

TABLE OF CONTENTS

	<u>Page</u>
Recitals.....	1
1. Authorization	1
2. Property.....	1
3. Hearing.....	1
4. Environmental Documentation	2
5. Entitlements	2
6. General Plan.....	2
7. Substantial Costs to Landowner.....	2
8. Need for Services and Facilities.....	2
9. Contribution to Costs of Facilities and Services.....	2
10. Development Agreement Ordinance.....	3
11. Consistency with General Plan	3
12. Annexation.....	3
13. Prior City Agreements and County Map.....	3
I. AGREEMENT.....	4
SECTION 1: GENERAL PROVISIONS.....	4
1.1 Incorporation of Recitals.....	4
1.2 Property Description and Binding Covenants.....	4
1.3 Term.....	4
1.3.1 Commencement; Recordation; Expiration	4
1.3.2 Termination Upon Landowner Request	5
1.4 Amendment of Agreement.....	5
1.5 Recordation	5
1.6 Annexation.....	6
SECTION 2: DEVELOPMENT OF THE PROPERTY.....	6
2.1 Permitted Uses	6
2.2 Vested Entitlements	7
2.3 Rules, Regulations and Official Policies	7
2.3.1 Inconsistency	7
2.3.2 Application of Changes	7
2.3.3 Authority of City	7

2

2.4	City Fees, Taxes and Assessments.....	8
2.4.1	Processing Fees and Charges.....	8
2.4.2	Public Financing Limited to Specific Funding Mechanisms and Fees....	8
2.5	Wetland Preserves.....	8
2.5.1	Preserves.....	8
	A. Additional Permit Requirements.....	8
	B. Bike Trail.....	9
	C. Flood Encroachment.....	10
	D. Conveyance of Preserves.....	10
2.5.2	404 Permit Maintenance.....	10
SECTION 3: DEVELOPER OBLIGATIONS.....		11
3.1	Development, Connection and Mitigation Fees.....	11
3.2	Open Space/Bike Trail.....	11
3.2.1	Dedications.....	11
3.2.2	Financing for Bike Trail.....	11
3.3	School Fee Agreements.....	12
3.4	Electric.....	12
3.4.1	Public Utilities Within Rights-Of-Way.....	12
3.4.2	On-Site Electric Utility Improvements.....	13
3.4.3	Off-Site Electric Utility Improvements.....	13
3.4.4	Streetlights.....	14
3.4.5	Power Purchase Agreement.....	14
3.4.6	Competitive Transition Charge.....	14
3.5	Drainage Improvements.....	14
3.5.1	Master Drainage Plan.....	14
3.5.2	Other Agency Approval.....	15
3.5.3	Storm Drains.....	15
3.5.4	Grant of Floodplain.....	15
3.5.5	Grant of Drainage Easements.....	15
3.6	Water System Improvements.....	15
3.6.1	Water Study.....	16
3.6.2	Financing of Water Supply.....	16

3

3.17 Disclosure of Potential Service Delays and Adjacent Uses	26
SECTION 4: CITY OBLIGATIONS	27
4.1 City Cooperation	27
4.2 No Credits or Reimbursements	27
4.3 Applications for Permits and Entitlements	27
4.3.1 Action by City	27
4.3.2 Maps and Permits	27
4.3.3 Personnel	27
4.4 No Moratorium, Quotas, Restrictions or Other Growth Limitations	28
4.5 Essence of Agreement	28
SECTION 5: DEFAULT, REMEDIES, TERMINATION	28
5.1 General Provisions	28
5.2 Annual Review	29
5.3 Enforced Delay, Extension of Times of Performance	30
5.4 Legal Action	30
5.5 Effect of Termination	30
5.6 Applicable Law and Attorneys' Fees	30
SECTION 6: HOLD HARMLESS AGREEMENT	30
SECTION 7: PROJECT AS A PRIVATE UNDERTAKING	31
SECTION 8: COOPERATION IN THE EVENT OF LEGAL CHALLENGE	31
SECTION 9: GENERAL	31
9.1 Enforceability	31
9.2 City Finding	31
9.3 Third Party Beneficiaries	31
9.4 Severability	32
9.5 Construction	32
9.6 Other Necessary Acts	32
9.7 Estoppel Certificate	32
SECTION 10: NOTICES	32
II. ASSIGNMENT	33
III. FORM OF AGREEMENT, EXHIBITS	33

5

**DEVELOPMENT AGREEMENT
BY AND BETWEEN THE CITY OF ROSEVILLE
AND STANFORD RANCH I, LLC
RELATIVE TO FOOTHILLS BUSINESS PARK**

This Development Agreement is entered into this 20th day of August, 2001, by and between the CITY OF ROSEVILLE, a municipal corporation, hereinafter "**City**," and STANFORD RANCH I, LLC, a Delaware limited liability company, hereinafter "**Landowner**," pursuant to the authority of Sections 65864 through 65869.5 of the Government Code of California.

Recitals

1. Authorization. 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 Section 65864, et seq., of the Government Code (the "**Development Agreement Statute**"), which authorizes the City of Roseville and an applicant for a development project to enter into a development agreement, establishing certain development rights in the Property which is the subject of the development project application.

2. Property. The subject of this Agreement is the development of that certain real property, consisting of approximately 31.1 acres of land located in the City of Roseville and 83.7 acres of land located in the unincorporated County of Placer ("**County**"), adjacent to the City, as described in **Exhibit "A-1"** and shown on **Exhibit "A-2"** (hereinafter the "**Property**"), attached hereto and incorporated herein by this reference. The portion of the Property located north of Pleasant Grove Creek and currently within the City is referred to herein as "**Parcel 10**," and the portion of the Property located north of Pleasant Grove Creek and currently within the unincorporated County is referred to herein as "**Parcel 11**," as shown on **Exhibit "B"** hereof.

Landowner is also the owner of certain additional real property located within the City of Roseville, commonly referred to as Lot 8 of the Carlsberg Industrial Subdivision ("**Carlsberg Lot 8**"), as such property is more particularly shown on **Exhibit "B"** attached hereto. Carlsberg Lot 8 is affected by, but is not intended to be encumbered by, nor is any use thereof intended to be vested by, the provisions of this Agreement.

Landowner represents that all persons holding legal or equitable interests in the Property shall be bound by the Agreement. Currently, Landowner is the owner, in fee, of all of the Property, except for the portion thereof described on **Exhibit "A-1"** and shown on **Exhibit "A-2"** as the Pacific Gas and Electric Co. property, APN 017-114-064 (which portion shall be referred to as the "**PG&E Property**"). Landowner is under contract to acquire the PG&E Property and agrees that this Agreement and the Entitlements hereunder shall not become effective unless and until Landowner acquires the PG&E Property.

3. Hearing. On July 13, 2000, the City Planning Commission, designated by Roseville Ordinance No. 3014 as the planning agency for purposes of development agreement review pursuant

4

and could not commit to provide the mitigation as provided by this Agreement. City's vesting of the right to develop the Property as provided herein is in reliance upon and in consideration of Landowner's agreement to make contributions toward the cost of public improvements as herein provided to mitigate the impacts of development of the Property as such development occurs.

10. Development Agreement Ordinance. City and Landowner have taken all actions mandated by and fulfilled all requirements set forth in the Development Agreement Ordinance of the City of Roseville, Article V, Chapter 19.84 of Ordinance No. 3014 of the Roseville Municipal Code.

11. Consistency with General Plan. Having duly examined and considered this Agreement and having held properly noticed public hearings hereon, the City finds and declares that this Agreement is consistent with the General Plan of the City of Roseville.

12. Annexation. As described above, a portion of the Property is currently located adjacent to the City within the unincorporated County of Placer, which portion shall be referred to herein as the "**Unincorporated Property.**" Accordingly, the Entitlements granted herein to Landowner, Landowner's ability to proceed with development of the Property pursuant to the Entitlements, and Landowner's improvement and cost sharing obligations hereunder will be contingent upon the annexation of the Unincorporated Property into the City.

13. Prior City Agreements and County Map. Landowner's predecessor-in-interest, Foothill Business Park, LLC, and the City have previously entered into the following agreements related to the development of the portion of the Property within the City and certain other property adjacent thereto, commonly referred to as the Carlsberg Industrial Center (collectively, the "**Prior Agreements**"):

(i) Restated and Amended Subdivision Agreement - Carlsberg Industrial Center Subdivision, dated July 28, 1993 and recorded August 5, 1993, Instrument No. 93-056618, as amended by Amendment dated August 17, 1994, recorded August 22, 1994, Instrument 94-059872 (collectively, the "**Subdivision Agreement**"); and

(ii) Deferred Improvement Agreement, dated May 25, 1983 and recorded May 26, 1983 in Book 2590, at Page 32, as amended by Amendment dated August 17, 1994, recorded August 22, 1994, Instrument 94-059871 (collectively, the "**Deferred Improvement Agreement**").

The County also previously approved a tentative subdivision map for development of the Unincorporated Property, excluding the PG&E Property, referred to as the Foothill Annex Industrial Park (the "**County Map**"). Except for the planned recordation of Parcel Map No. 75563 pursuant to the County Map to create Parcel 11 as a separate legal parcel, Landowner does not intend to and will not record any additional subdivisions of the Unincorporated Property pursuant to the County Map prior to the approval of the annexation application described in Section 1.6 hereof. If Landowner elects to record the map to create Parcel 11 prior to the annexation of such parcel to the City, Landowner shall be responsible for completing any and all improvements and satisfying any other obligations that may be required therefor under the County Map, but shall not be relieved of any improvement obligations under this Agreement related to such Parcel.

7

The parties intend hereby that, upon the annexation of the Unincorporated Property and recordation of this Agreement, this Agreement and the Entitlements vested hereby and the obligations of Landowner hereunder shall be deemed to satisfy the outstanding terms and conditions of the Prior Agreements and that this Agreement and the Entitlements, together with the large lot subdivision map for the Property to be processed by the City, shall be deemed to supersede and replace the County Map. As a result thereof, the Prior Agreements and the County Map shall be of no further force or effect. Provided, however, such termination of the Prior Agreements and of the County Map shall not affect the validity of the final map recorded pursuant to the Carlsberg Industrial Subdivision nor the validity of the planned partial final subdivision map for Parcel 11, if recorded prior to the recordation of this Agreement, nor shall it relieve Landowner of any obligations under the County Map related to the creation of Parcel 11.

I. AGREEMENT

SECTION 1: GENERAL PROVISIONS

1.1 Incorporation of Recitals. The Preamble, the Recitals and all defined terms set forth in both are hereby incorporated into this Agreement as if set forth herein in full.

1.2 Property Description and Binding Covenants. The Property is that property described in Exhibits "A-1" and "A-2." It is intended and determined that, upon satisfaction of the conditions to recordation of the Agreement set forth in Section 1.3.1 below, the provisions of this Agreement shall constitute covenants which shall run with the Property and the benefits and burdens hereof shall bind and inure to all successors in interest to and assigns of the parties hereto. Accordingly, all references herein to "Landowner" shall mean and refer to STANFORD RANCH I, LLC, and each and every subsequent purchaser or transferee of the Property or any portion thereof from Landowner.

1.3 Term.

1.3.1 Commencement; Recordation; Expiration. The term of this Agreement shall commence upon the effective date of the Adopting Ordinance approving this Agreement and the full execution of this Agreement by Landowner and City (the "Effective Date"). Provided, however, the terms and conditions of this Agreement shall not be binding upon the Property and this Agreement shall not be recorded against the Property, nor shall Landowner have any development rights or improvement or payment obligations with respect to any portion of the Property as contemplated by the Entitlements and this Agreement, until the later of (i) the annexation of the Unincorporated Property to the City in accordance with the provisions of Section 1.6 below and (ii) the acquisition of the PG&E Property by Landowner.

If the foregoing conditions for recordation are not satisfied by December 31, 2001, then either party may, at any time (until such conditions are satisfied and the Agreement is recorded), elect to terminate this Agreement by giving written notice of such termination to the other party. Upon any such termination, the rights and obligations of the parties hereunder shall terminate and this Agreement shall be of no further force or effect. As set forth in Recital 9 above, the City's agreement to approve development of the Property (including the zoning of the Property for industrial uses and the annexation of the Property to the City) is being made in consideration of

8

Landowner's covenants under this Agreement. In particular, to protect the City's interests with respect to such zoning and annexation, the zoning approved by the City includes the City's "SA" designation, with the condition that a development agreement between the owner of the Property and the City must be entered into and effective prior to any development thereof. Accordingly, in the event of any such termination prior to recordation of this Agreement, Landowner acknowledges that the Entitlements shall no longer be vested by this Agreement and that the City shall not be required to approve any development of the Property, unless and until an effective development agreement is entered into with the City for the Property.

Upon satisfaction of such conditions, the term of this Agreement shall extend for a period of twenty-five (25) years after the date of recordation of this Agreement, unless said term is terminated, modified or extended by circumstances set forth in this Agreement or by mutual consent of the parties hereto. Following the expiration of the term, this Agreement shall be deemed terminated and of no further force and effect; provided, however, said termination of the Agreement shall not affect any right or duty emanating from City entitlements on the Property approved concurrently with or subsequent to the approval of this Agreement.

1.3.2 Termination Upon Landowner Request. This Agreement may be terminated, at the election of the then property owner, with respect to any legally subdivided parcel within the Property (other than parcels designated for public use), when receiving a certificate of occupancy or final inspection, whichever is applicable, for a building within such parcel, by giving written notice to City of its election to terminate the Agreement for such parcel, provided that (i) all improvements which are required to serve the parcel, as determined by City, have been accepted by City and (ii) such parcel is included in the Services District required by Section 3.15 for the maintenance of the Wetland Preserves. City shall cause any written notice of termination approved pursuant to this subsection to be recorded against the applicable parcel, at Landowner's expense, with the County Recorder.

1.4 Amendment of Agreement. This Agreement may be amended from time to time by mutual consent of City and Landowner (and/or any successor owner of any portion of the Property, to the extent subject to or affected by the proposed amendment), in accordance with the provisions of the Development Agreement Statute. If the proposed amendment affects less than the entire Property, then such amendment need only be approved by the owner(s) in fee of the portion(s) of the Property that is subject to or affected by such amendment. The parties acknowledge that under the City Zoning Code and applicable rules, regulations and policies of the City, the Planning Director has the discretion to approve minor modifications to approved land use entitlements without the requirement for a public hearing or approval by the City Council. Accordingly, the approval of any minor modifications to the Entitlements consistent with this Agreement shall not constitute nor require an amendment to this Agreement to be effective.

1.5 Recordation. The City shall cause this Agreement, any amendment hereto and any termination thereof, to be recorded, at Landowner's expense, with the County Recorder within ten (10) days of the annexation of the Property to the City and the acquisition of the PG&E Property by Landowner (as such conditions for recordation are set forth in Section 1.3.1 above), or the date of such amendment or termination becoming effective, as applicable. Any amendment to the Agreement that affects less than all the Property shall describe the portion thereof that is subject to the Amendment.

1.6 Annexation. The ability to proceed with development of the Property pursuant to the Entitlements and Landowner's improvement and cost sharing obligations hereunder shall be contingent upon the annexation of the Unincorporated Property into the City. Pending such annexation, Landowner may, at its own risk, process tentative parcel maps and improvement plans for any improvements to be installed by Landowner and City may approve such tentative maps and/or improvement plans in accordance with the Entitlements, provided City shall not approve any final parcel map for recordation nor approve the issuance of any grading permit for grading any portion of the Property or building permit for any structure within the Property prior to the annexation thereof.

City shall use its best efforts and due diligence to initiate such annexation process, obtain the necessary approvals and consummate the annexation of the Unincorporated Property into the City, including entering into any annexation agreement that may be required in relation thereto, subject to the City's review and approval of the terms thereof. Landowner shall be responsible for the costs reasonably and directly incurred by the City to initiate, process and consummate such annexation, the payment of which shall be due in advance, based on the City's estimate of such cost, and thereafter as and when the City provides an invoice(s) for additional costs incurred by City therefor in excess of such estimate.

Notwithstanding anything to the contrary above, City acknowledges that Landowner may desire to develop Parcel 11 in advance of the approval of such annexation. Landowner shall have the right to proceed with such development of Parcel 11 (but not as to any other portion of the Property) in advance of such annexation, provided Landowner shall comply with (i) all requirements of the County Map related thereto and (ii) any improvement standards, requirements or guidelines of the City, as if such development were within the City. To the extent such City standards, requirements or guidelines are more stringent than comparable County standards, the City standards shall apply. City shall have the right hereunder to review and approve or deny any such proposed development of Parcel 11 in advance of such annexation, which review shall be performed in the same manner (including, but not limited to, any required application submittal, public hearing and CEQA review) and with the same diligence as if the project were being developed within the City. Landowner consents to such additional review by the City to ensure that, upon approval of the annexation, any such continued development and use of Parcel 11 will be consistent with all applicable City requirements and guidelines. Furthermore, if Landowner elects to convey such Parcel prior to such annexation and recordation of this Agreement, the Landowner shall cause such transferee to agree, in writing, in a form approved by the City, to be bound by the terms and conditions of this Agreement, if and when the Parcel is annexed to the City and the Agreement is recorded against the Property.

SECTION 2: DEVELOPMENT OF THE PROPERTY

2.1 Permitted Uses. The permitted uses of the Property, the density and intensity of use, the maximum height and size of proposed buildings, provisions for reservation or dedication of land for public purposes, and location of public improvements, and other terms and conditions of development applicable to the Property shall be those set forth in the Entitlements and this Agreement.

2.2 Vested Entitlements. Subject to the provisions and conditions of this Agreement, City agrees that City is granting, and grants herewith, a fully vested entitlement and right to develop the Property in accordance with the terms and conditions of this Agreement and the Entitlements. City acknowledges that the Entitlements include the following land uses and approximate acreages for the Property:

Light Industrial	71.9 acres;
Public Right-of-Way:	4.0 acres;
Open Space/Wetland Preserves:	42.9 acres;

all as set forth on **Exhibit "B."** Such uses shall be developed in accordance with the Entitlements, as such Entitlements provide on the Effective Date of this Agreement. Landowner's vested right to proceed with the development of the Property shall be subject to subsequent approvals, provided that any conditions, terms, restrictions and requirements for such subsequent approvals shall not prevent development of the Property for the use, or reduce the density and intensity of development, or limit the rate or timing of development set forth in this Agreement, so long as Landowner is not in default under this Agreement.

2.3 Rules, Regulations and Official Policies.

2.3.1 Inconsistency. To the extent any future rules, ordinances, regulations or policies applicable to development of the Property are inconsistent with the permitted uses, density and intensity of use, rate or timing of construction, maximum building height and size, or provisions for reservation and dedication of land under the Entitlements as provided in this Agreement, the terms of the Entitlements and this Agreement shall prevail, unless the parties mutually agree to alter this Agreement. To the extent any future rules, ordinances, fees, regulations or policies applicable to development of the Property are not inconsistent with the permitted uses, density and intensity of use, rate or timing of construction, maximum building height and size, or provisions for reservation or dedication of land under the Entitlements or under any other terms of this Agreement, such rules, ordinances, regulations or policies shall be applicable.

2.3.2 Application of Changes. This section shall not preclude the application to development of the Property of changes in City laws, regulations, plans or policies, the terms of which are specifically mandated and required by changes in State or Federal laws or regulations. To the extent that such changes in City laws, regulations, plans or policies prevent, delay or preclude compliance with one or more provisions of this Agreement, City and Landowner shall take such action as may be required pursuant to Section 4.1 of this Agreement to comply therewith.

2.3.3 Authority of City. This section shall not be construed to limit the authority or obligation of City to hold necessary public hearings, or to limit discretion of City or any of its officers or officials with regard to rules, regulations, ordinances, laws and entitlements of use which require the exercise of discretion by City or any of its officers or officials, provided that subsequent discretionary actions shall not prevent or delay development of the Property for the uses and to the density and intensity of development as provided by the Entitlements and this Agreement, in effect as of the Effective Date of this Agreement.

2.4 City Fees, Taxes and Assessments.

2.4.1 Processing Fees and Charges. Landowner shall pay those processing, inspection and plan check fees and charges required by City under then current regulations for processing applications and requests for permits, approvals and other actions, and monitoring compliance with any permits issued or approvals granted or the performance of any conditions with respect thereto or any performance required of Landowner hereunder.

2.4.2 Public Financing Limited to Specific Funding Mechanisms and Fees. This Agreement includes specific construction and funding obligations on the Property, including the obligation to annex to the Foothills Boulevard Assessment District. However, except as expressly provided herein, Landowner's sole and only obligation with respect to the participation of the Property in any funding mechanisms to support the construction of any public facilities and improvements or the provision of public services in relation to development of the Property shall be to pay City fees related to the construction and provision of such public facilities authorized by ordinance to be collected by City as of the Effective Date of this Agreement, as such fees may be adjusted from time to time in accordance with applicable law, or such other fees as may be duly adopted in the future by City from time to time in accordance with applicable law; provided, however, Landowner's obligation to pay future City fees is limited to those fees adopted on a city-wide basis or which uniformly apply to and are being collected from all properties within the City of Roseville which are zoned consistent with Landowner's zoning as set forth in the Entitlements, or which uniformly apply to all properties which are similarly situated, whether by geographic location, drainage sheds or other distinguishing circumstances.

2.5 Wetland Preserves.

2.5.1 Preserves. Except as provided below with respect to the PG&E Property, Landowner has obtained from the U. S. Army Corps of Engineers (the "Army Corps") a permit (the "404 Permit") to fill wetlands in conjunction with development of the Property, a condition of which requires the preservation of certain environmental habitat. The areas within which such environmental habitat is required for preservation by the 404 Permit is described by the wetland preserves within Pleasant Grove Creek, as shown on Exhibit "C-3" attached hereto (the "Wetland Preserves"). All mitigation and monitoring required by the 404 Permit have been completed on the Wetland Preserves. Landowner is processing an Operations and Management Plan (the "O&M Plan") for approval by the Corps as required by the 404 Permit for the Wetlands Preserves, and all conditions thereof shall be subject to the review and approval by the City, prior to Landowner agreeing to the terms thereof with the Army Corps.

A. Additional Permit Requirements. With respect to the PG&E Property, Landowner has submitted a delineation of the wetlands on such property to the Army Corps. Landowner will seek approval of either a separate 404 Permit or an amendment to the existing 404 Permit to permit the filling of such wetlands within the PG&E Property. Landowner shall, if required, seek permission in the form of an administrative approval, amendment to the existing 404 Permit and/or approval of a separate 404 Permit to disturb and/or fill wetlands for drainage outfalls, off-site sewer pipe, off-site electric and off-site water improvements for the development of the Property (collectively, the "Additional Permit Requirements"). The conditions thereof may require additional mitigation within the Wetland Preserves, the provision of off-site mitigation and/or the

avoidance and preservation of wetlands within such property, as well as the amendment and/or approval of an O&M Plan related thereto. If the conditions of such permit (or amendment) and/or O&M Plan will impose any new obligations or restrictions on any portion of the Wetland Preserves, such conditions or restrictions shall be subject to the review and approval by the City, prior to Landowner agreeing to the terms thereof with the Army Corps. Landowner shall keep the City reasonably informed regarding its progress of obtaining approval of such permit (or amendment). Prior to commencement of any construction or issuance of any permit for construction within the Property (excluding development of Parcel 11 permitted hereunder), Landowner shall obtain approval of such permit (or amendment), including any O&M Plan related thereto, with any conditions or restrictions satisfactory to City, to the extent such conditions or restrictions affect the Wetlands Preserves and/or the ability of Landowner to perform any of its obligations hereunder.

B. Bike Trail. In addition to processing the approvals for the O&M Plan and the Additional Permit Requirements, during the processing of the annexation and, if necessary, continuing thereafter for a period of one (1) year after the date of recordation of this Agreement, Landowner shall use good faith efforts to obtain approval from the Army Corps for the construction of a bike trail (as described in Section 3.2.2 below) and a waterline (as described in Section 3.6.2 below) within the portion of the Wetlands Preserve located west of Foothills Boulevard (the "**West of Foothills Preserve**"). Landowner intends to seek such approval by including such improvements in the processing of its O&M Plan, together with a separate 404 Permit for the extension of an existing drainage culvert required as part of the bike trail connection to Foothills Boulevard (collectively, the "**Bike Trail Application**"). The City acknowledges that, as the party designing the bike trail improvements, the City shall be responsible for obtaining any Streambed Alteration Agreement with the State Department of Fish and Game that may be required to allow for such improvements. The proposed co-alignment for such bike trail and waterline is outlined on **Exhibit "C"** and more particularly shown on **Exhibit "C-1"** and a processing schedule for preparing, submitting for review by the City and processing the application with the Army Corps is attached hereto as **Exhibit "C-2."** Landowner acknowledges that the Army Corps may subsequently decide to require Landowner to process either an amendment to the 404 Permit or a new 404 permit for such bike trail improvements, instead of allowing such improvements to be included within the O&M Plan; in such event, Landowner shall revise its schedule accordingly to provide for the processing of such amendment or permit, which schedule shall be subject to the review of the Planning Department.

Landowner shall use its best efforts to obtain, as part of the Bike Trail Application, permission to construct the waterline within the same general alignment as the bike trail. So long as the alignment for the waterline is generally contained within the bike trail alignment, Landowner shall include the waterline as part of its processing of the Bike Trail Application; provided, however, if the City elects to locate the waterline outside of the general bike trail alignment, then Landowner's obligation to include the waterline as part of the Bike Trail Application shall terminate. At Landowner's discretion, the Bike Trail Application may exclude post-and-cable fencing along the bike trail and City agrees to support any omission of such improvement from the application; however, if required by the Army Corps, the application shall be modified by Landowner to include post-and-cable fencing along one or both sides of the trail.

Landowner shall keep the City reasonably informed regarding its progress with the processing and approval of the Bike Trail Application from applicable governmental

agencies, shall use its best efforts to prepare and process the application consistent with the schedule attached as **Exhibit "C-2"** and shall copy City with any correspondence that Landowner may send to such agencies (and shall forward copies of any such correspondence that it may receive from such agencies) regarding such Application. Any approval of the Bike Trail Application, if obtained, shall be with conditions satisfactory to the City. If any significant modifications occur to the 404 Permit during or as a result of approval of the Bike Trail Application, which conflict, in any material manner, with the Entitlements related thereto (including without limitation, the imposition of new or additional mitigation or monitoring requirements to be performed or financed by Landowner), such modifications shall be subject to Landowner approval, and the proposal for such an amendment to the 404 Permit shall be resubmitted to City for review. The City may approve or deny any request to locate any bike trail or waterline within or out of the West of Foothills Preserve in connection with such amendment and the review of such modifications shall be made in accordance with the requirements of CEQA.

C. Flood Encroachment. The City shall be responsible for obtaining any flood encroachment permit that may be required for the construction of the bike trail and water line improvements. Landowner shall be responsible for obtaining any flood encroachment permit that may be required for the construction of any other improvements to be installed by Landowner hereunder. Each party shall keep the other reasonably informed regarding its progress with the processing and approval of any such permit.

D. Conveyance of Preserves. Upon approval of (i) the O&M Plan for the existing Wetlands Preserves, with conditions and/or restrictions satisfactory to City, (ii) the 404 permit (or amendment) related to the Additional Permit Requirements (as described in Section 2.1.5.A above), including any additional O&M Plan related thereto, with conditions and/or restrictions satisfactory to City, and (iii) approval of the Bike Trail Application (as described in Section 2.1.5.B above), including any additional O&M Plan related thereto, from applicable governmental agencies, with conditions and/or restrictions satisfactory to City, and subject to the formation of the Services District described in Section 3.15 below, Landowner shall convey to the City and City shall accept, in fee, the property comprising the Wetland Preserves (Parcels 12 and 15) and adjacent open space parcels (Parcels 13 and 14). If the Bike Trail Application is not approved within one (1) year after the date of recordation of this Agreement, despite Landowner's good faith efforts to obtain the approval thereof consistent with the processing schedule attached hereto as **Exhibit "C-2"** (as may be revised to reflect an amended or new 404 permit pursuant to Section 2.5.1.B above), then so long as the O&M Plan and 404 Permit (or amendment) related to the PG&E Property have been approved with conditions satisfactory to City, and subject to the formation of the Services District described in Section 3.15 below, Landowner shall convey to the City and City shall accept, in fee, the property comprising the Wetland Preserves. Thereafter, the City may, at its sole discretion, elect to seek approval of the Bike Trail Approval for the bike trail and/or the waterline within the West of Foothills Preserve.

2.5.2 404 Permit Maintenance. Landowner shall be solely responsible for satisfying any and all monitoring, reporting and maintenance requirements under the 404 Permit, as may be amended, during any extended monitoring period, as determined by the Army Corps for the Wetland Preserves. Furthermore, during any such monitoring period, Landowner shall indemnify, defend and hold City harmless from any and all costs, liabilities or damages for which the City is held responsible or alleged to be responsible under the 404 Permit(s), which arise out of or relate to any

failure of Landowner to satisfy such monitoring requirements, excluding any such failure caused by the active negligence of City or any employees, agents or contractors thereof.

City acknowledges that the ownership and any proposed use or improvement of the Wetland Preserves will be subject to the provisions of the 404 Permit, as may be amended, including the terms and provisions of the O&M Plan to be approved by the Army Corps for such property. City agrees to take title subject to such restrictions, subject to the City's approval of the conditions thereof pursuant to Section 2.5.1 above and the formation of the Services District described below.

Upon the City's acceptance of such ownership, City shall indemnify, defend and hold Landowner harmless from any and all costs, liabilities or damages for which Landowner is responsible or is alleged to be responsible under the 404 Permit due to the City's use of the Wetland Preserves, including any claims for damage or alleged damage to the wetlands within such preserves arising out of or related to the public's use of the proposed bike trail and any off-trail activities arising therefrom.

Such indemnity shall not apply, however, to any claims that arise out of or relate to any failure of Landowner to satisfy the monitoring requirements described above for which Landowner is responsible or due to the active negligence or alleged active negligence of Landowner or any employees, agents or contractors thereof.

SECTION 3: DEVELOPER OBLIGATIONS

3.1 Development, Connection and Mitigation Fees. Except as otherwise provided herein, any and all required payments of development, connection or mitigation fees by Landowner shall be made at the time and in the amount specified by then applicable City ordinances, either in effect as of the date of this Agreement subject to adjustment, or as may subsequently be adopted, in accordance with the provisions of Section 2.4.2 above. Wherever this Agreement obligates "Landowner" to design, construct or install any improvements, the cost thereof may be provided by Landowner or by a public financing mechanism, subject to and in accordance with the provisions thereof.

3.2 Open Space/Bike Trail. Landowner shall dedicate to City certain open space lands and fund the costs to construct a bike trail, as set forth herein.

3.2.1 Dedications. Landowner shall dedicate a total of approximately 42.9 acres for open space, consisting of the open space and Wetlands Preserves generally shown on Exhibits "B" and "C-3." The dedications of such open space shall be made in fee, and shall be granted within thirty (30) days of the later of (i) approval of the annexation of the Unincorporated Property to the City and (ii) the satisfaction of the conditions to the conveyance of the Wetlands Preserves to the City described in Section 2.5 above.

3.2.2 Financing for Bike Trail. Subject to approval of the construction of the bike trail within the West of Foothills Preserve, City shall construct the bike trail improvements therefor. Such improvements shall be constructed and improved in accordance with the City's design standards for such off-street bike trails, including Construction Standard Details CST LS-20 and CST LS-24 of the City's Construction Standards. The estimated cost for the design and construction of such bike trail improvements is EIGHTY-FIVE THOUSAND DOLLARS (\$85,000), inclusive of the post-and-cable fencing that may, or may not, be required by the Army Corps. Landowner agrees to pay this amount to the City within thirty (30) days of its receipt of written notice from the

City that the City is ready to commence the design and bidding process for the construction of such bike trail improvements. Such notice may be given by the City at any time after the required 404 Permit and O&M Plan approvals from the Army Corps, as described in Section 2.5.1.B above, have been obtained. Prior to such payment, Landowner shall post an improvement bond in the amount of said \$85,000 in favor of the City for the design and construction of such improvements upon recordation of any final subdivision map for the Property (excluding the map for Parcel 11). Landowner's obligation to share in the cost of such bike trail improvements shall be fully satisfied by such payment, whether or not the actual costs thereof exceed such amount. Similarly, City shall have no obligation to reimburse Landowner any portion of such payment if the actual cost of such improvements is less than such estimated amount. Provided, however, if the City does not commence construction of the bike trail improvements within ten (10) years of the date of recordation of this Agreement, then City shall release and return the improvement bond, if any, then posted by Landowner and Landowner's obligation hereunder to advance such bike trail costs shall terminate.

3.3 School Fee Agreements. Landowner shall pay the school impact fees to the Roseville City School District and the Roseville Joint Union High School District in accordance with and pursuant to California Government Code Sections 53080 and 65995.1 for non-residential development. City agrees that so long as Landowner pays such statutory fees to the school districts, City shall not refrain from approving any subdivision maps or other such entitlements for the Property or from issuing any building permits for development thereof consistent with the Entitlements on the basis of adverse impacts of such development on school facilities. Landowner agrees that a failure to pay such fees shall also constitute a default under this Agreement with the City.

3.4 Electric. Landowner shall provide electric utility improvements as provided in this section.

3.4.1 Public Utilities Within Rights-Of-Way. Except as otherwise provided in the Entitlements or this Agreement, all public utilities shall be located within the rights-of-way to be granted by Landowner to City for Winding Creek Road within the Property, as such street is shown on **Exhibit "G"** ("**Winding Creek Road**") and within public utility easements granted by Landowner to City for such purposes. Accordingly, upon approval of the first final large lot subdivision map, or any phase of it (excluding the map for Parcel 11), Landowner agrees to grant and convey to City the rights of way for Winding Creek Road, including the area within which such public utilities will be located, and such additional public utility easements adjacent thereto within which such public utilities will be located. If such utilities need to be installed prior to the construction of Winding Creek Road, Landowner shall grant a temporary public utility easement for any improvements to be located within such right-of-way, which shall merge with the rights-of-way upon completion of the applicable street improvements.

The width of the right-of-way for Winding Creek Road, together with the additional public utility easements adjacent thereto for utilities, shall be as shown on **Exhibit "G."**

Nothing in this Agreement shall be construed to limit or restrict the right of the City to require the dedication of an easement for utility purposes related to development of any parcel when such requirement would be otherwise consistent with the reasonable exercise of the police

powers of the City and is reasonably related to a requirement to serve the parcel or parcels adjacent to the easement.

3.4.2 On-Site Electric Utility Improvements. Concurrently with the construction of Winding Creek Road, Landowner agrees to construct, or finance the construction of, on-site and off-site electric distribution facilities required to provide electric service to the Property as directed by the Electric Utility Director, as shown on Exhibits "D-1" and "D-2" attached hereto. The parties agree that Exhibits "D-1" and "D-2" are conceptual and preliminary in nature and that Landowner will construct or finance construction of electric distribution facilities in accordance with final on-site electric distribution designs for the Property as directed by the Electric Utility Director in accordance with applicable City of Roseville Electric Utility Department Specifications for such construction. Final on-site electric utility improvements, including street lights, will be designed upon receipt of approved and adopted improvement plans for the applicable roadways within the Property. Landowner acknowledges that the entire Property will be served by Roseville Electric and that the Parcels north of Pleasant Grove Creek shall be served from an overhead line that currently exists on the Property.

3.4.3 Off-Site Electric Utility Improvements. Concurrently with Landowner's construction of the improvements to Phase II of Winding Creek Road within the Property, Landowner agrees to construct, or finance construction of, as directed by the Electric Utility Director, off-site electric distribution facilities for the Property. The electrical facilities to be installed for the development of the Property are shown on Exhibit "D-1" attached hereto. City agrees to construct the above-ground facilities to be located along Industrial Boulevard, subject to reimbursement therefor by Landowner, and Landowner shall be responsible for constructing all underground facilities therefor. Construction by Landowner shall be pursuant to the final off-site electric design in accordance with the City of Roseville Electric Department specifications for office/industrial construction, based on M-1, light industrial, zoning for the Property. Final off-site improvements will be designed by the City, subject to payment for such design by Landowner.

Landowner acknowledges that such circuits will require the extension of the necessary conduits through property owned by Southern Pacific Railroad ("SPRR"), as shown on Exhibit "D-1," by boring under such property and that the overhead lines will require twelve and one-half feet (12.5') PUEs along Industrial Boulevard, particularly with respect to the McClatchy Property located at the southeast corner of Blue Oaks and Industrial Boulevards. Landowner shall use its best efforts to acquire, at its sole cost and expense, all easements and rights of entry from SPRR, McClatchy and any other landowners affected by such PUEs to locate and construct the required underground and overhead facilities. Upon request of Landowner, if Landowner is unable to acquire any of such easements despite using its best efforts, City shall cooperate with and assist Landowner in Landowner's efforts to secure the off-site easements and rights of entry from SPRR, McClatchy and any other such affected landowners required for such off-site improvements, which may involve the City's use of its eminent domain powers. City acknowledges the substantial costs Landowner would incur should acquisition of any necessary interest be delayed, which may also impair the City's realization of the public benefits to be derived from this Agreement, and City will consider such impacts when determining, in accordance with applicable law, the need to exercise its power of eminent domain. Upon determination by the City to proceed therewith, City shall schedule and conduct the necessary hearings to exercise its power of eminent domain. If approved by the City, the City shall thereafter diligently prosecute to completion the proceedings and actions

to acquire the necessary interest by power of eminent domain, including the filing to obtain an order of possession upon the commencement of any such action in condemnation. Landowner shall pay, or provide financing, for all the costs of any such acquisition, including all City costs for any eminent domain proceedings if required, as and when requested by the City, and for all costs of such improvements, as and when required pursuant to the City's standard commercial construction procedures.

3.4.4 Streetlights. Concurrently with the construction of the adjacent roadways, Landowner agrees to construct, or finance construction of streetlights within the Property, as directed by the Electric Utility Director. No street shall be opened to the public unless and until streetlights have been installed in accordance with the Tentative Map and the North Roseville Area Design Guidelines ("**Design Guidelines**") and applicable requirements of the Electric Department.

3.4.5 Power Purchase Agreement. Landowner shall purchase electric power for all light industrial uses within the Property from City of Roseville Electric for a period of five (5) years from the date of issuance of the final occupancy permit for the first permanent structure constructed in the Property, or until January 1, 2006, whichever occurs first. City will provide electric power at rates that are competitive with market rates in the industry as a whole for the delivery of power to the Property.

3.4.6 Competitive Transition Charge. This Agreement shall constitute notice to all successors to Landowner hereunder and to all tenants and users within the Property, of the following. Furthermore, if Landowner records any covenants, conditions and restrictions ("**CC&Rs**") against the Property, Landowner shall include the following in such CC&Rs to give such notice again to such successors, tenants and users of and within the Property:

(1) due to transfer of electric service territory from Pacific Gas and Electric to Roseville Electric, a certain fee called a Competitive Transition Charge ("**CTC**") may be charged by Pacific Gas and Electric to electric end users whose property or operation is located in the Unincorporated Property proposed to be annexed to the City, and;

(2) this charge will be in addition to the fees for service, including Roseville Electric's CTC, owing to Roseville Electric who will be the provider of electric service to the Property or end user, and;

(3) it is anticipated that the Pacific Gas and Electric's CTC would be approximately one cent (\$0.01) per kilowatt hour of use under current rates.

3.5 Drainage Improvements. Landowner shall provide drainage improvements as provided in this section.

3.5.1 Master Drainage Plan. Prior to approval of any improvement plans for subdivision improvements for the Property, Landowner shall prepare a Master Drainage Impact Study for its on-site drainage facilities to the satisfaction of the City Engineer. The Master Drainage Impact Study shall identify the size, location and timing of all major drainage facilities proposed for the Property relative to drainage impacts and shall be accompanied by all supporting technical information and calculations. City intends to amend its current Drainage Retention Fee Ordinance

so as to apply to and include all the Property. Landowner shall pay the updated fee in the amount determined by the City therefor.

3.5.2 Other Agency Approval. Prior to the approval of the Master Drainage Impact Study or issuance of any building permit or grading permit, Landowner shall obtain, at its expense, all permits and agreements as required by other agencies having jurisdiction over drainage, water quality or wetlands issues including, but not limited to, the Regional Water Quality Control Board ("RWQCB"), the U.S. Army Corps of Engineers and the California Department of Fish and Game.

Landowner shall prepare and implement a Storm Water Pollution and Prevention Plan (SWP3), and shall construct and maintain Best Management Practices (BMPs) as required by law, the SWP3 and as approved by the RWQCB, concurrently with construction of any improvements. Landowner shall obtain a permit from the RWQCB for the General Construction Storm Water Permit Compliance Program, as required by law, prior to the start of any construction, including grading.

3.5.3 Storm Drains. Landowner shall construct storm drain mains, laterals, and detention facilities in accordance with said Master Drainage Plan and with the City's then current improvement standards and shall provide laterals to serve all parcels on the Property. Storm drain laterals shall be constructed to the property line concurrently with the construction of connecting open channels or storm drain mains. Landowner may use "cast in place" pipe for storm drains which are 24" in diameter or larger.

3.5.4 Grant of Floodplain. Subject to the provisions of Sections 2.5 and 3.2.1 above and the formation of the Services District pursuant to Section 3.15 below, prior to approval of the final large lot subdivision map for the Property (excluding the map for Parcel 11), Landowner shall grant to City, in fee, all areas of the Property within the 100-year floodplain, as determined by the City Engineer.

3.5.5 Grant of Drainage Easements. Where drainage improvements to be owned and maintained by City are to be constructed by Landowner and are not located within road rights-of-way, as and when Landowner installs such drainage improvements, Landowner shall grant and City shall accept a non-exclusive public utility easement for the ownership and maintenance of such lines, together with access thereto for maintenance purposes only. Easement widths shall be granted in accordance with the City's then current Improvement Standards.

3.6 Water System Improvements. Landowner shall provide improvements to the potable water system as provided in this section. Except for service to Parcels 10 and 11 located north of Pleasant Grove Creek, the City shall provide water service to the balance of the Property with raw water purchased from the San Juan Water District, which water shall be drawn from Folsom Lake, treated at the City's Water Treatment Plant and then delivered to the Project through the City's existing infrastructure.

With respect to Parcels 10 and 11, water service for the development of those portions of the Property will be provided directly by PCWA. Landowner shall procure a will serve letter from PCWA prior to issuance of a building permit on such Parcels. Landowner further acknowledges that the portion of the Property located south of Pleasant Grove Creek and adjacent to and east of

Foothills Boulevard, identified as Parcel 14 on **Exhibit "B,"** is being rezoned to open space and that no water or sewer service will be required therefor.

3.6.1 Water Study. Prior to approval of any improvement plans for any improvements for the Property (excluding any improvements for Parcels 10 and 11), Landowner shall prepare a water study for its on-site water facilities, to the satisfaction of the Environmental Utilities Director. The general design of the water system is shown on **Exhibit "E"** hereto, provided the water study shall identify the size and locations of the water lines required to serve the Property relative to water demands and shall be accompanied by all supporting technical information and calculations.

3.6.2 Financing of Water Supply. Except as otherwise expressly provided in Section 3.6.5 below regarding Landowner's participation in the extension of the 16" water line from Winding Creek Road to the City's tank site and the 24" water line from the tank site to Industrial Boulevard, Landowner shall have no obligation to install or pay for the installation of any off-site water storage, treatment or transmission facilities, except through the payment of water connection fees levied and collected by the City at the time of development pursuant to then existing City ordinances and this Agreement. Landowner acknowledges that these fees include Landowner's fair share of the North Urban Reserve reimbursement to the North Central Roseville Specific Plan for waterline upsizing.

In addition to the City's existing water fees, Landowner shall pay a supplemental water fee to fund its fair share of groundwater and upgraded water facilities required under its agreement with San Juan to provide water to the Property (the "**Supplemental Water Fee**"). Such Supplemental Water Fee shall be assessed on a per-parcel basis for the portion of the Property to be served by the City (*i.e.*, for the portion of the Property south of Pleasant Grove Creek), the total of which shall be equal to Two Hundred Thousand Dollars (\$200,000.00), and the outstanding amount of which shall be revised by the City annually, based on the applicable percentage change in the Engineering News Record Construction Cost Index ("**CCI**") between the effective date of this Agreement and the payment of such amount. Provided, however, at Landowner's option, Landowner may elect to pay the full \$200,000 amount of the Supplemental Water Fee at one time and, if such payment is made to the City within eighteen (18) months of Landowner's recordation of the final subdivision map for any portion of the Property located south of Pleasant Grove Creek, then the foregoing CCI factor shall not be applied to such Fee and Landowner's obligation shall be fully satisfied by the payment of said \$200,000. Unless Landowner elects to pay the entire Fee, the payment for each parcel shall be due upon the issuance of a building permit for the first building to be constructed within each parcel within such portion of the Property. Based on the number of industrial parcels proposed for the Property by the Tentative Map south of Pleasant Grove Creek (nine (9) parcels), the Supplemental Water Fee would be \$22,222 per parcel, as may be subsequently adjusted by the CCI. Provided, if Landowner subsequently amends the Tentative Map to increase or decrease the number of parcels to be created thereby south of the Creek, the City shall revise the per-Parcel Supplemental Water Fee accordingly for the undeveloped Parcels so that the total amount to be paid by such parcels equals the total outstanding Fee amount, as may be adjusted above.

3.6.3 Adequacy of Fire Flows. Prior to issuance of a building permit for development within either Parcel 10 or Parcel 11 north of Pleasant Grove Creek, Landowner shall satisfy the City that the water service to be provided to such development by PCWA will meet the

City's standards for adequate fire flows, including without limitation, City standards for reliability of the maintenance of such fire flows.

3.6.4 On-site Water Lines. Subject to the water study pursuant to Section 3.6.1 above, when Landowner installs Phase I of Winding Creek Road pursuant to Section 3.8.4 below, Landowner shall install a twelve inch (12") waterline therein and, when Landowner installs Phase II of Winding Creek Road, Landowner shall install a sixteen inch (16") water line along the northern portion of such Street, with a stub therefrom to the City's existing 20' water line easement, and shall install a twelve inch (12") waterline within the balance of Phase II of Winding Creek Road, all as shown on **Exhibit "E"** attached hereto. Subject to the cost sharing provisions of Section 3.6.5 below, City shall be responsible for extending the 16" waterline within its existing easement from Winding Creek Road to the tank site.

All improvements to be constructed by Landowner shall be designed and constructed pursuant to the City's then current Improvement Standards. Said improvements shall be subject to City plan review, construction inspection and final approval. Landowner shall pay current plan check and inspection costs as incurred by City for review and inspection of such improvements.

3.6.5 Off-Site Water Lines. As noted above, City shall be responsible for extending the 16" waterline from the Winding Creek Road stub to the water tank site and shall also be responsible for constructing a twenty-four inch (24") waterline east from the water tank site to Industrial Boulevard, including the cost to obtain the necessary permission to bore-and-jack the improvements underneath the existing Union Pacific rail line. City agrees to use its best efforts to complete such improvements within three (3) years of Landowner's commencement of construction of Winding Creek Road improvements that include said 16" waterline. In consideration of City's construction of such waterline improvements, Landowner agrees to pay its fair share of the actual costs incurred by City to design and install such improvements, based on a proportionate flow basis (e.g., since the Project only requires a 12" line, then Landowner shall be responsible for 56% of the cost of the extension from Winding Creek Road to the tank site and 25% of the cost of the extension from the tank site to Industrial Boulevard). Landowner's share for the costs of such waterline extension shall be paid upon the City's completion of such improvements within sixty (60) days after Landowner's receipt of an invoice from the City for Landowner's share of the outstanding costs then incurred by City, together with copies of invoices or other such documentary evidence of the costs then incurred by City. Prior to City's acceptance of any bid for such work, or any portion thereof, City shall provide Landowner with copies of the proposed contract for such work, including the price therefor, which shall be subject to the review and reasonable approval of Landowner. Within fifteen (15) days of Landowner's receipt of written notice from the City of the City's intent to let the contract for such work, Landowner shall either deposit cash or post an improvement bond or other security acceptable to the City for Landowner's share of the cost of such work, based on the bid amount for such work.

Also, as provided in Section 2.5.1 above, Landowner agrees to cooperate with City to obtain an amendment to the 404 Permit to allow a waterline to be installed within West of Foothills Preserve, so long as the alignment for the waterline is generally contained within the alignment for the proposed bike trail described in Section 3.2.2 above. Notwithstanding Landowner's agreement to support the permission for such waterline, City acknowledges and agrees

that Landowner shall have no obligation to share in the costs of such waterline, except through the payment of its water fees.

3.6.6 Public Utility Easements. Where the water improvements to be constructed by Landowner are not located within road rights-of-way, as and when Landowner installs such water improvements, Landowner shall grant and City shall accept a non-exclusive public utility easement for the ownership and maintenance of such lines, together with access thereto for maintenance purposes only. Easement widths shall be granted in accordance with the City's then current Improvement Standards.

Landowner further agrees that, upon the recordation of the first final subdivision map for any portion of the Property (excluding any recordation of the County Map to create Parcel 11), Landowner shall dedicate to the City, as part of such final subdivision map, a standard twenty foot (20') wide non-exclusive easement for waterline purposes, starting at the City's water tank site and proceeding south therefrom along the eastern boundary of the Property, as generally shown on **Exhibit "E."** Also, at the time of such recordation, Landowner shall cause the owner of Carlsberg Lot 8 to grant to the City a similar twenty foot (20') wide non-exclusive easement for waterline purposes along the eastern boundary of said Carlsberg Lot 8, as generally shown on **Exhibit "E,"** if such easement has not previously been granted to the City in connection with any development of Carlsberg Lot 8. City acknowledges and agrees that Landowner shall have no obligation to construct or finance the construction of any waterline improvements within said easements, except as may be financed through its payment of fees. City also acknowledges that such easement will be non-exclusive and will be located within a sixty foot (60') utility easement along the eastern boundary of the Property to be reserved by PG&E upon its conveyance of the PG&E Property to Landowner.

3.6.7 Water Softeners. No water softeners shall be used within the Property except for those approved by the Environmental Utilities Director. Property CC&Rs, if recorded, shall include this prohibition.

3.6.8 No Recycled or Reclaimed Waterline Improvements. City acknowledges that Landowner shall have no obligation to install or finance the installation of any recycled or reclaimed waterlines in connection with the development of the Property, except through its payment of water connection fees collected by the City at the time of building permit issuance.

3.7 Sewer Improvements. Landowner shall provide on-site improvements to the sewer system as described in this Section. Provided, however, with respect to Parcel 11, sewer service for the development of Parcel 11 will be provided directly by the County. Accordingly, prior to the issuance of any building permit within Parcel 11, Landowner shall comply with any and all requirements imposed by the County to provide such service and shall satisfy the City that such sewer service will be available and will be adequate to meet the sewer demands for such development.

3.7.1 Master Wastewater Plan. Prior to approval of any improvement plans for any improvements for the Property (excluding any improvements for Parcel 11), Landowner shall prepare a wastewater study for its on-site wastewater facilities, to the satisfaction of the Environmental Utilities Director. The general design of the wastewater system is shown on **Exhibit "F"** hereto, provided the wastewater study shall identify the size and locations of the wastewater lines

required to serve the Property relative to wastewater demands and shall be accompanied by all supporting technical information and calculations.

3.7.2 Financing of Wastewater Improvements. Except as may be identified by the wastewater study, Landowner shall have no obligation to install or pay for the installation of any off-site wastewater treatment or transmission facilities, except through the payment of connection fees levied and collected by the City at the time of development pursuant to then existing City ordinances.

3.7.3 On-site Wastewater Lines. When Landowner installs Phase II of Winding Creek Road, Landowner shall install the sanitary sewer line improvements as shown on **Exhibit "F"** attached hereto.

3.7.4 Improvement Standards. All sanitary sewer improvements shall be designed and constructed pursuant to City's then current Improvement Standards and shall be subject to City plan review, construction inspection and final approval. Landowner shall pay then current plan check and inspection costs as incurred by City for review and inspection of such improvements. All sewer system improvements shall minimize the generation of hydrogen sulfide, and include protection from hydrogen sulfide corrosion.

3.7.5 Access to Manholes. All manholes shall be located so that they are accessible by City sewer maintenance vehicles, unless otherwise approved by the Environmental Utilities Director.

3.7.6 Public Utility Easements. Where the wastewater improvements to be constructed by Landowner are not located within road rights-of-way, as and when Landowner installs such wastewater improvements, Landowner shall grant and City shall accept a non-exclusive public utility easement for the ownership and maintenance of such lines, together with access thereto for maintenance purposes only. Easement widths shall be granted in accordance with the City's then current Improvement Standards.

3.8 Road Improvements. Landowner, at its expense, shall provide the following road improvements in the manner and at the time as provided in this section.

3.8.1 Landowner Obligations. Landowner's obligation for roadway improvements shall consist of the construction of curb, gutter, sidewalk, utilities, streetlights and the first eighteen feet (18') of pavement therefrom (including, but not limited to, asphalt, concrete, aggregate base and aggregate sub-base) for the portion of the road rights-of-way adjacent to the Property, and any additional pavement widening at intersections to accommodate turn lanes and bus turnouts, all grading, drainage laterals and inlets, cross culverts and bridges, except the portions thereof that are interior to the street and extend beyond eighteen feet (18') from the edge of the pavement, traffic signing and striping, underground portions of traffic signals and signal interconnects in conjunction with joint trench work along all arterial roadways and at other locations deemed necessary by the City Engineer (collectively, "**frontage improvements**"). The area within which such frontage improvements are to be located shall be referred to herein as "**Landowner's frontage.**"

Except as otherwise provided in Section 3.8.3 with respect to the Foothills Boulevard Bridge, where there are streets adjacent to open space, Landowner shall be responsible for full street improvements. Such improvements shall include sidewalks and landscaping adjacent to open space to the extent allowed by federal and state regulatory agencies in the case of the Wetland Preserves.

As to any road improvements to be constructed by Landowner hereunder, Landowner shall have the responsibility of securing all state and federal permits necessary for such construction.

3.8.2 Winding Creek Road. Landowner shall dedicate all necessary right-of-way and shall construct all roadway improvements, including the frontage improvements, for the entire portion of Winding Creek Road within the Property and within Carlsberg Lot 8 to Foothills Boulevard, as shown on **Exhibit "G."** The required right-of-way and curb, gutter and sidewalk location for Winding Creek Road within the Property and within Carlsberg Lot 8 shall be as shown on **Exhibit "G."** In particular, and without limitation thereof, notwithstanding any prior design or construction of any portion of Winding Creek Road within Carlsberg Lot 8, prior to the recordation of a final subdivision map for the Property (excluding the map for Parcel 11), Landowner shall cause all necessary right-of-way to be dedicated and shall construct (or reconstruct) all road improvements for the portion of Winding Creek Road within Carlsberg Lot 8, identified on **Exhibit "G"** as Phase I of such road, as a forty-eight foot (48') public street, exclusive of landscape and PUE easements adjacent thereto.

Landowner shall not be entitled to any credits against the City's Traffic Mitigation Fee (TMF) as a result of the construction of such Winding Creek Road improvements nor shall City be obligated to reimburse Landowner for the cost of any portion of the Phase I Winding Creek Road Improvements installed for the benefit of any then adjacent landowner. Provided, however, nothing in this Agreement shall prevent Landowner and such adjacent landowner from separately agreeing to share in the cost of such improvements.

3.8.3 Foothills Boulevard. Landowner shall dedicate the continuation of the 110' right-of-way within the Property for the planned extension of Foothills Boulevard across Pleasant Grove Creek to the northern boundary of the Property, as shown on **Exhibit "G."** Landowner shall have no obligation to construct any of the road improvements therefor, except for its frontage improvements adjacent to Parcels 10 and 11 and through its payment of the City's TMF and the Supplemental Frontage Fee provided herein.

In satisfaction of Landowner's obligation to fund frontage improvements for Foothills Boulevard adjacent to open space within the Property, Landowner shall pay a supplemental fee (the "**Supplemental Frontage Fee**") on a per-parcel basis, the total of which shall be equal to One Hundred Fifty Thousand Dollars (\$150,000.00), the outstanding amount of which shall be revised by the City annually, based on the applicable percentage change in the CCI between the effective date of this Agreement and the payment of such amount. Provided, however, at Landowner's option, Landowner may elect to pay the full \$150,000 amount of the Supplemental Frontage Fee at one time and, if such payment is made to the City within eighteen (18) months of Landowner's recordation of the final subdivision map for any portion of the Property located south of Pleasant Grove Creek, then the foregoing CCI factor shall not be applied to such Fee and Landowner's obligation shall be fully satisfied by the payment of said \$150,000. Unless Landowner elects to pay the entire Fee, the payment for each parcel shall be due upon the issuance of a building permit for the first building to

be constructed within each parcel within the Property and City agrees to maintain such funds in a segregated account to be used solely for the construction of such frontage improvements. Based on the number of industrial parcels proposed for the Property by the Tentative Map (including Parcels 10 and 11), the Supplemental Frontage Fee would be equal to \$13,636 per parcel, as may be subsequently adjusted by the CCI. Provided, if Landowner subsequently amends the Tentative Map to increase or decrease the number of parcels to be created thereby, the City shall revise the per-Parcel Supplemental Frontage Fee accordingly for the undeveloped Parcels so that the total amount to be paid by such parcels equals the total outstanding Fee amount, as may be adjusted above.

Notwithstanding the payment of the City's TMF and such Supplemental Frontage Fee, Landowner acknowledges that the City shall be under no obligation to construct the Foothills Bridge or otherwise extend Foothills Boulevard to provide access to Parcel 10 or 11 until such time, if any, that the City determines that such extension is needed to satisfy circulation capacity requirements. In the interim, access to Parcels 10 and 11 will be limited to access over and through County roadways north of the Property. City shall have no obligation to refund any portion of the Supplemental Frontage Fee to Landowner, whether or not the actual cost thereof is less than the amount of such payment. However, if Placer County contributes funds for the cost of the bridge and/or extension of Foothills Boulevard to the northern boundary of the Property, City shall reimburse Landowner the amount, if any, by which the Supplemental Frontage Fee paid by Landowner and the County's contribution to such improvements exceeds the costs incurred by City to design and install these frontage improvements, up to, but not in excess of, the amount of the Supplemental Frontage Fee paid by Landowner.

3.8.4 Timing of Dedication and Construction of Road Improvements. Upon recordation of the final subdivision map for the Property (excluding Parcel 11), Landowner shall dedicate the right-of-way within Carlsberg Lot 8 for Phase I of Winding Creek Road and shall dedicate the rights-of-way within the Property required for the balance of Winding Creek Road and the extension of Foothills Boulevard to the northern boundary of the Property, as such rights-of-way are shown on **Exhibit "G."**

In connection with any development of Carlsberg Lot 8 adjacent to the Property, Landowner will be required to construct the road improvements for Phase I of Winding Creek Road as a public street as shown on **Exhibit "G"** and City agrees that Landowner shall not be obligated to construct any portion of the Phase II road improvements in connection with such development of Carlsberg Lot 8. In connection with any development of the Property located south of Pleasant Grove Creek, Landowner shall be obligated to construct the road improvements for both Phase I through Carlsberg Lot 8 (if construction of such Phase I improvements has not then been completed) and for Phase II of Winding Creek Road shown on **Exhibit "G."**

Accordingly, no final subdivision map shall be approved or filed for any portion of the Property (excluding the map for Parcel 11), nor shall any building permit be issued for any structure within such portion of the Property, until either the applicable improvements for Winding Creek Road have been substantially completed or adequate security (such as an improvement bond), in form and amount acceptable to the City Attorney, has been posted to assure the completion of such improvements.

Sidewalks, landscaping and public utilities to be installed within Winding Creek Road right-of-way within the Property, or within the applicable easement area and landscape setback adjacent thereto, shall be installed concurrently with construction of the subject building(s) within the Property, unless, at the discretion of City, Landowner enters into a Deferred Improvement Agreement with City, in which case said Deferred Improvement Agreement shall provide for the timing of such installation.

3.8.5 Road Improvement Standards. All improvements for both Phases of Winding Creek Road to be installed by Landowner shall comply with the City's then current standards for public streets.

3.8.6 Landscape Setbacks. For Winding Creek Road within both Carlsberg Lot 8 and the Property, Landowner shall establish the minimum landscape setbacks provided therefor by the North Roseville Area Design Guidelines ("**Design Guidelines**"). Such setback shall be measured generally from back of curb, except that any driveway tapers required by the City may encroach into the landscape setback, to the extent permitted by the Design Guidelines, but in no case shall the landscape setback be reduced to less than twenty feet (20'). Such landscape setbacks shall be limited to landscaping, streetlights, utilities, sidewalks and related uses. In connection therewith, Landowner shall grant to the City a twenty-foot (20') public utility easement from back-of-curb along both sides of Winding Creek Road for the installation and maintenance of utility improvements and sidewalk, as shown on **Exhibit "G."** The landscaping improvements within such setback area shall be installed upon development of the parcel that includes such area and shall be maintained by the owner of such parcel.

3.8.7 No Traffic Signals. Landowner shall have no obligation to install or pay for the installation of any traffic signals within or adjacent to the Property, except through payment of the Traffic Mitigation Fee levied and collected by the City at the time of development pursuant to then existing City ordinances.

3.8.8 Update of City TMF Program. City will amend its current Traffic Mitigation Fee (Roseville Municipal Code Chapter 4.44) Ordinance (the "**Fee Ordinance**") so as to apply to and include all the Property. Landowner shall pay all costs associated with such update. City and Landowner agree that the TMF will be the same as the TMF charged in the North Industrial Roseville Plan Area ("**North Industrial**"). Furthermore, Landowner agrees that until such time as City amends the Fee Ordinance to include the Property, the provisions thereof (as the same exist or may hereafter be amended) applicable to North Industrial shall apply to the Property and Landowner shall pay such fee in the amount and at the time specified in the Fee Ordinance. City acknowledges that Landowner's payment of the TMF charged for North Industrial development includes Landowner's fair share obligation to pay for the cost to construct the Foothills Boulevard bridge over Pleasant Grove Creek and that Landowner shall have no obligation hereunder to advance any funds therefor.

Landowner agrees that the Property will be included in the assessment district formed pursuant to the Bizz Johnson Highway Interchange Joint Powers Authority (the "**JPA**") for the purposes of constructing interchanges along Highway 65 at Harding Boulevard/Stanford Ranch Road, Pleasant Grove Boulevard, Blue Oaks Boulevard and Sunset Boulevard. Landowner waives herewith any objection and consents to and will cooperate with City in the inclusion of the Property within such district.

Landowner shall bear those costs of updating the JPA Fee program to include the Property. It is estimated that the updated fee will be approximately the same as that charged in North Industrial. Upon amendment, Landowner agrees to pay such fee at the time specified therefor. Furthermore, Landowner agrees that until such time as the JPA Fee program is amended to include the Property, the provisions thereof (as the same exist or may hereafter be amended) applicable to North Industrial shall apply to the Property and Landowner shall pay such fees (hereinafter the "**Interim JPA Fee**") in the amounts and at the times specified in the JPA Fee program. If Landowner pays the Interim JPA Fee prior to amendment of the JPA Fee program, and if the Interim JPA Fee exceeds the fee that is ultimately adopted for the Property, then the excess amount collected from payment of such Interim JPA Fee shall be applied to reduce the JPA Fee to be adopted for the balance of the Property. If the interim JPA Fee is less than the JPA Fee that is ultimately adopted for the Property, then the total amount of the shortfall shall be added as a surcharge to such fee on the balance of the Property.

3.8.9 Light Rail Funding. Landowner consents to and agrees that the Property shall participate in its fair share of a city-wide funding mechanism for the extension and operation costs of light rail or capital corridor rail line into the City of Roseville.

3.8.10 Master Plan Funding. Landowner shall pay, as its fair share on a city-wide basis, Two Hundred Fifty Dollars (\$250.00) for the update of the City's Long Range Transit Master Plan. Such payment shall be due within sixty (60) days after recordation of this Agreement. Landowner also consents to and agrees that the Property shall participate in its fair share of any city-wide funding mechanisms for the updates of the City's Bikeway Master Plan and Short Range Transit Master Plan.

3.8.11 Transportation Systems Management. Landowner and its successors shall comply with the City's Transportation Systems Management Ordinance.

3.9 Miscellaneous Public Facilities and Services.

3.9.1 Fire Tax. During the term of this Agreement, Landowner or its successors shall continue to pay the Fire Service Construction Tax set forth at Chapter 4.46 of the Roseville Municipal Code.

3.9.2 County-Wide Facilities Fee. In consideration of the annexation of the Unincorporated Property to the City, Landowner shall pay the county-wide facilities impact fee adopted by the City, in the amount then being assessed by the City; provided, however, if such impact fee is not effective or is for any reason suspended by the City, then Landowner shall pay such fee in the amount imposed by the County for areas annexing from the County to cities. Such fee shall be paid upon the issuance of each building permit within the Property.

3.10 Liens, Encumbrances, Covenants, Conditions and Restrictions. Except as approved by the City or provided for by this Agreement, all property to be conveyed in fee to the City pursuant to this Agreement shall be free of any liens, financial encumbrances, special taxes, hazardous materials or assessments, provided the City's interest shall be subject to the application of the Project CC&Rs to the extent the conditions, covenants and restrictions thereof implement the provisions of

the Community Design Guidelines, the North Roseville Area Design Guidelines or this Agreement with respect to such interest and provided further, the Wetland Preserves shall be subject to the requirements of the 404 Permit, as amended, and the deed restrictions applicable thereto, subject to the City's approval of such restrictions as part of its review of the O&M Plan for the 404 Permit and/or as part of its review of any additional restrictions imposed in connection with the pending amendments to and/or approvals under the 404 Permit. Prior to any such conveyance of any right-of-way by Landowner, Landowner shall be responsible at its sole cost and expense to fill any wetlands located within the applicable right-of-way to be conveyed in accordance with the terms and conditions of the 404 Permit, as may be amended pursuant to Section 2.5 above.

Landowner shall, for each such conveyance, provide to City at Landowner's expense a current preliminary title report. Any policy of title insurance required by City shall be at City's expense.

3.11 EIR Mitigation Measures. Notwithstanding any other provision in this Agreement to the contrary, as and when Landowner elects to develop the Property, Landowner shall be bound by, and shall perform, all mitigation measures contained in the EIR related to such development which are adopted by the City and are identified in the mitigation monitoring plan or the EIR as being a responsibility of Landowner.

3.12 Waiver. In consideration of the benefits received pursuant to this Agreement, Landowner, on behalf of itself and its heirs, successors in interests and assigns, waives any and all causes of action which it might have under the ordinances of the City of Roseville or the laws of the State of California or the United States with regard to any otherwise uncompensated or undercompensated conveyance or dedication of land or easements over the Property or improvements that are specifically provided for in this Agreement. This waiver shall not apply to any conveyances or dedications of land or easements that are not specifically contained in this Agreement and are subsequently desired by the City.

3.13 Public Financing of Improvements. Landowner does not currently intend to request the City to form a community facilities district or other such public financing mechanism for the purposes of financing Winding Creek Road or other public improvements required to be financed by Landowner hereunder. However, upon the request of Landowner, City shall cooperate with Landowner to assist with the formation and funding of any such financing mechanism, subject to Landowner's satisfaction of the City's standard formation and underwriting requirements therefor.

Furthermore, upon annexation of the Property to the City, Landowner agrees to petition to City for and support the annexation of the Property into the existing Foothills Boulevard Assessment District.

3.14 Completion of Improvements. City generally requires that all improvements necessary to service new development be completed prior to issuance of building permits. However, the parties hereto acknowledge that all of the public improvements associated with the development of the Property (or as otherwise required herein) may not need to be completed to adequately service portions of the Property as such development occurs. Therefore, as and when portions of the Property are developed, all improvements required to service such portion of the Property in accordance with the terms of this Agreement and the Entitlements (e.g., pursuant to specific tentative

map conditions or other land use approvals) shall be completed prior to issuance of any building permits within such portion of the Property. Provided, however, the City Engineer may approve the issuance of building permits prior to completion of all of such public improvements if the improvements necessary to provide adequate service to the portion of the Property being developed are substantially complete to the satisfaction of the City Engineer.

Landowner further acknowledges that all utilities to be installed by Landowner pursuant to Sections 3.5, 3.6 and 3.7 will be subject to the review and approval of the City Environmental Utilities Department. In connection therewith, Landowner shall be responsible for coordinating the alignment of all such planned and future utilities within the applicable rights-of-way to the satisfaction of the City Environmental Utilities Department.

3.15 Services District. No final map shall be filed or building permit issued for any development within the Property (except for any subdivision and development of Parcel 11 in advance of annexation of the Unincorporated Property) until the formation of the Services District set forth below. Landowner consents to and shall cooperate in forming a separate Mello-Roos Community Facilities District or other such financing mechanism for maintenance purposes (herein the "Services District"), and consents herewith to the levy of such special taxes as are necessary to fund the maintenance obligations described in Section 3.15.1 below. The special tax shall be allocated between the parcels within the Property in accordance with a financing plan to be developed by the parties in connection with the formation of such District. For purposes of Article XIII D of the California Constitution, Landowner acknowledges hereby that all the services described herein to be provided by the Services District will provide a "special benefit" to the Property as defined by said Article and that the foregoing support and consent shall apply as to any claim that any portion of the services supported by the special tax does not provide special benefit to the Property.

Landowner expressly agrees that the property comprising the Wetland Preserves and open space to be conveyed in fee to the City shall be tax-exempt under the Services District.

3.15.1 Maintenance Obligations. Landowner agrees that the maintenance obligations to be shared by the owners of the developable Parcels within the Property are as follows:

(i) finance the costs to conduct fire prevention for the benefit of the Property adjacent to and/or within the Wetland Preserves and open space, consisting of flail mowing or other such fire prevention strategies to create a minimum forty-foot (40') fire break between the nearest building and the adjacent open space area, to be provided by either forty-foot (40') setback areas within the developable Parcels along and adjacent to the Wetland Preserves and open space or by flail mowing a forty-foot (40') strip within the Wetland Preserves and open space adjacent to such Parcels, or through a combination of both; and

(ii) finance the cost to maintain the landscape corridors along Foothills Boulevard adjacent to the Wetlands Preserves and open space within the Property;

(iii) finance the cost to maintain the Wetland Preserves and open space to be dedicated by Landowner to the City. Such maintenance shall include, without limitation, maintenance of the bike trail improvements, maintenance for drainage purposes, removal of

trash and debris, and any additional mitigation or monitoring requirements resulting from the approvals of the O&M Plans, Bike Trail Application and/or Additional Permit Requirements described in Section 2.5.1 above, all to the extent permitted and/or required by the 404 Permit(s); and

(iv) conduct, manage and finance any environmental mitigation monitoring, and the annual review thereof, as required by the mitigation measures incorporated in the EIR for the Project.

3.16 Design of Improvements. Development of the Property shall comply with the applicable provisions of the Community Design Guidelines and the North Roseville Area Design Guidelines.

3.17 Disclosure of Potential Service Delays and Adjacent Uses. This Agreement shall constitute notice to all successors to Landowner hereunder, and to all tenants and users within the Property, of the following matters:

A. Unless and until the Foothills Bridge is constructed and Foothills Boulevard is extended to the northern boundary of the Property, City police and fire services may not be able to respond to service calls to Parcels 10 and/or 11 within the standard response times therefor. As set forth in Section 3.8.3 above, the parties acknowledge that neither the bridge nor such extension is required to be installed under this Agreement and, accordingly, such potential delay in City response times may continue indefinitely.

B. The Property is adjacent to certain industrial ponds, as more particularly shown as the County of Placer Waste Ponds on **Exhibit "B."** Historically, such ponds were used for the disposal of wastes, which generate periodic odors that may be offensive. Although such uses are not currently being conducted, there can be no assurances that such use may not again be made of the Ponds.

C. A portion of the Property is within five hundred feet (500') of a residential development located to the west of the Property, commonly referred to as Woodcreek East. The parties anticipate that development of the Property will be compatible with such adjacent residential development, so long as the planned light industrial uses do not generate excessive light, odors, pollution or noise.

If Landowner records any Property CC&Rs, Landowner shall include the foregoing disclosures in such CC&Rs to give such notice again to such successors, tenants and users of and within the Property.

SECTION 4: CITY OBLIGATIONS

4.1 City Cooperation. The City agrees to cooperate with Landowner in securing all permits which may be required by City. In the event State or Federal laws or regulations enacted after this Agreement has been executed, or action of any governmental jurisdiction, prevent, delay or preclude compliance with one or more provisions of this Agreement, or require changes in plans, maps or permits approved by City, the parties agree that the provisions of this Agreement shall be modified, extended or suspended as may be necessary to comply with such State and Federal laws or regulations or the regulations of other governmental jurisdictions. Each party agrees to extend to the other its prompt and reasonable cooperation in so modifying this Agreement or approved plans.

4.2 No Credits or Reimbursements. Landowner will not be financing construction of any creditable or reimbursable public improvements (except through its payment of fees) and, therefore City shall have no obligation to give any credits against fees or provide any reimbursements to Landowner in connection with Landowner's development of the Property.

4.3 Applications for Permits and Entitlements.

4.3.1 Action by City. City agrees that it will accept, in good faith, for processing review and action, all applications for development permits or other entitlements for use of the Property in accordance with the Entitlements and this Agreement, and shall act upon such applications in a timely manner.

4.3.2 Maps and Permits. Provided that the public improvements to be installed or financed by Landowner have been completed (or adequate security has been provided therefor), and further provided that the Services District has been formed in accordance with Section 3.15 above, and further provided that Landowner is not in default under this Agreement, City shall not refrain from approving final subdivision or parcel maps nor shall it cease to issue building permits, certificates of occupancy or final inspections for development of the Property that is consistent with the Entitlements. The acceptance, review and approval of any application for a final subdivision or parcel map or building permit may be conditioned upon the completion or provision of adequate security for the completion or funding of Landowner's share of improvements hereunder.

City acknowledges that under Government Code Section 66452.6, the term of a tentative subdivision map will be automatically extended for a period of time where a subdivider is obligated to install certain improvements located outside the boundaries of the subdivision. In determining the term of any tentative subdivision map approved by the City for the Property, or any portion thereof, and without limiting the effect of any other provisions of the Government Code dealing with map extensions, the City agrees that the electrical and bike trail improvements described hereunder to be funded by Landowner shall be treated as such off-site improvements for purposes of applying Section 66452.6 of the Government Code.

4.3.3 Personnel. Nothing in this Agreement shall be construed to require City to hire or retain personnel for the purposes of evaluating, processing or reviewing applications for permits, maps or other entitlements or for the design, engineering or construction of public facilities

in excess of those for which provision is made in the normal and customary budgeting process or fee schedules of City.

4.4 No Moratorium, Quotas, Restrictions or Other Growth Limitations. Subject to applicable law relating to the vesting provisions of development agreements, Landowner and City intend that, except as otherwise provided herein, this Agreement shall vest the Entitlements against subsequent City resolutions, ordinances and initiative that directly or indirectly limit the rate, timing or sequencing of development or prevent or conflict with the permitted uses, density and intensity of uses or the maximum building heights and sizes as set forth in the Entitlements. Landowner shall, to the extent allowed by the laws pertaining to development agreements, be subject to any growth limitation ordinance, resolution, rule, regulation or policy which is adopted on a uniformly applied, city-wide or area-wide basis and directly concerns a public health or safety issue, in which case City shall treat Landowner in a uniform, equitable and proportionate manner with all properties, public and private, which are impacted by said public health or safety issue. City shall use its best efforts and due diligence to obtain the permits, approvals and financing necessary for such facilities and to design and complete the facilities on a timely basis.

By way of example only, an ordinance which precluded the issuance of a building permit because City had inadequate sewage transmission capacity to meet the demand therefor (either city-wide or in a designated sub-area of the City) would directly concern a public health issue under the terms of this paragraph and would support a denial of a building permit within the Property, so long as City were also denying city-wide or area-wide all other requests for building permits which require sewage transmission capacity and City was using its best efforts to resolve such capacity problem. However, an attempt to limit the issuance of building permits because of a general increase in traffic congestion levels in the City would not directly concern a public health or safety issue under the terms of this paragraph.

4.5 Essence of Agreement. The foregoing Sections 2, 3 and 4 are of the essence of this Agreement.

SECTION 5: DEFAULT, REMEDIES, TERMINATION

5.1 General Provisions. Subject to extensions of time by mutual consent in writing, failure or unreasonable delay by either party to perform any term or provisions of this Agreement shall constitute a default. In the event of alleged default or breach of any term or condition of this Agreement, the party alleging such default or breach shall give the other party not less than thirty (30) days' notice in writing specifying the nature of the alleged default and the manner in which said default may be satisfactorily cured. During any such thirty- (30) day period, the party charged shall not be considered in default for purposes of termination or institution of legal proceedings.

After notice and expiration of the thirty-day period, the other party to this Agreement at its option may institute legal proceedings pursuant to this Agreement or give notice of intent to terminate the Agreement pursuant to California Government Code Section 65868 and regulations of City implementing said Government Code Section. Following notice of intent to terminate, the matter shall be scheduled for consideration and review by the City Council within thirty (30) calendar days in the manner set forth in Government Code Sections 65865, 65867 and 65868 and City regulations implementing such Sections.

Following consideration of the evidence presented in said review before the City Council, either party alleging the default by the other party may give written notice of termination of this Agreement to the other party.

Evidence of default may also arise in the course of a regularly scheduled periodic review of this Agreement pursuant to Government Code Section 65865.1. If either party determines that the other party is in default following the completion of the normally scheduled periodic review, said party may give written notice of default of this Agreement as set forth in this section, specifying in said notice the alleged nature of the default, and potential actions to cure said default and shall specify a reasonable period of time in which such default is to be cured. If the alleged default is not cured within thirty (30) days or within such longer period specified in the notice, or if the defaulting party waives its right to cure such alleged default, the other party may terminate this Agreement.

No building permit shall be issued or building permit application accepted for any structure on the Property if the permit applicant owns and controls any property subject to this Agreement, and if such applicant or entity or person controlling such applicant is in default of the terms of this Agreement.

5.2 Annual Review. City shall, at least every twelve (12) months during the term of this Agreement, review the extent of good faith substantial compliance by Landowner with the terms of this Agreement. Such periodic review shall be limited in scope to compliance with the terms of this Agreement pursuant to Section 65865.1 of the Government Code and the monitoring of mitigation in accordance with Section 21081.6 of the Public Resources Code of the State of California. Notice of such annual review shall include the statement that any review of obligations of Landowner as set forth in this Agreement may result in termination of this Agreement. A finding by City of good faith compliance by Landowner with the terms of the Agreement shall be conclusive with respect to the performance of Landowner during the period preceding the review. Landowner shall be responsible for the cost reasonably and directly incurred by the City to conduct such annual review, the payment of which shall be due within thirty (30) days after conclusion of the review and receipt from the City of the bill for such costs.

Upon not less than thirty (30) days written notice by the Planning Director of City, Landowner shall provide such information as may be reasonably requested and deemed to be required by the Planning Director in order to ascertain compliance with this Agreement.

In the same manner prescribed in Section 10, the City shall deposit in the mail to Landowner a copy of all staff reports and related exhibits concerning contract performance and, to the extent practical, at least ten (10) calendar days prior to any such periodic review. Landowner shall be permitted an opportunity to be heard orally or in writing regarding its performance under this Agreement before the City Council or if the matter is referred to the Planning Commission before said Commission.

If City takes no action within thirty (30) days following the hearing required under Roseville Municipal Code Section 19.94.080, or any successor thereof or amendment thereto, Landowner shall be deemed to have complied in good faith with the provisions of the Agreement.

5.3 Enforced Delay, Extension of Times of Performance. In addition to specific provisions of this Agreement, performance by either party hereunder shall not be deemed to be in default where delays or default are due to war, insurrection, strikes, walkouts, riots, floods, drought, earthquakes, fires, casualties, acts of God, governmental restrictions imposed or mandated by other governmental entities, enactment of conflicting state or federal laws or regulations, new or supplementary environmental regulation, litigation, or similar bases for excused performance. If written notice of such delay is given to City within thirty (30) days of the commencement of such delay, an extension of time for such cause shall be granted in writing for the period of the enforced delay, or longer as may be mutually agreed upon.

5.4 Legal Action. In addition to any other rights or remedies, either party may institute legal action to cure, correct or remedy any default, to enforce any covenant or agreement herein, or to enjoin any threatened or attempted violation. Provided, however, the sole remedy of City for any default of this Agreement by Landowner shall be to terminate this Agreement and the vesting of the Entitlements hereunder and to cease approving requests for development of the Property. All legal actions shall be initiated in the Superior Court of the County of Placer, State of California, or in the Federal District Court in the Eastern District of California.

5.5 Effect of Termination. If this Agreement is terminated following any event of default of Landowner or for any other reason, such termination shall not affect the validity of any building or improvement within the Property which is completed as of the date of termination, provided that such building or improvement has been constructed pursuant to a building permit issued by the City. Furthermore, no termination of this Agreement shall prevent Landowner from completing and occupying any building or other improvement authorized pursuant to a valid building permit previously issued by the City that is under construction at the time of termination, provided that any such building or improvement is completed in accordance with said building permit in effect at the time of such termination.

5.6 Applicable Law and Attorneys' Fees. This Agreement shall be construed and enforced in accordance with the laws of the State of California. Should any legal action be brought by either party for breach of this Agreement or to enforce any provisions herein, the prevailing party to such action shall be entitled to reasonable attorneys' fees, court costs and such other costs as may be fixed by the Court.

SECTION 6: HOLD HARMLESS AGREEMENT

Landowner and its successors-in-interest and assigns, hereby agrees to, and shall defend and hold City, its elective and appointive boards, commissions, officers, agents, and employees harmless from any liability for damage or claims for damage for personal injury, or bodily injury including death, as well as from claims for property damage which may arise from the operations of Landowner, or of Landowner's contractors, subcontractors, agents, or employees under this Agreement, whether such operations be by Landowner, or by any of Landowner's contractors or subcontractors, or by any one or more persons directly or indirectly employed by, or acting as agent for, Landowner or Landowner's contractors or subcontractors, unless such damage or claim arises from the negligence or willful misconduct of City. The foregoing indemnity obligation of Landowner shall not apply to any liability for damage or claims for damage with respect to any damage to or use of any public improvements after the completion and acceptance thereof by City.

In addition to the foregoing indemnity obligation, Landowner agrees to and shall defend, indemnify and hold City, its elective and appointive boards, commissions, officers, agents and employees harmless from any suits or actions at law or in equity arising out of the execution, adoption or implementation of this Agreement, exclusive of any such actions brought by Landowner, its successors-in-interests or assigns. City acknowledges hereby that the foregoing liability of Landowner shall be limited to its interest in the Property and that neither Landowner nor any of its partners, officers, shareholders, employees or agents shall have any personal liability therefor.

Upon acceptance of ownership of any rights-of-way, easements and/or wetland preserves, and upon acceptance of any public improvements to be constructed by Landowner hereunder, City shall indemnify, defend and hold Landowner harmless from any and all costs, liabilities or damages for which Landowner is held responsible or alleged to be responsible due to the City's use of such accepted property and/or improvements. Such indemnity shall not apply, however, to any warranty claims that arise out of or relate to any defect or alleged defect in workmanship or materials arising within one (1) year from the City's acceptance of such improvements or any other claims that arise out of or relate to the active negligence or alleged active negligence of Landowner or any employees, agents or contractors thereof.

SECTION 7: PROJECT AS A PRIVATE UNDERTAKING

It is specifically understood and agreed by and between the parties hereto that the subject project is a private development. No partnership, joint venture or other association of any kind is formed by this Agreement.

SECTION 8: 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 cooperate in defending said action.

SECTION 9: GENERAL

9.1 Enforceability. The City agrees that unless this Agreement is amended or terminated pursuant to the provisions of this Agreement and the Adopting Ordinance, this Agreement shall be enforceable by any party hereto notwithstanding any change hereafter in the general plan or any applicable zoning ordinance, subdivision ordinance or building regulation adopted by City, or by initiative, which changes, alters or amends the rules, regulations and policies applicable to the development of the Property at the time of approval of this Agreement, as provided by Government Code Section 65866.

9.2 City Finding. The City hereby finds and determines that execution of this Agreement is in the best interest of the public health, safety and general welfare and is consistent with the General Plan.

9.3 Third Party Beneficiaries. This Agreement is made and entered into for the sole protection and benefit of the Landowner and the City and their successors and assigns. No other person shall have any right of action based upon any provision in this Agreement.

9.4 Severability. Except as set forth herein, if any term, covenant or condition of this Agreement or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term, covenant or condition to persons, entities or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Agreement shall be valid and be enforced to the fullest extent permitted by law; provided, however, if any provision of this Agreement is determined to be invalid or unenforceable and the effect thereof is to deprive a party hereto of an essential benefit of its bargain hereunder, then such party so deprived shall have the option to terminate this entire Agreement from and after such determination.

9.5 Construction. This Agreement shall be subject to and construed in accordance and harmony with the Roseville Municipal Code, as it may be amended, provided that such amendments do not affect the rights granted to the parties by this Agreement.

9.6 Other Necessary Acts. Each party shall execute and deliver to the other all such other further instruments and documents as may be reasonably necessary to carry out this Agreement in order to provide and secure to the other party the full and complete enjoyment of its rights and privileges hereunder.

9.7 Estoppel Certificate. Either party may, at any time, and from time to time, deliver written notice to the other party requesting such party to certify in writing that, to the knowledge of the certifying party, (i) this Agreement is in full force and effect and a binding obligation of the parties, (ii) this Agreement has not been amended or modified either orally or in writing, or if so amended, identifying the amendments, and (iii) the requesting party is not in default in the performance of its obligations under this Agreement, or if in default, to describe therein the nature of such default. The party receiving a request hereunder shall execute and return such certificate within thirty (30) days following the receipt thereof. City acknowledges that a certificate hereunder may be relied upon by transferees and mortgagees of Landowner.

SECTION 10: NOTICES

All notices required by this Agreement, the enabling legislation, or the procedure adopted pursuant to Government Code Section 65865, shall be in writing and delivered in person or sent by certified mail, postage prepaid.

Notice required to be given to the City shall be addressed as follows:

Planning Director
City of Roseville
316 Vernon Street, Room 104
Roseville, CA 95678

Notice required to be given to the Landowner shall be addressed as follows:

Stanford Ranch I. LLC
3715 Atherton Road
P.O. Box 1200
Rocklin, CA 95677

Either party may change the address stated herein by giving notice in writing to the other party, and thereafter notices shall be addressed and transmitted to the new address.

II. ASSIGNMENT

Landowner shall have the full right to assign this Agreement as to the Property, or any portion thereof, in connection with any sale, transfer or conveyance thereof, and upon the express written assignment by Landowner and assumption by the assignee of such assignment in the form attached hereto as **Exhibit "H"** and the conveyance of Landowner's interest in the Property related thereto, Landowner shall be released from any further liability or obligation hereunder related to the portion of the Property so conveyed and the assignee shall be deemed to be the "Landowner," with all rights and obligations related thereto, with respect to such conveyed property.

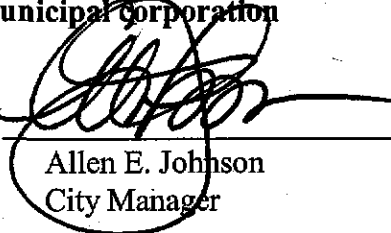
III. FORM OF AGREEMENT, EXHIBITS

This Agreement is executed in two duplicate originals, each of which is deemed to be an original. This Agreement consists of 35 pages and fourteen (14) exhibits, which constitute the entire understanding and agreement of the parties.

Approved this 20th day of August, 2000, by the City Council of the City of Roseville.

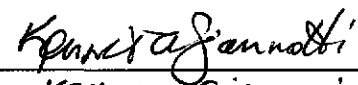
CITY:

CITY OF ROSEVILLE,
a municipal corporation


By: 
Allen E. Johnson
City Manager

LANDOWNER:

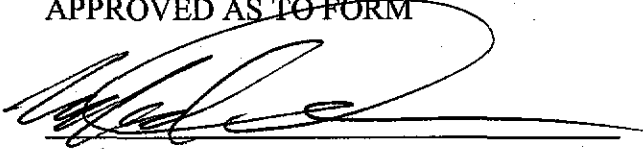
STANFORD RANCH I, LLC, a Delaware
limited liability company

By: 
Name: KENNETH GIANNOTTI
Title: VICE PRESIDENT

ATTEST:


Carolyn Parkinson
City Clerk

APPROVED AS TO FORM


Mark J. Doane
City Attorney

LIST OF EXHIBITS

- Exhibit A-- Property Description
 - A-1 -- Legal Description of the Property
 - A-2 -- Diagram of the Property
- Exhibit B -- Land Uses for the Property
 - B-1 -- Land Use Table
- Exhibit C -- General Location for Bike Trail and Underlying Waterline
 - C-1 -- Detailed Description of Bike Trail
 - C-2 -- Milestone Schedule for Bike Trail Application
 - C-3 -- Restricted Wetland Preserve
- Exhibit D -- Electric Distribution Facilities
 - D-1 -- Off-Site Electric Distribution Facilities
 - D-2 -- On-Site Electric Distribution Facilities
- Exhibit E -- Water Lines
- Exhibit F -- Wastewater Lines
- Exhibit G -- Winding Creek Road
- Exhibit H -- Form of Assignment

Exhibit A-1

Number 1 – Stanford Ranch Parcel

The land referred to herein is situated in the County of Placer, State of California, described as follows:

ALL that portion of Sections 9 and 16, Township 11 North, Range 6 East, Mount Diablo Base and Meridian, being a portion of Exhibit "A" – Parcel 6, as described in the Deed recorded in Book 1240 of Official Records, at Page 45, more particularly described as follows:

BEGINNING at a point in the North line of Section 16, from whence the North quarter corner of said Section 16, bears North 89°05'09" East, 134.03 feet; said quarter corner being marked by a 2-inch iron pipe marked "L.S.2933"; thence from said point of beginning, South 00°00'02" West, 1,056.46 feet; thence South 14°00'00" East, 950.00 feet; thence North 76°00'00" East, 1,089.77 feet to a point in the Westerly line of the Southern Pacific Company Railroad right-of-way; thence along said Westerly right-of-way line, South 05°56'29" West, 776.45 feet, more or less, to the Northeast corner of that 25.873 acre parcel described in the Deed recorded in volume 1115, at Page 433, Official Records of Placer County; thence along the boundary of said 25.873 acre parcel the following two courses:

- 1) South 89°38'20" West, 944.87 feet, and
- 2) South 00°21'40" East, 838.39 feet, more or less,

to a point in the Southerly line of the Pacific Gas and Electric Company right-of-way described in the Deed recorded in Book 738, at Page 426, Official Records of Placer County; thence along said Southerly right-of-way line, North 47°43'00" West, 3,363.58 feet, more or less, to a point in the East line of Parcel 1 as described in the Deed recorded in Book 405, at Page 187, Official Records of Placer County; thence along said East line of Parcel 1, North 00°08'12" East, 1,032.82 feet, more or less, to a point in the North line of said Section 16; thence continuing along the prolongation of said East line of Parcel 1, North 00°08'12" East, 257.44 feet; thence South 89°59'58" East, 2,218.11 feet; thence South 00°00'02" West, 222.03 feet to the point of beginning.

EXCEPTING THEREFROM all oil, gas, minerals, hydrocarbons and kindred substances lying below a depth of 500 feet, as conveyed to National Resources Equities Corporation by deed recorded November 10, 1969 in Book 1269, Official Records, at Page 62, and as conveyed to Land Researchers, Inc., a California Corporation, by deed recorded February 13, 1986 in Book 2929, Page 409; and as conveyed to IPG Company, a Delaware Corporation, by deed recorded June 20, 1986 in Book 2992, Page 47, Placer County Official Records.

ALSO EXCEPTING THEREFROM all that portion thereof lying North of the South line of Sunset Business Park Unit No. 1, as shown on Parcel Map recorded October 6, 1976 in Book 9 of Parcel Maps, at Page 25, Official Records of Placer County.

ALSO EXCEPTING THEREFROM that portion of the property described as Parcel Three in the Quitclaim Deed to Stanford Ranch I, LLC, recorded May 28, 1996 as Instrument Number 96-029928, Official Records of Placer County, located in Section 16, Township 11 North, Range 6 East, Mount Diablo Meridian, City of Roseville, Placer County, California, described as follows:

BEGINNING at the most Easterly Southeast corner of said property, said point being on the Westerly line of the Southern Pacific Company Railroad right-of-way, as described in said deed, from which corner of hexagonal PG&E monument marking the Northwest corner of the 25.873 acre parcel described in the deed recorded in Volume 1115, Page 433, Official Records of Placer County, bears South 89°52'00" West, 950.44 feet; thence along the Northerly line of said 25.873 acre parcel, South 89°52'00" West, 301.99 feet to a point on a line parallel with and 300.00 feet Westerly of said railroad right-of-way; thence along said parallel line, North 06°26'52" East, 714.14 feet to a point on the Northerly boundary of said Stanford Ranch I property; thence along said Northerly boundary of said Stanford Ranch I property, North 76°31'34" East, 319.09 feet to a point on said railroad right-of-way; thence along said railroad right-of-way, South 06°26'52" West, 788.26 feet to the point of beginning, as conveyed to the City of Roseville in Deed recorded February 3, 1999 as Instrument No. 99-0009666, Official Records.

APN: 017-112-026 (ptn)
Future APN: 017-114-071

End of Description

Exhibit A-1

Number 2 - PG&E Parcel

ALL that portion of the East half of Section 16, Township 11 North, Range 6 East, Mount Diablo Meridian, more particularly described as follows:

BEGINNING at a Pacific Gas and Electric Company bronze monument in the Westerly boundary line of the railroad right-of-way of the Southern Pacific Railroad Company traversing said Section 16, from which the 2 inch brass cap on a pipe (marked L.S. 2933) marking the Southeast corner of said Section 16 bears South 56°15'30" East, 1,987.29 feet distant and running thence along the Westerly boundary line of said railroad right-of-way the following three courses, namely:

- 1) North 00°08'00" West, 872.40 feet to a Pacific Gas and Electric Company bronze monument;
- 2) Northerly on a curve to the right, with radius of 5,829.65 feet, through a central angle of 06°24'30" and tangent at the Southerly terminus thereof to the preceding course, an arc distance of 652.03 feet to a Pacific Gas and Electric Company bronze monument, and
- 3) North 06°16'30" East, 127.14 feet to a Pacific Gas and Electric Company bronze monument;

thence South 89°52'00" West, 950.65 feet to a Pacific Gas and Electric Company bronze monument; thence South 00°08'00" East, 825.00 feet to a Pacific Gas and Electric Company bronze monument; thence South 47°38'30" East, 1,220.54 feet, more or less, to the point of beginning.

Said land being the same property shown on that certain Record of Survey filed January 23, 1967 in Book 3, Page 5 of Surveys, in the Office of the Placer County Recorder,

APN: 017-114-064

End of Description

EXHIBIT A-1

The land referred to herein is situate in the City of Roseville, County of Placer, State of California, described as follows:

Number 3 – Lot 5

Lot 5, as shown and designated on that map entitled "Plat of Carlsberg Industrial Center" filed in Book N of Maps at Page 70, Placer County Records.

Number 4 – Lot 4

Resultant Lot 4, as shown and designated in that certain document recorded in Instrument No. 94-001760 Placer County Official Records, described as follows:

A portion of Lots 3 and 4 as shown on that map filed in Book N of Maps at Page 70, Placer County Records, being a portion of Section 16, Township 11 North, Range 6 East, M.D.M., more particularly described as follows:

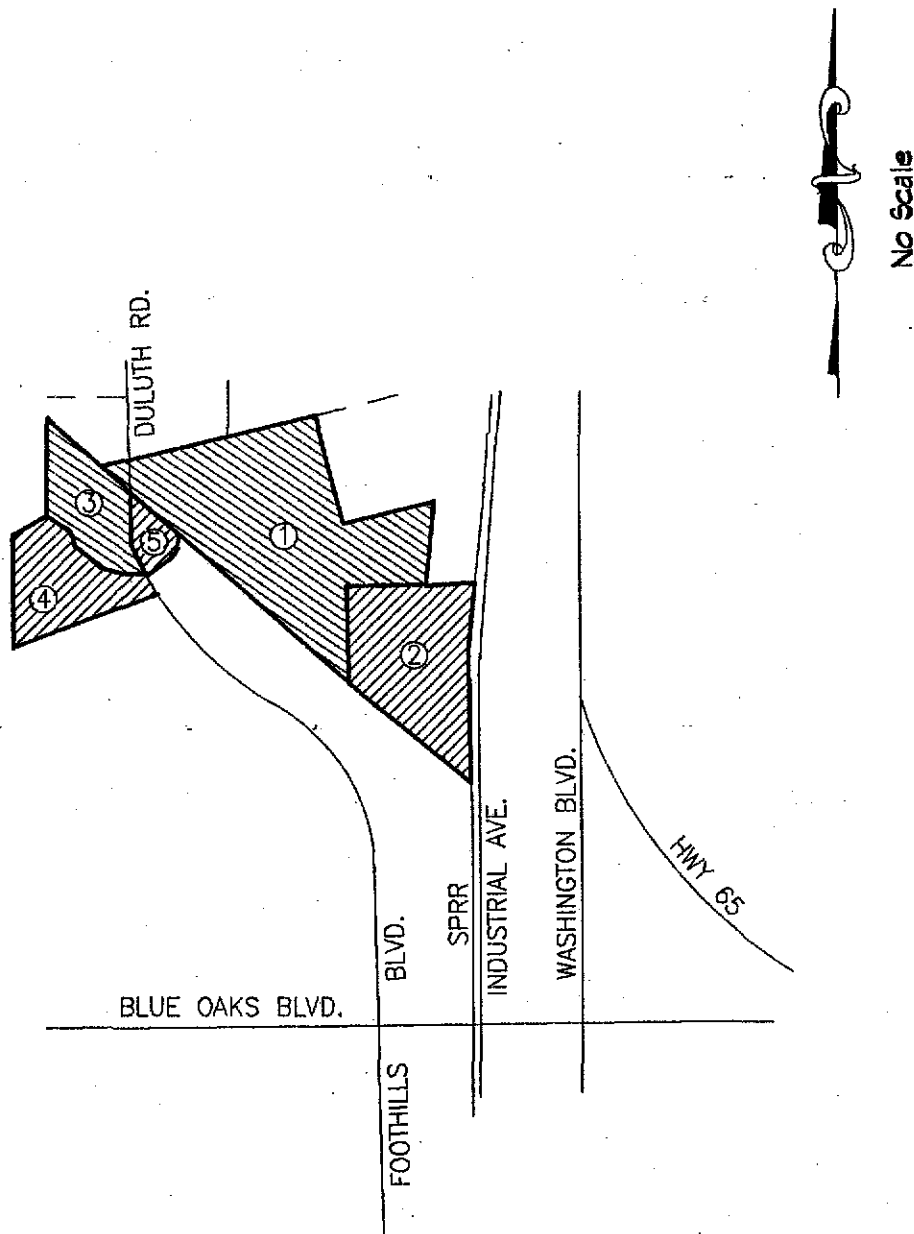
BEGINNING at the Northernmost corner of said Lot 4; thence from said point of beginning along the Northwesterly boundary of said Lot 4 South $58^{\circ}08'16''$ West, 339.78 feet to a point on the West line of said Section 16; thence along said West line the following two (2) consecutive courses: 1) South $00^{\circ}07'16''$ West, 596.67 feet to the West quarter corner of said Section 16; and 2) South $00^{\circ}05'05''$ West, 343.80 feet to a point from which the Southernmost corner of said Lot 4 bears the following two (2) consecutive courses: 1) South $00^{\circ}05'05''$ West, 82.74 feet; and 2) South $75^{\circ}11'27''$ East, 400.26 feet; thence leaving said West line of Section 16, North $69^{\circ}21'00''$ East, 1,233.79 feet to a point on the Northeasterly boundary of said Lot 3, being also a point on the Westerly right-of-way of Foothills Boulevard as shown on said map (N Maps, 70); thence along said Northeasterly boundary of Lot 3, being also said Westerly right-of-way of Foothills Boulevard along the arc of a 1,055.00 foot radius curve to the right, through a central angle of $00^{\circ}12'46''$ for 3.92 feet (Chord: North $39^{\circ}45'35''$ West, 3.92 feet) to the Northernmost corner of said Lot 3; thence along the Easterly boundary of said Lot 4, continuing along said Westerly right-of-way of Foothills Boulevard along the following three (3) consecutive courses: 1) along the arc of a 1,055.00 foot radius curve to the right, through a central angle of $06^{\circ}30'26''$ for 119.82 feet (Chord: North $36^{\circ}23'58''$ West, 119.75 feet); 2) North $73^{\circ}30'00''$ West, 85.93 feet; and 3) North $28^{\circ}30'00''$ West, 83.58 feet; thence leaving said Westerly right-of-way along the Northeasterly boundary of said Lot 4 the following eight (8) consecutive courses: 1) South $84^{\circ}35'17''$ West, 64.39 feet; 2) North $74^{\circ}57'26''$ West, 165.68 feet; 3) North $48^{\circ}16'40''$ West, 160.78 feet; 4) North $50^{\circ}08'23''$ West, 134.18 feet; 5) North $11^{\circ}26'58''$ West, 80.60 feet; 6) North $31^{\circ}36'27''$ West, 76.32 feet; 7) North $66^{\circ}26'52''$ West, 42.54 feet; and 8) North $52^{\circ}35'33''$ West, 158.92 feet to the point of beginning, containing 15.95 acres, more or less.

Number 5 – Lot 6

Lot 6, as shown and designated on that map entitled "Plat of Carlsberg Industrial Center" filed in Book N of Maps at Page 70, Placer County Records.

End of Description

EXHIBIT A-2



LEGEND

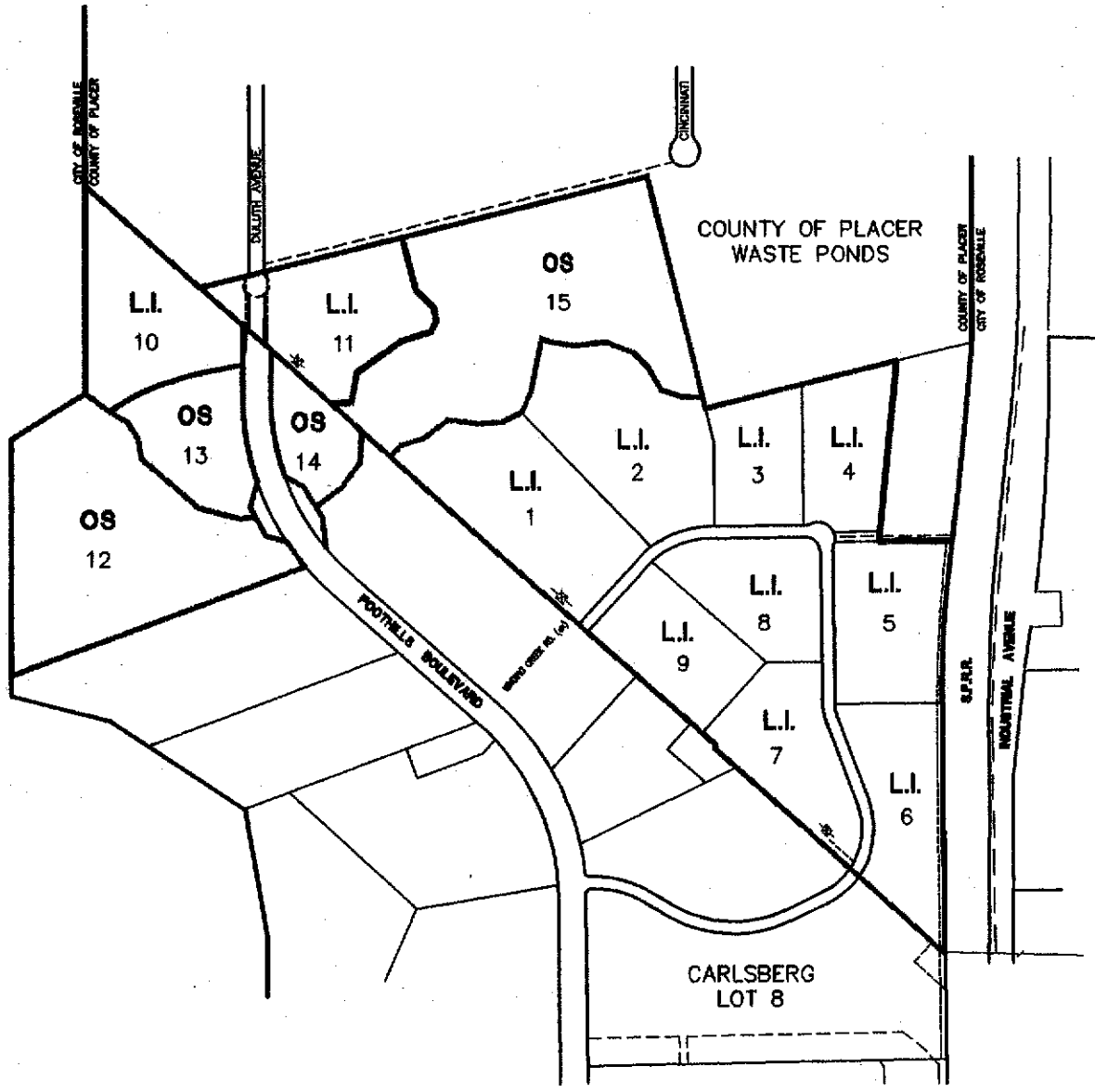
- ① STANFORD RANCH PARCEL (PROPOSED FOR ANNEXATION)
- ② P.G.&E. PARCEL (PROPOSED FOR ANNEXATION)
- ③ LOT 5 - N/MAPS/70-CARLSBERG INDUSTRIAL PARK PARCELS (CURRENTLY WITHIN CITY)
- ④ LOT 4 - N/MAPS/70-CARLSBERG INDUSTRIAL PARK PARCELS (CURRENTLY WITHIN CITY)
- ⑤ LOT 6 - N/MAPS/70-CARLSBERG INDUSTRIAL PARK PARCELS (CURRENTLY WITHIN CITY)

Spannagel and Associates
Civil Engineering & Land Surveying

3845 Atherton Road, Ste. 7
Rocklin, California 95765
(916) 624-1818

EXHIBIT B

LAND USE EXHIBIT



Spannagel and Associates
 Civil Engineering & Land Surveying
 3845 Atherton Road, Ste. 7
 Rocklin, California 95765
 (916) 624-1018

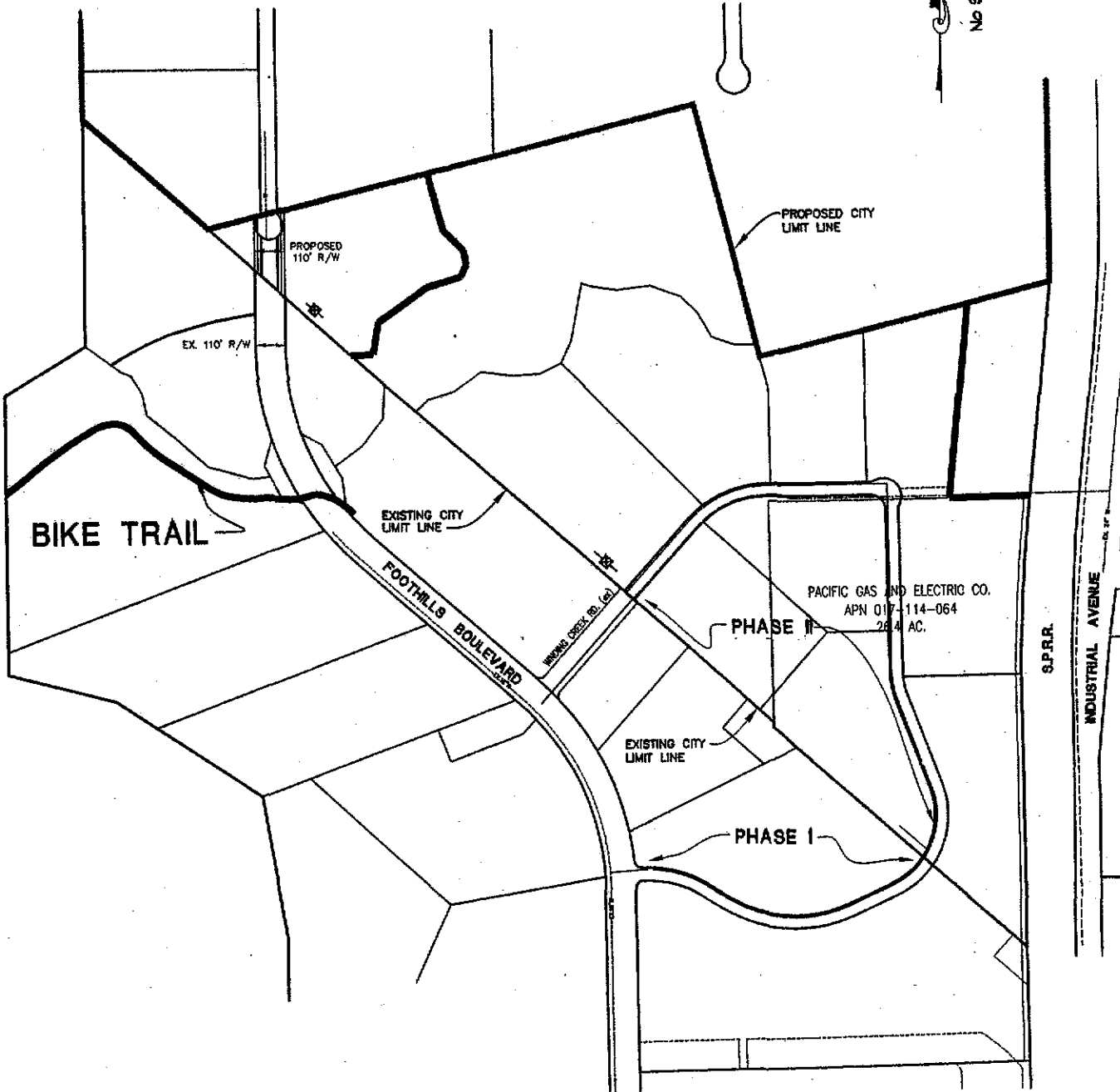
0502' 0000 00185

**Exhibit B-1
Foothills Business Park Annexation
Land Use Table**

Parcel	Acreage	Proposed General Plan Designation	Proposed Zoning
1	9.31	Light Industrial	M-1 / SA
2	8.89	Light Industrial	M-1 / SA
3	4.18	Light Industrial	M-1 / SA
4	4.95	Light Industrial	M-1 / SA
5	6.65	Light Industrial	M-1 / SA
6	6.47	Light Industrial	M-1 / SA
7	6.07	Light Industrial	M-1 / SA
8	5.39	Light Industrial	M-1 / SA
9	5.29	Light Industrial	M-1 / SA
10	7.35	Light Industrial	M-1 / SA
11	7.38	Light Industrial	M-1 / SA
12	15.95	Open Space	OS
13	4.88	Open Space	OS
14	2.96	Open Space	OS
15	19.09	Open Space	OS
TOTAL	114.81		

EXHIBIT C

PRELIMINARY BIKE TRAIL

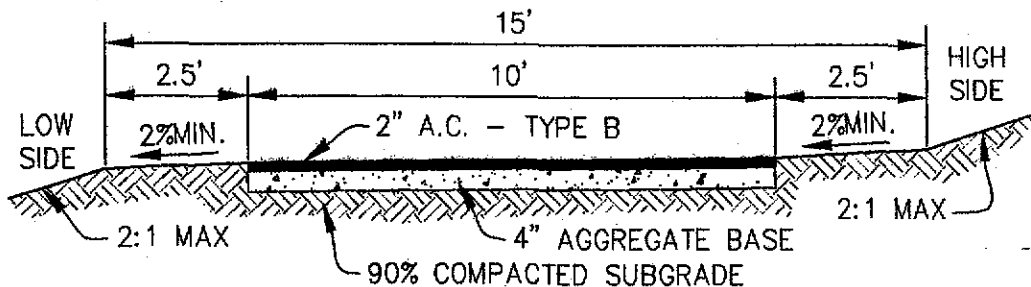
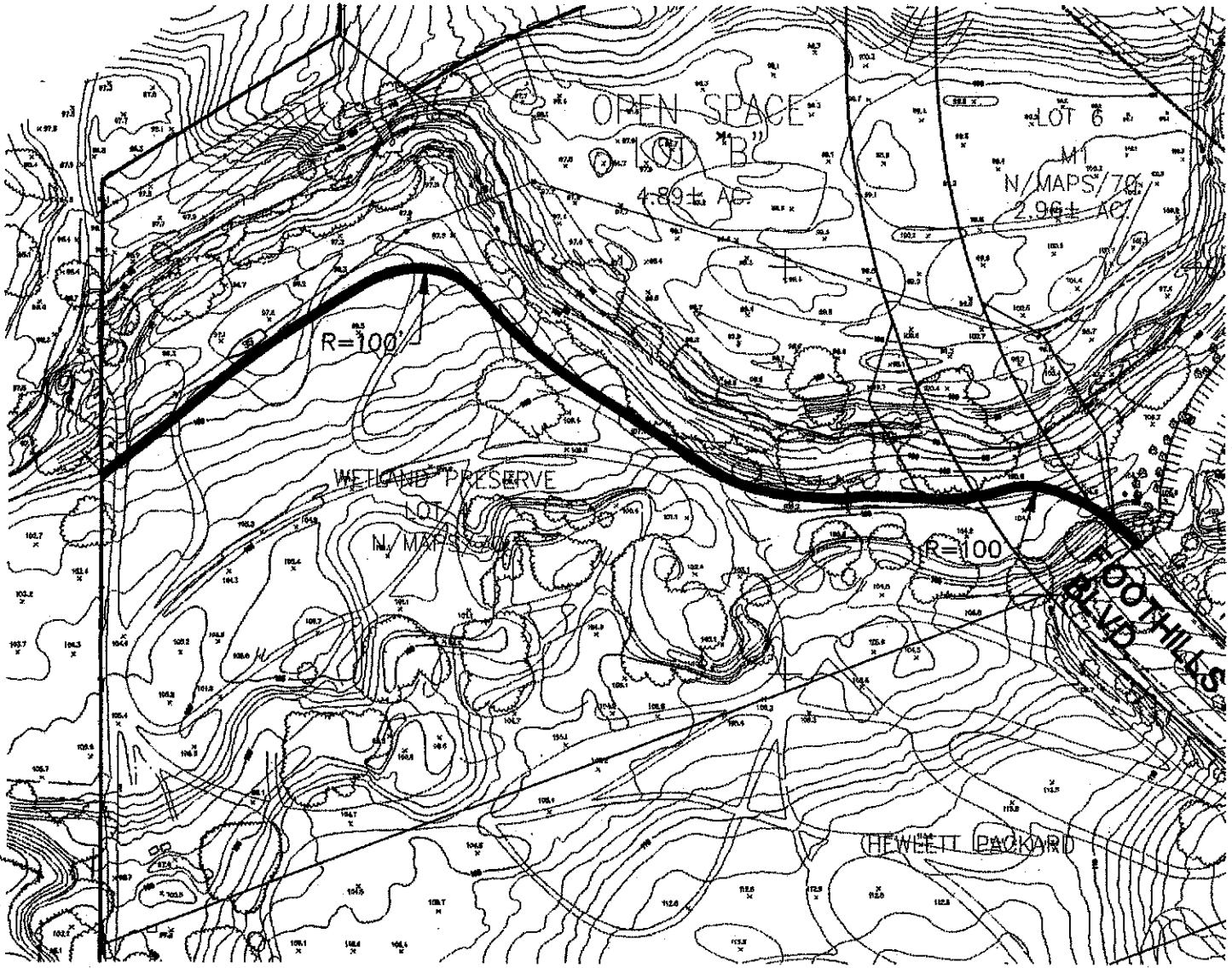


01902 010101 01015 01019

EXHIBIT C-1

PRELIMINARY ALIGNMENT FOR BIKE TRAIL AND UNDERLYING WATERLINE

Scale: 1" = 200'



A.C. BIKE PATH DETAIL PER CST LS-20
NO SCALE

Spannagel and Associates
Civil Engineering & Land Surveying

3645 Atherton Road, Ste. 7
Rocklin, California 95766
(916) 624-1618

Exhibit C-2
Milestone Schedule
Permit Processing with Army Corps of Engineers for Bike Trail through
Wetland Preserve

Corps of Engineers Review of Operations and Management Plan for Wetland Preserve Area:

Prepare Draft O & M Plan and submit to City for their review/ approval (Bike trail and water line to be described as a proposed use in the O&M)	7/01/00
City review of O & M Plan; comments back to Stanford Ranch	8/01/00
Stanford Ranch to revise O & M plan; submit to City for review	8/15/00
City to complete review of revised O & M	8/30/00
ECORP to submit O & M to Corps for review/approval	9/15/00
Corps review; expected response date to O & M plan	11/15/00
ECORP to revise plan based on Corps comments	11/30/00
Stanford Ranch and City to review revised plan	12/30/00
ECORP to submit revised plan to Corps	01/15/01
Approval of O & M plan received from Corps	02/15/01

Nationwide Permit 14 - Linear Crossing (for bike trail connection to Foothills)

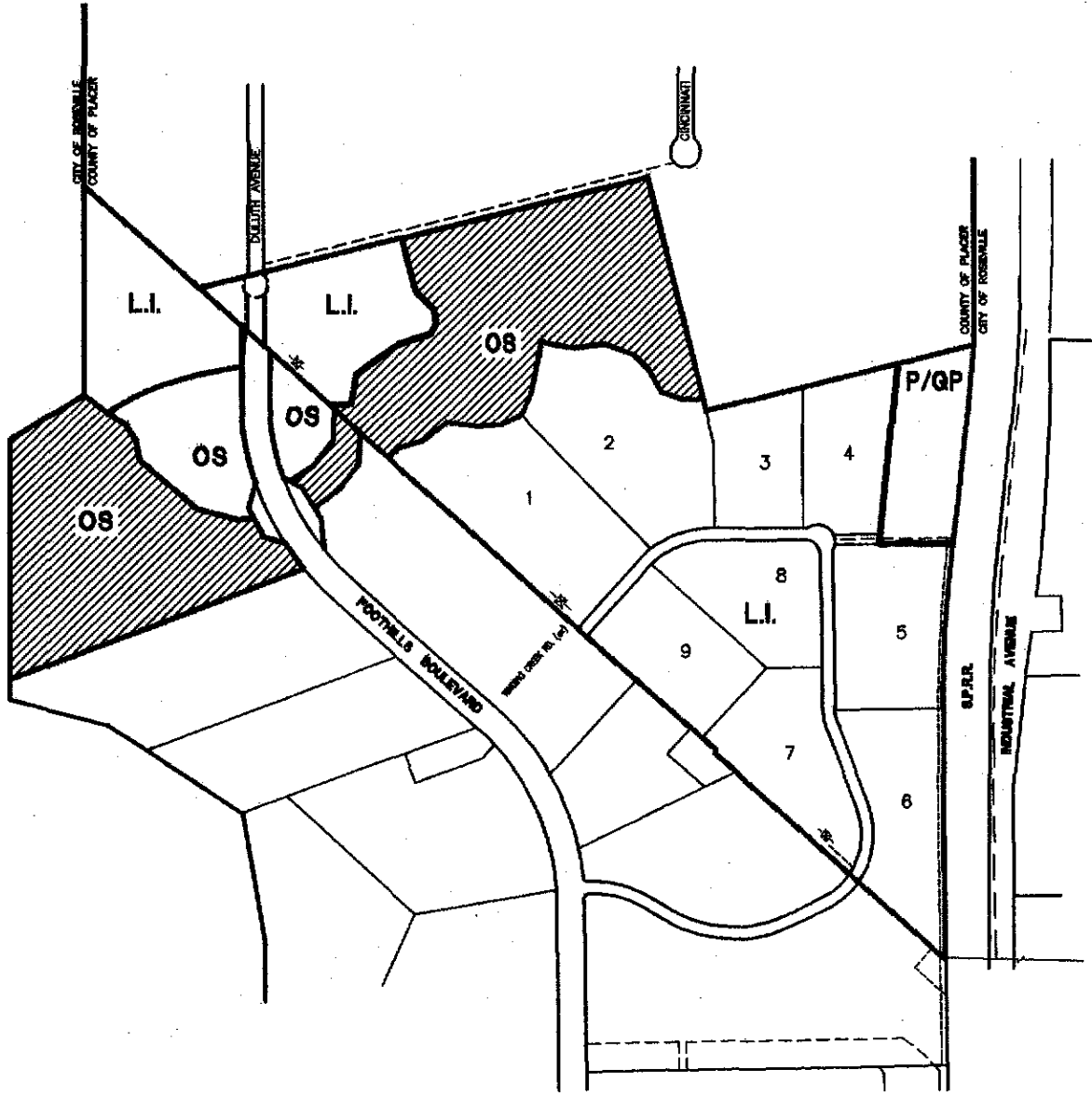
Submit permit application to Corps	07/01/00
Corps to determine completeness of application (30 days)	08/01/00
Corps to issue permit (45 days)	09/15/00

Note: Per Section 2.5.B, Landowner acknowledges that the Army Corps of Engineers may subsequently decide to require Landowner to process either an amendment to the 404 Permit or a new 404 Permit for the bike trail improvements, instead of allowing such improvements to be included within the O & M Plan. In such case, Landowner will revise the above schedule accordingly subject to review of the Planning Department.


EXHIBIT C-3

RESTRICTED WETLANDS PRESERVE

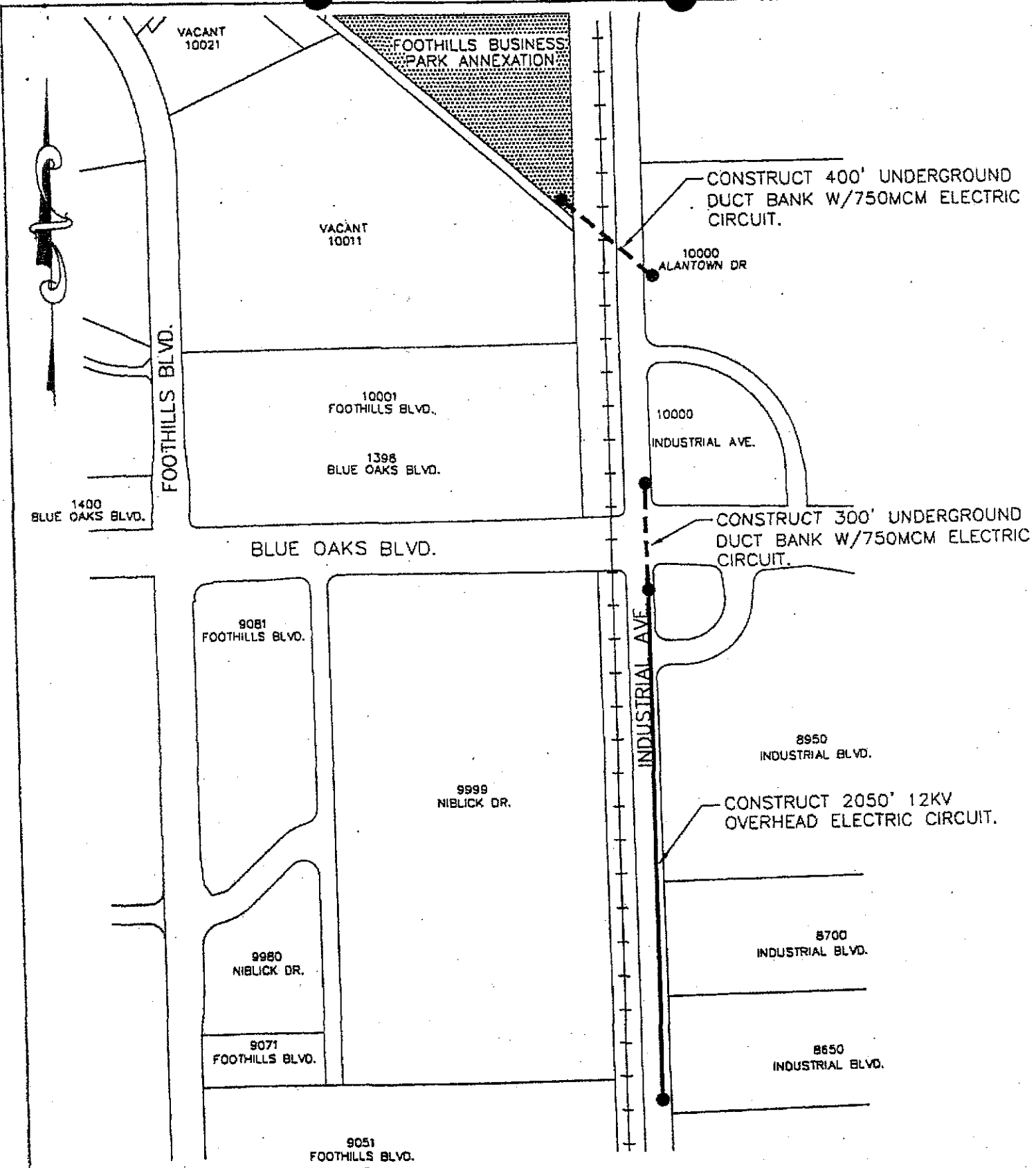
No Scale



LEGEND:

 RESTRICTED WETLAND PRESERVE WITHIN OPEN SPACE (APPROXIMATE LOCATION)

Spannagel and Associates
 Civil Engineering & Land Surveying
 3845 Atherton Road, Ste. 7
 Rocklin, California 95765
 (916) 824-1618



Roseville Electric
 Reliable Energy - Dependable Service
 (916) 774-5601

FOOTHILLS BUSINESS PARK ANNEXATION

EXHIBIT D-1
 OFF-SITE ELECTRIC

* LOTS 10 AND 11 TO BE SERVED FROM EXISTING OVERHEAD 12kV FROM ROSEVILLE ELECTRIC

LOT 10*

LOT 11*

PROPOSED CITY LIMIT LINE



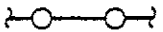
FOOTHILLS BOULEVARD

INDUSTRIAL RD. (S)

B.P.R.R.

INDUSTRIAL AVENUE

EXISTING CITY LIMIT LINE



OVERHEAD 12-kV ELECTRIC



12-kV MAINLINE ELECTRIC DISTRIBUTION CIRCUIT - UNDERGROUND

TO OFF-SITE EXTENSION (SEE EXHIBIT D-1)

RECEIVED

MAY 15 2000



Roseville Electric

Reliable Energy • Dependable Service

(916) 774-5601

PLANNING DEPARTMENT
FOOTHILLS BUSINESS PARK ANNEXATION

EXHIBIT D-2

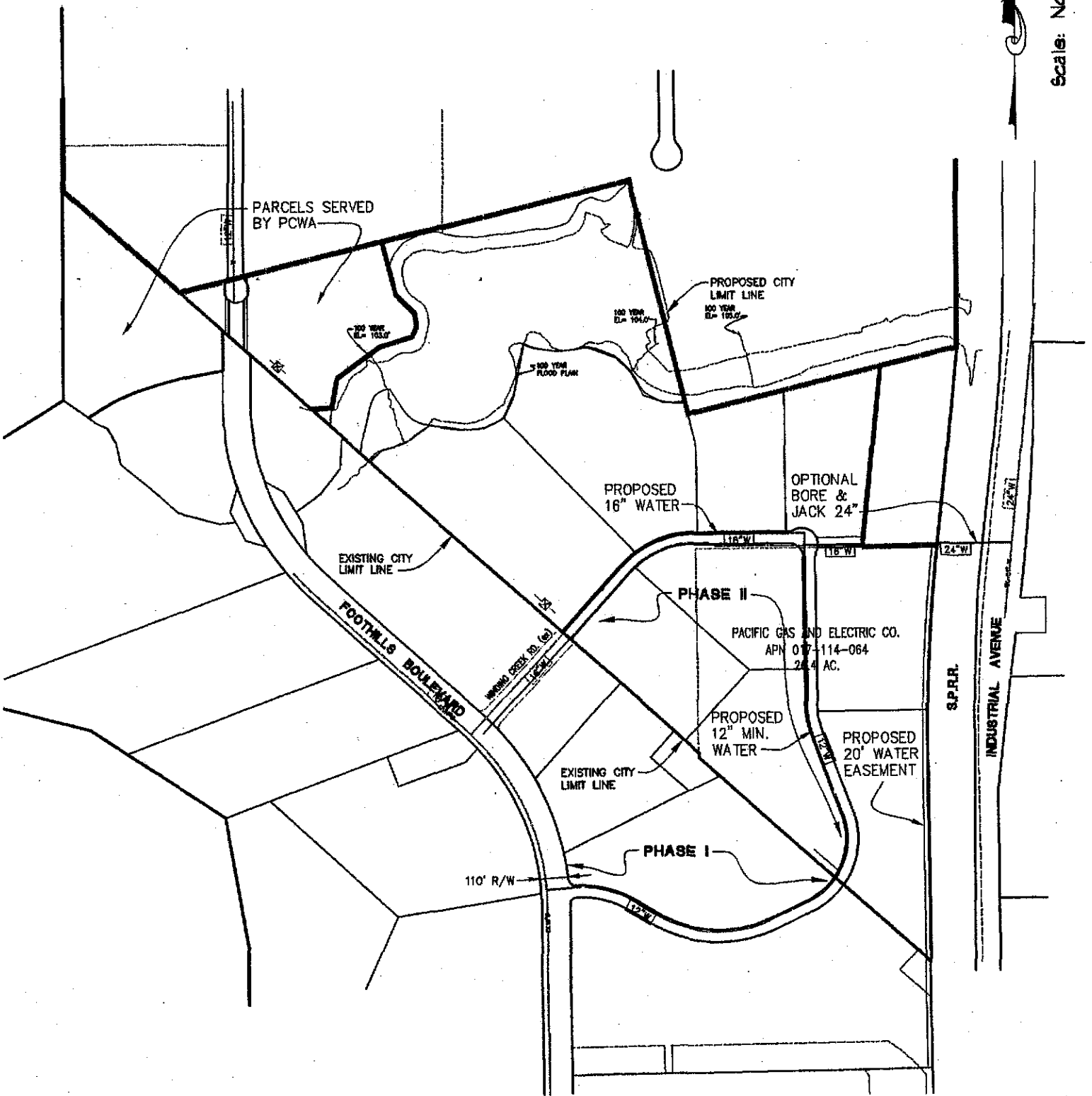
ON-SITE ELECTRIC

0902 00000 00000 00000

5-11-00

EXHIBIT E WATER SERVICE

Scale: No Scale



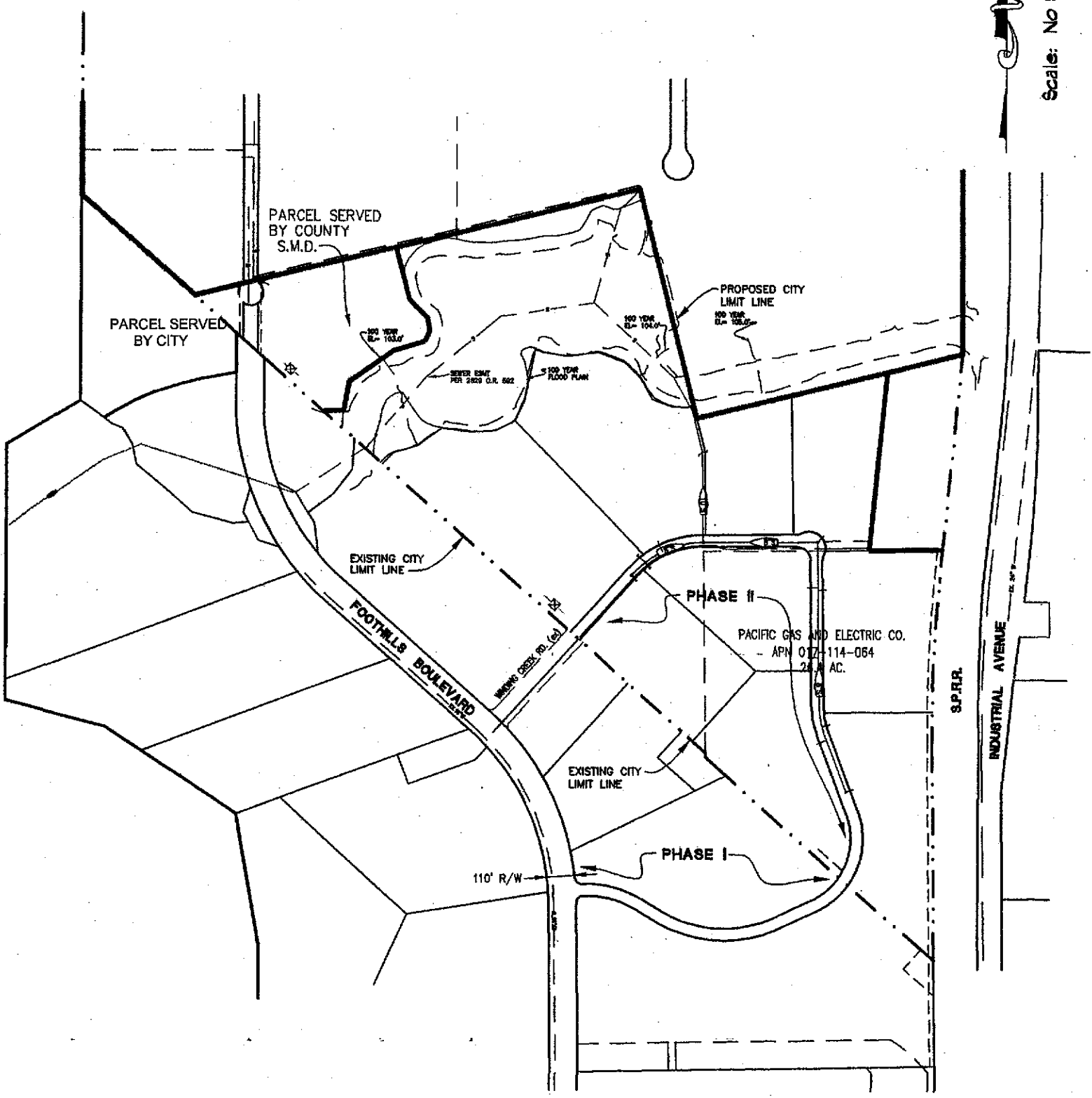
Spannagel and Associates
Civil Engineering & Land Surveying

3645 Atherton Road, Ste. 7
Rocklin, California 95765
(916) 824-1618

EXHIBIT F

SEWER SERVICE

Scale: No Scale



Spannagel and Associates
Civil Engineering & Land Surveying
3845 Atherton Road, Ste. 7
Rocklin, California 95765
(916) 624-1618

EXHIBIT "H"

When Recorded, Return to:

Attn: _____

**ASSIGNMENT AND ASSUMPTION AGREEMENT
RELATIVE TO
FOOTHILLS BUSINESS PARK DEVELOPMENT AGREEMENT
(Parcel _____)**

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (hereinafter, the "Agreement") is entered into this ___ day of _____, 20___, by and between STANFORD RANCH I, LLC, a Delaware limited liability company (hereinafter "**Developer**"), and _____, a _____ (hereinafter "**Assignee**").

RECITALS

A. On _____, 2000, the City of Roseville and Developer entered into that certain agreement entitled "Development Agreement By and Between The City of Roseville and Stanford Ranch I LLC Relative to the Foothills Business Park" (hereinafter the "**Development Agreement**"). Pursuant to the Development Agreement, Developer agreed to develop certain property more particularly described in the Development Agreement (hereinafter, the "Subject Property"), subject to certain conditions and obligations as set forth in the Development Agreement. The Development Agreement was recorded against the Subject Property in the Official Records of Placer County on _____, 2000, as **Instrument No. 2000-**_____.

B. Developer intends to convey a portion of the Subject Property to Assignee, commonly referred to as Parcel _____, and more particularly identified and described in **Exhibit A**, attached hereto and incorporated herein by this reference (hereinafter the "**Assigned Parcel**").

C. Developer desires to assign and Assignee desires to assume all of Developer's right, title, interest, burdens and obligations under the Development Agreement with respect to and as related to the Assigned Parcel.

ASSIGNMENT AND ASSUMPTION

NOW, THEREFORE, Developer and Assignee hereby agree as follows:

1. Developer hereby assigns, effective as of Developer's conveyance of the Assigned Parcel to Assignee, all of the rights, title, interest, burdens and obligations of Developer under the Development Agreement with respect to the Assigned Parcel. Developer retains all the rights, title, interest, burdens and obligations under the Development Agreement with respect to all other property within the Subject Property owned by Developer.

2. Assignee hereby assumes all of the rights, title, interest, burdens and obligations of Developer under the Development Agreement with respect to the Assigned Parcel, and agrees to observe and fully perform all of the duties and obligations of Developer under the Development Agreement with respect to the Assigned Parcel, and to be subject to all the terms and conditions thereof with respect to the Assigned Parcel. The parties intend hereby that, upon the execution of this Agreement and conveyance of the Assigned Parcel to Assignee, Assignee shall become substituted for Developer as the "Developer" under the Development Agreement with respect to the Assigned Parcel.

3. All of the covenants, terms and conditions set forth herein shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

4. The Notice Address described in Section 10 of the Development Agreement for the Developer with respect to the Assigned Parcel shall be:

Attn: _____

IN WITNESS HEREOF, the parties hereto have executed this Agreement as of the day and year first above written. This Agreement may be signed in identical counterparts.

DEVELOPER:

ASSIGNEE:

**STANFORD RANCH LLC, a
Delaware limited liability company**

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

Foothills Boulevard, identified as Parcel 14 on Exhibit "B," is being rezoned to open space and that no water or sewer service will be required therefor.

3.6.1 Water Study. Prior to approval of any improvement plans for any improvements for the Property (excluding any improvements for Parcels 10 and 11), Landowner shall prepare a water study for its on-site water facilities, to the satisfaction of the Environmental Utilities Director. The general design of the water system is shown on Exhibit "E" hereto, provided the water study shall identify the size and locations of the water lines required to serve the Property relative to water demands and shall be accompanied by all supporting technical information and calculations.

3.6.2 Financing of Water Supply. Except as otherwise expressly provided in Section 3.6.5 below regarding Landowner's participation in the extension of the 16" water line from Winding Creek Road to the City's tank site and the 24" water line from the tank site to Industrial Boulevard, Landowner shall have no obligation to install or pay for the installation of any off-site water storage, treatment or transmission facilities, except through the payment of water connection fees levied and collected by the City at the time of development pursuant to then existing City ordinances and this Agreement. Landowner acknowledges that these fees include Landowner's fair share of the North ~~Industrial Plan Area~~ Urban Reserve reimbursement to the North Central Roseville Specific Plan for waterline upsizing.

In addition to the City's existing water fees, Landowner shall pay a supplemental water fee to fund its fair share of groundwater and upgraded water facilities required under its agreement with San Juan to provide water to the Property (the "Supplemental Water Fee"). Such Supplemental Water Fee shall be assessed on a per-parcel basis for the portion of the Property to be served by the City (*i.e.*, for the portion of the Property south of Pleasant Grove Creek), the total of which shall be equal to Two Hundred Thousand Dollars (\$200,000.00), and the outstanding amount of which shall be revised by the City annually, based on the applicable percentage change in the Engineering News Record Construction Cost Index ("CCI") between the effective date of this Agreement and the payment of such amount. Provided, however, at Landowner's option, Landowner may elect to pay the full \$200,000 amount of the Supplemental Water Fee at one time and, if such payment is made to the City within eighteen (18) months of Landowner's recordation of the final subdivision map for any portion of the Property located south of Pleasant Grove Creek, then the foregoing CCI factor shall not be applied to such Fee and Landowner's obligation shall be fully satisfied by the payment of said \$200,000. Unless Landowner elects to pay the entire Fee, the payment for each parcel shall be due upon the issuance of a building permit for the first building to be constructed within each parcel within such portion of the Property. Based on the number of industrial parcels proposed for the Property by the Tentative Map south of Pleasant Grove Creek (nine (9) parcels), the Supplemental Water Fee would be \$22,222 per parcel, as may be subsequently adjusted by the CCI. Provided, if Landowner subsequently amends the Tentative Map to increase or decrease the number of parcels to be created thereby south of the Creek, the City shall revise the per-Parcel Supplemental Water Fee accordingly for the undeveloped Parcels so that the total amount to be paid by such parcels equals the total outstanding Fee amount, as may be adjusted above.

3.6.3 Adequacy of Fire Flows. Prior to issuance of a building permit for development within either Parcel 10 or Parcel 11 north of Pleasant Grove Creek, Landowner shall satisfy the City that the water service to be provided to such development by PCWA will meet the

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of PLACER } ss.

On MARCH 1, 2001, before me, CHERYL D. PALAZZINI, Notary Public
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Kenneth A. GIANNOTTI
Name(s) of Signer(s)

- personally known to me
- 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.



Place Notary Seal Above

WITNESS my hand and official seal.

Cheryl D. Palazzini
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 - FBP

Document Date: 3/1/01 Number of Pages: 53

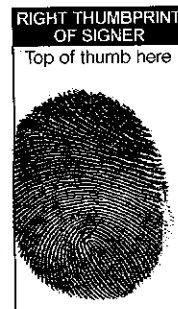
Signer(s) Other Than Named Above: CITY OF ROSEVILLE

Capacity(ies) Claimed by Signer

Signer's Name: Kenneth A. GIANNOTTI

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


Signer Is Representing: STANFORD RANCH I, LLC



STATE OF CALIFORNIA)
): ss.
COUNTY OF PLACER)

On this 21st day of August in the year of 2001, before me, the undersigned, a Notary Public in and for said State, personally appeared Allen E. Johnson, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



Notary Public in and for said State

THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED AS FOLLOWS:

Title or Type of Document Foothills Business Park Development Agreement

Date of Document: August 20, 2001

Acknowledgment – All Purpose

ORDINANCE NO. 3576

ORDINANCE OF THE COUNCIL OF THE CITY OF ROSEVILLE
ADOPTING A DEVELOPMENT AGREEMENT REGARDING FOOTHILLS BUSINESS
PARK (STANFORD RANCH I, LLC),
AND AUTHORIZING THE CITY MANAGER TO
EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE

THE CITY OF ROSEVILLE ORDAINS:

SECTION 1. In accordance with Chapter 19.84 of Title 19 of the Roseville Municipal Code (the Zoning Ordinance) of the City of Roseville, the City Council has received the recommendation of the Planning Commission that the City of Roseville enter into a Development Agreement with Stanford Ranch I, LLC with respect to the Foothills Business park development project.

SECTION 2. The Council of the City of Roseville has reviewed the findings of the Planning Commission recommending approval of the Development Agreement, and makes the following findings:

1. The Development Agreement is consistent with the objectives, policies, general land uses and programs specified in the City of Roseville General Plan and Foothills Business Park;
2. The Development Agreement is consistent with the City of Roseville Zoning Ordinance and Zoning Map;
3. The Development Agreement is in conformance with the public healthy, safety and welfare;
4. The Development Agreement will not adversely affect the orderly development of the property or the preservation of property values; and
5. The Development Agreement will provide sufficient benefit to the City to justify entering into said Agreement;

SECTION 3. The Development Agreement by and between Stanford Ranch I, LLC and the City of Roseville, a copy of which is on file in the City Clerk's Department and incorporated herein by reference, is hereby approved and the City Manager is authorized to execute it on behalf of the City of Roseville.

SECTION 4. The City Clerk is directed to record the executed Development Agreement within ten (10) days of the execution of the agreement by the City Manager with the County Recorder's office of the County of Placer.

SECTION 5. This ordinance shall be effective at the expiration of thirty (30) days from the date of its adoption.

SECTION 6. The City Clerk is hereby directed to cause this ordinance to be published in full at least once within fourteen (14) days after it is adopted in a newspaper of general circulation in the City, or shall within fourteen (14) days after its adoption cause this ordinance to be posted in full in at least three public places in the City and enter in the Ordinance Book a certificate stating the time and place of said publication by posting.

PASSED AND ADOPTED by the Council of the City of Roseville this 11th day of October, 2000, by the following vote on roll call:

AYES COUNCILMEMBERS: Earl Rush, Dan Goodhall, Claudia Gamar, Randolph Graham, Harry Crabb
NOES COUNCILMEMBERS: None
ABSENT COUNCILMEMBERS: None



MAYOR

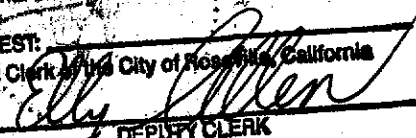
ATTEST:



City Clerk

The foregoing instrument is a correct copy of the original on file in the City Clerks Department.

ATTEST:
City Clerk of the City of Roseville, California



DEPUTY CLERK

Ord 3576
Pga

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61