or damage or expense and claim for loss, damage or expense resulting in any manner or from the willful or malicious acts of the Indemnified Parties. The City's obligation for legal fees shall be limited to one legal counsel.

2. **Fence Installation.** The City shall, at Grantor's option install a split rail fence to assure that trail users do not stray into the remaining portions of the Pacific Highlands Ranch project. The nature, extent, color, materials, and location of such fencing shall be subject to the sole review and approval of Grantor and determined at a future date. The City shall be solely responsible for the ongoing maintenance, repair, and upkeep of the fence.

3. **Successors.** The Indemnified Parties and any assigns or successors in interest shall not be subject to any present or future obligation and/or liability with regard to the construction, maintenance and/or upkeep of said trail.

4. **Permit Processing.** It shall be the City's sole obligation to process any and all necessary permits and/or approvals that will be required for the implementation of the trail, as well as pay for the cost of engineering, surveying and any other fees associated with the establishment, implementation, and ongoing maintenance of said trail.

5. **Trail Use.** The trail shall be for the exclusive use and enjoyment of pedestrians, bikers and equestrian users. In this regard, no motorized vehicles or bikes of any kind shall be permitted. The City shall be responsible for enforcing this restriction.

6. **Development Intensity.** There is a development intensity allocation which applies to Grantor's land. Grantor shall retain any and all development intensity rights associated with the right-of-way for Grantors sole use and disposition.

7. **Future Agreement.** The parties agree to cooperate and execute such future documentation as necessary to implement the purpose and intent of this Agreement.

8. **Attorney's Fees.** If either Party brings litigation to enforce the terms of this Agreement, the prevailing party be entitled to reasonable attorneys' fees and other reasonable costs. The City's obligation with respect to legal fees shall be limited to one legal counsel.

9. **Binding on Successors and Assigns.** All references herein to City and Grantor shall refer shall to and be binding upon their respective personal representatives, successors and assigns and transferees of the parties hereto.

EXHIBIT "F"

CARMEL VALLEY POLICE SUBSTATION SITE PURCHASE AGREEMENT

THIS POLICE SUBSTATION SITE PURCHASE AGREEMENT [the Agreement] is entered into as of the ___ day of _____, 19__, between Pardee Construction Company, a California corporation, [Seller], and The City of San Diego, a municipal corporation [Buyer], [collectively, the Parties] with reference to the facts set forth below.

RECITALS

A. Seller owns real property consisting of approximately 4.0 gross acres (3.5 net developable) located within the Carmel Valley Community in the City of San Diego. Seller's real property ownership is identified on the Ownership map (attached hereto as Exhibit "A") and is further described as _____ [the Property].

B. Buyer desires acquire the Property for the potential development of a police substation and Buyer is willing to sell the Property to Buyer.

THE PARTIES AGREE AS FOLLOWS;

1. Agreement to Buy and Sell. Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller the Property as described in Recital "A" above.

2. Purchase Price. The Purchase Price of the Property shall be $3,000,000 [the Purchase Price]

3. Method of Payment. The Purchase Price shall be payable in cash upon the close of escrow as defined in Section 6.1 below.

4. Use of Property. City proposes to use the site for a police substation serving Carmel Valley [the Substation]. If the City determines the Property may not be used for a police substation for any reason, City may sell the Property for cash, the proceeds of the sale to be applied to another site for the Substation or may exchange the Property for other property to be used as a site for the Substation. If City elects to sell the Property, Pardee shall have the right of first refusal, at the same price as the bona fide offer for the Property, on any proposed cash sale; however, Pardee shall not have such right if the City elects to exchange the Property. Any covenants, conditions and restrictions which apply to the Property shall apply to Property if transferred by City to a third party.

5. Reserved Rights. While this Agreement is in effect, and prior to the close of escrow for the Property, Seller reserves to itself, its agents, successors, assigns, and personal representatives all rights accruing from its ownership of the Property including, without limitation, unrestricted use, access and utilization of the Property, so long as legally permitted and subject to the terms of this Agreement.

6. Escrow and Closing.

6.1 Closing Date. The close of escrow shall be on or before the second anniversary of the effective date of the Development Agreement between the Parties approved by Ordinance No. O-_____ of the City Council [Closing Date]. "Close of Escrow" means the date the grant deed conveying the Property to Buyer is recorded pursuant to this Agreement.

6.2 Extension Of Closing Date. Upon mutual consent of Parties, the date for the Close of Escrow may be extended commensurate with Buyer and Seller's estimates that acquisition funds will be available as provided in any revised or updated PFFP, provided, however, that in no event may the Closing Date be extended for more than 90 calendar days without Seller's written consent.

6.2 Opening of Escrow. At such time as Buyer desires to complete the purchase of the Property, but in no case later than 120 calendar days prior to the Closing Date, Buyer shall deliver written notice of intent to close escrow to Seller and to Chicago Title Company [Escrow Holder], and Buyer shall concurrently deliver a fully signed copy of this Agreement to Escrow Holder which, along with any supplemental written escrow instructions signed by Buyer and Seller, shall constitute the escrow instructions. Buyer shall give the notice at least 120 days before the Closing Date specified in Section 6.1, as such Closing Date may be extended pursuant to Section 6.2. Escrow shall close within 120 days after Buyer's delivery of the notice, but in no event later than the Closing Date specified in Section 6.1, above, or as such Closing Date may be extended pursuant to Section 6.2.

7. Condition of Title.

7.1 It shall be a condition to the Close of Escrow that title to the Property shall be conveyed to Buyer by Seller by Grant Deed subject only to the following approved condition of title:

> A lien to secure payment of real estate taxes and assessment, not delinquent.
>
> The lien of supplemental taxes assessed pursuant to Chapter 3.5 commencing with section 75 of the California Revenue and Taxation Code.

(c) Building, building line, use or occupancy restrictions and zoning and building laws and ordinances of the federal, state, municipal, city and other governmental authorities having jurisdiction over the Property.

(d) All public rights of way, utility easements and other matters of record or which would be disclosed by an inspection or survey of the Property.

7.2 Seller shall pay and discharge upon close of escrow all deeds of trust, mortgages, mechanics' liens, judgments and attachment liens and other encumbrances securing an obligation to pay money which exists as of the date hereof or are created or suffered by Seller (other than non-delinquent taxes, special assessments, and owners' association assessments [which are to be prorated as provided herein] and liens and encumbrances created or suffered by Buyer).

8. Deposits by Seller. At least one (1) day prior to the Close of Escrow, Seller shall deposit or cause to be deposited with Escrow Holder the following documents and instruments:

8.1 Grant Deed. The Grand Deed in a form substantially identical to Exhibit "E" attached hereto conveying the Property to Buyer duly executed by Seller, acknowledged and in recordable form, and;

8.2 Proration, Fees and Costs. The amount, if any, required of Seller under Section 12 of this Agreement and under any other provision of this Agreement, shall be paid out of the funds deposited by Buyer with Escrow Holder and otherwise due Seller at the Close of Escrow pursuant to this Agreement.

9. Deposits by Buyer. At least one (1) day prior to the close of escrow, Buyer shall deposit or cause to be deposited with Escrow Holder the following:

9.1 Purchase Price Balance. Cash in the amount of the Purchase Price, ["Cash" means: (i) currency of the United States of America; (ii) cashier's check currently dated and payable to Escrow Holder or Seller, or (iii) wire transferred funds credited to Escrow Holder or Sellers bank account] and;

9.2 Prorations, Fees and Costs. The amount, if any, required of Buyer under Sections 10 and 11 of this Agreement and any other amounts payable upon the Close of Escrow under any other term of this Agreement, and;

9.3 Documents. A fully executed acceptance by City with respect to the Grant Deed and an executed and certified resolution of the City Council authorizing acceptance of the Property pursuant to the Grant Deed.

10. Costs and Expenses. Seller shall pay the cost and expense of a standard form CLTA Owner's Title Policy. Buyer shall pay the costs of any additional coverages or endorsements Buyer requests. Buyer and Seller shall share equally the escrow fee of Escrow Holder. Buyer shall pay all documentary transfer taxes payable in connection with the recordation of the Grant Deed. Buyer and Seller shall pay, respectively, the Escrow Holder's customary charges to buyers and sellers for document drafting, recording and miscellaneous charges. If, as a result of no fault of Buyer or Seller, Escrow fails to close, Buyer and Seller shall share equally all of Escrow Holders and Title Company's cancellation fees and charges.

11. Disbursements and Other Actions by Escrow Holder. Upon the close of escrow, the Escrow Holder shall promptly undertake all of the following in the manner indicated:

11.1 Prorations. Prorate (i.e. apportion) all matters referenced above based upon the statement delivered into Escrow signed by the Parties.

11.2 Recording. Cause the Grant Deed and any other documents which the Parties hereto may mutually direct, to be recorded in the Official Records of San Diego County, California.

11.3 Funds. Disburse from funds deposited by Buyer with Escrow Holder towards payment of all items chargeable to the account of Buyer pursuant hereto in payment of such costs, including, without limitation, the payment of the Purchase Price to Seller, and disburse the balance of such funds, if any, to Buyer.

11.4 Documents. Deliver all required and agreed upon documents pursuant to this Agreement to the Parties.

11.5 Title Policy. Direct the Title Company to issue the Title Policy to Buyer.

12. Seller's Representations and Warranties. Except as set forth in this Agreement, Seller has made absolutely no representation or warranties regarding the Property, including, without limitation, its condition, past use, or suitability for Buyer's intended use, and that Buyer is purchasing the Property on an "AS-IS" basis. Notwithstanding the foregoing, Seller makes the following representations to Buyer: Seller has the legal right, power and authority to enter into this Agreement and to consummate the transactions contemplated hereby and to the execution, delivery and performance of this Agreement; Seller has no actual knowledge of any Hazardous Materials on or under the Property or any underground tanks on the Property or of any easements, leases liens or encumbrances affecting the Property which are not disclosed by the public records. The foregoing representation is true and the foregoing warranties and agreements are in full force and effect and binding on Seller as of the date of this Agreement. If there is more than one Party constituting the "Seller," such representations and warranties are made severally, and not jointly. If before the Closing Date Seller discovers that any representation or warranty is untrue or misleading in any material respect, Seller shall notify Buyer and Buyer

shall have the right to terminate this Agreement; in that event, Seller shall have no liability unless Seller's original representation or warranty was knowingly false or misleading.

13. Buyer's Covenants, Representations and Warranties. In consideration of Seller entering into this Agreement and as an inducement to Seller to sell the Property to Buyer, Buyer makes the following covenants, representations and warranties.

13.1 Authority. Buyer has the legal right, power and authority to enter into this Agreement and to consummate the transactions contemplated hereby, and the execution, delivery and performance of this Agreement have been duly authorized and no other action by Buyer is requisite to the valid and binding execution, delivery and performance of this Agreement, except as otherwise expressly set forth in this Agreement.

13.2 "AS-IS" Nature of Sale. Buyer acknowledges and agrees that except as set forth herein, Seller has not made, does not make and specifically negates and disclaims any representations, warranties, or guarantees of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning or with respect to (i) the value, nature, quality of condition of the Property, including, without limitation, the water, soil and geology, (ii) the suitability of the Property for any and all activities and uses which Buyer may conduct thereon; (iii) the compliance of or by the Property or its operation with any laws, rules, ordinances or regulations of any applicable governmental authority or body; (iv) the habitability, merchantability, marketability, profitability or fitness for a particular purpose of the Property; (v) the manner, quality, state of repair or lack of repair of the Property; or (vi) any other matter with respect to the Property, and specifically (except as set forth herein) that Seller has not made, does not make, and specifically disclaims any representations regarding compliance with any environmental protection, pollution or land use laws, rules, regulations, orders or requirements, including solid waste, as defined by the U.S. Environmental Protection Agency regulations at 40 C.F.R., Part 261, or the disposal or existence, in or on the Property, of any hazardous substance, as defined by the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, and regulations promulgated thereunder. The substances, wastes and materials which are regulated by the foregoing laws or any other state and/or federal laws are herein referred to as "Hazardous Materials.") Buyer further acknowledges and agrees that any information provided or to be provided by or on behalf of Seller with respect to the Property was obtained from a variety of sources and that Seller has not made any independent investigation or verification of such information and makes no representations as to the accuracy or completeness of such information. Seller is not liable or bound in any manner by any oral or written statements, representations or information pertaining to the Property, or the operation thereof, furnished by any real estate broker, agent, employee, servant or other person. Buyer hereby acknowledges and agrees that the sale of the Property as provided for herein is made on an "AS-IS" condition and basis with all faults.

13.3 City represents and warrants that the conveyance of the Property to the City is exempt from the mapping requirements of the California Subdivision Map Act.

14. Representations and Warranties Survive. The representations and warranties of Buyer and Seller set forth in this Agreement shall be true on and as of the Close of Escrow and shall survive the closing.

15. Legal Description Amendment. Buyer and Seller acknowledge that the legal description of the Property is based on information used to identify generally the Property within the Property. Although such legal description is fairly accurate, it is not precise, thus it is expected that more detailed information may be used to delineate the Property on a tentative map submitted to the City in the future in conjunction with development applications. Therefore, this Agreement does not preclude, and contemplates that the Parties will amend the legal description, attached as Exhibit "D" hereto, upon the recording of a final map approved by the City.

16. Damage or Condemnation Prior to Closing. Seller shall promptly notify Buyer of any material casualty to the Property or any condemnation proceeding commenced prior to the Close of Escrow of which Seller obtains actual knowledge. If any such damage or proceeding relates to or may result in the loss of any material portion of the Property, Buyer may, at its option, elect either to: (i) terminate this Agreement, in which event neither Party shall have any further rights or obligations hereunder, or (ii) continue this Agreement in effect, in which event upon the Close of Escrow, Buyer shall be entitled to any compensation, awards, or other payments or relief resulting from such casualty or condemnation proceeding up to the amount of the purchase price, with any amounts exceeding such purchase price to be returned to Seller.

17. Notices. All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered, delivered by reputable overnight carrier, sent by certified mail, postage prepaid, return receipt requested, or sent by telecopy, and shall be deemed received upon the earlier of (i) if personally delivered or delivered by overnight courier, the date of delivery to the address of the person to receive such notice, (ii) if mailed, two (2) business days after the date of posting by the United States Post Office, (iii) if given by telecopy, when sent. Any notice, request, demand, direction or other communication sent by telecopy must be confirmed within forty-eight (48) hours by letter mailed or delivered in accordance with the foregoing.

To Buyer:

City of San Diego
202 "C" Street
San Diego, CA 92101
Attention: City Manager
Facsimile No. (619) 236-6067
Telephone No.: (619) 236-5941

To Seller:

Pardee Construction Company
10880 Wilshire Blvd., Suite 1900
Los Angeles, CA 90024

Attention: David Lyman
Facsimile No.: (310) 446-1292
Telephone No.: (310) 475-3525

With a Copy to:

Seltzer Caplan Wilkins & McMahon
750 B Street, Suite 2100
San Diego, CA 92101
Attention: Thomas F. Steinke
Facsimile No.: (619) 685-3100
Telephone No.: (619) 685-3003

And an additional copy to:

Pardee Construction Company
110 West C Street, Suite 2200
San Diego, CA 92101
Attention: Michael Madigan
Facsimile No.: (619) 231-1765
Telephone No.: (619) 525-7245

To Escrow Holder:

Chicago Title Company
925 "B" Street
San Diego, CA 92101
Attention: Shelva Molm
Facsimile No.: (619) 544-6229
Telephone No.: (619) 544-6250

Notice of change of address or telephone numbers shall be given by written notice in the manner detailed in this paragraph. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to constitute receipt of the notice, demand, request or communication sent.

18. Brokers. Buyer and Seller each represents and warrant to the other that there will be no brokers' or finders' fees payable in respect of this transaction based upon any statement, representation or agreement made by Buyer or Seller, respectively. If any claims for brokers' or finders fees for the consummation of this Agreement arise, then Buyer hereby agrees to indemnify, save harmless and defend Seller from and against such claims if they shall be based upon any statement or representation or agreement by Buyer, and Seller hereby agrees to indemnify, save harmless and defend Buyer if such claims shall be based upon any statement, representation or agreement made by Seller.

19. Legal Fees. If any action or suit is brought by a Party hereto against another Party hereunder by reason of any willful breach of any of the covenants on the part of the other Party arising out of this Agreement, or for declaratory relief, then in that event, the prevailing Party in

such action or dispute shall be entitled to have and recover of and from the other Party all costs and expenses of such action, including reasonable attorneys' fees.

20. Assignment. Buyer shall not assign, transfer or convey its rights and/or obligations under this Agreement and/or with respect to the Property without the prior written consent of Seller, which consent Seller may withhold in its absolute discretion. Any attempted assignment without the prior written consent of Seller shall be void and Buyer shall be deemed in default hereunder. Any permitted assignments shall not relieve the assigning Party from its liability under this Agreement.

21. Buyers Entry Onto Property. While this Agreement is in effect, Buyer, its agents, contractors and subcontractors shall have the right to enter upon the Property, at reasonable times during ordinary business hours and upon 48 hours prior written notice to Seller, to make any and all inspections and tests as Buyer reasonably deems desirable and which may be accomplished without causing any alteration or damage to the Property. Buyer agrees to indemnify, defend and hold Seller and the Property harmless from any and all costs, loss, liability, damages or expenses, of any kind or nature, arising out of or resulting from such entry. The foregoing indemnity and defense obligation of Buyer shall survive the termination and/or full performance of this Agreement.

22. Miscellaneous.

22.1 Survival of Covenants. The covenants, representations and warranties of both Buyer and Seller set forth in this Agreement shall survive the recordation of the Grant Deed and the Close of Escrow.

22.2 Required Actions of Buyer and Seller. Buyer and Seller agree to execute such instructions and documents and to diligently undertake such actions as may be required in order to consummate the purchase and sale herein contemplated and shall use their best efforts to accomplish the Close of Escrow in accordance with the provisions hereof.

22.3 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

22.4 Captions. Any captions to, or headings of, the paragraphs or subparagraphs of this Agreement are solely for the convenience of the Parties hereto, are not a part of this Agreement, and shall not be used for the interpretation or determination of the validity of this Agreement or any provision hereof.

22.5 No Obligations to Third Parties. Except as otherwise expressly provided herein, the execution and delivery of this Agreement shall not be deemed to confer any rights upon, nor obligate the Parties hereto, to any person or entity other than the Parties hereto.

22.6 Exhibits and Schedules. The Exhibits and Schedules attached hereto are hereby incorporated herein by this reference.

22.7 Amendment to this Agreement. Except as specified in paragraph 17 hereto, the terms of this Agreement may not be modified or amended except by an instruction in writing executed by the Parties hereto.

22.8 Waiver. The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof

22.9 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California

22.10 Fees and Other Expenses. Except as otherwise provided herein, each of the Parties shall pay its own fees and expenses in connection with this Agreement.

22.11 Entire Agreement. This Agreement supersedes any prior agreements, negotiations and communications, oral or written, and contains the entire agreement between Buyer and Seller as to the subject matter hereof. No subsequent agreement, representation, or promise made by the Party hereto, or by or to any employee, officer, agent or representative of the Party shall be of any effect unless it is in writing and executed by the Party to be bound thereby.

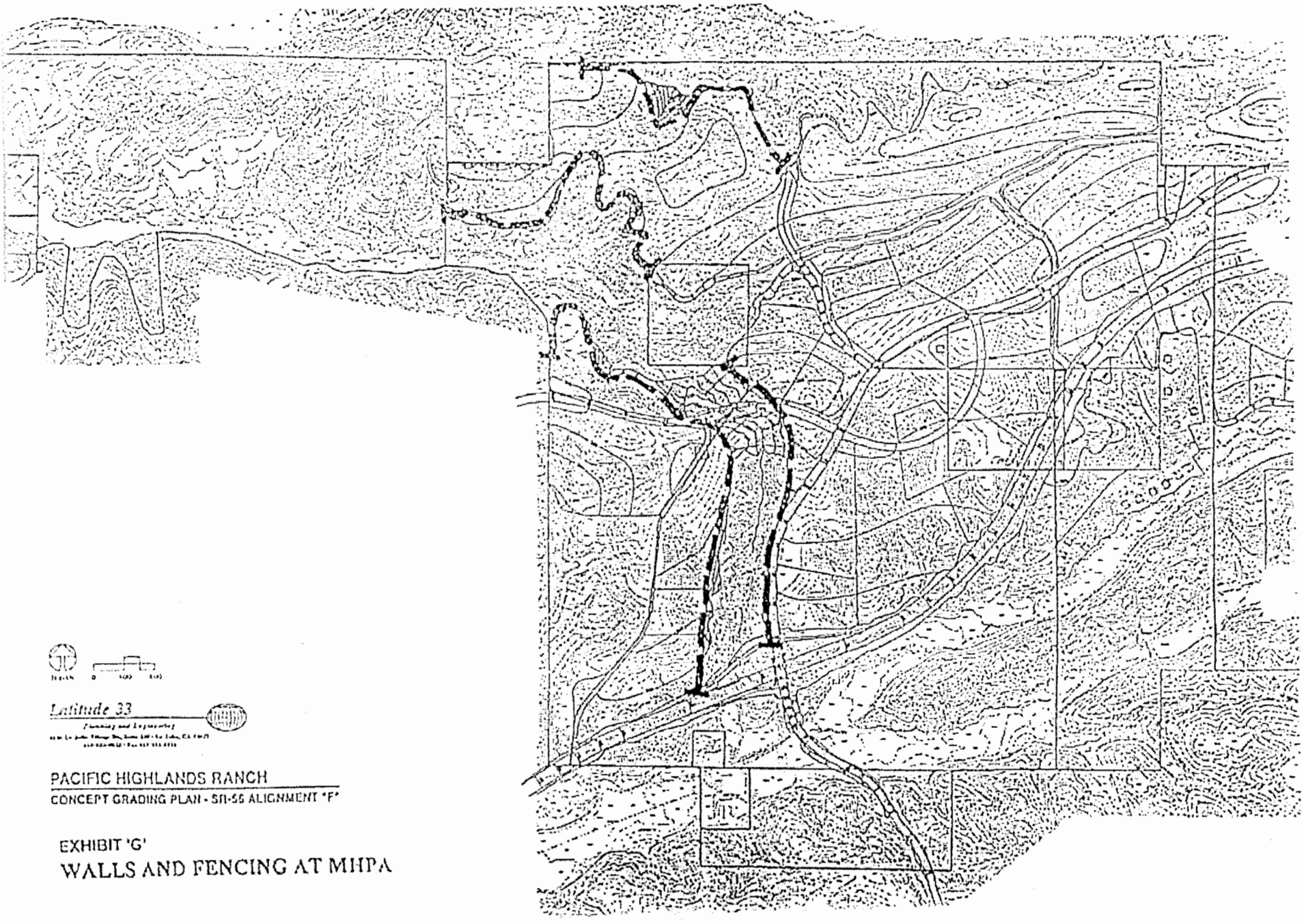
22.12 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

23. Indemnification of Escrow Holder.

23.1 If this Agreement or any matter relating hereto shall become the subject of any litigation or controversy, Buyer and Seller agree, jointly and severally, to hold Escrow Holder free and harmless from any loss or expense, including attorneys' fees, that may be suffered by it by reason thereof except for losses or expenses as may arise from Escrow Holder's negligent or willful misconduct. If conflicting demands are made or notices served upon Escrow Holder with respect to this Agreement, the Parties expressly agree that Escrow Holder shall be entitled to file a suit in interpleader and obtain an order from the court requiring the Parties to interplead and litigate their several claims and rights among themselves. Upon the filing of the action in interpleader, Escrow Holder shall be fully released and discharged from any obligations imposed upon it by this Agreement; and

23.2 Escrow Holder shall not be liable for the sufficiency or correctness as to form, manner, execution or validity of any instrument deposited with it, nor as to the identity,

authority or rights of any person executing such instrument, nor for failure to comply with any of the provisions of any agreement, contract or other instrument filed with Escrow Holder or referred to herein. Escrow Holder's duties hereunder shall be limited to the safekeeping of all moneys, instruments or other documents received by it as Escrow Holder, and for their disposition in accordance with the terms of this Agreement.

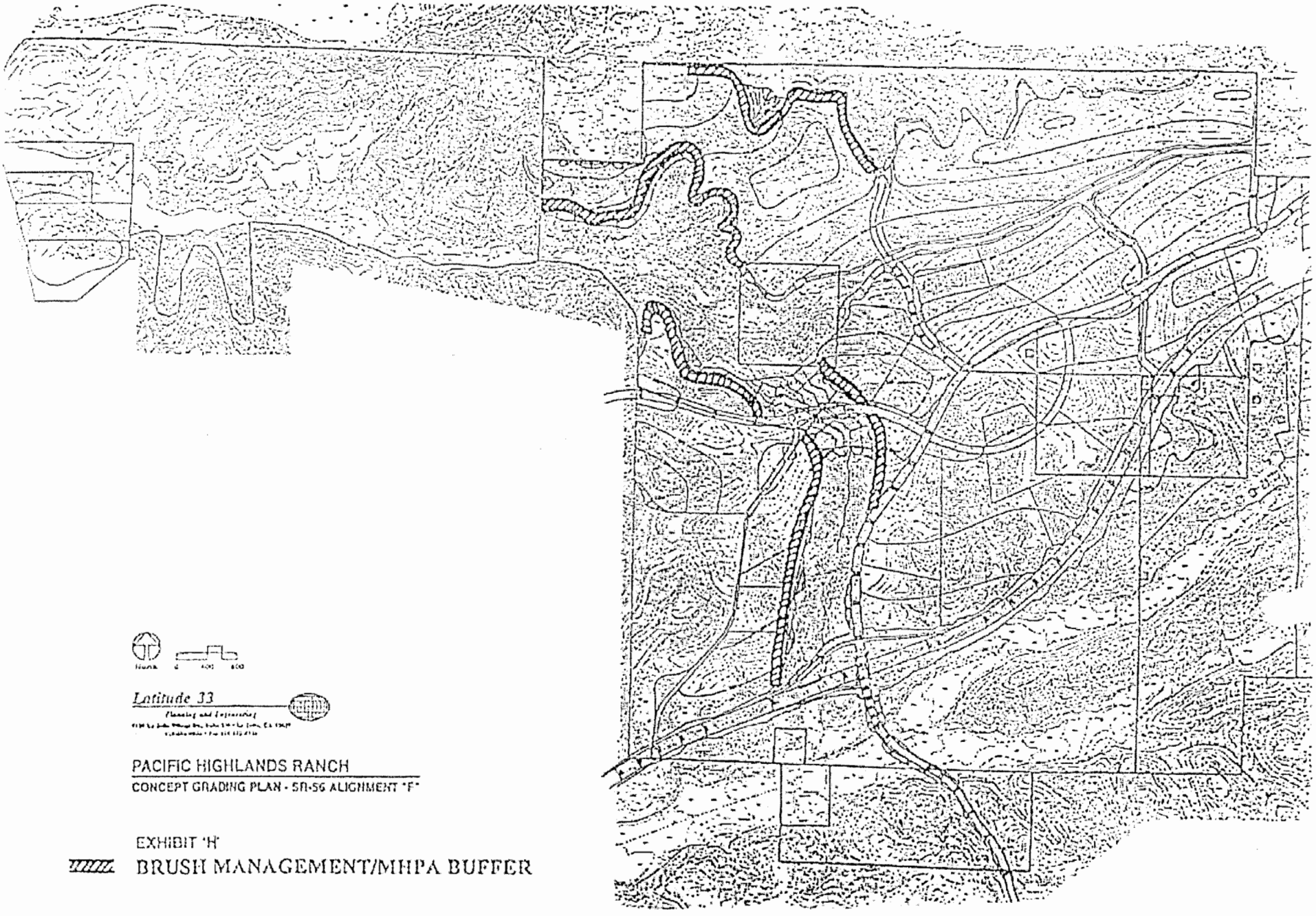


PACIFIC HIGHLANDS RANCH

CONCEPT GRADING PLAN - SR-56 ALIGNMENT "F"

EXHIBIT 'G'

WALLS AND FENCING AT MHPA


Latitude 33
PACIFIC HIGHLANDS RANCH
CONCEPT GRADING PLAN - SR-56 ALIGNMENT "F"
EXHIBIT "H"
BRUSH MANAGEMENT/MHPA BUFFER

	PARL	CARMEL CREST	TOTAL
Net Development Expansion	9.0	1.5	10.5
Vegetation Impacts			
Coastal Sage Scrub	6.0	2.1	8.1
Non-Native Grassland	1.9	0.6	2.5
Total (Gross Expansion	7.9 Ac	2.7 Ac	10.6 Ac

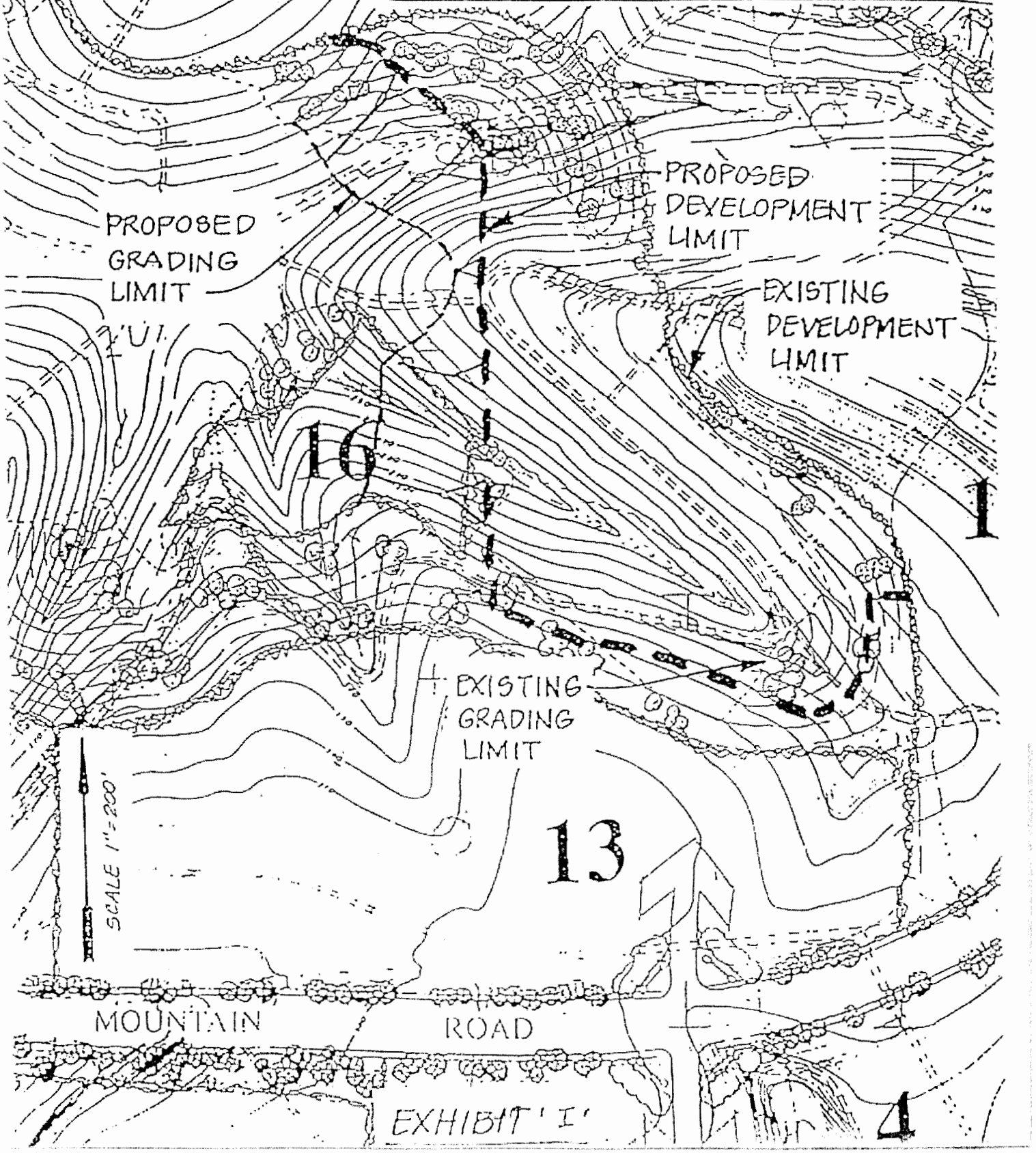


EXHIBIT "J"

City Clerk
CITY OF SAN DIEGO
City Administration Building
202 "C" Street
San Diego, CA 92101

This document exempt from fees per Government Code 6103. To the benefit of the City of San Diego

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ASSIGNMENT OF INTEREST UNDER DEVELOPMENT AGREEMENT

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, Pardee Construction Company, a California corporation [Assignor], assigns, without warranty except as set forth herein to _____ [Assignee], all of Assignor's rights and benefits set forth in that certain Development Agreement between The City of San Diego and Assignor adopted by the City Council on by Ordinance No. O-_____ [the"Development Agreement], as to only the land described in attached Exhibit "A" incorporated by this reference [the Property]. The Development Agreement was recorded _____at File/Page No. Official Records of San Diego County, California.

Assignor warrants to Assignee that, as of the date hereof, Assignor is not in breach of the Development Agreement. Effective upon the consent to this Assignment by the City Manager of the City of San Diego, Assignor shall be fully and unconditionally released and discharged from all further liabilities and obligations arising under the Development Agreement as to the Property.

EXHIBIT 'K'

APNs 304-113-05 AND 304-031-16 (DEL MAR HIGHLANDS ESTATES)

PARCEL 1

LOT 1 OF REVERSIONARY MAP OF SAN DIEGUITO ESTATES IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 10780 FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY ON NOVEMBER 30, 1983, TOGETHER WITH A PORTION OF EL CAMINO REAL AS DEDICATED TO PUBLIC USE.

EXCEPTING THEREFROM THOSE PORTIONS LYING WITHIN NCW NEIGHBORHOOD 7, UNIT 12, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 11734, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY FEBRUARY 24, 1987.

EXCEPTING THEREFROM THOSE PORTIONS LYING WITHIN NCW NEIGHBORHOOD 4A, UNIT 2, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 12146, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY AUGUST 10, 1998.

EXCEPTING THEREFROM THOSE PORTIONS LYING WITHIN PARCEL MAP NO. 15728, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY JULY 6, 1989.

PARCEL 2

THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER, TOGETHER WITH THE SOUTH HALF OF THE SOUTHWEST QUARTER OF SECTION 8, TOWNSHIP 14 SOUTH, RANGE 3 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPTING THEREFROM THOSE PORTIONS LYING WITHIN NCW NEIGHBORHOOD 7, UNIT 12, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 11734, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY FEBRUARY 24, 1987.

EXCEPTING THEREFROM THOSE PORTIONS LYING WITHIN NCW NEIGHBORHOOD 4A, UNIT 2, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 12146, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY AUGUST 10, 1988.

EXCEPTING THEREFROM THOSE PORTIONS LYING WITHIN PARCEL MAP NO. 15728, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY JULY 6, 1989

APN :308-010-03 (SHELL PROPERTY)

THE NORTH HALF OF THE NORTHEAST QUARTER AND THE EAST HALF OF THE NORTHE QUARTER OF THE NORTHWEST QUARTER OF SECTION 21, TOWNSHIP 14 SOUTH, RANG WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF SAN DIEGO, COUNTY OF DIEGO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPTING THEREFROM THAT PORTION THEREOF CONVEYED TO WENDELIN GENTER DEED RECORDED IN BOOK 314, PAGE 316 OF DEEDS AND MORE PARTICULARLY SCRIBED AS FOLLOWS:

BEGINNING AT THE NORTH QUARTER CORNER OF SAID SECTION 21, RUNNING THEN SOUTH 810.00 FEET; THENCE WEST 645.00 FEET; THENCE NORTH 810.00 FEE THENCE EAST 645.00 FEET TO THE POINT OF BEGINNING.

(O-99-23)

ORDINANCE NUMBER O-18571 (NEW SERIES)

ADOPTED ON SEP 08 1998

AN ORDINANCE APPROVING THE DEVELOPMENT AGREEMENT BETWEEN THE CITY OF SAN DIEGO AND PARDEE CONSTRUCTION COMPANY FOR THE PACIFIC HIGHLANDS RANCH DEVELOPMENT.

WHEREAS, Pardee Construction Company, a California corporation [Owner], is the owner or equitable owner of that certain real property consisting of approximately 2,102 acres located within Subarea III in the North City Future Urbanizing Area; and

WHEREAS, The City of San Diego, a charter city, is authorized pursuant to Government Code Sections 65864 - 65869.5 to enter into binding development agreements with persons having legal or equitable interests in real property for the development of such property in order to establish certainty in the development process. The City further enters into this Development Agreement pursuant to its Charter and self-rule powers and San Diego Municipal Code Sections 111.0901 et seq.; and

WHEREAS, the parties desire to enter into this Development Agreement relating to the above-described real property in conformance with the provisions of the Government Code in order to achieve the development of private land uses together with the provision of public services, public uses, and urban infrastructure all in the promotion of the health, safety, and general welfare of the City of San Diego; and

WHEREAS, the property is located within the boundaries of Subarea III in the North City Future Urbanizing Area. This community plan was adopted by the Council on JUL 28 1998, by

Resolution No. R-290521 In conjunction with the adoption of the community plan, the Council certified the information contained in the Environmental Impact Report and approved the findings of the environmental document in compliance with the California Environmental Quality Act of 1970; and

WHEREAS, development of the subject property will be in conformance with the North City Future Urbanizing Area Framework Plan. The environmental effects of development permitted pursuant to the agreement were addressed in Master Environmental Impact Report No. 96-7918, which has been certified by the City; and

WHEREAS, because of the complexities of financing the urban infrastructure, certainty in the development process is desirable. The phasing, timing and development of the public infrastructure including, but not limited to, parks, libraries, fire stations, transportation facilities, sewer and water facilities, other utilities, and open space maintenance necessitates a significant commitment of resources, planning and effort by property owners and the City in order for the public facilities financing to be successfully completed. Accordingly, in return for the participation and commitment to provide a pro rata share of public facilities and the significant contribution of private resources for public purposes, the City in return desires to make a commitment for certainty in the development process; and

WHEREAS, pursuant to the terms of the Development Agreement, Owner will provide substantial public improvements and benefits to the City including participation in the public facilities financing plan for Subarea III in the North City Future Urbanizing Area. In consideration of the public improvements and benefits to be provided by Owner pursuant to the Development Agreement, in consideration of Owner's agreement to finance public facilities, and in order to strengthen the public planning process and reduce the economic costs of development, by

the Development Agreement the City intends to give Owner assurance that Owner can proceed with the development of the subject property for the term of the Development Agreement pursuant to the Development Agreement; and

WHEREAS, on June 25, 1998, the Planning Commission of The City of San Diego, after giving notice pursuant to Government Code sections 65854, 65854.5, and 65856, and San Diego Municipal Code section 105.0103 held a public hearing on the application for the Development Agreement; and

WHEREAS, the Council of The City of San Diego, after providing public notice as required by law, held a public hearing on Owner's application, wherein all persons desiring to be heard were heard, and pursuant to said public hearing the Council recommended approval of the Development Agreement; and

WHEREAS, the Council finds that the Development Agreement is consistent with the Progress Guide and General Plan and the North City Future Urbanizing Area Framework Plan, as well as all other applicable policies and regulations of The City of San Diego; and

WHEREAS, the Council has reviewed and considered the Development Agreement and determined the content of the Development Agreement to be complete and correct; NOW, THEREFORE,

BE IT ORDAINED, by the Council of The City of San Diego, as follows:

Section 1. The Council finds and determines the facts stated above to be true.

Section 2. The Council further finds with respect to the Development Agreement that:

A. It is consistent with the objectives, policies, programs and uses specified in the Progress Guide and General Plan and the North City Future Urbanizing Area Framework Plan.

B. It will not be detrimental to the public health, safety and general welfare.

C. It will promote the orderly development of property or the preservation of property values in accordance with good land use practice.

Section 3. The Council hereby approves the Development Agreement, a copy of which is on file in the office of the City Clerk as Document No. OO-18571, and authorizes and directs the City Manager to execute said Development Agreement in the name of The City of San Diego not later than 15 days following the effective date of this ordinance. Failure of Owner to execute the Development Agreement within 30 days, shall render this action null and void. The City Clerk is directed to record said Development Agreement and this ordinance with the County Recorder of San Diego County within ten days after its execution.

Section 4. This ordinance shall take effect and be in force on the thirtieth day from and after its passage.

APPROVED: CASEY GWINN, City Attorney

By Prescilla Dugard
Prescilla Dugard
Deputy City Attorney

PD:lc
07/17/98
Or.Dept:Comm.&Eco.Dev.
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Passed and adopted by the Council of The City of San Diego on September 8, 1998 by the following vote:

YEAS: MATHIS, WEAR, KEHOE, STEVENS, WARDEN, STALLINGS, McCARTY, VARGAS, AND MAYOR GOLDING

NAYS: NONE

NOT PRESENT: NONE

AUTHENTICATED BY:

SUSAN GOLDING
Mayor of The City of San Diego, California

CHARLES G. ABDELNOUR
City Clerk of The City of San Diego, California

(Seal)

By: Myrna Skelley, Deputy

HEREBY CERTIFY that the above and foregoing is a full, true and correct copy of ORDINANCE NO. O-18571 (New Series) of The City of San Diego, California.

FURTHER CERTIFY that said ordinance was not finally passed until twelve calendar days had elapsed between the day of its introduction and the day of its final passage, to wit, on July 28, 1998 and on September 8, 1998.

FURTHER CERTIFY that the reading of said ordinance in full was dispensed with by a vote of not less than a majority of the members elected to the Council, and that there was available for the consideration of each member of the Council and the public prior to the day of its passage a written or printed copy of said ordinance.

CHARLES G. ABDELNOUR
City Clerk of The City of San Diego, California

(Seal)

Myrna Skelley, Deputy

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