

APPENDIX C

1993 CSMC DEVELOPMENT AGREEMENT

RECORNING REQUESTED BY AND
WHEN RECORDED MAIL TO:

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DEVELOPMENT AGREEMENT

between

THE CITY OF LOS ANGELES

and

CEDARS-SINAI MEDICAL CENTER

August 12, 1993

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DEVELOPMENT AGREEMENT

This Development Agreement ("Agreement") is executed this 12TH day of August, 1993, by and between the CITY OF LOS ANGELES, a municipal corporation ("City") and CEDARS-SINAI MEDICAL CENTER ("Developer"), pursuant to California Government Code Section 65864, et seq., and the implementing procedures of the City, based upon an initial application dated November 10, 1992, with respect to the following:

1. DEFINITIONS.

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

1.1 "Applicable Rules" means the rules, regulations, ordinances and policies of the City in force as of the Effective Date of this Agreement. Notwithstanding the language of this Section or any other language in this Agreement, all specifications, standards and policies regarding the design and construction of public works facilities, if any, shall be those that are in effect at the time the Project plans are being processed for approval and/or under construction. Furthermore, the Applicable Rules shall include the City-wide programs enacted after the Effective Date of this Agreement for (1) storm water pollution abatement mandated by the Federal Water Pollution Control Act of 1972, and subsequent amendments thereto, (2) traffic congestion management mandated by a congestion management program pursuant to California Government Code Section 65088, et seq., or any successor statute, and (3) child care facilities mandated by the City of Los Angeles by ordinance to be provided generally by employers located in the City of Los Angeles.

1.2 "Conceptual Building Plans" mean the plans and drawings attached as Exhibit E.

1.3 "Development Agreement Act" means Section 65864, et seq. of the California Government Code.

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

1.5 "District Plan" means the Wilshire District Plan.

1.6 "Effective Date" is the date on which this Agreement is attested by the City Clerk of the City of Los Angeles after execution by Cedars-Sinai Medical Center and the Mayor of the City.

1.7 "Floor Area" means the total square footage of a building as described in Section 12.21.1 of the Los Angeles Municipal Code.

1.8 "General Plan" means the General Plan of the City, as amended as of the date of this Agreement.

1.9 "Master Plan" means the Master Plan for the Cedars-Sinai Medical Center, approved under City Plan Case Nos. CPC 92-0530(ZC), CPC 92-0533(HD) and CPC 92-0534(DA) which provide for the expansion of the Cedars-Sinai Medical Center as described in Section 3.1.1 of this Agreement.

1.10 "Processing Fees" means all fees required by the City including, but not limited to, fees for land use applications, project permits, building applications, building permits, grading permits, maps and certificates of occupancy which are necessary to accomplish the intent and purpose of this Agreement. Expressly exempted from Processing Fees are all impact

fees, linkage fees, or exactions which may be imposed by the City on development Projects pursuant to laws enacted after the Effective Date of this Agreement, except as specifically provided for in this Agreement. The amount of the Processing Fees to be applied in connection with the development of the Project shall be the amount which is in effect on a City-wide basis at the time an application for the City action is made. Notwithstanding the language of this Section or any other language in this Agreement, Cedars-Sinai Medical Center shall not be exempt from the payment of a traffic mitigation fee, if any, imposed through the Wilshire West Interim Control Ordinance (Ordinance No. 167,551 or any successor ordinance); or from the payment of affordable housing mitigation fees, if any, imposed through Ordinance No. 165,530; or from the payment of fees, if any, imposed on a City-wide basis as part of the City's program for storm water pollution abatement mandated by the Federal Water Pollution Control Act of 1972 and subsequent amendments thereto, or from the payment of City-wide fees, if any, imposed as a result of the congestion management program mandated by California Government Code Section 65088, et seq., or any successor statute.

1.11 "Project" means the design, financing, construction and other development activities for the Master Plan.

1.12 "Project Approvals" means the Zone Change, Height District Change and Development Agreement applications filed as City Plan Case Nos. CPC 92-0530(ZC), CPC 92-0533(HD) and CPC 92-0534(DA), approved concurrently herewith.

1.13 "Property" means the 25.8 gross acre Cedars-Sinai Medical Center at 8700 Beverly Boulevard, located generally between Beverly Boulevard, San Vicente Boulevard, Third Street and Robertson Boulevard. The legal description is attached as Exhibit A.

1.14 "Reserved Powers" means the rights and authority excepted from this Agreement's restrictions on the City's police powers and which are instead reserved to the City. The

Reserved Powers include the powers to enact regulations or take future Discretionary Actions after the Effective Date of this Agreement that may be in conflict with the Applicable Rules, but: (1) are necessary to protect the public health and safety, and are generally applicable on a City-wide basis (such can be applicable on a non-City-wide basis in the event of natural disasters as found by the Mayor or City Council such as floods, earthquakes and similar acts of God); (2) are amendments to Chapter V, Article 7 of the Los Angeles Municipal Code Section 57.01.01, et seq. (Los Angeles Fire Code) or Chapter IX, Article 1 of the Los Angeles Municipal Code Section 91.0101, et seq. (Los Angeles Building Code) regarding the construction, engineering and design standards for private and public improvements to be constructed on the Property, provided that such changes are (i) necessary to the health and safety of the residents of the City; and (ii) are generally applicable on a City-wide basis (such can be applicable on a non-citywide basis in the event of natural disasters as found by the Mayor or City Council, such as floods, earthquakes, and similar acts of God); (3) are necessary to comply with state and federal laws and regulations (whether enacted prior or subsequent to the Effective Date of this Agreement); or (4) constitute Processing Fees imposed or required by the City to cover its actual costs in processing applications, permit requests and approvals of the Project, or in monitoring compliance with permits issued or approvals granted for the performance of any conditions imposed on the Project.

2. RECITALS OF PREMISES, PURPOSE AND INTENT.

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

"The Legislature finds and declares that:

(a) The lack of certainty in the approval of development projects can result in a waste of resources, escalate the cost of housing and other development to the consumer, and discourage investment in and a commitment to comprehensive planning which would make maximum efficient utilization of resources at the least economic cost to the public.

(b) Assurance to the applicant for a development project that upon approval of the project, the applicant may proceed with the project in accordance with existing policies, rules and regulations, and subject to conditions of approval, will strengthen the public planning process, encourage private participation in comprehensive planning, and reduce the economic costs of development."

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

2.2 City Procedures.

2.2.1 Planning Commission Action. The Planning Commission conducted a duly-noticed public hearing on March 18, 1993 and approved the Agreement on April 1, 1993.

2.2.2 City Council Action. The City Council conducted a duly-noticed public hearing on June 23, 1993, and adopted Ordinance Nos. 168847 and 168848 on June 23, 1993 to become effective on the thirty-first day after publication, which approved this Agreement and

the Council found that the provisions of the Agreement are consistent with the General Plan, the District Plan, and authorized the execution of this Agreement.

2.3 Purpose of this Agreement.

2.3.1 Cedars-Sinai Medical Center Objectives. In accordance with the legislative findings set forth in the Development Agreement Act, and with full recognition of the City's policy of judicious restraints on its police powers, Cedars-Sinai Medical Center wishes to obtain reasonable assurances that the Project may be developed in accordance with the Applicable Rules and with the terms of this Agreement and subject to the City's Reserved Powers. To the extent of Project development, and as provided by Section 3.1.1, Cedars-Sinai Medical Center anticipates making capital expenditures in reliance upon this Agreement. In the absence of this Agreement, Cedars-Sinai Medical Center would have no assurance that it can complete the Project for the uses and to the density, intensity or height of development set forth in this Agreement. This Agreement, therefore, is necessary to assure Cedars-Sinai Medical Center that the Project will not be (1) reduced or varied in density, intensity, or height, permitted demolition, use or other development entitlements under this Agreement; (2) subjected to new rules, regulations, ordinances or policies which are not related to compliance with State or Federal mandates or health and safety conditions; or (3) subjected to delays for reasons other than City-wide health and safety enactments related to critical situations such as, but not limited to, the lack of water availability or sewer or landfill capacity.

2.3.2 Mutual Objectives. Development of the Project in accordance with this Agreement will provide for the orderly development of the Property in accordance with the objectives set forth in the General Plan and the Wilshire District Plan. Moreover, a development agreement for the Project will eliminate uncertainty in planning for and securing orderly development of the Project, assure installation of necessary improvements, assure

attainment of maximum efficient resource utilization within the City at the least economic cost to its citizens and otherwise achieve the goals and purposes for which the Development Agreement Act was enacted. The parties believe that such orderly development of the Project will provide many public benefits to the City through the imposition of the development standards and requirements under the provisions and conditions of this Agreement, including without limitation, increased tax revenues, installation of on-site and off-site improvements, and retention of a desirable industry and jobs within the City. Additionally, although development of the Project in accordance with this Agreement will restrain the City's land use or other relevant police powers, the Agreement will provide the City with sufficient Reserved Powers during the term hereof to remain responsible and accountable to its residents. In exchange for these and other benefits to the City, Cedars-Sinai Medical Center will receive assurance that the Project may be developed during the term of this Agreement in accordance with the Applicable Rules and Reserved Powers, subject to the terms and conditions of this Agreement.

2.3.3 Applicability of the Agreement. This Agreement does not: (1) grant density, intensity or height, permitted demolition, use or other development entitlements in excess of that otherwise established in the Applicable Rules; (2) eliminate future Discretionary Actions relating to the Project if applications requiring such Discretionary Action are initiated and submitted by the owner of the Property after the Effective Date of this Agreement; (3) guarantee that Cedars-Sinai Medical Center will receive any profits from the Project; (4) prohibit the Project's participation in any benefit assessment district that is generally applicable to surrounding properties; or (5) amend the City's General Plan. This Agreement has a fixed term, as provided in Section 6.2. Furthermore, in any subsequent actions applicable to the Property after expiration of this Agreement, the City may apply such new

rules, regulations and policies as are contained in its Reserved Powers, as legally apply to the Property.

3. AGREEMENT AND ASSURANCES.

3.1 Agreement and Assurance on the Part of Cedars-Sinai Medical Center. In consideration for the City entering into this Agreement, and as an inducement for the City to obligate itself to carry out the covenants and conditions set forth in this Agreement, and in order to effectuate the premises, purposes and intentions set forth in Article 2 of this Agreement, Cedars-Sinai Medical Center hereby agrees as follows:

3.1.1 Project Development. Cedars-Sinai Medical Center agrees that it will use its best efforts, in accordance with its own business judgement and taking into account health care delivery needs and economic consideration, to develop the Project in accordance with the terms and conditions of this Agreement.

3.1.1.a. Dedication of Land for Public Purposes. Provisions for the dedication of land for public purposes are set forth in Exhibit C attached hereto.

3.1.1.b. Description of Transportation Improvements. The Transportation Improvements to be included within the scope of the Project are described in Exhibit C attached hereto.

3.1.1.c. Intensity of the Project. The development intensity of the Project is shown in Exhibit D attached hereto.

3.1.1.d. Maximum Height of the Project. The maximum height of each of the Project's proposed buildings is shown on Exhibit D attached hereto.

3.1.2 Phasing of Development. The parties acknowledge that Cedars-Sinai Medical Center cannot at this time predict when or at the rate at which phases of the Property would be developed. Such decisions depend upon numerous factors which are not all within the control of Cedars-Sinai Medical Center, such as health care delivery needs, financing and

economic consideration. Because the California Supreme Court held in Pardee Construction Co. v. City of Camarillo (1984) 37 Cal.3d 465, that the failure of the parties therein to provide for the timing of development permitted a later adopted initiative restricting the timing of development and controlling the parties' agreement, it is the intent of Cedars-Sinai Medical Center and the City to hereby acknowledge and provide for the right of Cedars-Sinai Medical Center to develop the Project in such order and at such rate and time as Cedars-Sinai Medical Center deems appropriate within the exercise of its sole and subjective business judgment. The City acknowledges that such a right is consistent with the intent, purpose and understanding of the parties to this Agreement. Cedars-Sinai Medical Center will use its best efforts, in accordance with its owned business judgment and taking into consideration health care delivery needs, financing and other economic considerations influencing its business decision, to commence or to continue development, and to develop the Project in accordance with the provisions and conditions of this Agreement and with the Applicable Rules, subject to the Project Approvals.

3.1.3 Hold as One Parcel. The Medical Center and its various components shall be operated as an integrated unit for the purpose of implementing the mitigation measures and conditions of approval of the Project, including without limitation the TDM requirements. This provision does not, however, tie the individual parcels within the Property together as one parcel so as to prohibit obtaining financing or joint development opportunities for the construction of improvements on those individual parcels within the Property.

3.2 Additional Consideration for this Agreement. The development assurance provided by this Agreement, the implementation of the Master Plan and the resulting construction of the planned facilities will allow Cedars-Sinai Medical Center to continue to provide the highest quality health care using its state-of-the-art facilities. The Project will allow the consolidation of interrelated medical functions in discrete areas of the Cedars-Sinai Medical Center,

resulting in increased efficiency in the delivery of medical services. The City's and the community's need to provide for the continuation and expansion of high quality health care services and facilities is an exceptional public benefit.

3.2.a Continued provision of assistance to community programs relating to the mission of Cedars-Sinai Medical Center for the term of the Agreement. Several specific Community Programs currently provided by Cedars-Sinai Medical Center are described in Exhibit F.

3.2.b Unless (1) the Los Angeles County Trauma System is disbanded; or (2) Cedars-Sinai Medical Center determines, in its sole discretion, that the operation of the Level One Trauma Center causes a material adverse economic impact upon Cedars-Sinai Medical Center and Cedars-Sinai provides one year written notice to the City of Los Angeles of its intent to withdraw from the Trauma System, then Cedars-Sinai Medical Center shall continue its participation in the Los Angeles County Trauma System as a Level One Trauma center for the term of this agreement, as documented through the Emergency Medical Services agency of the Los Angeles County Department of Health Services.

3.2.c Continued maintenance of a qualified 24-hour Basic Emergency Department for the Term of this Agreement, as documented through the State of California Department of Health Services.

3.2.d Cedars-Sinai Medical Center shall make available up to 1,500 square feet of floor area at a location to be determined by Cedars-Sinai within the Property for a temporary Los Angeles Police Department sub-station within one year of the Effective Date of this Agreement, subject to the acceptance and approval thereof by the Los Angeles Police Department and The Los Angeles City Council. Cedars-Sinai Medical Center shall make available up to 1,500 square feet of floor area at

a location to be determined by Cedars-Sinai within the Property for a permanent Los Angeles Police Department sub-station within five years of the Effective Date of this Agreement, subject to the acceptance and approval thereof by the Los Angeles Police Department and The Los Angeles City Council. Cedars-Sinai Medical Center shall not be responsible for any costs relating to physical improvements or operating costs with respect to the temporary or permanent substation, including without limitation, shell improvements, furniture, fixtures, equipment, utilities or personnel.

3.2.e Cedars-Sinai Medical Center shall prepare and execute a covenant and agreement to the satisfaction of the City Planning Department and the Metropolitan Transit Authority (MTA) agreeing to provide an easement within the Property for a portal to a Metro Rail station at the southwest corner of San Vicente Boulevard and Beverly Boulevard provided that the easement does not adversely impact the operation of the Medical Center as determined by Cedars-Sinai Medical Center in its sole discretion.

3.2.f Cedars-Sinai Medical Center will contribute to the design and installation of ATISAC or Quicnet systems at the intersections of Wilshire Boulevard and Gale Drive and Wilshire Boulevard and Willaman Drive if the Beverly Hills Department of Transportation and the Los Angeles Department of Transportation determine that these facilities are necessary to operate the ATISAC or Quicnet systems installed at the intersections of Wilshire Boulevard and Robertson Boulevard and Wilshire Boulevard and La Cienega Boulevard, provided, however, the cost shall not exceed \$100,000 per intersection.

3.2.g Cedars-Sinai Medical Center shall contribute up to \$40,000, as provided below, towards an Urban Design Program for the area generally bounded by Robertson Boulevard, Beverly Boulevard, Third Street and San Vicente Boulevard.

Cedars-Sinai will provide matching contributions, dollar for dollar, up to a maximum of \$40,000, with those contributions received from participants in the Urban Design Program. The purpose of the Urban Design Program is to create a more pedestrian-oriented environment in the area and should include a program of unifying themes and implementation of the recommended improvements. Cedars-Sinai Medical Center shall not be responsible for the collection of funds or the administration or implementation of the Urban Design Program, although Cedars-Sinai may be a participant in the Urban Design Program.

3.2.h Establishment of a Community Employee Recruitment and Outreach Program designed to benefit the local community as described in Exhibit G for the term of this Agreement.

3.3 Agreement and Assurances on the Part of the City. To effectuate the parties' respective objectives set forth in Article 2 above, and to induce Cedars-Sinai Medical Center to agree to the covenants and conditions set forth in the preceding Section 3.1, the City hereby agrees and assures Cedars-Sinai Medical Center that, subject to its Reserved Powers: (i) only the Applicable Rules and the terms and conditions of this Agreement shall be applied to the Project during the term hereof; and (ii) the Applicable Rules and terms and conditions of this Agreement are vested contractual rights of Cedars-Sinai Medical Center to develop this Project during the term of this Agreement. In furtherance of such agreement and assurances, and pursuant to the authority and provisions set forth in the Development Agreement Act and the resolution adopted by the City Council on August 18, 1987 under Council File No. 85-2313-S3, City, in entering into this Agreement, hereby agrees and acknowledges that:

3.3.1 Entitlement to Develop. Cedars-Sinai Medical Center has the right to develop the Project, subject to the terms and conditions of this Agreement, the Applicable Rules, and

the Reserved Powers. The City finds that the Project is consistent with the General Plan, the Wilshire District Plan and the zoning regulations applicable to the Property.

3.3.2 Changes in Applicable Rules.

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

3.3.2.b. Changes in Building and Fire Codes. Notwithstanding any provisions of this Agreement to the contrary, development of the Project shall be subject to changes occurring from time to time in the Uniform Building Code and other uniform construction codes. In addition, development of the Project shall be subject to changes occurring from time to time in the Los Angeles Fire and Building Codes, Chapter V, Article 7, Section 57.01.01, et seq. and Chapter IX, Article 1, Section 91.0101, et seq. of the Los Angeles Municipal Code, respectively, regarding the construction, engineering and design standards for both public and private improvements provided that such changes are (1) necessary to the health and safety of the residents of the City; and (2) are generally applicable on a City-wide basis (such can be applicable on a non-citywide basis in the event

of natural disasters as found by the Mayor or City Council, such as floods, earthquakes and similar acts of God).

3.3.2.c. Changes Mandated by Federal or State Law. This Agreement shall not preclude the application to the Project of changes in, or additions to, the Applicable Rules, including rules, regulations, ordinances, fees and official policies, to the extent that such changes or additions are mandated to be applied to developments such as this Project by state or federal regulations. In the event state or federal laws or regulations prevent or preclude compliance with one or more provisions of this Agreement, such provisions shall be modified or suspended as may be necessary to comply with such state or federal laws or regulations.

3.4 Subsequent Development Review. The City shall not require Cedars-Sinai Medical Center to obtain any Discretionary Approvals or permits for the development of the Project in accordance with this Agreement other than those permits or Discretionary Approvals which are required by the Applicable Rules or the Reserved Powers, or the Project Approvals. To the extent that any additional Discretionary Approvals are required for the development of the Project, such Discretionary Approvals shall be determined in accordance with Section 3.6. However, any subsequent Discretionary Action or Discretionary Approval initiated by Cedars-Sinai Medical Center which changes the intensity or height, density, height, permitted demolition, use or other development entitlements permitted by the Project Approvals shall be subject to the rules, regulations, ordinances and official policies of the City then in effect. Unless amended to provide otherwise, this Agreement shall not apply to such subsequent Discretionary Actions.

3.5 Site Plan Review. Pursuant to Section 16.05 I of the Los Angeles Municipal Code, the City agrees that the environmental review conducted in connection with the adoption of the Project Approvals provides a suitable method of complying with the California

Environmental Quality Act ("CEQA") for future development and that the detailed regulations and standards contained in the Master Plan provide siting controls for new buildings within the Property sufficient to satisfy the Site Plan Review Ordinance (Ordinance No. 165,951 as amended by Ordinance No. 166,127; L.A.M.C. § 16.05 and § 12.24 B 1(aa)). Therefore, pursuant to Los Angeles Municipal Code Section 16.05 I, site plan review under Los Angeles Municipal Code Section 16.05 is not applicable to the Project. In addition, notwithstanding Los Angeles Municipal Code Section 12.24 B 1(aa), the City also agrees that site plan review of "major" development projects pursuant to the conditional use procedures of Los Angeles Municipal Code Section 12.24 B 1(aa) is not applicable to the Project.

3.6 Effective Development Standards. The City agrees that it is bound to permit the density, intensity and height, permitted demolitions, uses and other development entitlements which are permitted by this Agreement, insofar as this Agreement and the Project Approvals so provide or as otherwise set forth in the Applicable Rules or the Reserved Powers. The City hereby agrees that it will not unreasonably withhold or unreasonably condition any Discretionary Action or Discretionary Approval which must be issued by the City in order for the Project to proceed, provided that Cedars-Sinai Medical Center reasonably and satisfactorily complies with all preliminary procedures, actions, payments of Processing Fees, and criteria generally required of developers by the City for processing applications for developments and consistent with this Agreement.

3.7 Consistency with Applicable Rules. Based upon all information made available to the City up to or concurrent with the execution of this Agreement, City finds and certifies that no Applicable Rules prohibit or prevent the full completion and occupancy of the Project in accordance with the density, intensity and height, permitted demolition, uses and other development entitlements incorporated and agreed to herein.

3.8 Moratoria or Interim Control Ordinances. In the event an ordinance, resolution or other measure is enacted, whether by action of the City, by initiative, or otherwise, which relates to the rate, timing, sequencing, or phasing of the development or construction on all or any part of the Property, City agrees that such ordinance, resolution or other measure shall not apply to the Property or this Agreement, unless such changes: (1) are found by the City to be necessary to the health and safety of the residents of the City, and (2) are generally applicable on a City-wide basis (except in the event of natural disasters as found by the Mayor or the City Council such as floods, earthquakes and similar acts of God).

4. ANNUAL REVIEW, DEFAULT PROVISIONS

4.1 Annual Review.

4.1.1 Annual Review. During the Term of this Agreement, the City shall review annually Cedars-Sinai Medical Center's compliance with this Agreement. Such periodic review shall be limited in scope to good faith compliance with the provisions of this Agreement as provided in the Development Agreement Act and Cedars-Sinai Medical Center shall have the burden of demonstrating such good faith compliance.

4.1.2 Pre-Determination Procedure. Cedars-Sinai Medical Center's submission of compliance with this Agreement, in a form which the Director of Planning may reasonably establish, shall be made in writing and transmitted to the Director of Planning not later than sixty (60) days prior to the yearly anniversary of the Effective Date. The public shall be afforded an opportunity to submit written comments regarding compliance to the Director of Planning at least sixty (60) days prior to the yearly anniversary of the Effective Date. All such public comments shall, upon receipt by the City, be made available to Cedars-Sinai Medical Center.

4.1.3 Evidence for Annual Review. The City shall deliver to Cedars-Sinai Medical Center a copy of any staff report and any other documents to be used or relied upon in

conducting the annual review concerning Cedars-Sinai Medical Center's performance hereunder prior to commencement of any such annual review by the Director of City Planning, or if any such document is subsequently created or received, within 48 hours of its creation or receipt by the City. Cedars-Sinai Medical Center shall be permitted a reasonable opportunity to respond to the City's evaluation of its performance at each stage of the review process, either orally or in writing, at Cedars-Sinai Medical Center's election. The Director of City Planning, the City Planning Commission, and the City Council shall review and give due consideration to Cedars-Sinai Medical Center's testimony and written submittals in their respective deliberations.

4.1.4 Director's Determination. On or before the yearly anniversary of the Effective Date of the Agreement, the Director of Planning shall make a determination regarding whether or not Cedars-Sinai Medical Center has complied in good faith with the provisions and conditions of this Agreement. This determination shall be made in writing with reasonable specificity, and a copy of the determination shall be provided to Cedars-Sinai Medical Center in the manner prescribed in Section 6.13. Copies of the determination shall also be available to members of the public. If the Director does not find evidence of non-compliance with the Agreement by Cedars-Sinai Medical Center, no further action by the Director, the Planning Commission or the City Council shall be required and the annual review process for such year shall end.

4.1.5 Appeal By Cedars-Sinai Medical Center. In the event the Director of Planning makes a finding and determination of non-compliance, Cedars-Sinai Medical Center shall be entitled to appeal that determination to the Planning Commission. After a public hearing on the appeal, the Planning Commission shall make written findings and determinations, on the basis of substantial evidence, whether or not Cedars-Sinai Medical Center has complied in good faith with the provisions and conditions of this Agreement. Nothing in this Section or

this Agreement shall be construed as modifying or abrogating Los Angeles City Charter Section 32.3 (City Council review of Commission and Board actions).

4.1.6 Period To Cure Non-Compliance. If, as a result of this Annual Review procedure, it is found and determined by the Planning Director or the Planning Commission, on appeal, that Cedars-Sinai Medical Center has not complied in good faith with the provisions and conditions of this Agreement, the City, after denial of any appeal or, where no appeal is taken, after the expiration of the appeal period described in Section 6.3, shall submit to Cedars-Sinai Medical Center, by registered or certified mail, return receipt requested, a written notice of default in the manner prescribed in Section 6.13, stating with specificity those obligations of Cedars-Sinai Medical Center which have not been performed. Upon receipt of the notice of default, Cedars-Sinai Medical Center shall promptly commence to cure the identified default(s) at the earliest reasonable time after receipt of the notice of default and shall complete the cure of such default(s) not later than sixty (60) days after receipt of the notice of default, or such longer period as is reasonably necessary to remedy such default(s), provided that Cedars-Sinai Medical Center shall continuously and diligently pursue such remedy at all times until such default(s) is cured.

4.1.7 Failure To Cure Non-Compliance Procedure. If the Director of Planning finds and determines that Cedars-Sinai Medical Center, or its successors, transferees, and/or assignees, as the case may be, has not cured a default pursuant to this Section, and that the City intends to terminate or modify this Agreement or those transferred or assigned rights and obligations, as the case may be, the Director of Planning shall make a report to the Planning Commission. The Director of Planning shall then set a date for a public hearing before the Planning Commission in accordance with the notice and hearing requirements of Government Code Sections 65867 and 65868. If after such public hearing, the Planning Commission finds and determines, on the basis of substantial evidence, that Cedars-Sinai Medical Center,

or its successors, transferees, and/or assignees, as the case may be, has not cured a default pursuant to this Section, and that the City shall terminate or modify this Agreement, or those transferred or assigned rights and obligations, as the case may be, the finding and determination shall be appealable to the City Council in accordance with Section 6.3. In the event of a finding and determination of compliance, there shall be no appeal by any person or entity. Nothing in this Section or this Agreement shall be construed as modifying or abrogating Los Angeles City Charter Section 32.3 (City Council review of Commission and Board actions).

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

4.1.9 Reimbursement of Costs. Cedars-Sinai Medical Center shall reimburse the City for its actual costs reasonably and necessarily incurred, to perform the required annual review.

4.2 Default Provisions.

4.2.1 Default by Cedars-Sinai Medical Center.

4.2.1.a. Default. In the event Cedars-Sinai Medical Center does not perform its obligations under the Agreement in a timely manner, the City shall have all rights and remedies provided herein or under applicable law, which shall include, but not be limited to, compelling the specific performance of the obligations of Cedars-Sinai Medical Center under this Agreement, or modification or termination of this Agreement, provided that the City has first complied with the following procedure:

4.2.1.b. Notice of Default. The City through the Director of Planning shall submit to Cedars-Sinai Medical Center, by registered or certified mail, return receipt requested, a written notice of default in the manner prescribed in Section 6.13, identifying with specificity those obligations of Cedars-Sinai Medical Center which have not been performed. Upon receipt of the notice of default, Cedars-Sinai Medical Center shall promptly commence to cure the identified default(s) at the earliest reasonable time after receipt of the notice of default and shall complete the cure of such default(s) not later than sixty (60) days after receipt of the notice of default, or such longer period as is reasonably necessary to remedy such default(s), provided that Cedars-Sinai Medical Center shall continuously and diligently pursue such remedy at all times until such default(s) is cured.

4.2.1.c. Failure to Cure Default Procedure. If after the cure period has elapsed, the Director of Planning finds and determines that Cedars-Sinai Medical Center, or its successors, transferees and/or assignees, as the case may be, remains in default and that the City intends to terminate or modify this Agreement, or those transferred or assigned rights and obligations, as the case may be, the Director shall make a report to the Planning Commission and then set a public hearing before the Commission in accordance with the notice and hearing requirements of Government Code Sections 65867 and 65868. If after

public hearing, the Planning Commission finds and determines, on the basis of substantial evidence, that Cedars-Sinai Medical Center , or its successors, transferees and/or assigns, as the case may be, has not cured default pursuant to this Section, and that the City may in its sole discretion terminate or modify this Agreement, or those transferred or assigned rights and obligations, as the case may be, Cedars-Sinai Medical Center and its successors, transferees and/or assigns, shall be entitled to appeal that finding and determination to the City Council in accordance with Section 6.3. In the event of a finding and determination that all defaults are cured, there shall be no appeal by any person or entity. Nothing in this Section or this Agreement shall be construed as modifying or abrogating Los Angeles City Charter Section 32.3 (City Council review of Commission and Board actions).

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

4.2.1.e. Damages and Specific Performance. In the event that Cedars-Sinai Medical Center defaults under the material provisions of this Agreement, City shall have all rights and remedies provided herein or by applicable law, which shall include, but not be limited to, compelling the specific performance of Cedars-Sinai Medical Center's obligations under this Agreement. City may, where appropriate, be awarded compensatory damages, but shall not be entitled, in any case, to damages for loss of profits or punitive damages.

4.2.2 Default by the City.

4.2.2.a. Default and Notice of Default. In the event the City does not accept, process, render a decision on or issue necessary development permits, entitlements, or other land use or building approvals for use as provided in this Agreement upon compliance with the requirements therefor, or as otherwise agreed to by the parties, or the City otherwise defaults under the provisions of this Agreement, Cedars-Sinai Medical Center shall have all rights and remedies provided herein or by applicable law, which shall include, but not be limited to, compelling the specific performance of the City's obligations under this Agreement. No part of this Agreement shall be deemed to abrogate or limit any immunities or defenses the City may otherwise have with respect to claims for monetary damages. Cedars-Sinai Medical Center shall first submit to the City a written notice of default stating with specificity those obligations which have not been performed. Upon receipt of the notice of default, the City shall promptly commence to cure the identified default(s) at the earliest reasonable time after receipt of the notice of default and shall complete the cure of such default(s) not later than one hundred and twenty (120) days after receipt of the notice of default, or such longer period as is reasonably necessary to remedy such default(s), provided that the City shall continuously and diligently pursue such remedy at all times until such default(s) is cured.

4.2.2.b. Application for Modification or Termination. If the City remains in default of this Agreement after the cure period has elapsed, or federal or state law or regulations enacted after the adoption of the Agreement prevent compliance by Cedars-Sinai Medical Center or the City, Cedars-Sinai Medical Center shall be entitled to exercise its other remedies hereunder, including the right to apply to the Planning Commission for termination or modification of this Agreement, or to commence arbitration or litigation. In such event, the matter shall be set for public hearing before the Planning Commission in accordance with the notice and hearing requirements of Section 65867 of the Development Agreement Act.

4.2.3 Damages and Specific Performance. In the event the City defaults under the material provisions of this Agreement, Cedars-Sinai Medical Center shall have all rights and remedies provided herein or by applicable law, which shall include, but not be limited to, compelling the specific performance of obligations under this Agreement. Cedars-Sinai Medical Center may, where appropriate, be awarded compensatory damages, but shall not be entitled, in any case, to damages for loss of profits or punitive damages.

5. DISPUTE RESOLUTION

5.1 Dispute Resolution Proceedings. The parties may agree to dispute resolution proceedings to fairly and expeditiously resolve disputes or questions of interpretation under this Agreement. These dispute resolution proceedings may include: (a) procedures developed by the City for expeditious interpretation of questions arising under development agreements; (b) non-binding arbitration as provided below; of (c) any other manner of dispute resolution that is agreed upon by the parties. Nothing in this Agreement shall require the parties to arbitrate.

5.2 Arbitration. In the event the parties mutually agree to arbitrate a dispute arising under this Agreement, the arbitration proceeding shall be conducted by an arbitrator who must be a former (1) judge of the Los Angeles County Superior Court; (2) Appellate Justice of the Second District Court of Appeals; or (3) Justice of the California Supreme Court. This arbitrator shall be selected by mutual agreement of the parties.

5.3 Arbitration Procedures. In the event the parties mutually agree to arbitrate a dispute arising under this agreement, upon appointment of the arbitrator, the matter shall be set for arbitration at a time not less than thirty (30) nor more than ninety (90) days from the effective date of the appointment of the arbitrator. The arbitration shall be conducted under the procedures set forth in California Code of Civil Procedure Section 638, et. seq., or under such other procedures as are agreeable to both parties, except that provisions of the

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

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

6. GENERAL PROVISIONS

6.1 Effective Date. This Agreement shall be effective upon the date on which this Agreement is attested by the City Clerk of the City of Los Angeles after execution by Cedars-Sinai Medical Center and the Mayor of the City. As provided in Section 65868.5 of the Development Agreement Act, and as provided in Section 6.16 hereof, a copy of this Agreement shall be recorded with the Los Angeles County Recorder.

6.2 Term. The term of this Agreement ("Term") shall commence on the Effective Date and shall extend until the completion of the Project or 15 years after the Effective Date, whichever is earlier, unless said Term is otherwise terminated, modified or extended by circumstances set forth in this Agreement or by mutual consent of the parties hereto. Following the expiration of this Term, this Agreement shall terminate and be of no further force and effect; provided, however, that this termination shall not affect any right or duty arising from entitlements or approvals, including the Project Approvals on the Property approved concurrently with, or subsequent to, the Effective Date of this Agreement. The Term of this Agreement shall automatically be extended for the period of time of any actual delay resulting from any enactments pursuant to the City's Reserved Powers, and for any period during which the parties are engaged in dispute resolution.

6.3 Appeals to the City Council. Unless otherwise specified in this Agreement, where an appeal by Cedars-Sinai Medical Center to the City Council from a finding and/or determination of the Planning Commission is created by this Agreement, such appeal shall be taken, if at all, within twenty (20) days after the mailing of such finding and/or determination to Cedars-Sinai Medical Center, or its successors, transferees, and/or assignees, as the case may be. The City Council shall act upon the finding and/or determination of the Planning Commission within eighty (80) days after such mailing, or within such additional period as may be agreed upon by Cedars-Sinai Medical Center and the City Council. The failure of the City Council to act shall not be deemed to be a denial or an approval of the appeal, which shall remain pending until final City Council action.

6.4 Enforced Delay; Extension of Time of Performance. In addition to specific provisions of this Agreement, whenever a period of time, including a reasonable period of time, is designated within which either party hereto is required to do or complete any act, matter or thing, the time for the doing or completion thereof shall be extended by a period of time equal to the number of days during which such party is actually prevented from, or is unreasonably interfered with, the doing or completion of such act, matter or thing because of causes beyond the reasonable control of the party to be excused, including: war; insurrection; riots; floods; earthquakes; fires; casualties; acts of God; litigation and administrative proceedings against the Project (not including any administrative proceeds contemplated by this Agreement in the normal course of affairs (e.g., the annual review)); any approval required by the City (not including any period of time normally expected for the processing of such approvals in the ordinary course of affairs); restrictions imposed or mandated by other governmental entities; enactment of conflicting state or federal laws or regulations; judicial decisions; the exercise of the City's Reserved Powers; or similar bases for excused performance which is not within the reasonable control of the party to be excused (financial

inability excepted); and, any unreasonable time required by the City for the approval of this Agreement. This Section shall not be applicable to any proceedings with respect to bankruptcy or receivership initiated by or on behalf of Cedars-Sinai Medical Center, or, if not dismissed within ninety (90) days, by any third parties against Cedars-Sinai Medical Center. If written notice of such delay is given to either party within (30) days of the commencement of such delay, an extension of time for such cause will be granted in writing for the period of the enforced delay, or longer as may be mutually agreed upon.

6.5 Cooperation and Implementation.

6.5.1 Processing. Upon satisfactory completion by Cedars-Sinai Medical Center of all required preliminary actions and payment of appropriate Processing Fees, including the fee for processing this Agreement, the City shall commence and diligently process all required steps necessary for the implementation of this Agreement and development of the Property in accordance with the terms of this Agreement. Cedars-Sinai Medical Center shall, in a timely manner, provide the City with all documents, plans, fees, and other information necessary for the City to carry out its processing obligations. The City shall perform all ministerial acts and issue all permits necessary to effectuate this Agreement.

6.5.2 Other Governmental Permits. Cedars-Sinai Medical Center may apply in a timely manner for such other permits and approvals as may be required from other governmental or quasi-governmental agencies having jurisdiction over the Project as may be required for the development of, or provision of services to, the Project. The City shall cooperate with Cedars-Sinai Medical Center in its endeavors to obtain such permits and approvals and shall, from time to time at the request of Cedars-Sinai Medical Center, attempt with due diligence and in good faith to enter into binding agreements with any such entity to ensure the availability of such permits and approvals, or services, provided such agreements are reasonable and not detrimental to the City. These agreements may include, but are not

limited to, joint powers agreements under the provisions concerning the Joint Exercise of Powers Act (California Government Code Section 6500, et seq.) or the provisions of other laws to create legally binding, enforceable agreements between such parties. To the extent allowed by law, Cedars-Sinai Medical Center shall be a party to any such agreement, or a third party beneficiary thereof, and shall be entitled to enforce for its benefit on behalf of the City, or in its own name, the rights of the City or Cedars-Sinai Medical Center thereunder or the duties and obligations of the parties thereto. Cedars-Sinai Medical Center shall reimburse the City for all costs and expenses incurred in connection with seeking and entering into any such agreement, provided that Cedars-Sinai Medical Center has requested it. Cedars-Sinai Medical Center shall defend the City in any challenge by any person or entity to any such agreement, and shall reimburse the City for any costs and expenses incurred by the City in enforcing any such agreement. Any fees, assessments, or other amounts payable by the City thereunder shall be borne by Cedars-Sinai Medical Center, except where Cedars-Sinai Medical Center has notified the City in writing, prior to the City entering into such agreement, that it does not desire the City to execute such agreement.

6.5.3 Cooperation in the Event of Legal Challenge. In the event of any legal action instituted by a third party or other governmental entity or official challenging the validity of any provision of this Agreement, the parties hereby agree to affirmatively cooperate in defending said action.

6.5.4 Relationship of the Parties. It is understood and agreed by the parties hereto that the contractual relationship created between the parties hereunder is that Cedars-Sinai Medical Center is an independent contractor and not an agent of the City. Further, the City and Cedars-Sinai Medical Center hereby renounce the existence of any form of joint venture or partnership between them and agree that nothing herein or in any document executed in

connection herewith shall be construed as making the City and Cedars-Sinai Medical Center joint venturers or partners.

6.6 Hold Harmless and Insurance.

6.6.1 Hold Harmless. Cedars-Sinai Medical Center hereby agrees to and shall indemnify, save, hold harmless and defend the City, and its elected and appointed representatives, boards, commissions, officers, agents, and employees (collectively, "the City" in this Section), from any and all claims, costs, and liability for any damages, personal injury or death which may arise, directly or indirectly, from Cedars-Sinai Medical Center or Cedars-Sinai Medical Center's contractors, subcontractors, agents, or employees' operations in connection with the construction of the Project, whether such operations be by Cedars-Sinai Medical Center or any of Cedars-Sinai Medical Center's contractors, subcontractors, by any one or more persons directly or indirectly employed by, or acting as agent for Cedars-Sinai Medical Center or any of Cedars-Sinai Medical Center's contractors or subcontractors. Cedars-Sinai Medical Center further agrees to and shall indemnify, save, hold the City harmless and if requested by the City, Cedars-Sinai Medical Center shall defend the City in any action brought by a third party (1) challenging the validity of this Agreement; or (2) seeking damages which may arise directly or indirectly from the negotiation, formation, execution, enforcement or termination of this Agreement. Nothing in this Section shall be construed to mean that Cedars-Sinai Medical Center shall hold the City harmless and/or defend it from any claims arising from, or alleged to arise from, the negligent acts, or negligent failure to act, on the part of the City. The City agrees that it shall fully cooperate with Cedars-Sinai Medical Center in the defense of any matter in which Cedars-Sinai Medical Center is defending and/or holding the City harmless.

6.6.2 Insurance. Without limiting its obligation to hold the City harmless, Cedars-Sinai Medical Center shall provide and maintain at its own expense, during the Term of this

Agreement, the following program of insurance concerning its operations hereunder. The insurance shall be provided by insurer(s) satisfactory to the City on or before the Effective Date of this Agreement. The program of insurance provided shall specifically identify this Agreement and shall contain express conditions that the City is to be given written notice at least thirty (30) days prior to any modification or termination of coverage. Such insurance shall be primary to and not contributing with any other insurance maintained by Cedars-Sinai Medical Center, shall name the City as an additional named insured, and shall include, but not be limited to, either comprehensive liability insurance endorsed for Premises/Project Site Operations, Products/Completed Operations, Contractual, Broad Form Property Damage, and Personal Injury or Builder's All-Risk Insurance, with a combined single limit of not less than \$1,000,000 per occurrence. From time to time, but not more often than once every two (2) years, Cedars-Sinai Medical Center shall increase the coverage limits of insurance required under this Section if so directed by the City after a determination by the City that such an increase is justified using customary and reasonable risk management methods and principles.

6.7 Legal Action. Either party may, in addition to any other rights or remedies, institute legal action to cure, correct, or remedy any default, enforce any covenant or agreement herein, enjoin any threatened or attempted violation, or enforce by specific performance the obligations and rights of the parties hereto.

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

6.9 Amendments. This Agreement may be amended from time to time by mutual consent in writing of the parties to this Agreement in accordance with Section 65868 of the Development Agreement Act. Any amendment to this Agreement which relates to the Term,

density, intensity or height, permitted demolitions, uses and other development entitlements shall require notice and a public hearing before the parties may execute an amendment thereto. Cedars-Sinai Medical Center shall reimburse the City for its actual costs, reasonably and necessarily incurred, including the cost of any public hearings, to review any amendments requested by Cedars-Sinai Medical Center.

6.10 Assignment. The Property, as well as the rights and obligations of Cedars-Sinai Medical Center under this Agreement, may be transferred or assigned in whole by Cedars-Sinai Medical Center without the consent of the City; provided, however, that because this Agreement is intended to represent an integrated plan, the failure of any successor-in-interest to perform the obligations assigned to it may result, at the City's option, in a declaration that this Agreement has been breached and an election to terminate this Agreement in its entirety as provided for in Section 5. Cedars-Sinai Medical Center, or any successor transferor, shall give prior written notice to the City of its intention to assign or transfer any of its interests, rights or obligations under this Agreement and a complete disclosure of the identify of the assignee or transferee, including copies of the Articles of Incorporation in the case of corporations and the names of individual partners in the case of partnerships. Any failure by Cedars-Sinai Medical Center to provide said notice shall be curable in accordance with the provisions of Section 5.1. Upon assignment or transfer of the rights under this Agreement, the obligations of Cedars-Sinai Medical Center and the assignee or transferee shall be joint and several.

6.11 Statute of Limitation and Laches. The City and Cedars-Sinai Medical Center agree that each party will undergo a change in position in detrimental reliance upon this Agreement from the time of its execution and subsequently. The parties agree that Section 65009(c) of the Government Code, which provides for a 120 day statute of limitations to challenge the enactment or amendment of a zoning ordinance, is applicable to this Agreement, which will

provide for development consistent with the zoning ordinance. In addition, any persons who may challenge the validity of this Agreement are hereby placed on notice that, should the legality or validity of this Agreement be challenged by any third party in litigation which is filed and served more than 120 days after the execution of this Agreement, the City and Cedars-Sinai Medical Center shall each assert the affirmative defense of laches with respect to such challenge, in addition to all other available affirmative defenses.

6.12 Covenants. The provisions of this Agreement shall constitute covenants which shall be effective for the period during which this Agreement is in effect and shall run with the land comprising the Property for the benefit thereof, and the burdens and benefits hereof shall bind and inure to the benefit of all assignees, transferees, and successors to the parties hereto.

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

If to the City:

City of Los Angeles
200 North Spring Street
Los Angeles, CA 90012
Attn: Director of Planning

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

With copies to:

General Manager
Department of Transportation
City of Los Angeles
Room 1200, City Hall
200 North Spring Street
Los Angeles, California 90012

City Attorney, City of Los Angeles
Real Property/Environmental Division
1800 City Hall East, 200 N. Main Street
Los Angeles, California 90012

If to Cedars-Sinai
Medical Center:

Cedars-Sinai Medical Center, Inc.
8700 Beverly Boulevard
Los Angeles, California 90048
Attn: Peter E. Braveman, Esq.

With a Courtesy Copy to:

Latham & Watkins
633 W. Fifth St., Suite 4000
Los Angeles, California 90071
Attn: George J. Mhlsten, Esq.

Either party may change its address by giving notice in writing to the other party.

6.14 Severability. If any provisions, conditions, or covenants of this Agreement, or the application thereof to any circumstances of either party, shall be held invalid or unenforceable, the remainder of this Agreement or the application of such provision, condition, or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

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

6.16 Recording. As provided in Government Code Section 65868.5, the City Clerk of Los Angeles shall record a copy of this Agreement with the Registrar-Recorder of the County of Los Angeles against all portions of the property then owned by Cedars-Sinai Medical Center within ten (10) days following its execution by both parties. Within ten (10) days of the acquisition by Cedars-Sinai Medical Center of each and any parcels within the Property, a copy of this Agreement shall be recorded against each such parcel acquired by Cedars-Sinai Medical Center, Cedar-Sinai Medical Center shall provide the City Clerk with the fees for such recording prior to or at the time of such recording.

6.17 Constructive Notice and Acceptance. Every person who now or hereafter owns or acquires any right, title, interest in or to the Property, is and shall be conclusively deemed to have consented and agreed to every provision contained herein, whether or not any reference to this Agreement is contained in the instrument by which such person acquired an interest in the Property.

6.18 Successors and Assignees. The provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties, any subsequent owner of the Property and their respective successors and assignees.

6.19 No Third Party Beneficiaries. The only parties to this Agreement are the City and Cedar-Sinai Medical Center, and their successors-in-interest. There are no third party beneficiaries and this Agreement is not intended, and shall not be construed, to benefit or be enforceable by any other person whatsoever.

6.20 Entitlement to Written Notice of Default. The mortgagee of a mortgage or beneficiary of a deed of trust encumbering the Property, or any part thereof, and their successors and assigns shall, upon written request to the City, be entitled to receive from the City written notification of any default by Cedars-Sinai Medical Center of the performance of Cedars-Sinai Medical Center's obligations under this Agreement which has not been cured within sixty (60) days following the date of default. Cedars-Sinai Medical Center shall reimburse the City for its actual costs, reasonably and necessarily incurred, to prepare this notice of default.

6.21 Discretion to Encumber. The parties hereto agree that this Agreement shall not prevent or limit Cedars-Sinai Medical Center, or its successor, in any manner, at Cedars-Sinai Medical Center's, or its successor's, sole discretion, from encumbering the Property or any portion thereof or any improvement thereon by any mortgage, deed of trust, or other security device securing financing with respect to the Property or its improvements.

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

6.23 Legal Advice; Neutral Interpretation; Headings, Table of Contents, and Index. Each party has received independent legal advice from its attorneys with respect to the advisability of executing this Agreement and the meaning of the provisions hereof. The provisions of this Agreement shall be construed as to their fair meaning, and not for or against any party based upon any attribution to such party as the source of the language in question. The headings,

table of contents, and index used in this Agreement are for the convenience of reference only and shall not be used in construing this Agreement.

6.24 Counterparts. This Agreement is executed in 3 duplicate originals, each of which is deemed to be an original. This Agreement, not counting the Cover Page, Table of Contents or Index, consists of 36 pages and seven (7) Exhibits which constitute the entire understanding and agreement of the parties. The Exhibits are identified as follows:

Exhibit "A" Legal Description

Exhibit "B" Location Map

Exhibit "C" Dedication of Land for Public Purposes/Description of
Transportation Improvements

Exhibit "D" Development Intensity of Project/Maximum Building Heights

Exhibit "E" Conceptual Building Plans

Exhibit "F" Community Programs

Exhibit "G" Community Employee Recruitment Program

State of California
County of Los Angeles
On 8-13-93 before me, Yoko Saxon, Notary Public
DATE NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"
personally appeared Richard Riordan
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.



WITNESS my hand and official seal.

Yoko Saxon
SIGNATURE OF NOTARY

OPTIONAL SECTION

CAPACITY CLAIMED BY SIGNER

Though statute does not require the Notary to fill in the data below, doing so may prove invaluable to persons relying on the document.

- INDIVIDUAL
- CORPORATE OFFICER(S)
TITLE(S) _____
- PARTNER(S) LIMITED GENERAL
- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER: _____

SIGNER IS REPRESENTING:

NAME OF PERSON(S) OR ENTITY(IES)

OPTIONAL SECTION

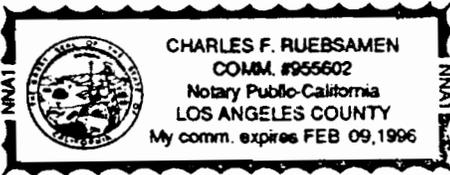
THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED AT RIGHT:

TITLE OR TYPE OF DOCUMENT Development Agrmt. Cedars Sinai
NUMBER OF PAGES 69 DATE OF DOCUMENT 8-12-93
SIGNER(S) OTHER THAN NAMED ABOVE N/A

Though the data requested here is not required by law, it could prevent fraudulent reattachment of this form.

State of California
County of Los Angeles
On 8-16-93 before me, Charles F. Ruebsamen, Notary Public
DATE NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"
personally appeared Sheldon S King and Paul Koeger
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.



WITNESS my hand and official seal.

Charles F. Ruebsamen
SIGNATURE OF NOTARY

OPTIONAL SECTION

CAPACITY CLAIMED BY SIGNER

Though statute does not require the Notary to fill in the data below, doing so may prove invaluable to persons relying on the document.

- INDIVIDUAL
- CORPORATE OFFICER(S)
TITLE(S) _____
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- TRUSTEE(S)
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- OTHER: _____

SIGNER IS REPRESENTING:

NAME OF PERSON(S) OR ENTITY(IES)

OPTIONAL SECTION

THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED AT RIGHT:

TITLE OR TYPE OF DOCUMENT Development Agreement Cedars-Sinai
NUMBER OF PAGES 69 DATE OF DOCUMENT 8-12-93
SIGNER(S) OTHER THAN NAMED ABOVE N/A

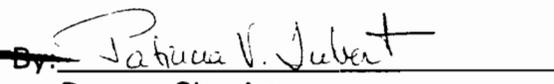
Though the data requested here is not required by law, it could prevent fraudulent reattachment of this form.

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

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

APPROVED AS TO FORM:
JAMES K. HAHN, City Attorney

By: 
Richard Riordan, Mayor

By: 
Deputy City Attorney
PATRICIA V. TUBERT

DATE:

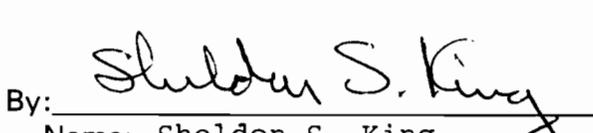
ATTEST:
NANCY RUSSELL City Clerk

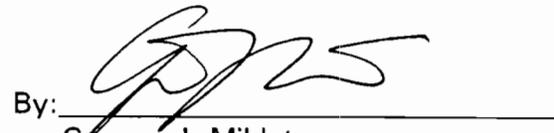
By: 
Deputy

DATE: August 12, 1993

CEDARS-SINAI MEDICAL CENTER

APPROVED AS TO FORM:
LATHAM & WATKINS

By: 
Name: Sheldon S. King
Title: President

By: 
George J. Mhlsten
Counsel to Cedars-Sinai
Medical Center

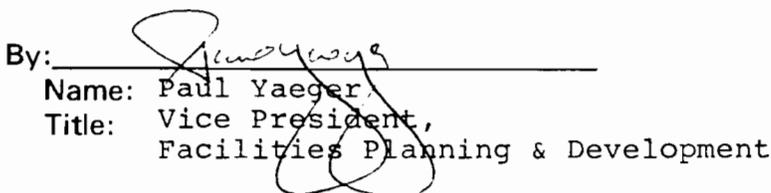
By: 
Name: Paul Yaeger
Title: Vice President,
Facilities Planning & Development

EXHIBIT C

Dedication of Land For Public Purposes/ Description of Transportation Improvements

Dedication of Land for Public Purposes

- A. Dedication of the north side of Third Street and the southwest side of San Vicente Boulevard north of Third Street adjoining the subject property to the satisfaction of the City Engineer.

Description of Transportation Improvements

- A. Installation of Automated Traffic Surveillance and Control (ATSAC) equipment at the intersection of Third Street and Orlando Avenue to the satisfaction of DOT and the City Engineer.
- B. Installation of Automated Traffic Surveillance and Control (ATSAC) equipment at the intersection of Third Street and Robertson Boulevard to the satisfaction of DOT and the City Engineer.
- C. Design and installation of street improvements at the following intersection to the satisfaction of DOT and the City Engineer:
 - 1. San Vicente Boulevard/Wilshire Boulevard
 - 2. San Vicente Boulevard/La Cienega Boulevard
 - 3. San Vicente Boulevard between Beverly Boulevard and Burton Way
 - 4. Beverly Boulevard between San Vicente Boulevard and La Cienega Boulevard
 - 5. Third Street between Sherbourne drive and La Cienega boulevard
 - 6. Robertson Boulevard/Burton Way

EXHIBIT D

Development Intensity of Project/Maximum Building Heights

Development Intensity

The total gross floor area contained in all buildings on the subject property shall not exceed 2.27 million square feet. In no event shall the overall floor area ratio of development on the subject property exceed 2.46:1. The project shall consist of the following structures and building expansion areas:

- | | | |
|----|--|---------------------------------|
| A. | Outpatient Diagnostic and Treatment Center | |
| | Medical Suites | Maximum 209,000 square feet GFA |
| | Laboratory Space | Maximum 90,000 square feet GFA |
| | Administrative/Support Space | Maximum 41,000 square feet GFA |
| B. | Organ Transplant Wing | Maximum 170,000 square feet GFA |
| | including | Maximum 110 hospital beds |
| C. | Rehabilitation Center | Maximum 127,500 square feet GFA |
| | including | Maximum 200 hospital beds |
| D. | MRI Center | Maximum 21,000 square feet GFA |
| E. | Additional Administrative Space | Maximum 23,300 square feet GFA |
| F. | Emergency Room Expansion | Maximum 3,700 square feet GFA |
| G. | Computer Services Facility Expansion | Maximum 14,500 square feet GFA |

Gross floor area (GFA) shall be calculated as defined in Los Angeles Municipal Code Section 12.03.

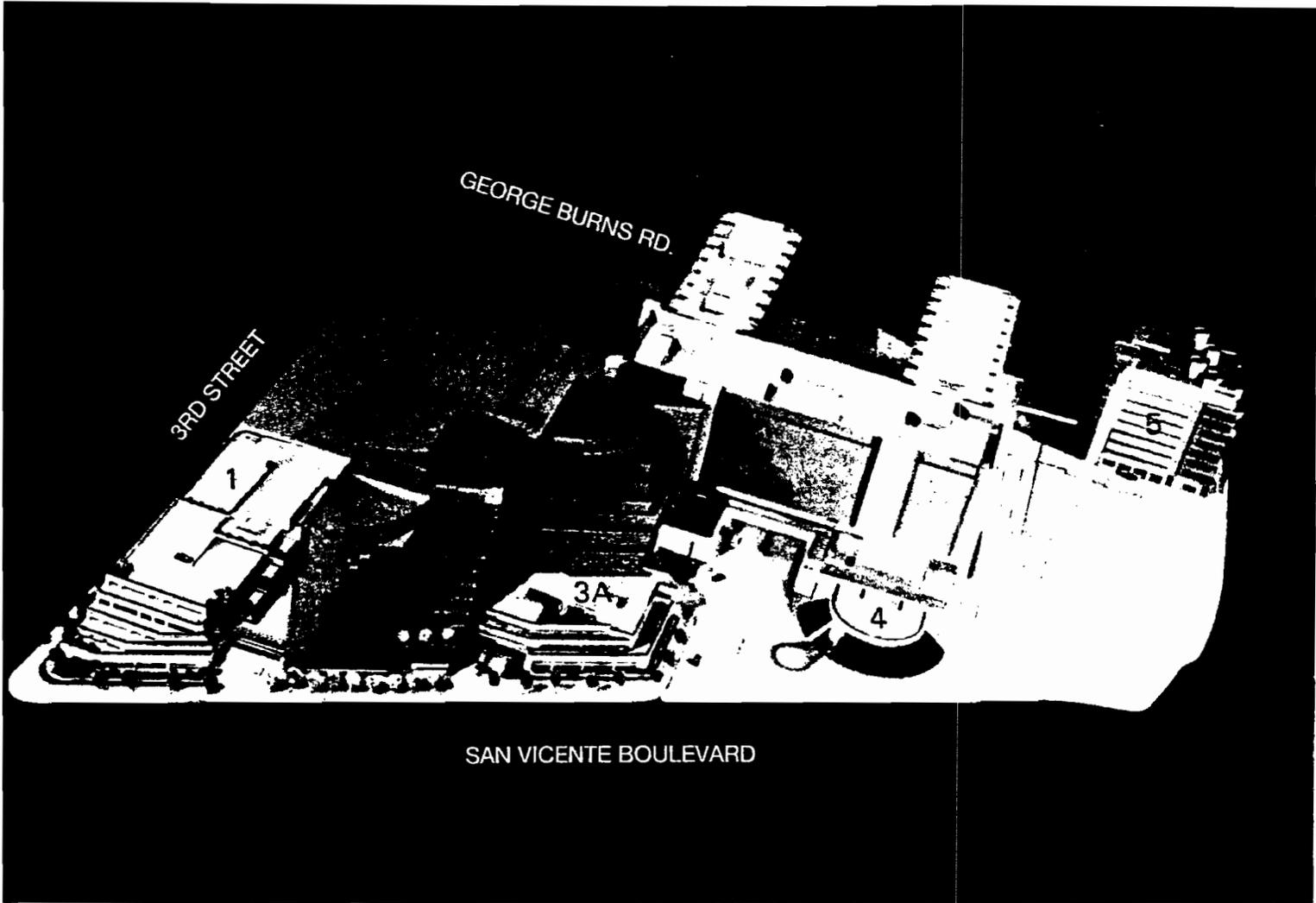
Building Height

No building or structure located on the subject property shall exceed one hundred eighty five (185) feet in height above grade as defined by Los Angeles Municipal Code Sections 12.21.1-B.3a and b.

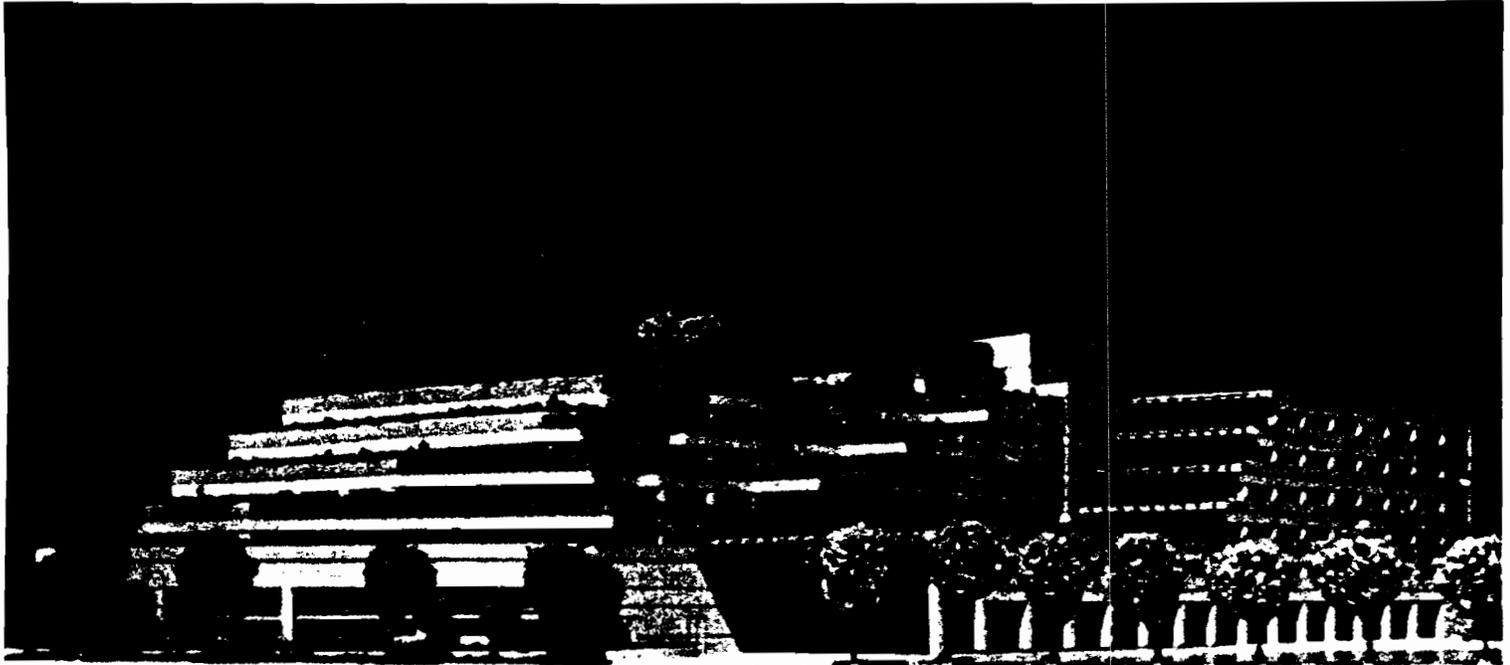
EXHIBIT E

EXHIBIT E

Conceptual Building Plans

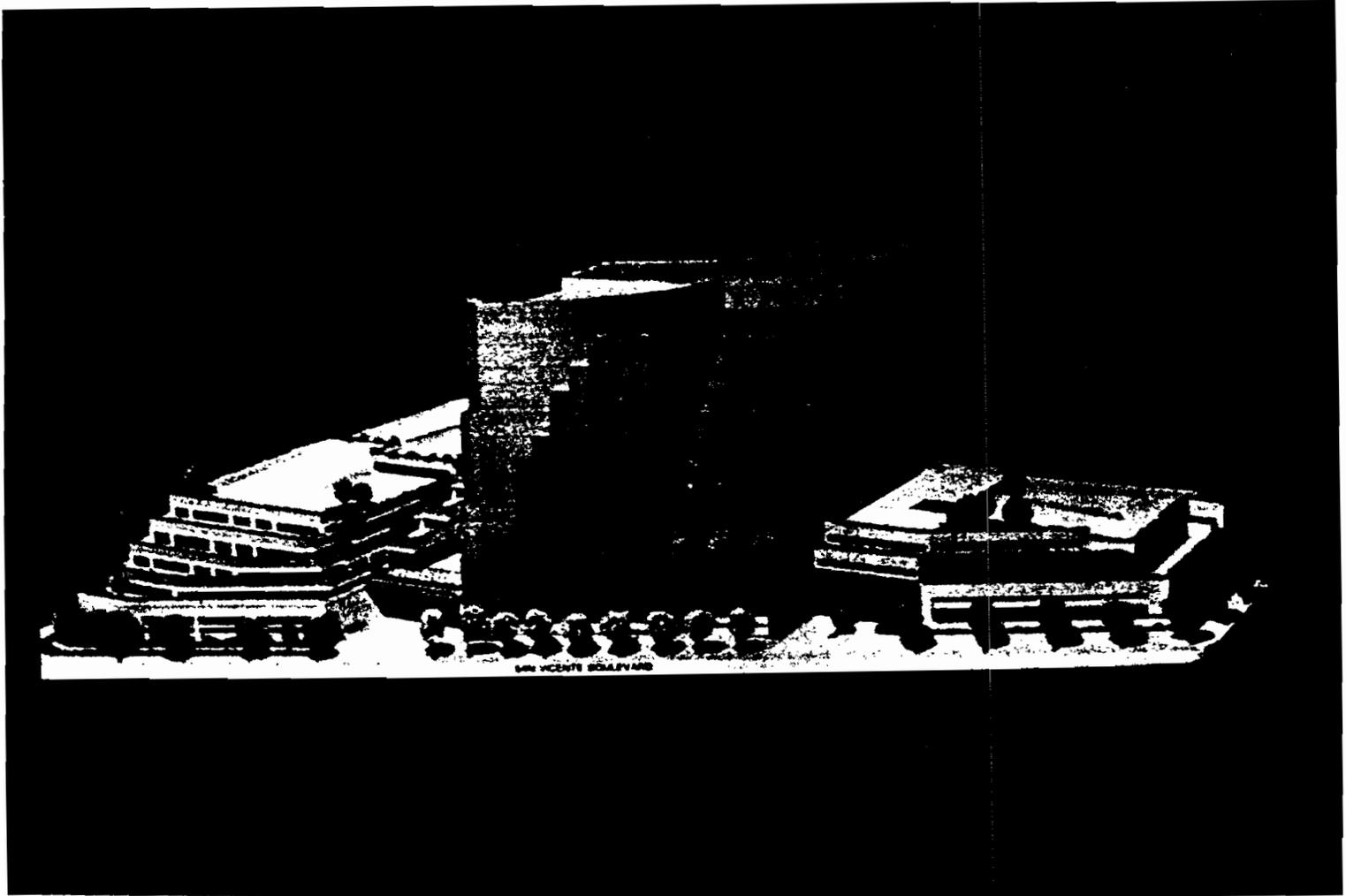


CSMC: SITE

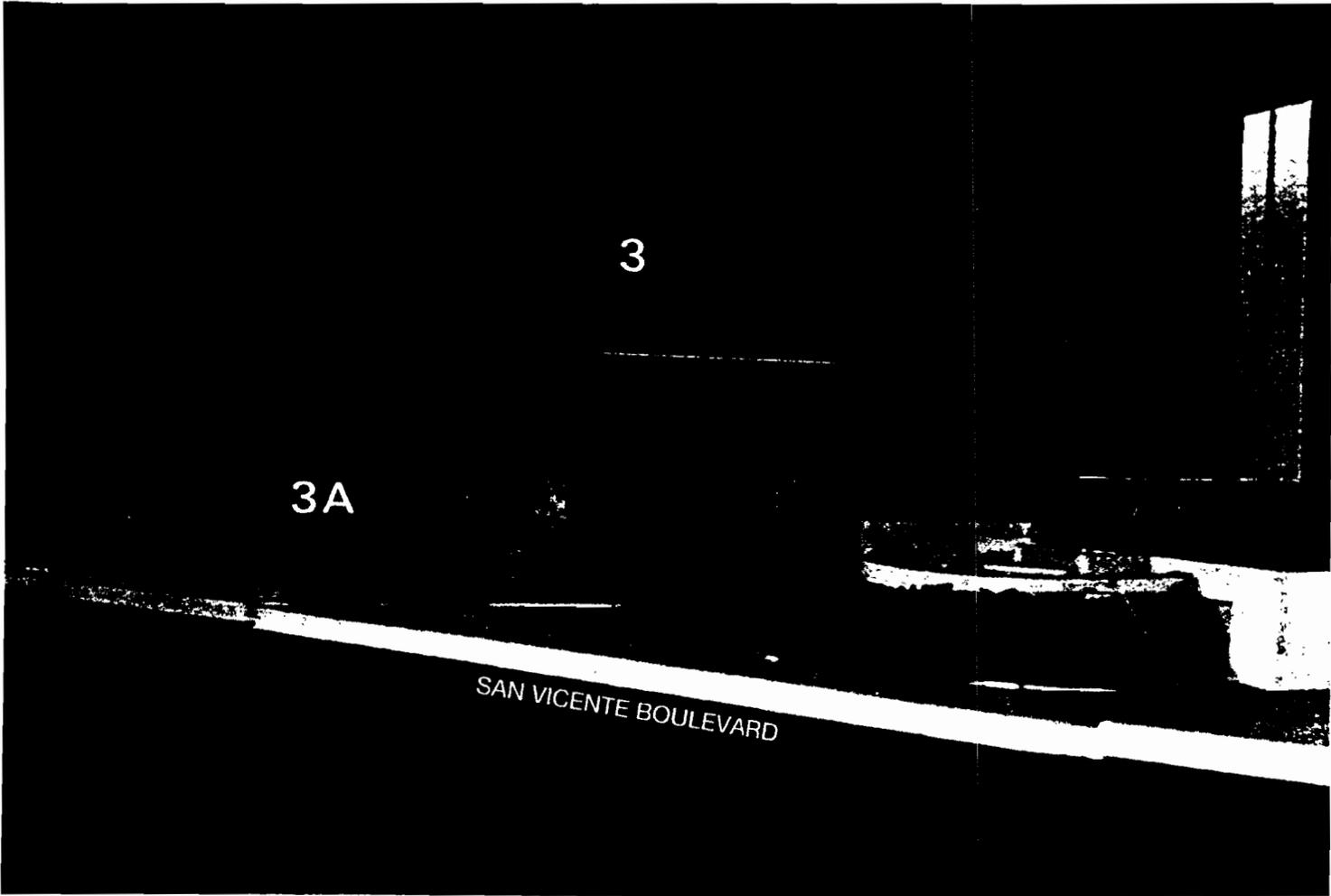


SAN VICENTE BOULEVARD

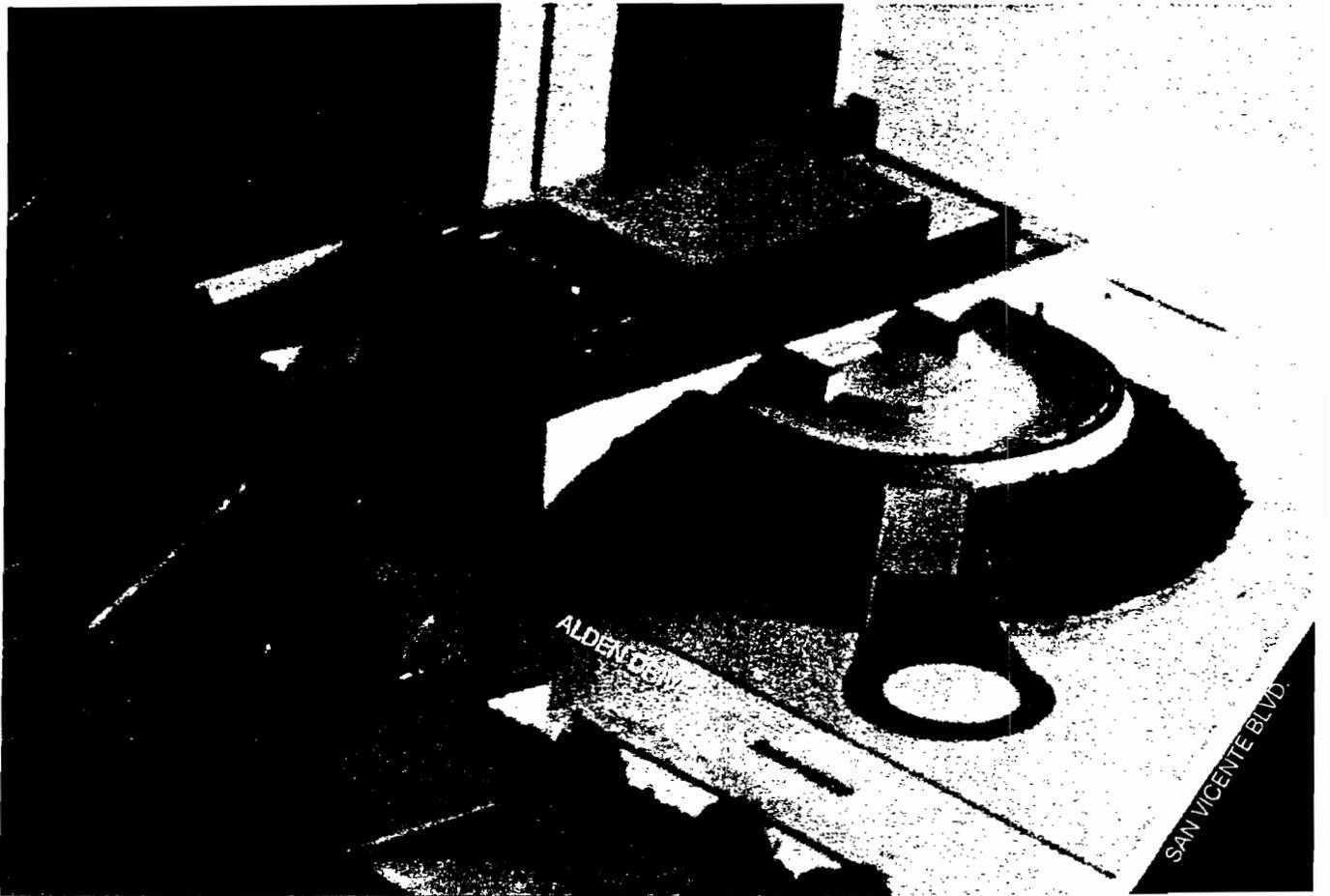
CSMC: SOUTH PARKING



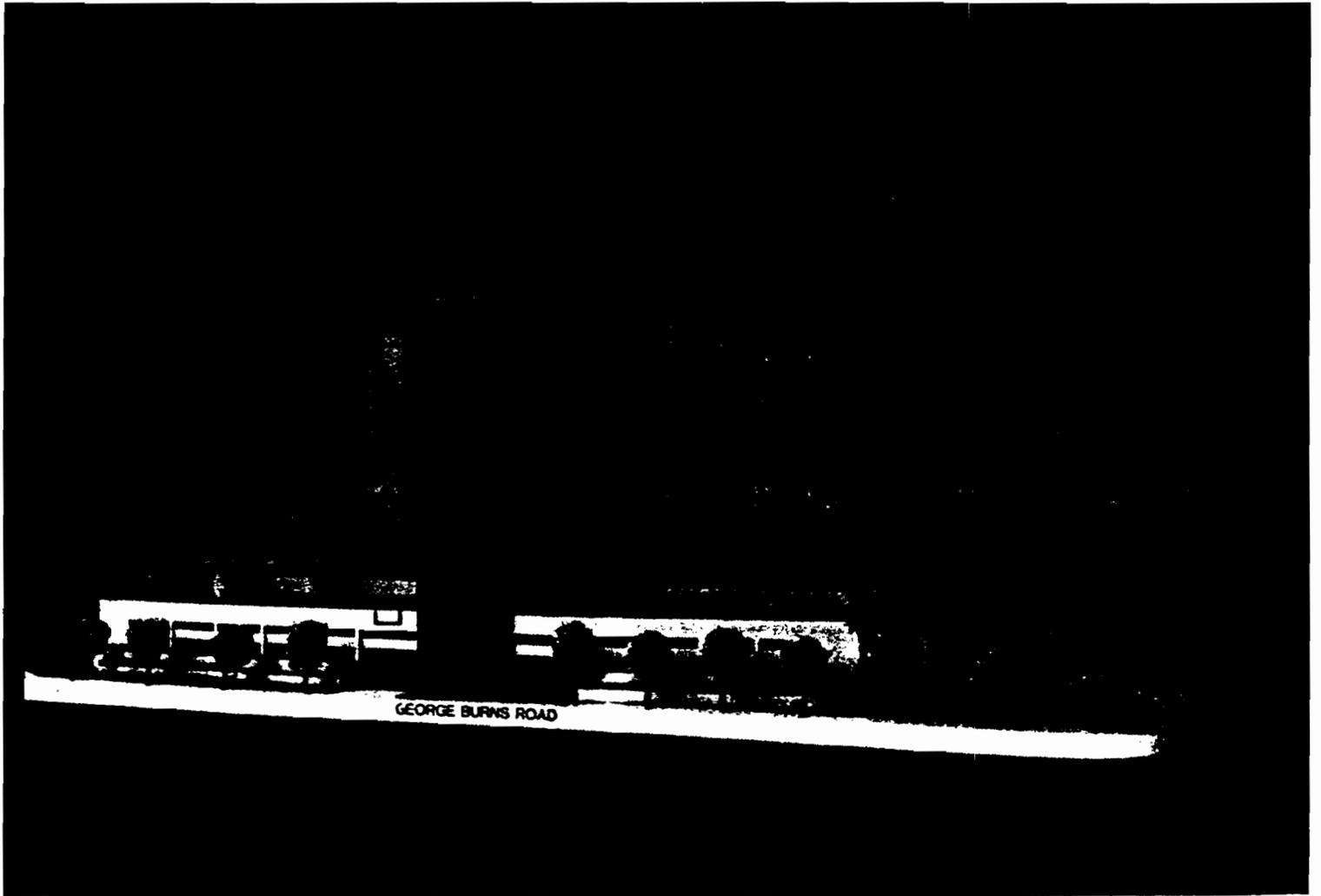
**CSMC: OUTPATIENT DIAGNOSTIC AND
TREATMENT CENTER**



CSMC: ORGAN TRANSPLANT WING



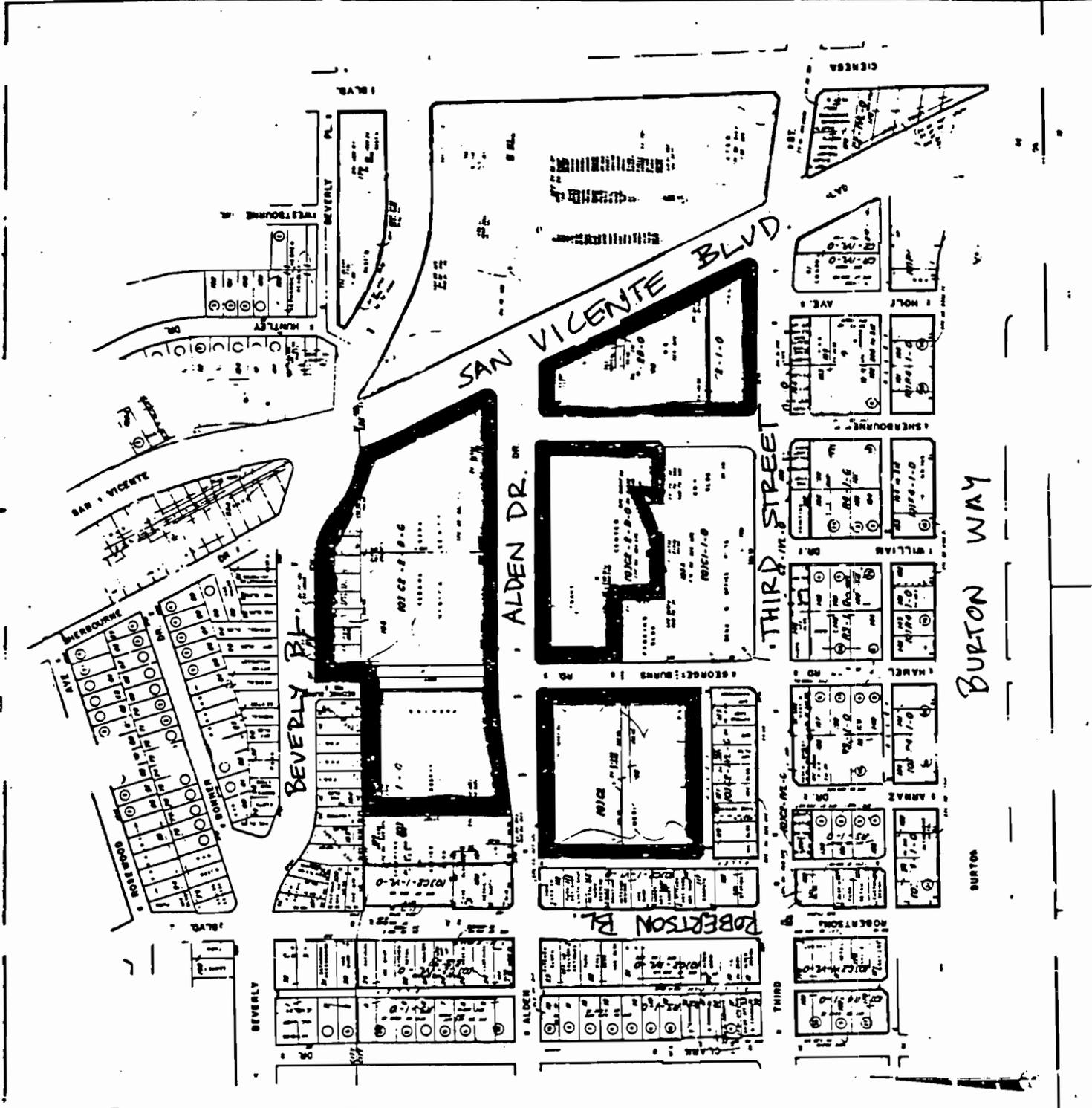
CSMC: MRI



CSMC: REHABILITATION CENTER

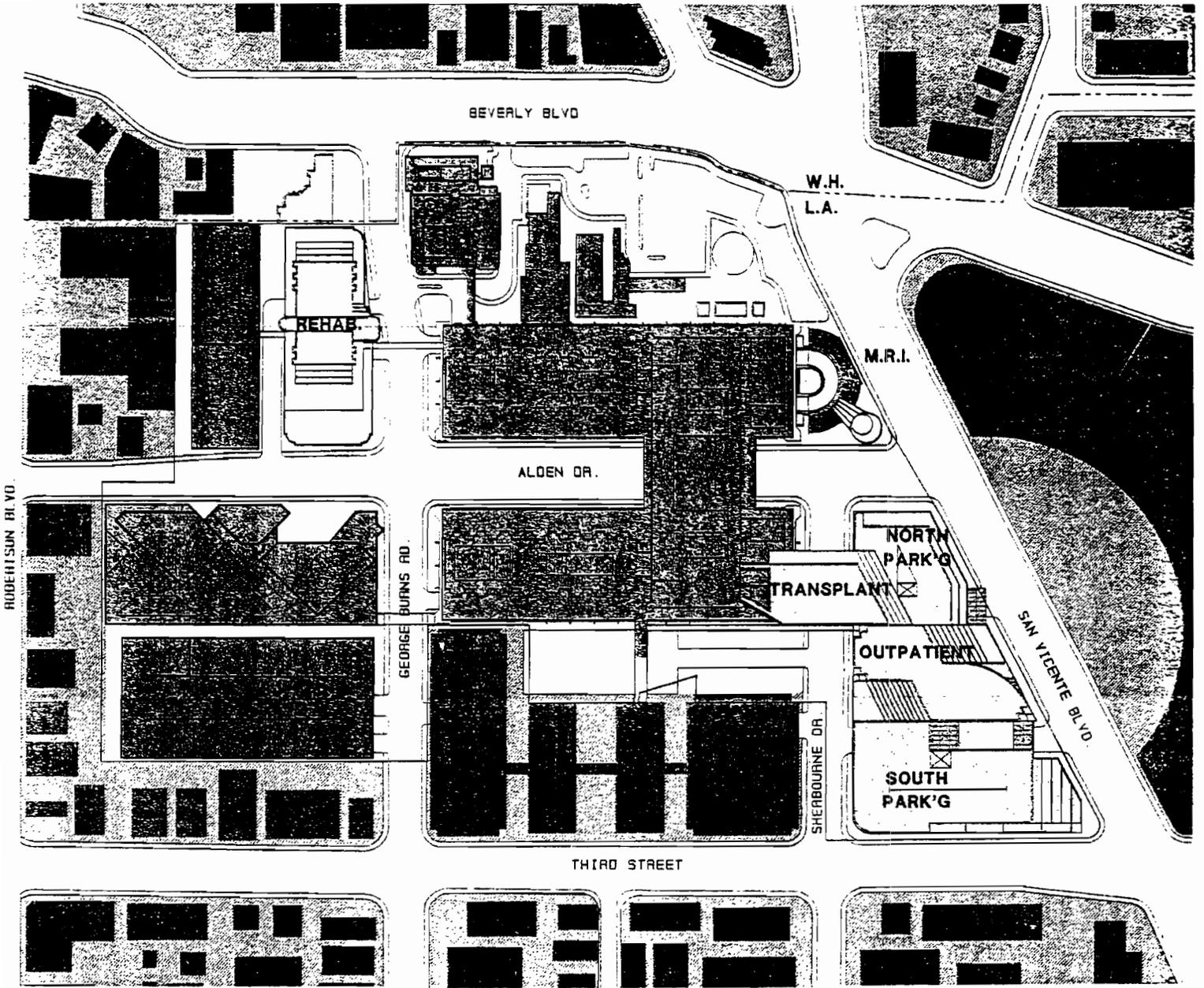
EXHIBIT B

Location Map

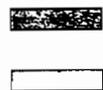


LOCATION MAP

CPC 92-0530 ZC
92-0533 HD

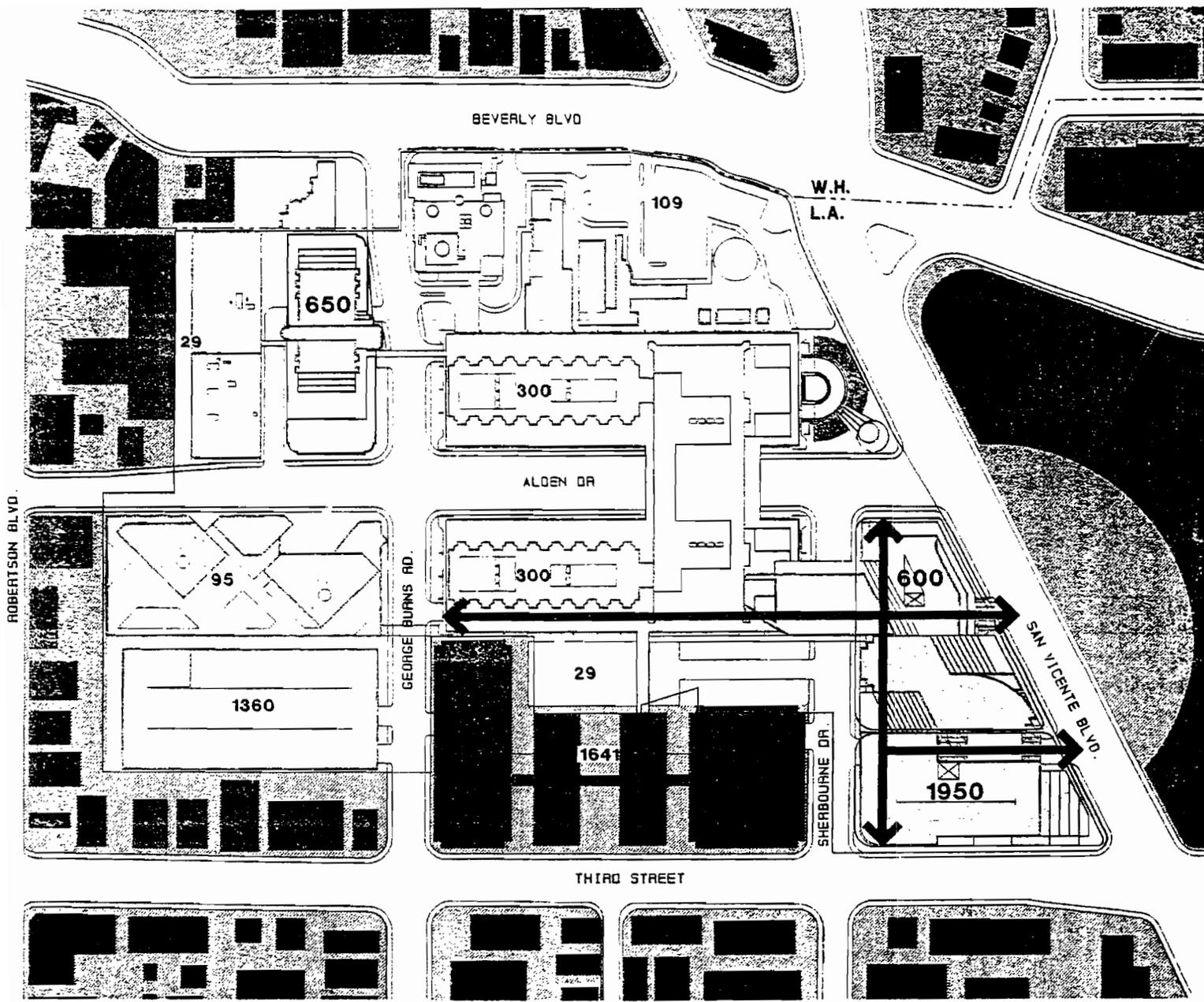


EXISTING
PROPOSED



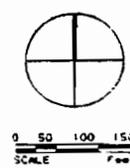
CSMC: SITE PLAN

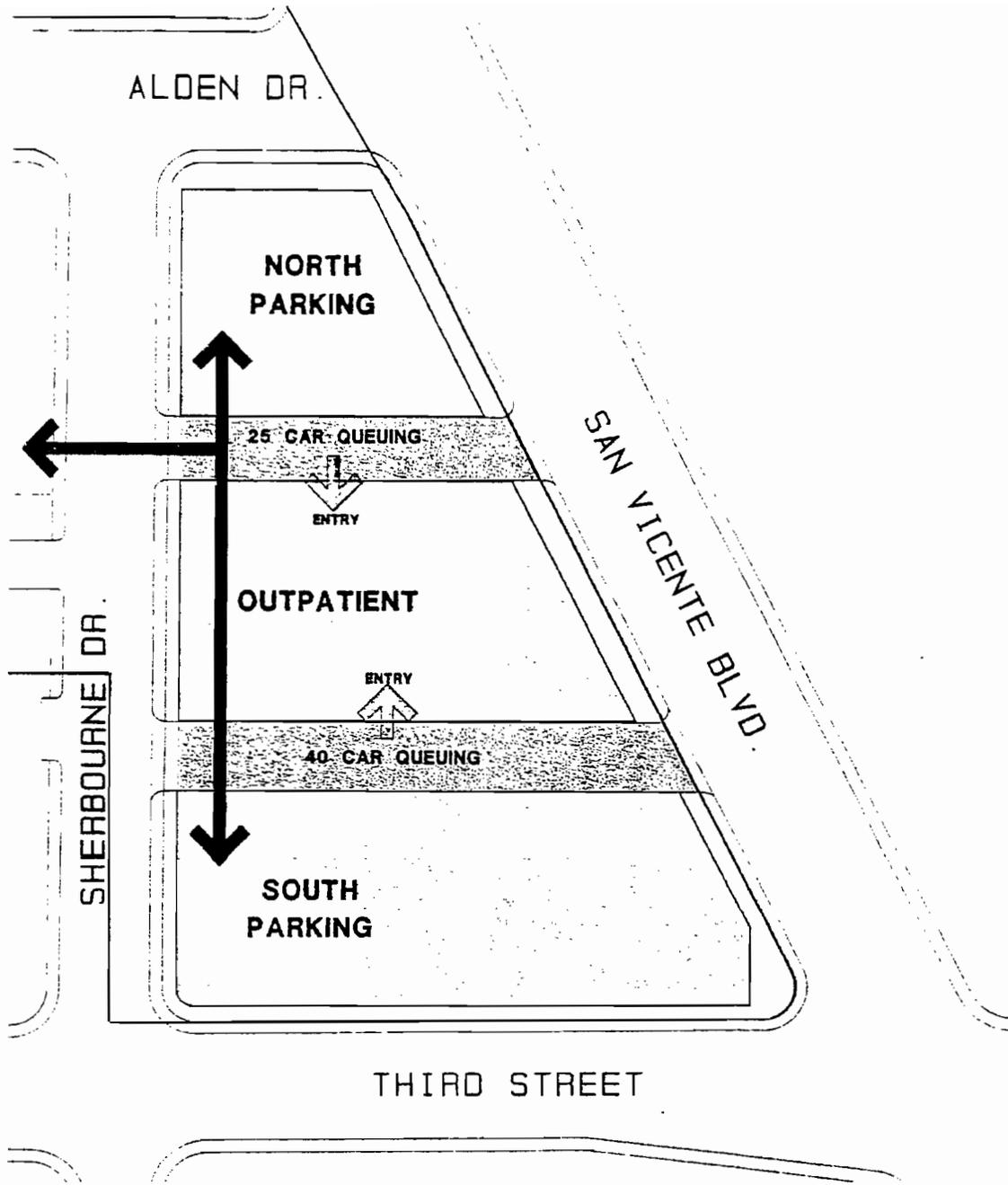
0 50 100 150
SCALE Feet



CSMC: PARKING PLAN

- SOUTH PARKING 1950 SP
- NORTH PARKING 600 SP
- REHAB PARKING 650 SP
- MEZZANINE LINK

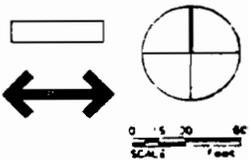


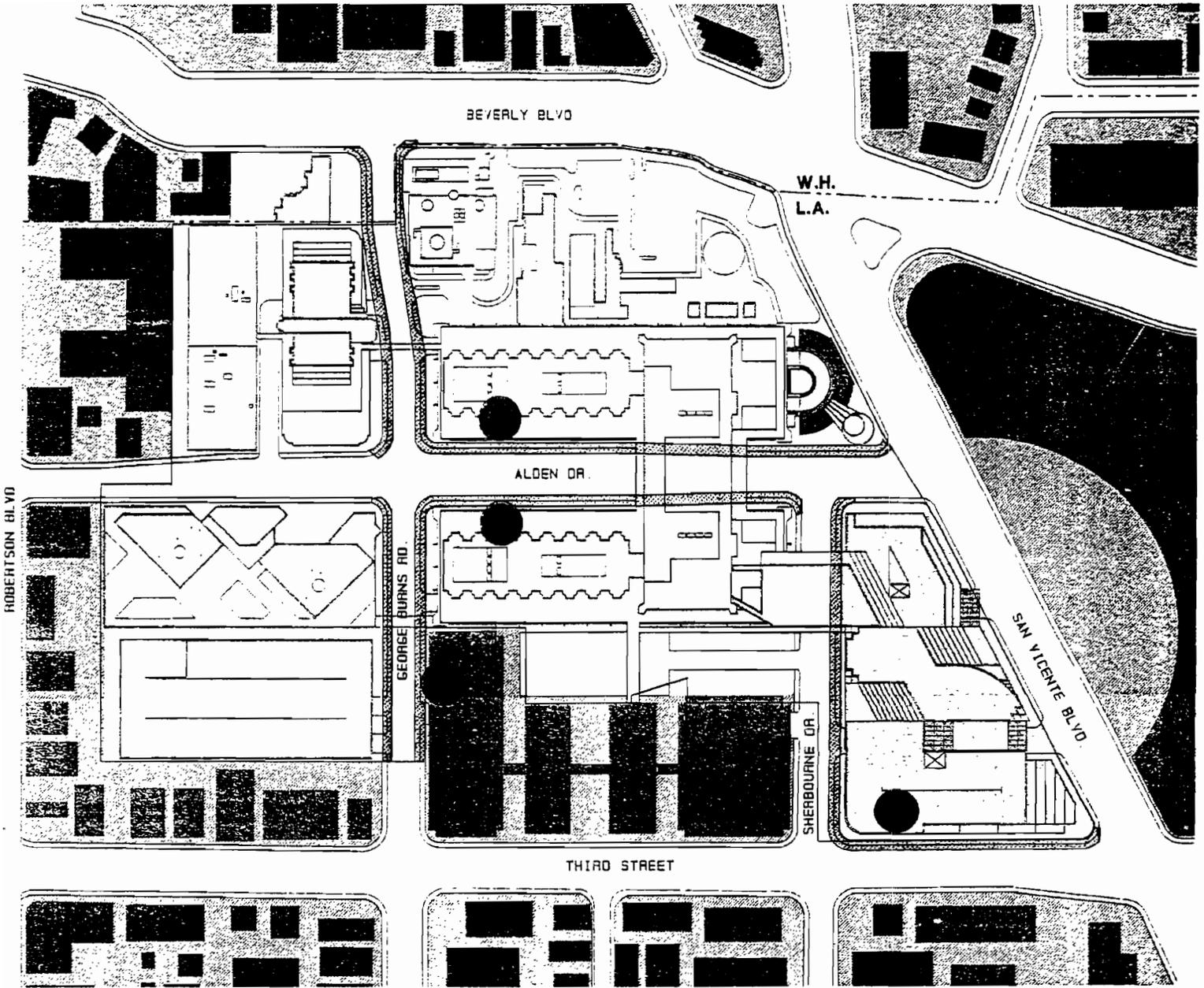


CSMC: SITE ONE

QUEUING

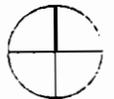
MEZZANINE LINK





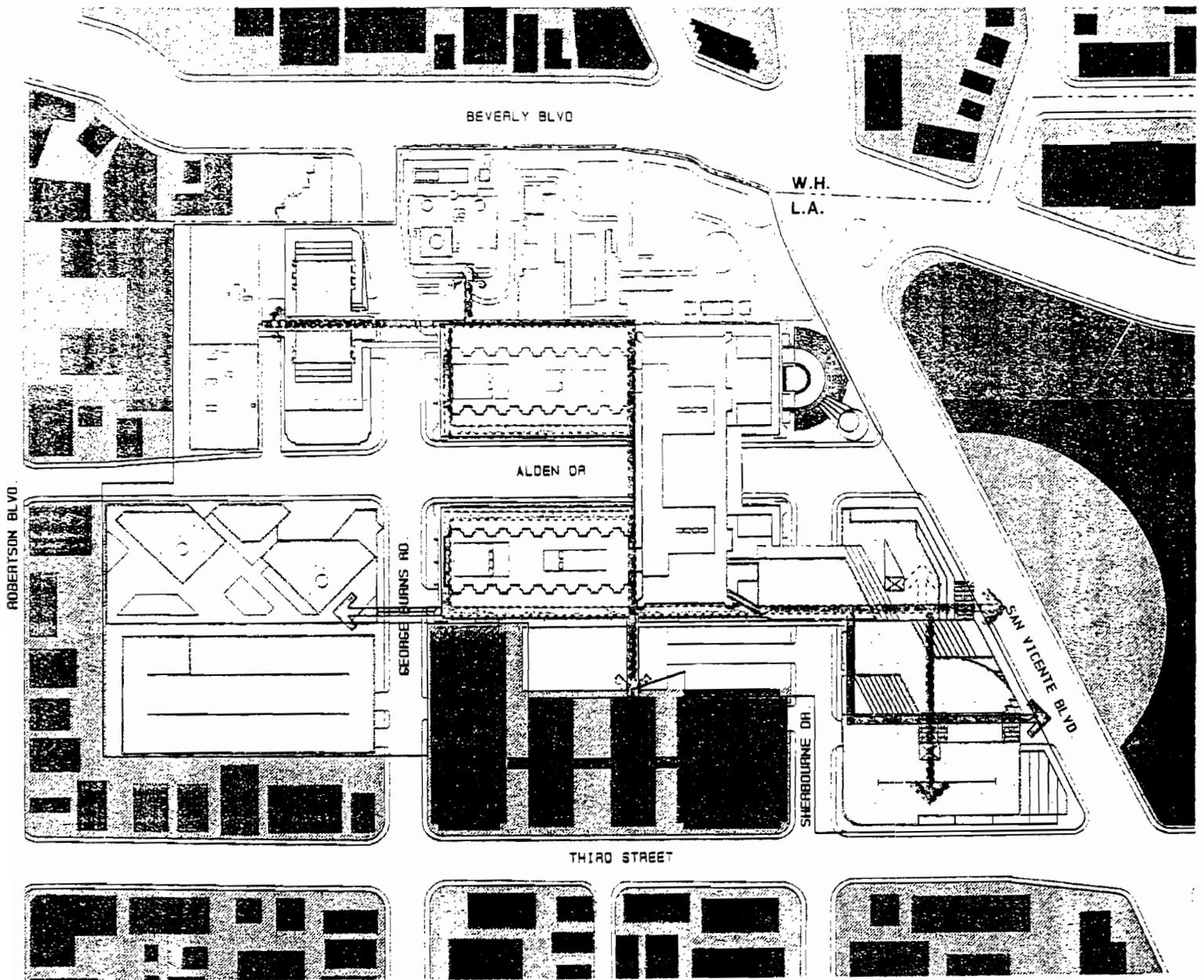
WIDEN SIDEWALK 

TRANSIT STOPS 



0 50 100 150
SCALE Feet

CSMC: PEDESTRIAN / STREET



PLAZA LINK



CSMC: PEDESTRIAN/PLAZA

2 50 100 150
SCALE Feet

EXHIBIT F

CEDARS-SINAI MEDICAL CENTER COMMUNITY PROGRAMS AND SERVICES

Cedars-Sinai Medical Center will continue its provision of financial and other assistance to specific community programs relating to the mission of Cedars-Sinai Medical Center and designed for the participation and education of the local community, including continuing provisions of free and part-pay health care to community members.

Cedars-Sinai cannot commit to specific programs or health care facilities or agencies to which assistance will be provided over the term of the Development Agreement. The following programs are provided by Cedars-Sinai Medical Center as of April, 1993, and are representative of the type and scale of Community Programs to be provided by Cedars-Sinai Medical Center over the term of the Development Agreement.

School/Youth Programs

Adopt-A-School Program

Cedars-Sinai adopted Fairfax High School in 1985. Each year it conducts career awareness and health care programs, donates supplies, provides speakers and tutors, offers student health fairs and field trips to the Medical Center.

Student Tours

Tours for local elementary and junior high schools are available and include lectures, demonstrations, visits to special departments and health career counseling. Cedars-Sinai conducts seven or eight tours each year.

Teen Line

Telephone helpline, using teen counselors, addresses issues including suicide prevention, drug use, child abuse, pregnancy and depression.

SafeSitter

This two-day course teaches teenagers to be medically responsible, creative and attentive babysitters. The course is taught by a certified professional and is offered at a low-fee.

Kidsafe

Designed for children ages 4-14, this class educates children and their parents about child safety, how to make emergency calls, earthquake preparedness, etc.

Senior Programs

Center Strutters

A walking program for seniors held at the Beverly Center that includes health related lectures.

Senior Resource Center

Provides a telephone and walk-in resource and referral system offering information on medical, social, and legal issues. It also has information on residential facilities, drivers and companions.

Early Bird Dinner Program

Offers low-cost meals in the Medical Center coffee shop to seniors.

Senior Care Program

This membership program offers financial and insurance counseling, special discounts on pharmaceuticals, educational lectures, and a quarterly program newsletter.

Senior Shape Up

this exercise class is offered at a nominal fee three times per week. The class is designed to help improve endurance, strength and flexibility.

Health Programs

Growth Screening

Each year, Cedars-Sinai offers a free growth screening day for children ages 4-14 who are not growing at a normal rate.

Kids Care

Free immunizations and health screening are offered to children up to 12 years of age. Co-sponsored with the American Red Cross and the Department of Health Services. The same program, co-sponsored by Cedars-Sinai, is also presented at local churches.

Health Fair Expo

A one-day free health screening and education program which includes blood pressure testing, height and weight, health consultations, etc.

Prostate Cancer Screening

Free prostate cancer screening and education program each year.

Skin Cancer Screening

Free skin examinations are given by board certified dermatologists, and education and referrals are provided by registered nurses.

Student Health Fairs

A one-day health education screening program is presented at a local high school each year. Co-sponsored by Cedars-Sinai, health care providers, health and voluntary agencies.

CPR and First Aid

Free CPR classes which are taught once a month. Classes include a lecture, demonstration and skill practice.

Educational Programs

Freedom from Smoking

A seven session program designed to help adults quit smoking, offered at a nominal fee.

Health Lecture Series

Health education classes designed for business and industry and conducted by Cedars-Sinai experts and professionals upon request.

Speakers Bureau

Cedars-Sinai arranges a series of free lectures on medical issues.

Senior Care Lectures

Lectures conducted throughout the year by professionals in a variety of health-related fields.

Prenatal Education Programs

Cedars-Sinai offers more than a dozen courses in prenatal education, infant care, breast-feeding, etc.

Special Counseling

Children and Families of Divorce

Provides assistance and counseling for parents and children of all ages. Also provides education to attorneys, judges, and mental health clinicians in the area of psychological needs of adolescents and parents after divorce.

Psychological Trauma Center

Helps children, teachers and families cope with traumatic events.

Warmline and Primary Prevention Program

Telephone guidance and counseling is provided to parents who have the potential to abuse their children.

Other Programs

Food, Clothing and Toy Drive

Cedars-Sinai employees, volunteers and medical staff collect food, clothing and toys for needy families and the homeless throughout the year.

Hospice Program

A special team of health care professionals, social workers and volunteers offers inpatient hospice care to terminally ill patients.

In addition, Cedars-Sinai provides community service in collaboration with the following organizations:

American Heart Association
American Cancer Society
American Red Cross
Aviva Center
Chabad House
Foundation for the Junior Blind
Iranian-American Federation
Israeli Student Organization
Jewish Federation Council
Jewish Family Service
Jewish Community Center Association
Los Angeles Free Clinic
National Black Nurses Association
National Institutes of Health
International Patient Education Council
Advisory in Health Promotion & Research
City of West Hollywood
American Lung Association
International Association of Enterostomal
Therapists
National Cholesterol Education Program
Venice Free Clinic
Vista Del Mar
West Hollywood Senior Center

EXHIBIT G

Community Employee Recruitment and Outreach Program

In order to provide increased employment opportunities for members of the community surrounding the Project site, Cedars-Sinai Medical Center shall establish a Community Employment Recruitment and Outreach Program which may include:

1. Posting of notices of available job opportunities in and around residential locations adjacent to the Project site, including notification to community-based job training and development programs including community-based media.
2. Publication of advertisements encouraging local residents to apply for job opportunities.
3. Development of employment procedures such as a job fair at the Project site or other similar marketing efforts to increase the ability of local residents to become aware of potential job opportunities at the site.
4. When reviewing employment applications, after screening for standard job qualifications, give primary emphasis to make offers of employment available to those in the otherwise equally qualified applicant pool who reside in the local labor area.
5. When awarding building services contracts, Cedars-Sinai Medical Center shall take reasonable efforts to ensure that primary emphasis is given, as among otherwise qualified businesses, to those entities which are located in or adjacent to the local labor area and whose employees reside closest to the Project site.

