

Attachment 1

EXHIBIT K

DEVELOPMENT AGREEMENT PROVISIONS

1. Term. The following language shall be added after the phrase "twenty 20 years" and before the phrase "(the term)" in the fourth sentence of Section 3 of the existing Development Agreement:

"from _____ 20 __, the date upon which the City may accept the Offers of Dedication in Sections 3.3 of that certain "Land Offer Agreement" by and between the City and OV Three Two, LLC; JJJ & K Investments Two, LLC; and RR Quarry, LLC, approved by the City Council on __, 2008."

2. Tentative Map Permit Duration Section 6.2 of the existing Development Agreement, entitled "Length of Validity of Tentative Subdivision Maps," is hereby deleted in its entirety and replaced with the following:

"6.2 Tentative Map/Permit Duration. Pursuant to California Government Code section 66452.6, any tentative subdivision map, parcel map or other map authorized by the State Subdivision Map Act that is approved for the Project shall remain valid for a period of time equal to a term of this Agreement. In addition, notwithstanding any condition or provision to the contrary, every permit and approval for the Project other than ministerial approvals shall remain valid for a period of time equal to the term of this Agreement."

3. Growth. The second full paragraph of Section 5.2 appearing at page 8 of the existing development Agreement entitled "Development of Property," which begins "Notwithstanding the foregoing," shall be deleted in its entirety and replaced with the following:

"Notwithstanding any provision of this Agreement to the contrary, the City's Growth Management program, as set forth in the Growth Management Element of the City's General Plan, applicable to the Project shall be those in effect on the date the City approves the Land Offer Agreement referenced in Section 3 hereof."

4. Modifications to Existing Project Approvals. The following sentence shall be added to the end of Section 5.2.3 of the existing Development Agreement:

"The parties agree that they accept the modifications to the Existing Project Approvals approved by the City Council on _____, 20 ."

5. Reimbursement. At the end of the first sentence of Section 7.5 of the existing Development Agreement, entitled "Facilities Which are the Obligations of Another Party, or are of Excessive Size, Capacity, Length or Number," a new sentence shall be inserted as follows:

"City shall not require such monies or improvements unless City provides reasonable assurance of funding or reimbursement in accordance with State law and/or the City's ordinances."