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ROSEVILLE AND DIAMOND CREEK PARTNERS, LTD. RELATIVE
TO THE NORTH ROSEVILLE SPECIFIC PLAN

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DEVELOPMENT AGREEMENT
BY AND BETWEEN THE CITY OF ROSEVILLE AND
DIAMOND CREEK PARTNERS, LTD. RELATIVE TO THE
NORTH ROSEVILLE SPECIFIC PLAN

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**DEVELOPMENT AGREEMENT
BY AND BETWEEN THE CITY OF ROSEVILLE AND
DIAMOND CREEK PARTNERS, LTD. RELATIVE TO THE
NORTH ROSEVILLE SPECIFIC PLAN**

This Development Agreement is entered into this 19th day of September, 1997, by and between the CITY OF ROSEVILLE, a municipal corporation, hereinafter "City", and DIAMOND CREEK PARTNERS, LTD., a California Limited Partnership, 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 those certain parcels of land, consisting of approximately 308.8 acres located in the City of Roseville, County of Placer, as described in Exhibit "A-1" and shown on Exhibit "A-2" (hereinafter the "Property"), attached hereto and incorporated herein by this reference. Landowner represents that it owns the Property in fee and that all persons holding legal or equitable interests in the Property shall be bound by the Agreement.

3. Hearing. On July 10, 1997, the City Planning Commission, designated by Roseville Ordinance No. 3014 as the planning agency for purposes of development agreement review pursuant to Government Code Section 65867, in a duly noticed and conducted public hearing, considered this Agreement and recommended that the City Council approve this Agreement.

4. Environmental Impact Report. On August 6, 1997, the City Council, in Resolution 97-211, certified as adequate and complete the Final EIR (the "Plan EIR") for the North Roseville Specific Plan (the "Specific Plan"). Mitigation measures were suggested in the Plan EIR and are incorporated to the extent feasible in the Specific Plan and in the terms and conditions of this Agreement, as reflected by the findings adopted by the City Council concurrently with this Agreement.

5. Entitlements. The City Council has approved the following land use entitlements for the Property, which entitlements are the subject of this Agreement:

- A. The Roseville General Plan, as amended by Resolution No. 97-212 ;

B. The North Roseville Specific Plan and Design Guidelines, as adopted by Resolution No. 97-213

C. The Rezoning of the Property pursuant to Ordinance No. 3127, dated August 20, 1997; and

D. This Development Agreement, as adopted by Ordinance No. 3130 (the "Adopting Ordinance").

The approvals described in paragraphs A through C, inclusive, are referred to herein as the "Entitlements."

6. General and Specific Plans. Development of the Property in accordance with the Entitlements and this Agreement will provide orderly growth and development of the area in accordance with the policies set forth in the General and Specific Plans. For purposes of the vesting protection granted by this Agreement, except as otherwise provided herein, the applicable law shall be as set forth in the Entitlements as of the date hereof.

7. Substantial Costs to Landowner. Landowner has incurred and will incur substantial costs in order to comply with conditions of approval of the Entitlements and to assure development of the Property in accordance with the Entitlements and the terms of this Agreement.

8. Need for Services and Facilities. Development of the Property will result in a need for municipal services and facilities, which services and facilities will be provided by City to such development subject to the performance of Landowner's obligations hereunder.

9. Contribution to Costs of Facilities and Services. Landowner agrees to contribute to the costs of such public facilities and services as required herein to mitigate impacts on the community of the development of the Property, and City agrees to provide such public facilities and services to assure that Landowner may proceed with and complete development of the Property in accordance with the terms of this Agreement. City and Landowner recognize and agree that but for Landowner's contributions to mitigate the impacts arising as a result of development entitlements granted pursuant to this Agreement, City would not and could not approve the development of the Property as provided by this Agreement and that, but for City's covenant to provide the facilities and services necessary for development of the Property, Landowner would not 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 and Specific 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 and with the Specific Plan.

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 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 Diamond Creek Partners, Ltd. and each and every subsequent purchaser or transferee of the Property or any portion thereof from Landowner.

1.3 Term.

1.3.1 Commencement; Expiration. The term of this Agreement shall commence upon the effective date of the Adopting Ordinance approving this Agreement and shall extend for a period of twenty (20) years thereafter, 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 Automatic Termination Upon Completion and Sale of Residential Unit. This Agreement shall automatically be terminated, without any further action by either party or need to record any additional document, with respect to any single-family residential lot within a parcel designated by the Specific Plan for residential use, upon completion of construction and issuance by the City of a final inspection for a dwelling unit upon such residential lot and conveyance of such improved residential lot by Landowner to a bona-fide good-faith purchaser thereof. Provided, however, with respect to development of the Ranch Parcel (DC-9A), such automatic termination shall not apply unless and until a residential lot subdivision map is recorded for said Parcel and, thereafter, will apply as such single-family residential lots are developed and conveyed. In connection with its issuance of a final inspection for such improved lot, City shall confirm that: (i) all improvements which are required to serve the lot, as determined by City, have been accepted by City; (ii) the lot is included within the Services District required by Section 3.16, or other financing mechanism acceptable to the City, to the extent required hereby; and (iii) if and to the extent applicable to such lot, an affordable purchase or rental housing agreement has been recorded on the lot. This termination of this Agreement for any such residential lot as provided for in this Section 1.3.2 shall not in any way be construed to terminate or modify any assessment district or Mello-Roos Community Facilities District lien affecting such lot at the time of termination.

1.3.3 Termination Upon Landowner Request. This Agreement may also be terminated, at the election of the then property owner, with respect to any legally subdivided parcel designated by the Specific Plan for residential or non-residential use (other than parcels designated for public use), when recording a final residential lot subdivision map for such parcel, or receiving a certificate of occupancy or final inspection, whichever is applicable, for a multi-family or non-residential 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; (ii) the parcel is included within the Services District required by Section 3.16, or other financing mechanism acceptable to the City, to the extent required hereby; and (iii) with respect to residential parcels, an affordable purchase or rental housing agreement, if required for such parcel pursuant to Section 2.6, has been recorded on the parcel. 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 by the Planning Director of any minor modifications to the Entitlements which are consistent with this Agreement shall not constitute nor require an amendment to this Agreement to be effective.

1.5 Recordation. Except when this Agreement is automatically terminated due to the expiration of the Term or the provisions of Section 1.3.2 above, the City shall cause this Agreement, any amendment hereto and any other termination thereof to be recorded, at Landowner's expense, with the County Recorder within ten (10) days of the Agreement, amendment or termination becoming effective. Any amendment or termination of the Agreement to be recorded that affects less than all the Property shall describe the portion thereof that is the subject of such amendment or termination.

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:

Single Family, Low Density Residential:	753 units on 168.4 acres;
Single Family, Medium Density Residential:	72 units on 9.3 acres;
Multi-Family Residential:	165 units on 10.0 acres;
Ranch/Residential:	7 units on 5.8 acres;
Community Commercial:	27.6 acres;
Business Professional:	4.4 acres;
Public/Quasi Public (Schools):	8.0 acres;
Other Public (Electric Substation, Pump and ROW)	18.5 acres;
Park:	34.6 acres; and
Open Space:	22.2 acres.

all as set forth in 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 uses, 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 Densities and Density Transfer. The number of residential dwelling units planned for the parcels within a Neighborhood of the Specific Plan may be transferred between such parcels, subject to compliance with the conditions for such transfer as set forth in the Specific Plan.

2.4 Rules, Regulations and Official Policies.

2.4.1 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, fees, regulations or policies shall be applicable.

2.4.2 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.

2.4.3 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.

2.5 City Fees, Taxes and Assessments

2.5.1 Processing Fees and Charges. Landowner shall pay those processing, inspection and plan checking 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.

2.5.2 Public Financing Limited to Specific Funding Mechanisms and Fees. This Agreement includes specific construction, funding and reimbursement obligations of Landowner and specific obligations to participate in a community facilities district(s) or a similar financing district to fund the acquisition and construction of specific facilities and the maintenance of certain improvements. Landowner's obligation with respect to the participation of the Property in any funding mechanisms to support the construction of any other 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 apply uniformly to all properties within the City of Roseville which are zoned consistent with Landowner's zoning as set forth in the Entitlements, or which apply uniformly to all properties which are similarly situated, whether by geographic location, drainage sheds or other distinguishing circumstances.

2.6 Affordable Housing. Consistent with the goals and policies contained in City's General Plan and the Specific Plan, and subject to the terms of this Agreement, Landowner shall develop or cause ten percent (10%) of the total residential units which are actually constructed within its Property to be developed as affordable housing. In accordance with the terms of this Section and subject to adjustment based on actual development, the goal is to provide 40 units affordable for purchase to low-income households, 25 units affordable for purchase to middle-income households and 35 units affordable for rent to low-income households. Any adjustment based on actual development shall be subject to the approval of the Housing Director.

Except as otherwise provided in this Agreement, the terms "very low income" means households earning less than fifty percent (50%) of median income, "low income" means households earning fifty-one percent (51%) to eighty percent (80%) of median income, and "middle income" means households earning eighty-one percent (81%) to one hundred percent (100%) of median income. Median income and allowable assets shall be determined in accordance with the General Plan Housing Element, the Specific Plan, and City policy.

2.6.1 Affordable Purchase Residential Units. Landowner agrees that 40 residential units will be reserved within Parcel DC-7 as detached and/or attached single-family residential units affordable to purchasers in low-income households and 25 residential units will be reserved within Parcel DC-7 as detached and/or attached single-family residential units affordable to purchasers in middle-income households. Such units shall be distributed throughout the applicable Parcel.

2.6.1.A Agreement Required. Prior to the approval of each final residential lot subdivision map within a Parcel designated to provide affordable purchase opportunities, the parties shall enter into City's then current form Affordable Purchase Housing Development Agreement (or other form as required by the City) for the residential purchase units affordable to low-income households and affordable to middle-income households.

2.6.1.B Content. The Affordable Purchase Housing Development Agreements shall, for each such residential lot subdivision, set forth, among other things, the distribution of the relevant number of said affordable housing units within the subdivision, Landowner's obligations for marketing the affordable units, and sharing of appreciation (if any) of the affordable unit's value. No City subsidies will be required to be made available to provide residential purchase units affordable to middle-income or low-income households.

Notwithstanding any provisions of the City's then current Affordable Purchase Housing Development Agreement to the contrary, the Affordable Purchase Housing Development Agreements shall provide that:

a) For purposes of low-income affordable purchase units, "low-income" shall mean households earning seventy percent (70%) to eighty percent (80%) of median income.

b) Low-income affordable purchase units shall be marketed to low-income households for a minimum of fifty (50) days from the date Landowner commences marketing of the subdivision in which such affordable units are located. Affordable purchase units marketed to low-income households which are not sold within such fifty (50) days shall be marketed for ten (10) additional days to middle-income households. If such units are not sold within the ten (10) additional days to middle-income households, the units may be sold as market price units.

Middle-income affordable purchase units shall be marketed to middle-income households for a minimum of ten (10) days from the date Landowner commences marketing of the subdivision in which such affordable units are located. If not sold to middle-income households within that period, the units may be sold as market price units.

Any affordable purchase units remaining unsold after the required marketing periods as either low- or middle-income units which are later sold as market units shall nonetheless be credited against Landowner's affordable purchase housing obligation.

c) The Landowner may develop the affordable purchase units with fewer amenities than the market rate units, however, the affordable purchase units shall utilize the same or similar materials as the market rate units on the exterior.

d) Landowner's obligation to provide affordable purchase units may be moved and may be satisfied by the provision of affordable purchase units elsewhere within the applicable subdivision, or within other residential Parcels within the Neighborhood, or within residential Parcels within other Neighborhoods of the Specific Plan, subject to the Housing Director's approval.

e) For purposes of making housing opportunities affordable, Landowner agrees that it shall use its best efforts to sell such affordable purchase units to qualifying low- or middle-income households as the case may be as required by this Agreement. Such best efforts shall include, without limitation, special advertising prior to the release of the affordable purchase units for sale indicating the availability thereof to low- or middle-income households, and maintenance of a waiting list of low- or middle-income households seeking housing opportunities in Landowner's development(s), notification of such persons (and any such households provided by the Housing and Redevelopment Manager for the City) prior to any release of affordable purchase units, and the pre-release, by at least one day, of such affordable purchase units to such notified households.

Within three (3) working days of execution of a contract of sale of an affordable purchase unit to a qualifying low- or middle-income household, Landowner shall notify the Housing and Redevelopment Manager in writing of such sale and provide information verifying such qualification as low- or middle-income.

f) The Housing Director shall maintain a list of low-income affordable purchase units that are conveyed and whose ownership is being maintained under an Affordable Purchase Agreement and, on or about May 1 of each calendar year, shall send a copy thereof to the City Finance Director. In reliance thereon, when determining the special taxes to be levied each year by the CFD and the Services District, to the extent permitted by law as expressed through an opinion of the City's bond counsel, the Finance Director shall set the special tax for the low-income affordable purchase units within each Parcel equal to fifty percent (50%) of the special tax for the balance of the units within said Parcel.

g) To ensure proper maintenance of each affordable purchase unit on Parcel DC-7 during the term of its reservation as an affordable purchase unit, Landowner shall provide evidence to the Housing Director of arrangements for professional management of such units, or shall establish CC&Rs or a homeowners' association for such Parcels within which the affordable purchase units are located to establish a mechanism for maintaining the appearance of such affordable purchase units or provide such alternative mechanism that is acceptable to City.

2.6.1.C No City Subsidies. Landowner agrees to provide all of the middle-income and low-income affordable purchase units without any subsidy from the City.

2.6.1.D Transfer of Obligation. At the request of Landowner, the affordable purchase housing obligation (or any portion thereof) for Parcel DC-7 may be transferred, with the consent of City, to another parcel (the Transferee Parcel) within said Parcel's Neighborhood of the Specific Plan or within another Neighborhood of the Specific Plan. No such transfer shall require an amendment to this Agreement, but City and Landowner shall execute an instrument memorializing such transfer of obligation which shall be recorded against the affected Parcels, with reference to this Agreement.

2.6.2 Multi-Family Affordable Rental Units.

2.6.2.A Affordable Obligation. Landowner agrees that 35 residential units will be reserved within Parcel DC-8 for rental to low-income households.

2.6.2.B Transfer/Satisfaction of Obligation. At the request of Landowner, the affordable rental housing obligation (or any portion thereof) for Parcel DC-8 may be transferred, with the consent of City, to another parcel (the Transferee Parcel) within said Parcel's Neighborhood of the Specific Plan or within another Neighborhood of the Specific Plan. No such transfer shall require an amendment to this Agreement, but City and Landowner shall execute an instrument memorializing such transfer of obligation which shall be recorded against the affected Parcels, with reference to this Agreement.

2.6.2.C Compensation by City. City shall compensate Landowner or its successors for two-thirds (2/3) of the net present value (discounted at a reasonable rate of interest) of the loss of rental revenue that would be expected to accrue over the thirty (30) year period that such units are reserved. Such compensation (hereafter "subsidy" or "subsidies") shall be made in cash, by fee reduction, by density bonus or any other form agreeable to the Landowner and City. Within sixty (60) days after Landowner or a successor applies for a design review permit with respect to Parcel DC-8, City shall specify the range of incomes to be served at time of occupancy and identify or provide funding for subsidies. If City cannot provide the necessary funding on Parcel DC-8, City may identify within said sixty- (60) day period a source of funding for subsidies for the affordable units applicable to such Parcel. Landowner shall join City in any application prepared by City for Federal, State, local or private funding for such identified subsidies and Landowner shall use its best efforts to cooperate with City to obtain approval thereof. City and Landowner agree that the pursuit or approval of such application shall not result in any adverse economic or financial impact on Landowner or Parcel DC-8. If subsidies are not identified by the City within said sixty- (60) day period, or if identified, if such subsidies are not made available within nine (9) months following application for the design review permit, then the requirement to provide the low-income affordable units shall terminate or shall be reduced or deferred to a level or for a period for which City can provide funding within the foregoing time periods.

If and to the extent subsidies are made available timely, then prior to issuance of a building permit for a structure on such parcel, City and Landowner shall enter into an Affordable Rental Housing Development Agreement with Landowner or its successor giving effect to the intent of this section. If City has agreed to provide funding and the project subsequently does not proceed because application has not been made by Landowner for a building permit or Landowner fails to construct the units, City shall be entitled to reimbursement for any losses or penalties incurred pursuant to assembling the necessary funding or subsidies for affordable housing for such parcel.

2.6.3 Not a Limitation. Nothing in the foregoing Section 2.6 shall be construed to limit Landowner from offering units for rental to households of very low incomes or to households of low or middle incomes in excess of the number of units specified.

2.7 Environmental Preserves.

2.7.1 Preserves. 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 area within the Property required for preservation by the 404 Permit is described by Parcels DC-80, a portion of DC-81 and DC-53 and shall be referred to as the "Environmental Preserves" within the Open Space.

Upon formation of the Services District (provided for in Section 3.16), with the authority to assume the costs of maintaining the Environmental Preserves in accordance with the 404 Permit and recordation of the first residential lot subdivision map within the Property, Landowner shall convey to the City and City shall accept the Parcels comprising the Environmental Preserves, provided that Environmental Preserves containing any bike trail section to be improved by Landowner shall not be conveyed or accepted until the applicable bike trail improvements have been completed by Landowner and accepted by City.

2.7.2 Maintenance by Landowner. Landowner shall be solely responsible for satisfying all monitoring, reporting and, at the expense of the Services District, maintenance requirements under the 404 Permit during the remaining and any extended monitoring period, as determined by the Corps, for such Environmental Preserves. Furthermore, during said 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, 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 and agrees that any proposed use or improvement of the Environmental Preserves will be subject to the provisions of the 404 Permit. Landowner shall obtain all amendments to the 404 Permit which are or may be required in order to install the improvements specified in this Agreement in the Environmental Preserves.

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 2.5.2 above. Wherever this Agreement obligates "Landowner" to design, construct or install any improvements, the cost thereof may be provided by Landowner or by the CFD or other such financing mechanism, subject to and in accordance with the provisions thereof.

3.2 Parks and Open Space. Consistent with City's General Plan requirement for the provision of nine (9) acres of neighborhood, community park, city-wide park and open space land per 1,000 residents (consisting of 3.0, 3.0 and 3.0 park acres, respectively), Landowner shall dedicate to City certain park and open space lands, pay fees for construction for park improvements and, construct park improvements, all as set forth herein

3.2.1 Dedications. Landowner shall dedicate a total of 54.9 acres including both active and passive use park acres. The dedications of park acreage are shown on Exhibit "B". The dedications of open space shall be made at the same time as Landowner dedicates the Environmental Preserves pursuant to Section 2.7 above, provided open space that includes any bike trail section to be improved by Landowner shall not be dedicated until the applicable bike trail improvements have been completed by Landowner and accepted by the City. Upon request of City, Landowner shall dedicate the park site or sites within the Property included in such request, provided the large-lot subdivision map for the Property dividing said park site(s) from the Property has then been recorded

3.2.2 Payment of Park Fees. The construction of the park sites and bike trails within the Plan Area shall be financed from CFD financing and the City's neighborhood and citywide park fees. Landowner agrees to pay such fees, as, when and in the amounts required thereby.

3.2.3 CFD Seed Money for Parks. Landowner shall support the inclusion in the CFD of \$500,000 to partially finance Diamond Creek Park Phase I improvements and Pleasant Grove Creek Park Phase I improvements.

3.2.4 Construction of Bike Trail Improvements. Landowner shall design, secure necessary permits and construct certain bike trail improvements within the Property, subject to and in accordance with the following provisions. Landowner shall have no obligation to construct any park improvements within the Property, except for the park site frontage improvements described in Section 3.2.5 below.

3.2.4.A Landowner shall install certain sections of the bike trail as and when it develops certain Parcels within the Property. The sections of the bike trail to be installed upon development of such Parcels are generally shown on Exhibit "C."

3.2.4.B The applicable bike trail sections shall be constructed and improved according to an off-street bike trail master plan for the Property to be prepared by Landowner and approved by the City. The master plan shall connect those Parcels within the Property outside the Park Parcels with the park bike trails in the locations generally shown on Exhibit "C." The bike trails shall be designed 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, and the master plan shall include detailed drawings for the sections of the bike trail to be constructed by the Landowner within the non-Park Parcels. Landowner shall be responsible for all costs associated with the approval of the master plan, including the costs of preparing the required plans and drawings securing an amendment to the 404 Permit, if necessary, and obtaining all other required permits. Such master plan shall be completed by Landowner and approved by City prior to approval of the first final residential-lot subdivision map for any Parcel that includes a section of the off-street bike trail.

3.2.4.C Landowner shall proceed with and complete the construction of the bike trail improvements required by the approved master plan at the same time as it installs and completes the subdivision improvements for the lots adjacent to the bike trail for the applicable Parcel. Landowner or its successor, whoever constructs such improvements, shall be reimbursed from the neighborhood park fee in accordance with Section 3.2.6 below, provided bike trail construction costs are built into said neighborhood park fee.

3.2.4.D Upon completion of any bike trail improvements by Landowner, City shall accept the dedication of the bike trail and the open space parcel upon which the bike trail is located and assume the ownership and maintenance thereof, provided the cost of such maintenance shall be funded by the Services District described in Section 3.16 below.

3.2.5 Frontage Improvements. When installing road improvements adjacent to a park site, Landowner shall construct the frontage improvements therefor (excluding landscaping and sidewalks) and stub utilities for the park site, subject to direction from the City on the location of such utility stubs.

3.2.6 Park Fee and Reimbursement. In accordance with the park financing plan, in addition to the financing to be provided by the CFD, the parties acknowledge and agree that the neighborhood park fee net of credit for park frontage improvements shall initially be \$1,864 per single family residential unit and \$1,243 per multi-family residential unit within the Property, subject to annual adjustment based on any change in the Engineering News Record, Construction Cost Index for the United States, 20-city average (or comparable replacement index; hereafter, the "ENR Construction Cost Index").

In consideration of Landowner's design and installation of the bike trail improvements pursuant to Section 3.2.4, unless the costs of such improvements are reimbursed by the CFD, Landowner or its successor, whoever installs such improvements, shall be reimbursed from the neighborhood park fee an amount equal to the actual cost incurred by the installing party therefor, as reasonably approved by the City, or the amount budgeted for such improvements by the park financing plan, whichever is less. Such reimbursement shall be paid by the City in accordance with Section 4.2.2 below.

3.2.7 Entire Park Land Obligation. The City agrees that the provisions of the Specific Plan and the commitments contained herein satisfy the General Plan park obligations for the dedication of neighborhood/community and City-wide parks and open space related to development of the Property.

3.2.8 Pooled Unit Transfer Fee. The City's approval of the residential land use component of the Specific Plan makes use of pooled units available for transfer into urban reserve and other areas. In acknowledgment that these pooled units have unmet Neighborhood Park Fee obligations, Landowner or Landowner's successors in interest shall pay, at issuance of a building permit for each residential unit, a per-unit transfer fee of Four Hundred Dollars (\$400). This fee will be adjusted annually for inflation in the same manner as the Capital Improvement Program is adjusted.

3.3 School Fee Agreements. Landowner has entered into separate written agreements with the Roseville City School District and the Roseville Joint Union High School District to fully mitigate the impacts of development of the Property on said school districts. From and after execution thereof, City agrees that so long as Landowner is not in default of said agreements, 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 default under either of these school agreements shall also constitute a default under this Agreement with the City. Either School District may request that the City join in its agreement with Landowner to evidence the City's support thereof and the City will cooperate therewith and join in either school agreement as an additional party thereto, subject to its approval of the terms and conditions thereof.

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

3.4.1 Public Utilities Within Rights of Way. All public utilities shall be located within the rights of way to be granted by Landowner to City for the arterials, collectors and other local streets within the Property. Accordingly, upon approval of the final large lot subdivision map (or any phase of it), or demand of the City based upon service needs (which may include needs generated by other development within the Plan Area), whichever occurs first, Landowner agrees to grant and convey to City the rights of way as required by the Specific Plan for any arterials, collectors or other local streets that include the area within which such public utilities will be located. If such utilities need to be installed prior to the construction of the applicable street(s), Landowner shall grant a temporary public utility easement which shall merge with the rights of way upon completion of the applicable street improvements. The width of the rights of way, including the area for utilities, for the applicable roadways shall be as shown in Table 4-1 of the Specific Plan.

Landowner shall also grant and convey to City with each of the foregoing easements a non-exclusive, co-extensive easement for sidewalk/pedestrian egress purposes. Each such easement shall be as depicted in the Specific Plan and shall be located within the right-of-way for the adjacent roadway as shown in the Plan.

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.

Landowner shall include a notice in the project CC&R's and its sales documentation advising property owners adjacent to the public utility easements in which 60kV overhead lines may be constructed (as shown on Exhibit "E-2") that the City may utilize portions of these easements to construct 60kV overhead electric lines.

3.4.2 On-Site Electric Utility Improvements. Concurrently with the construction of the adjacent roadways, Landowner agrees to construct, or finance the construction of on-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" through "D-

2" attached hereto. The parties agree that Exhibits "D-1" through "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 Plan Area roadways.

3.4.3 Off-Site Electric Utility Improvements. Concurrently with the construction of the first subdivision improvements for the Plan Area, Landowner agrees to construct, or finance construction of, as directed by the Electric Utility Director, off-site electric distribution facilities along the northern boundary of Blue Oaks Boulevard from Woodcreek Oaks Boulevard to Foothill Boulevard as shown on Exhibit "E-1" attached hereto. Construction by Landowner shall be per the final off-site electric design in accordance with the City of Roseville Electric Department specifications for commercial construction. Final off-site improvements will be designed upon receipt of approved improvement plans.

With respect to that portion of the above-referenced facility which fronts on property outside of the Plan Area, City agrees to use its best efforts, within its authority to do so, to cause such other fronting landowner(s) to reimburse Landowner for one-half (50%) of the cost of the utility trench, the full cost of any conduit constructed or financed by landowner for the benefit of such non-Plan Area properties and a fair share of any other associated utilities installed or financed by Landowner. Such reimbursement shall be made in accordance with Section 4.2.3 hereof.

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. Except as may otherwise be permitted by the Electric Utility Director, no street shall be opened to the public unless and until streetlights have been installed in accordance with the Specific Plan and applicable requirements of the Electric Department.

3.4.5 Power Purchase Agreement. Landowner shall purchase electric power for all non-residential 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 Electrical Efficiency. In order to balance conservation efforts with energy supplies, residential air conditioning units shall have a Seasonal Energy Efficiency Ratio (SEER) of 2 points above minimum as defined in Federal Regulations (10 Code of Federal Regulations Section 430.2 (1991)) adopted by the State of California in Title 24 of the Code of California Regulations. The SEER rating will be specified on building plans and Title 24 compliance certificates at the time building permits are requested. As of the date of this Agreement, the applicable standards would require an increase of SEER Rating from 10 to 12. This increase may be utilized in the overall energy compliance calculations required for the issuance of a building permit for a residential unit.

3.4.7 Dedication of Substation Site. Upon request of City, Landowner shall dedicate to the City the proposed substation site, consisting of approximately one (1) acre, and shown as Parcel DC-90 of the Specific Plan.

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 Landowner's 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.

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 and laterals 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, including, but not limited to, commercial, multi-family, church, fire station, and park sites. 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 Floodplain Easement. Landowner shall, prior to approval of the final large lot subdivision map for the Property, grant to City a non-exclusive flow and maintenance, wastewater and pedestrian/bike trail easement over all areas of the Property within the 100-year floodplain that are otherwise to be retained in private ownership, as determined by the City Engineer.

3.5.5 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.

3.6.1 Financing of Water Supply. 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. Provided, however, City shall not be precluded hereby from imposing on future development within the Plan Area a pro-rata "fair share" special benefit area water connection fee which is specifically developed and adopted to pay for the Plan Area's fair share of those improvements that are associated with the oversizing of the water transmission system that benefits the Plan Area and which were constructed, or are still to be constructed, and were financed as part of the North Central Roseville Specific Plan infrastructure improvements.

3.6.1.A Landowner and City agree that the Property was previously planned for urban uses and that the water consumption under the Specific Plan uses for the Property (calculated using demand rates set forth in the 1993 Spink Study) is not expected to exceed the water consumption which would have taken place under such urban uses. Accordingly, water connection fees for the Property shall be the same as that charged for other comparably zoned land under the City's fee schedule (and not subject to the City's tiered fee schedule because of the prior zoning and the requirement of Eskaton and the parks to use reclaimed water), as from time to time in effect (presently as set forth in City's fee schedule dated January 13, 1997). Should the Specific Plan uses for the Property be amended in the future, City shall have the right to review such amendments to assure that the existing water budget for the Property is not exceeded by such amendments; if the water budget is exceeded by reason of such amendments, Landowner shall be required to pay a tiered water fee to the extent of any such excess as a condition of such amendments.

3.6.2 On-site Water Lines. Concurrently with the construction of the first subdivision improvements of the Plan Area, Landowner shall provide on-site improvements to the water system as provided in this section and as shown on Exhibit "F." All improvements to be constructed by Landowner, including mains, pressure reducing stations, and flow monitoring stations, 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 is incurred by City for review and inspection of such improvements.

3.6.3 Coordination with Construction by Others. City shall provide Landowner with the right to review the plans to be prepared by others for the construction of any water mains within or through the Plan Area. Landowner shall have the right, within thirty (30) days of its receipt of such plans, to request that certain "T" joints be sized and installed at the intersections of such mains with the water lines planned for the Plan Area and that a valve be included in such line, as shown on Exhibit "F." Landowner shall be responsible for the payment of the actual hard incremental cost of including any such joints and valve as part of the construction of such lines. In the event any such water main is being constructed by a third party, City shall coordinate and assist Landowner with any such timely request to require that such joints and valve be included in the work by the third party. Provided, however, the other party's obligation to incorporate any such request for the design

and installation of any such joints and valve desired by Landowner to serve the Property shall be subject to the other party and Landowner reaching an agreement, on a commercially reasonable basis, whereby Landowner will pay the other party for the additional incremental costs of design, construction and any other ancillary costs related thereto, which agreement shall be reached within said thirty day review period. If Landowner fails to timely respond to any request for comments to plans and/or fails to timely reach agreement with the other party regarding the sharing of such costs, the other party may proceed with its design and construction of such improvements without any further obligation to Landowner or the City to construct any additional improvements to serve the Property.

3.6.4 Coordination of Plans with Hewlett-Packard. Pursuant to its development agreement with the Hewlett-Packard Company ("HP"), City is obligated to provide HP with the right to review the improvement plans for any water line to be located adjacent to HP's property. If and to the extent Landowner will be constructing any such water line, Landowner will coordinate its plan submittal for such improvement with City to accommodate the review thereof by HP and will consider any requests made by HP that "T" joints be sized and installed at certain points along said line as provided by said development agreement, so long as such requests are received within thirty (30) days of delivery thereof to HP. Provided, however, Landowner's obligation to incorporate any such request for the design and installation of any "T" joints desired by HP to serve the HP property shall be subject to Landowner and HP reaching an agreement, on a commercially reasonable basis, whereby HP will pay Landowner for the additional incremental costs of design, construction and any other ancillary costs related thereto, which agreement shall be reached within said thirty day review period. If HP fails to timely respond to any request for comments to plans and/or fails to timely reach agreement with Landowner regarding the sharing of such costs, Landowner may proceed with its design and construction of such improvement without any further obligation to HP or the City to construct any additional improvements to serve the HP Property.

3.6.5 Water System Sequencing. Water system improvements will be constructed incrementally, with the backbone system in Woodcreek Oaks Boulevard being constructed initially. Extensions into the neighborhoods will be completed with development of each neighborhood. Water lines shall be sequenced to assure looped systems in all developing areas, except as otherwise approved by the Environmental Utilities Director.

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.

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

3.6.8 Pressure Reducing Station. Del Webb California Corporation, an Arizona corporation ("Del Webb"), is obligated under its development agreement with the City to install a pressure reducing station to the west of the Plan Area on the 24" water line to be

installed within Blue Oaks Boulevard. Landowner is obligated to install a pressure reducing station near the intersection of Woodcreek Oaks and Blue Oaks Boulevard, as shown on Exhibit "F". The City agrees hereby that if Landowner and Del Webb are able to reach an agreement to share in the costs of the pressure reducing station to be installed by Landowner near the intersection of Woodcreek Oaks and Blue Oaks Boulevards, then Landowner's construction of such pressure reducing station and Del Webb's participation in the cost thereof shall be deemed to satisfy both Landowner's and Del Webb's obligation to install a pressure reducing station to the water line in Blue Oaks Boulevard. If Landowner and Del Webb are unable to reach an agreement to share the costs of the pressure reducing station, Landowner shall construct the pressure reducing station near the intersection of Woodcreek Oaks and Blue Oaks Boulevards as part of the improvements described in Exhibit "F", when required hereunder.

3.6.9 Well Sites. Landowner shall within thirty (30) days after request of City, dedicate a well site to City at the general location shown on Exhibit "F" hereto. Such site shall be in addition to the other well site to be dedicated by another landowner in the Plan Area, for a total of two (2) well sites, as shown on Exhibit "F". The precise location shall be as approved by the Environmental Utilities Director, but shall be accessible for construction, maintenance and operation purposes, with a minimum of one hundred (100) feet separation from waterways and not in areas irrigated with reclaimed water. Each well site shall be a minimum six thousand five hundred (6,500) square feet.

3.7 Reclaimed Water. Landowner shall provide improvements to the City's reclaimed water system as provided in this section.

3.7.1 Use of Reclaimed Water. Reclaimed water will be used for irrigation of parks within the Plan Area and may be developed and used by City to cascade from the North School Park south along the linear parkway to Pleasant Grove Creek, as generally shown on Exhibit "G".

All other reclaimed uses as may be desired by Landowner shall be reviewed and approved by the Environmental Utilities Director. In particular, City agrees that Landowner may use reclaimed water for irrigation of Landowner's Ranch Parcel (Parcel DC-9A), provided the costs of connecting to and extending the reclaimed line from Woodcreek Oaks Boulevard shall be paid by Landowner. In connection with any such use by Landowner and provision of reclaimed water to the park site(s)], Landowner shall be responsible for preparation and approval of a reclaimed water engineering report for submission to appropriate state agencies. In connection with the use of reclaimed water other than such use for the park sites, Landowner shall also be responsible for obtaining any and all necessary permits prior to actual use of reclaimed water and for the payment of all City fees and charges related thereto, including without limitation, the reclaimed water connection fee to be paid at time of building permit. Provided Landowner satisfies all of the foregoing requirements, City shall make reclaimed water available to Landowner in amounts reasonably required for the use(s) proposed therefor and shall charge Landowner the same rate or rates as are charged to any other private user(s) of reclaimed water within the City.

Furthermore, if Landowner satisfies all of the foregoing requirements, City acknowledges and agrees that potable water may be utilized for such park irrigation and other reclaimed uses, including irrigation of Landowner's Ranch Parcel if reclaimed water is

unavailable as determined by the Environmental Utilities Director, in emergencies as determined by the Environmental Utilities Director, and until the City supplies a source of reclaimed water to the connection point at the southeast corner of Neighborhood B of the Plan Area (the "connection point").

3.7.2 Construction of Reclaimed Water System. Concurrently with the construction of the improvements to the wastewater system described in Section 3.8 below and to Woodcreek Oaks and Blue Oaks Boulevards described in Section 3.9 below, City shall prepare and install the backbone reclaimed water system to be located within Woodcreek Oaks Boulevard. In particular, City shall be responsible for rehabilitating the portion of the existing 18" force main between the TOH (defined in Section 3.8.4 below) and Pump Station No. 2 to be replaced by a new 24" force main and for installing a new 30" reclaimed water line from the TOH to the northern Plan Area boundary. Landowner agrees to grant to City the necessary construction and utility easements for such work and coordinate the construction of its improvements within the rights of way for Blue Oaks and Woodcreek Oaks Boulevards with such rehabilitation and construction by the City. With respect to such coordination, each party agrees to use its best efforts to avoid any delay in the design, review and construction of their respective improvements.

Concurrently with the construction of the first subdivision improvements for the Property, Landowner shall construct, and dedicate upon completion thereof, reclaimed water line extensions from the City's backbone system to the park sites within the Property as shown on Exhibit "B", with a stub into such parks, as generally shown on Exhibit "G." Except as may otherwise be provided herein, such lines shall be sized as required to serve the park sites, as determined by Environmental Utilities. Where such lines are to be located within road rights-of-way, they shall be constructed at the same time as construction of the roadways. The reclaimed water lines shall be designed so that, until reclaimed water is available, such water lines will convey potable water. Landowner shall not be charged any connection or hook-up fee when such lateral lines are connected or when the required booster pump is constructed and brought on-line for service to such park sites.

City may elect to construct, at its sole cost and subject to its obtaining all necessary permits therefor, a cascade within the linear open space area between Parcels DC-4 and DC-5 that will allow reclaimed water to flow above ground from the North School Park to Pleasant Grove Creek. In connection therewith, City may request that the reclaimed water line to be built by Landowner to serve North School Park be oversized to provide additional water for such cascade, provided City shall promptly pay its pro-rata share of the costs of such oversized line, which share shall be established in the same manner as the City's participation in the oversizing of the 24" force main described in Section 3.8.4 below. Landowner shall cooperate with the City and coordinate the design and installation of its improvements with the construction of any such cascade by City. Provided, any such cooperation and coordination by Landowner shall not delay the City's review and approval of Landowner's improvement plans nor delay Landowner's construction of its improvements or of its residential subdivisions adjacent to said linear open space area. If City and Landowner elect to jointly bid the work for the cascade with Landowner's adjacent improvements, City shall promptly pay its share of all invoices therefor when due, in order to avoid any delay or claims of lien against the Property. Landowner shall provide City with any additional temporary access that may be necessary for the construction of such cascade, not to exceed fifty (50) feet in width, and further agrees that, to facilitate the City's maintenance of such cascade, the residential subdivision located to the

east of the cascade (DC-5) shall include a single-loaded street adjacent to the cascade that will extend at least three hundred feet (300') from the north end of the cascade.

For each residential subdivision adjacent to the cascade, Landowner agrees to include, within any CC&Rs for such subdivision, a disclosure that (i) the City intends to construct and operate such reclaimed water cascade as part of the linear open space area and (ii) the operation of any such cascade shall be solely within the discretion of the City and may be curtailed or terminated at any time.

3.7.3 Improvement Standards. All reclaimed water system 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. This shall apply to transmission, distribution and irrigation systems. Landowner shall pay then current plan check and inspection costs as incurred by City for review and inspection of such improvements. Landowner shall provide booster pumps on the transmission system if determined by the Environmental Utilities Director to be necessary to serve the Plan Area.

3.7.4 Public Utility Easements. Where the reclaimed water improvements are not located within road rights-of-way, as and when such reclaimed water improvements are installed, 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 Sewer Improvements. Landowner shall provide on-site improvements to the sewer system as provided in this section and as shown on Exhibit "H". Landowner shall be solely responsible for obtaining all easements and rights-of-way located within the Plan Area that are required for the construction of such improvements; City shall provide Landowner with any rights-of-entry needed to connect these improvements to the City's existing lines. Except for the improvements expressly described herein, and as shown on Exhibit "H," Landowner shall have no obligation to install or pay for the installation of any off-site treatment or transmission facilities, except through the payment of sewer connection fees levied and collected by City at the time of development pursuant to then existing City ordinances. With respect to such connection fees, Landowner acknowledges that the Property is within Sewer Special Benefit Area No. 2.

3.8.1 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. With respect to the North Pump Station, the design thereof shall be in accordance with applicable City requirements and shall be generally consistent with the design of Del Webb's Pump Station No. 5. 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.

3.8.2 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.

3.8.3 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.

3.8.4 Sequencing of Wastewater Improvements. The parties intend to service the Property by gravity flow mains to the new Pleasant Grove Creek Trunk Sewer (hereafter "Trunk Sewer") to be installed by the City through Neighborhoods A and C, which will then transmit such flows to a new pump station to be located within Neighborhood C (the "North Pump Station"), which will then pump such flows through new force mains to be installed within and along Blue Oaks and Woodcreek Oaks Boulevards to the City's existing Pump Station No. 2, all as generally shown on Exhibit "H."

As shown on said exhibit, the Trunk Sewer is anticipated to generally follow along the southern boundary of Pleasant Grove Creek, the North Pump Station is anticipated to be located within the adjacent open space area and the gravity lines from Del Webb and Neighborhood B and the force main from the pump station to Blue Oaks Boulevard is anticipated to be located with future open space and/or park area. The portion of the new force main to be located within Woodcreek Oaks Boulevard will be expanded to a 24" force main at the location commonly referred to as the top of the hill (which point of expansion shall be referred to herein as the "TOH") to accommodate the Plan Area flows with the flows currently served by the existing 18" main between Pump Station No. 1 and Pump Station No. 2. The purpose of the North Pump Station is to provide for service to the Property until the balance of the City's regional system, including the proposed Pleasant Grove Treatment Plant, can be completed and become operational. In order to avoid the requirement for dual force mains, as part of such design, Landowner shall also be responsible for the design and construction of modifications to the trunk collection system to direct sufficient flows down the Trunk Sewer to support a single force main design for the North Pump Station, not to exceed \$10,000 in design and construction costs.

In connection with its regional wastewater transmission system, City intends to install the Trunk Sewer through Neighborhoods A and C at the same time as Landowner installs the infrastructure improvements to its Property. Landowner agrees to cooperate with the City and coordinate the design and installation of its improvements with the construction of the Trunk Sewer, in accordance with the provisions of this Section. Landowner shall be responsible for the design of all wastewater improvements within Neighborhoods A and C, as shown on Exhibit "H", including the portion of the Trunk Sewer to be located therein. Furthermore, in consideration of the provision of service for the Property through the Trunk Sewer to the North Pump Station, Landowner agrees to pay, together with the other Neighborhood A landowner, \$136,250 towards the cost of the Trunk Sewer, which the parties agree represents the cost that the Neighborhood A landowners would otherwise have incurred to transmit the flow from its connection to the Trunk Sewer to the North Pump Station. Such cost shall be allocated between the Neighborhood A landowners in accordance with the financing plan for the Specific Plan.

With respect to construction of the gravity lines and Trunk Sewer shown on Exhibit "H," Landowner shall cooperate with City to bid the work together as a joint project if requested by City and try to obtain savings in costs with a single contractor, acceptable to both parties. Provided, except for the foregoing contribution by Landowner and the payment of otherwise applicable connection fees, all costs associated with the construction of the Trunk Sewer shall be paid solely by City, without any additional contribution by Landowner or the CFD. With respect to such coordination, each party agrees to use its best efforts to avoid any delay in the design, review and construction of such gravity lines and Trunk Sewer and/or Landowner's other subdivision improvements. If City and Landowner elect to jointly bid any work, City shall promptly pay its share of all invoices therefor when due, in order to avoid any delay or claims of lien against the Property.

In any event, City agrees to use its best, good faith efforts to be ready to commence construction of the Trunk Sewer by May 15, 1998, and thereafter to diligently proceed therewith and use its best, good faith efforts to complete such construction in a timely manner. Provided, if for any reason City fails to commence such construction by May 15, 1998, or thereafter ceases to diligently proceed therewith, City shall not delay the approval of Landowner's improvement plans or the construction by Landowner of its subdivision improvements, notwithstanding any potential impacts such construction may have on the City's construction of the Trunk Sewer. Landowner acknowledges that until the Trunk Sewer is completed, City will not commence construction of any park improvements to the Diamond Creek Park site.

The North Pump Station is intended to serve approximately 200 units within the northeasterly portion of the Del Webb project, as well as the uses planned for Neighborhoods A and B (collectively, the "Service Area"). The Del Webb project is currently proposed to be serviced by gravity flow to a new pump station to be constructed near the northwest corner of Neighborhood B, with a force main back through the Del Webb project to connect with Del Webb's existing force main and gravity system. As an alternative thereto, Del Webb may design its gravity lines for said 200 units to connect either directly to the North Pump Station or to the gravity line from Neighborhood B, in which case the North Pump Station, new force main and, if applicable, gravity line, shall be sized to accommodate the flows from Del Webb. Provided, however, the obligation of Landowner to provide the capacity within such facilities to serve Del Webb shall be contingent on Del Webb agreeing, on commercially reasonable terms, to share in the cost of the additional capacity therefor. With respect to any such agreement, Landowner agrees that Del Webb's share of the cost for such facilities shall not exceed the amount reasonably anticipated to be incurred by Del Webb under its current pump station and force main proposal. If Del Webb and/or the Plan Area landowners fail to enter into the agreement to share in such costs within thirty (30) days of receipt of written notice from the City of the intent to proceed with the design of the North Pump Station and new force main, then either Del Webb or the Plan Area landowners may proceed with the design and construction of their separate facilities without having to accommodate the service needs of the other owner(s).

City acknowledges that the new twenty-four inch (24") force main to be installed from the TOH to existing Pump Station No. 2 is being oversized at the direction of City. City shall be responsible for the cost of that portion of this improvement in excess of that which is necessary to service the Service Area. Costs shall be apportioned based on the difference in bid prices between a force main necessary to serve only the Service Area and the

24-inch force main from the TOH to Pump Station No. 2, provided the bid price for the force main for the Service Area shall be measured by discarding the highest twenty percent (20%) and lowest twenty percent (20%) of the bids, and averaging the remaining sixty percent (60%) of the bids, therefor. With respect to the oversized force main, Landowner shall secure multiple bids for such construction; selection of the bid and awarding of the contract therefor shall be subject to prior City approval.

With respect to the foregoing improvements, Landowner, together with the other Plan Area landowners, will use its best efforts to obtain the public utility and temporary construction easements from the owner of Neighborhood C that will be necessary to construct and operate such improvements. Upon request of the Plan Area landowners, City will use its best efforts, at such landowners expense, to assist Landowner with the acquisition of such easements, to the extent permitted by law. If requested by the owner of Neighborhood C, City agrees that the North Pump Station and force main will be sized to accommodate potential future development of Neighborhood C, provided any such sizing shall not obligate the City to approve or consider any requests for entitlements to develop Neighborhood C and shall not affect or diminish in any way the City's existing discretion regarding any and all future land use decisions that may involve Neighborhood C. Furthermore, if Neighborhood C receives any development entitlements and if such development involves the use of the North Pump Station and force main prior to the City's completion of its regional system, then except as may otherwise be provided in any agreement between the Plan Area landowners and the owner of Neighborhood C, City shall use its best efforts, to the extent it has the authority to do so, to cause the owner of Neighborhood C to reimburse the CFD for such owner's fair share of the cost of the North Pump Station and force main, based on the relative share of such facilities to be used thereby. However, if such development occurs after completion of the regional system and Neighborhood C does not need to use the North Pump Station or force main, then except as may otherwise be provided in said landowner agreement, the owner thereof shall not be obligated to share in the cost thereof, notwithstanding any wastewater capacity that may be reserved therefor.

3.8.5 Pump Station No. 1 Sound Attenuation. City agrees that any sound attenuation required by the Plan EIR for Pump Station No. 1 may be installed on the Pump Station No. 1 site, provided that:

- (1) the design of such sound attenuation is acceptable to City;
- (2) such sound attenuation is installed at Landowner's expense;
- (3) Landowner shall hold City harmless therefrom pursuant to

Section 6 of this Agreement.

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

3.9.1 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 (including the approaches to intersections of Woodcreek Oaks Boulevard and Blue Oaks Boulevard and separate lanes for each turning

movement), 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."

Where there are single-loaded streets adjacent to open space, Landowner shall be responsible for full street improvements. Such improvements may include sidewalks adjacent to open space, if required by the City.

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.

3.9.2 Blue Oaks Boulevard.

3.9.2.A Landowner shall construct the frontage improvements plus ten (10) feet of additional pavement, on the north side of Blue Oaks Boulevard from Woodcreek Oaks Boulevard to the westerly boundary of Neighborhood A, inclusive of necessary transitions as required by the City Engineer, provided for purposes of locating Landowner's frontage, the curb, gutter and related improvements shall be located as shown by the Specific Plan for the road right-of-way for Blue Oaks Boulevard. Except as otherwise provided in Section 4.2.2 regarding City participation in the cost of such additional pavement, Landowner shall not be entitled to any credit or reimbursement from City for constructing such improvements, provided the CFD may acquire such improvements.

Del Webb, in connection with its construction of pavement and ancillary improvements within the right-of-way for Blue Oaks Boulevard, constructed drainage improvements that serve Landowner's frontage; accordingly, Landowner's frontage improvement obligations therefor shall be to install the balance of the improvements for Landowner's frontage for Blue Oaks Boulevard and to pay to City, for reimbursement to Del Webb, the amount equal to Twenty One Thousand Four Hundred Twenty Dollars (\$21,420) subject to the adjustments, if any, from and after the date of this Agreement to the time of reimbursement, to be determined in accordance with Section 4.2.5 below. Such reimbursement shall be made within sixty (60) days of the date when either a building permit for any building within the Property is issued to Landowner or the CFD sells bonds and receives proceeds for the construction of such improvements, whichever occurs first.

3.9.2.B Landowner shall support the inclusion in the CFD of up to four hundred thousand dollars (\$400,000) to finance the cost to design and construct landscape median improvements to Blue Oaks Boulevard. The design of such improvements shall be subject to the approval of the City. Such median improvements shall be installed at the same time as Landowner installs the improvements to Blue Oaks Boulevard described in Section 3.9.2.A above.

3.9.2.C Except as otherwise expressly provided herein with respect to reimbursement to Del Webb, in the event a third party (which may include another Plan Area landowner) constructs the improvements, or any portion thereof, to Blue Oaks Boulevard as set forth in Section 3.9.2.A above prior to the time Landowner would have been obligated to do so, Landowner shall:

(1) construct the remaining portion of the improvements, if any, when obligated to pursuant to Section 3.9.2.A; and

(2) reimburse the third party for such improvements for the hard costs, as defined in Section 4.2.4, as actually incurred by such third party and not otherwise reimbursed therefor. Any such reimbursement shall be made within sixty (60) days of the date when Landowner commences construction of the balance of the improvements. The amount of such reimbursement shall be computed in accordance with Sections 4.2.4 and 4.2.5.

3.9.3 Woodcreek Oaks Boulevard.

3.9.3.A Landowner shall dedicate all necessary right of way and shall construct the westerly frontage improvements on Woodcreek Oaks Boulevard north of Blue Oaks Boulevard, the two lane bridge crossing over the main branch of the Pleasant Grove Creek, plus fourteen (14) additional feet of pavement and median curb, to the northern boundary of the Property. The streetlights to be installed as part of the westerly frontage improvements described in this Section above shall be designed to meet IESRP8 lighting standards for a residential collector street. The Electric Utility Director may approve a commercial lighting standard should non-residential development occur concurrently on the easterly frontage.

3.9.3.B Landowner shall not be entitled to any credit or reimbursement from City for any of the foregoing improvements to Woodcreek Oaks Boulevard, provided the CFD may acquire such improvements. In consideration of Landowner's waiver of any such right to reimbursement, City acknowledges and agrees that Landowner shall not have any responsibility for the cost of any landscape median in Woodcreek Oaks Boulevard north of the South Branch Bridge, and that no CFD funds shall be reserved or used to pay for any such landscape median.

3.9.3.C The bridge structure mentioned in Section 3.9.3.A above shall be designed and constructed so as to allow the installation of a bike path beneath the bridge along the creek.

3.9.3.D In the event a third party (which may include another Plan Area landowner) constructs the improvements, or any portion thereof, to Woodcreek Oaks Boulevard as set forth above prior to the time Landowner would have been obligated to do so, Landowner shall:

(1) construct the remaining portion of the improvements, if any, when obligated to pursuant to this Section; and

(2) reimburse the third party for such improvements for the hard costs, as defined in Section 4.2.4, as actually incurred by such third party and not otherwise reimbursed therefor. Any such reimbursement shall be made within sixty (60) days of the date when Landowner commences construction of the balance of the improvements. The amount of such reimbursement shall be computed in accordance with Sections 4.2.4 and 4.2.5.

3.9.4 Collector Streets. To provide access to the Plan Area, Landowner shall construct curb, gutter, pavement, streetlights, utilities, entry medians, landscaped median in Diamond Creek Boulevard and ancillary improvements related thereto as shown in the Entitlements for those roadways identified in Exhibit "I" attached hereto (the "Collector Streets") located within the Property. Landowner shall not be entitled to any credit or reimbursement from City for constructing such improvements, provided the CFD may acquire such improvements.

3.9.5 Timing of Road Improvements.

3.9.5.A City acknowledges that it has sufficient right-of-way for the improvements to Blue Oaks Boulevard described in Section 3.9.2. Upon recordation of either the Large Lot Map for the Property or a residential-lot subdivision map for any portion of the Property, whichever occurs first, Landowner shall dedicate the rights-of-way within the Property required for the improvements described in Section 3.9.3 and 3.9.4, as such right-of-way is shown on Table 4-1 of the Specific Plan.

3.9.5.B Prior to the recordation of a residential-lot subdivision map for the Plan Area, Landowner shall provide adequate assurances to City, either in the form of subdivision improvement bonds, issuance and sale of bonds by the CFD or other manner acceptable to City, that adequate funds are available to finance the completion of all the improvements within the Plan Area described in Sections 3.9.2, 3.9.3 and 3.9.4 for Blue Oaks Boulevard, Woodcreek Oaks Boulevard and the Collector Streets, respectively.

3.9.5.C The improvements described in the foregoing subsection 3.9.5.B, or applicable portions thereof, shall be constructed concurrently with the construction of the subdivision improvements for the final subdivision map that requires such improvements, or portions thereof, to be installed. In particular, and without limitation thereof, the northern portion of Blue Oaks Boulevard and the portion of Woodcreek Oaks Boulevard adjacent to the Property, together with the Collector Street(s) located within the Property, shall be constructed concurrently with the construction of the subdivision improvements for the first residential-lot subdivision map within the Property and shall be completed as a condition of such map. Landowner acknowledges that the entire northern section of frontage improvements for Blue Oaks Boulevard, and not just the portion thereof adjacent to the Property, will be required to be installed as part of the foregoing improvements at the time of installation of the first subdivision improvements for the Property.

3.9.5.D Sidewalks and landscaping to be installed within the road rights-of-way within the Plan Area shall be installed concurrently with the subdivision improvements for any adjacent single-family residential-lot subdivision. In the case of multi-family or non-residential development, sidewalks and landscaping shall be installed concurrently with construction of the subject building(s), 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.

3.9.6 Road Improvement Standards. All improvements to be installed by Landowner shall comply with the City's then current standards for public streets. The rights-of-way required for such road improvements shall be as set forth in the Specific Plan, or, if not shown in the Specific Plan, then as set forth in the City's Improvement Standards.

3.9.7 Landscape Setbacks. For the roadways within and/or adjacent to the Property, Landowner shall establish the applicable landscape setbacks provided therefor by the Specific Plan. Such setbacks shall be measured generally from back of curb, except along intersections, bus turnouts, turnlanes, etc., which facilities may encroach into the landscape setback to the extent permitted by the North Roseville Specific Plan Design Guidelines. Such landscape setbacks shall be limited to landscaping, streetlights, utilities, sidewalks and related uses and shall be included in the right-of-way, as set forth in Table 4-1 of the Specific Plan.

3.9.8 Traffic Signals. Landowner shall have no obligation to install or pay for the installation of any traffic signals within the Plan Area, 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. Notwithstanding the foregoing, Landowner shall install or pay for any portion of a traffic signal installed to service a private drive into an adjacent parcel.

3.9.9 Pleasant Grove Interchange. Landowner shall, in concert with other Plan Area Landowners, prepay one million dollars (\$1,000,000) of the Plan Area's Highway 65 JPA Impact Fee, provided that such prepayment amount shall be held and used by the City exclusively to pay costs of constructing the Pleasant Grove/Highway 65 Interchange. The one million dollars (\$1,000,000) prepayment shall be made by the Plan Area Landowners to the City on June 1, 1999 or upon the formation of the CFD and issuance and sale of CFD bond, whichever shall occur first. If Landowners make the one million dollars (\$1,000,000) payment before the bond sale, the one million dollars (\$1,000,000) JPA prepayment will be eligible for reimbursement from the proceeds of the CFD bond sale. All properties located within the North Roseville Specific Plan Area which obtain Building Permits prior to the payment of the one million dollars (\$1,000,000) JPA prepayment as set forth above shall pay the JPA fee then in effect, and the total amount of such building permit JPA Fee payments shall be subtracted from the one million dollars (\$1,000,000) JPA prepayment when that payment is made. The building permit JPA Fee payments made prior to the one million dollars (\$1,000,000) JPA prepayment to the City shall be eligible for direct reimbursement from the proceeds of the issuance and sale of the CFD bonds. Upon the payment of the one million dollars (\$1,000,000) JPA prepayment to the City, Landowner shall receive an equivalent credit against the JPA Fee. Such credit shall be spread equitably throughout the Plan Area on a per-EDU basis.

3.9.10 Update of City Fee Programs. City will amend its current Traffic Mitigation Fee (Roseville Municipal Code Chapter 4.44) and the Pleasant Grove Watershed Drainage Mitigation Fee (Roseville Municipal Code 4.48) Ordinances (the "Fee Ordinances") so as to apply to and include all the Property. The cost for this update shall be borne by Landowner. City shall use its best efforts to complete these fee updates within one (1) year of the effective date of this Agreement. The City currently estimates that the amended fees will be approximately the same as those charged in the Northwest Roseville Specific Plan Area

("Northwest Roseville"). Upon amendment, Landowner agrees to pay such fees at the time of building permit issuance. Furthermore, Landowner agrees that until such time as City amends the Fee Ordinances to include the Property, the provisions thereof (as the same exist or may hereafter be amended) applicable to Northwest Roseville shall apply to the Property and Landowner shall pay such fees (hereinafter the "Interim Fees") in the amounts and at the times specified in the Fee Ordinances. If Landowner or any other Plan Area landowner pays any Interim Fees prior to amendment of the Fee Ordinances, and if the Interim Fee exceeds the fee that would otherwise have been adopted for the Plan Area, then the excess amount collected from payment of such Interim Fee shall be applied to reduce the fee to be adopted for the balance of the Plan Area. If the Interim Fee is less than the fee that is ultimately adopted for the Plan Area, then the total amount of the shortfall shall be added as a surcharge to such fees on a per-unit basis.

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 Northwest Roseville, less the amount of the credit to be provided under Section 3.9.9 above. 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 Northwest Roseville 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 or any other Plan Area landowners 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 Plan Area, 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 Plan Area. If the interim JPA Fee is less than the JPA Fee that is ultimately adopted for the Plan Area, then the total amount of the shortfall shall be added as a surcharge to such fee on a per-unit basis.

Nothing in this Section shall be construed as an agreement to an allocation of assessment or benefit to a particular parcel or parcels or to constitute a waiver of the right of Landowner to protest an allocation of a particular assessment burden or benefit associated with the updates of the foregoing fee programs.

3.9.11 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 into the City of Roseville.

3.9.12 Master Plan Funding. Landowner consents to and agrees that the Property shall participate in its fair share of city-wide funding mechanisms for the updates of the City's Bikeway Master Plan and Long Range Transit Master Plan.

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

3.10 Miscellaneous Public Facilities and Services.

3.10.1 Fire Station Site. Landowner acknowledges that development of the Plan Area in accordance with the Specific Plan will create a need for an additional fire station site within the area, which the City intends to acquire outside the boundaries of the Plan Area. Landowner, in cooperation with the other Plan Area landowners, shall support the inclusion into the CFD to fund the Plan Area's fair share of the cost to acquire such site in an amount not to exceed One Hundred Fifty Thousand Dollars (\$150,000), which shall be provided to the City upon the issuance and sale of the first series of CFD Bonds.

3.10.2 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.

3.10.3 Library Facilities. Landowner agrees to participate and pay its fair share of the cost of library services in the event that the City should amend its current City-wide Public Facilities Fee to include library facilities or adopts any other equitable financing mechanism for the provision of library services.

3.10.4 County-Wide Facilities Fee. Landowner and City intend that Landowner will pay the pending County-wide Facilities Impact Fee, in accordance with the provisions of Sections 2.4.1 and 2.5.2 above, if and when adopted by the City.

3.10.5 Contribution to Mahany Park Community Center. Subject to the provisions of Paragraph 3.14.3 herein, Landowner shall support the inclusion in the CFD of one million dollars (\$1,000,000) to finance the Plan Area's share of the cost to construct the Mahany Park Community Center to be located within the Northwest Roseville Specific Plan Area. The City agrees that any such contribution by the CFD shall be credited against the City-wide Facilities Fee (Roseville Municipal Code Chapter 4.52) , spread throughout the Plan Area in the same manner as the fee, and that the City-wide facilities fee for the Plan Area shall be adjusted accordingly.

3.11 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 Specific Plan or this Agreement with respect to such

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interest. In addition, Parcels DC-50, DC-51, DC-52, DC-54 and DC-90, (as shown on Exhibit "B") to be conveyed hereunder to the City shall be free of wetlands. The substation site (Parcel DC-90) shall not be subject to any project CC&R's, provided however, that City agrees that the wall surrounding such substation shall be constructed consistent with the design requirements set forth in the Specific Plan. Landowner shall, for each such conveyance, provide to City at Landowner's expense a current preliminary title report and preliminary site assessment for hazardous waste in a form approved by the City Attorney. Any policy of title insurance required by City shall be at City's expense.

3.12 Plan 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 Plan EIR related to such development which are adopted by the City and are identified in the mitigation monitoring plan or the Plan EIR as being a responsibility of Landowner.

3.13 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.

3.14 Community Facilities District and Financing.

3.14.1 Community Facilities District.

3.14.1.A City and Landowner agree that City and Landowner will use their best efforts to cause to be formed, for the purpose of financing the acquisition or construction of the improvements or facilities described in Exhibit "J." attached hereto (the "CFD Improvements"), and Landowner waives any objection to the formation of, a Community Facilities District (herein "CFD") pursuant to the provisions of this Section 3.14 and Section 53311 et seq. of the Government Code. City and Landowner agree that the CFD shall include all the property shown on the Specific Plan as Parcels DC-1 through DC-9A, and DC-30 through DC-33, inclusive.

3.14.1.B City and Landowner agree that, with the consent of Landowner and to the extent permitted by law, City shall use its best efforts to cause bonds to be issued in amounts sufficient to effect the purposes of this section. Landowner shall be allocated Landowner's share of infrastructure costs and shall be assessed special taxes in a fair and proportionate manner in accordance with the financing plan for the Specific Plan.

3.14.1.C Nothing in this section shall be construed to preclude the payment by an owner of any of the Parcels to be included within the CFD a cash amount equivalent to its proportionate share of costs for the CFD Improvements, or any portion thereof, prior to the issuance of bonds.

3.14.1.D Concurrent with the formation of the CFD, Landowner and City shall enter into a shortfall agreement, in form and substance acceptable to City, whereby Landowner shall covenant to finance its fair share of the costs of the CFD Improvements, to the extent that the bonds issued by the CFD do not provide sufficient funding for the completion of such Improvements.

3.14.2 Effect of CFD Financing on Credits and Reimbursements. Wherever the terms of this Agreement provide for (a) credits or (b) reimbursements to Landowner in consideration of the construction of certain improvements, if and where those improvements are financed by the CFD, then (a) any credits associated therewith shall be allocated to and run with the Parcels within the CFD in proportion to their relative share of the increment of special tax assessed to generate the proceeds for such improvements and (b) any reimbursements associated therewith shall be paid to the CFD.

3.14.3 City has agreed, pursuant to a separate written acquisition agreement, to utilize a portion of the bond proceeds to purchase from Mourier Land Investment Corporation the middle school site as shown in the Plan. City and Landowner agree that no bonds shall be issued or sold by the CFD unless and until the Roseville City School District and the City have entered into an agreement, in form and substance acceptable to City, wherein said District agrees to purchase said middle school site for the sum of \$1,643,000. The City agrees that the \$1,000,000 contribution to Mahany Park Community Center, and the up to \$400,000 contribution to Blue Oaks Boulevard median landscaping, as set forth in Sections 3.10.5 and 3.9.2.B hereof, respectively, and as shown on Exhibit "J" hereto, shall be funded from the proceeds of this school site sale to said District (provided that the City shall also be entitled to be paid interest from the CFD proceeds on said \$1,000,000 at the rate the City otherwise earns on its investments, from the date of the first bond sale, to the date the City closes escrow on the sale of the middle school site to said District).

3.15 Completion of Improvements. City generally requires that all improvements necessary to service new development be completed prior to issuance of building permits (except model home permits as may be provided by the City's Subdivision Ordinance). However, the parties hereto acknowledge that all of the CFD Improvements associated with the development of the Plan Area may not need to be completed to adequately service portions of the Plan Area as such development occurs. Therefore, as and when portions of the Property are developed, all CFD Improvements required to service such portion of the Property in accordance with 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 (except permits for model homes, which may be issued sooner in accordance with the City's subdivision ordinance). Provided, however, the City Engineer may approve the issuance of building permits prior to completion of all of such CFD Improvements if the improvements necessary to provide adequate service to the portion of the Property being developed, in conjunction with all other development within the Plan Area, 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, 3.7 and 3.8 will be subject to the review and approval of the City Environmental Utilities Department, provided such approval shall not modify the sizing of any

utilities specified hereunder. In particular, and without limitation thereof, Landowner acknowledges that the design of the utilities to be located within Blue Oaks and Woodcreek Oaks Boulevards shall be subject to the approval of the City that said rights of way will accommodate not only the utilities described herein, but also the City's plans for a future reclaimed water line to be located within Woodcreek Oaks Boulevard from the TOH to Pump Station No. 2 and a future gravity line to be located within Woodcreek Oaks Boulevard from the TOH to the Trunk Sewer. 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.

3.16 Services District.

3.16.1 Formation.

3.16.1.A Consent, Waiver and Special Benefit. No residential building permit shall be issued until the formation of the Services District set forth below. The Services District also shall be formed prior to the completion and dedication of the first bike trail improvement pursuant to Section 3.2.4.D hereof. Landowner consents to and shall cooperate in forming a separate Mello-Roos Community Facilities District or other such financing mechanism for maintenance purposes, or shall support the inclusion of such maintenance authority as part of the CFD (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 3.16.2 below. The special tax shall be allocated between the parcels within the Plan Area in accordance with the financing plan for the Specific Plan. For purposes of Article XIID 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.

3.16.1.B Public Parcel Exclusion. Landowner expressly agrees that Parcels conveyed or to be conveyed to the City of Roseville or the Roseville City School District shall be excluded from any assessment to be imposed by the Services District.

3.16.2 Obligations. The Services District formed pursuant to Section 3.16.1 shall:

3.16.2.A provide a mechanism for the perpetual maintenance of medians and scenic corridor contiguous to and on both sides of those portions of Blue Oaks Boulevard, Woodcreek Oaks Boulevard, and other landscaped roadways and electrical easement corridors and buffers within the Plan Area, all as described in the Specific Plan;

3.16.2.B perform autumn leaf cleanup for collector and local streets;

3.16.2.C maintain all public pedestrian or bicycle pathways which connect single-family residential parcels to roadways, schools and park sites, to the extent that such pathways are not within or adjacent to public streets or within improved park sites;

3.16.2.D maintain all public open space areas within the Plan Area, other than improved park sites, including without limitation, conducting weed abatement and fire prevention within such open space areas (including flail mowing from adjacent private property lines for a width of approximately twenty (20') feet into such open space areas);

3.16.2.E maintain all the Environmental Preserves in accordance with the Specific Plan, provided however, the costs arising out of or associated with compliance with Landowner's 404 Permit shall be assessed exclusively upon the Property and not upon any other landowner's property within the District;

3.16.2.F maintain City and neighborhood entry features to the Plan Area and ancillary landscaping;

3.16.2.G conduct, manage and finance the environmental mitigation monitoring, and the annual review thereof, as required by the mitigation monitoring plan related to the Plan EIR; and

3.16.2.H maintain the street trees in the Landscape setbacks described in Section 3.9.5.A.

3.16.3 Encroachment Permits, Landscape Maintenance Easements. Landowner and City agree to grant encroachment permit(s) or maintenance easements to the Services District, Landowner or City or their agents, employees, successors, assigns, agents and employees, for the purpose of entry into the landscape easement and setback areas or City property (including streets and rights-of-way) to perform the maintenance obligations described herein.

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 Credits and Reimbursements. Landowner may, pursuant to this Agreement, be financing construction of certain improvements which would otherwise be paid for by the City or other parties and which serve other properties. City and Landowner agree that, in consideration of the construction of such improvements by Landowner, and only where this Agreement explicitly so provides, Landowner shall be entitled to credits and reimbursement as follows:

4.2.1 Credits Against Fees.

(a) Landowner shall be entitled to a credit against the JPA Fee described in and subject to the conditions of Section 3.9.9 above, unless the JPA Fee adopted for the Property incorporates such credit. Any such credit shall be applied throughout the Plan Area.

(b) The outstanding amount of any such JPA Fee credits shall be increased in proportion to any increases made by the JPA in such fee for the Plan Area during the term of this Agreement

4.2.2 Participation/Reimbursement By City. The parties agree that Landowner shall not be entitled to any reimbursement from the City for the construction of any public improvements required by this Agreement unless explicitly provided by the agreement. Provided, however, City and Landowner agree that City shall participate and share in the cost of the oversized reclaimed water line described in Section 3.7.2, if requested by City, and in the cost of the 24" force main and, if jointly bid with Landowner, the Trunk Sewer pursuant to Section 3.8.4. City's share of such costs shall be paid as, if and when they are due under the contracts for construction thereof.

With respect to the additional ten (10') feet of pavement to be installed in connection with Landowner's construction of the northern frontage improvements to Blue Oaks Boulevard, City agrees that it shall be responsible for the cost of the design and construction allocable to such portion of the improvement to Blue Oaks Boulevard and shall promptly pay its share of all invoices for the work related thereto when due, in order to avoid any delay or claims of lien against the Property.

In consideration of the construction by Landowner or its successor of the bike trail improvements in accordance with Section 3.2.4 above, except to the extent reimbursed by the CFD for such improvements, the installing party shall be reimbursed from the neighborhood park fee in the amount described in Section 3.2.6 above for such improvement. Such reimbursement shall be due upon approval by the City of the construction costs incurred by the installing party, acceptance of the improvement by the City and completion of the dedication of the improvement and the underlying property from the installing party to the City.

4.2.3 Reimbursement by Third Parties. In the case of public road improvements which abut property owned by third persons and other public improvements which are oversized to benefit property owned by third persons, Landowner shall be entitled to receive a reimbursement from the benefited property's owner (and not the City) for the pro rata cost of the improvements which exceed Landowner's obligation. Reimbursement may be provided directly from the owner abutting such improvements or from a community facilities district or any such other infrastructure financing district if such a district is formed by or includes such properties and includes monies for the construction of said improvements.

City shall use its best efforts, to the extent City has the authority to do so, to impose the obligation to pay said reimbursement, as a condition of development of such benefited property, at the time such property owner requests a discretionary approval or other such entitlement from City for development of the benefited property whereby such condition can be imposed. Such reimbursement shall be due and payable on the earlier of issuance of a permit for a grading, improvement or construction on the benefited property, recordation of a

final parcel or subdivision map for the benefited property or receipt of funds from an infrastructure financing district that is formed by or includes such benefited property. City's obligation to impose such condition and collect such reimbursement shall terminate upon any termination of this Agreement.

4.2.4 Reimbursable Hard Costs. The "hard costs" of construction to be reimbursed to Landowner by a third party or to be paid by Landowner to any third party in accordance with the terms of this Agreement shall consist of the identifiable and commercially reasonable costs of the design, engineering and construction as actually incurred by Landowner or such third party for the reimbursable work.

4.2.5 Interest on Reimbursements. In each case in which this Agreement provides that Landowner is entitled to receive reimbursement for improvements from third parties or is required to pay reimbursement to third parties, Landowner shall be entitled to receive, or be obligated to pay, interest on the amount to be reimbursed (the "base amount") at the time when the reimbursement is to be paid. Such interest shall be the lesser of the following, as calculated by the City Engineer:

4.2.5.A The difference between the estimated cost to construct the reimbursable improvements at the time of reimbursement (as estimated by the City Engineer) and the base amount; and

4.2.5.B The amount of adjustment to the base amount for construction costs inflation, based upon the Engineering News Record, Construction Cost Index for the United States, 20-city average (should such index no longer exist, the City Engineer shall choose a similar index which in his/her opinion fairly estimates the inflation factor applicable to construction), from the time of completion and acceptance to the time of reimbursement.

4.2.6 Term for Credits and Reimbursements. City's obligation to provide any credits or to pay any reimbursements to Landowner that accrue hereunder shall terminate twenty (20) years after the effective date of this Agreement.

4.2.7 Not a Limitation. Nothing in the foregoing Section 4.2 shall be construed to limit Landowner from receiving, in consideration of the improvements to be constructed by Landowner hereunder, any other credits or reimbursements from City otherwise provided under then existing City policy, rule, regulation or ordinance.

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 CFD has been formed and is duly authorized to levy the special tax therefor in accordance with Section 3.14 hereof, and further provided that the Services District has been or will at the time of the requested final approval be formed and authorized to levy the special tax against the applicable portion of the Property

in accordance with Section 3.16 hereof, and further provided that Landowner is not in default under this Agreement, City shall not refrain from approving final residential lot subdivision 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 residential lot subdivision map, final non-residential subdivision map or building permit may be conditioned upon the formation of the CFD and the submission of a petition to form the Services District or annex the subject property into the Services District, as applicable. Prior to such formation and/or annexation, City shall accept, for review, processing and approval, consistent with the Entitlements, applications for tentative residential lot and non-residential subdivision maps and for tentative and final large-lot subdivision or parcel maps consistent with the Parcels described by the Specific Plan for the Property.

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 CFD Improvements described hereunder 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 Subdivision Map Act Waiver. Notwithstanding any other provision of this Agreement, or of Sections 66452.1, 66452.2, 66456.2 and 66458, of the Government Code (or any successor or replacement statute), Landowner expressly waives the time limits for review and approval by City of tentative subdivision maps to the extent that each such period does not exceed one hundred fifty (150) days beyond the time otherwise provided by law, unless Landowner and City mutually agree to another time limit.

4.5 Limited Waiver of Protest Rights. In conjunction with any proceedings creating an assessment district or other applicable financing mechanism for which provision is made in this Agreement, Landowner waives herewith any right to protest which it may have under Section 2825 of the Streets and Highways Code to the extent that such protest would arise under Section 2825(a) through 2825(f) and Section 2825(h); but expressly retains the right of protest with respect to Section 2825(g).

4.6 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 initiatives 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 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 that public health or safety issue. By way of example only, an ordinance which precluded the issuance of a building permit because City had inadequate sewage treatment 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 treatment capacity, 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.

4.7 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.

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 cancelled 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 any applicable general plan, specific plan, 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:

Diamond Creek Partners, Ltd.
~~191 Diamond Oaks Boulevard~~
~~Roseville, CA 95678~~
Attn: Stephen DesJardins

170 Parkside Way
Roseville, CA 95747

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 "K" 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.

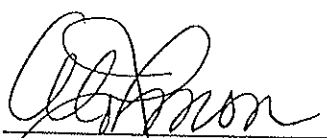
III. FORM OF AGREEMENT, EXHIBITS

This Agreement is executed in two duplicate originals, each of which is deemed to be an original. This Agreement consists of 52 pages and eleven exhibits, which constitute the entire understanding and agreement of the parties.

IN WITNESS WHEREOF, the City of Roseville, a municipal corporation, has authorized the execution of this Agreement in duplicate by its City Manager and attested to by its City Clerk under the authority of Ordinance No. 3130 adopted by the Council of the City of Roseville on the 20th day of August, 1997, and Landowner has caused this Agreement to be executed.

CITY OF ROSEVILLE, a
municipal corporation

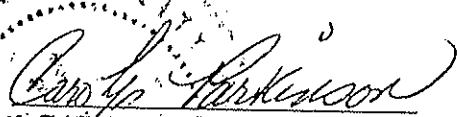
DIAMOND CREEK PARTNERS, LTD., a
California limited partnership

BY: 
ALLEN E. JOHNSON
City Manager

BY: Diamond Equities 360
a California limited partnership
Its: General Partner

ATTEST:

BY: DIAMOND EQUITIES, INC.
a California corporation
Its: General Partner

BY: 
CAROLYN PARKINSON
City Clerk

BY: 
GLENN E. SHAFFER, JR.
President

BY: 
STEPHEN L. DES JARDINS
Secretary, Chief Financial Officer

ALL PURPOSE ACKNOWLEDGEMENT

state of California

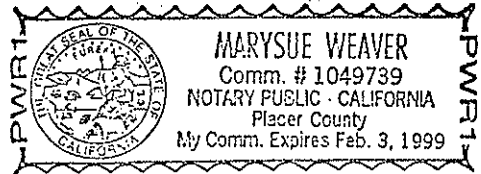
County of Placer

On 8/19/97 before me, MarySue Weaver
personally appeared Stephen L. Des Jardins

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

Witness my hand and official seal.

MarySue Weaver
Signature of Notary



CAPACITY CLAIMED BY SIGNER

- Individual(s)
- Corporate _____
- Officer(s) _____
- XX Partner(s)
- Attorney-in-Fact
- Trustee(s)
- Subscribing Witness
- Guardian/Conservator
- Other: _____

TYPE OF DOCUMENT Development Agreement
NUMBER OF PAGES _____ DATE OF DOCUMENT _____
SIGNER(S) OTHER THAN NAMED ABOVE _____

ALL PURPOSE ACKNOWLEDGEMENT

State of California

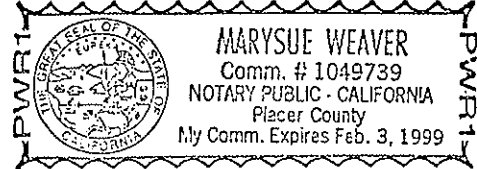
County of Placer

On 8/19/97 before me, MarySue Weaver
personally appeared Glenn E. Shaffer, Jr.

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

Witness my hand and official seal.

MarySue Weaver
Signature of Notary

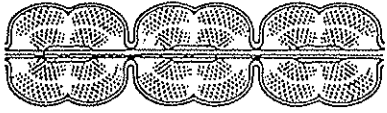


CAPACITY CLAIMED BY SIGNER

- Individual(s)
- Corporate
- Officer(s)
- XX Partner(s)
- Attorney-in-Fact
- Trustee(s)
- Subscribing Witness
- Guardian/Conservator
- Other:

TYPE OF DOCUMENT Development Agreement
NUMBER OF PAGES DATE OF DOCUMENT
SIGNER(S) OTHER THAN NAMED ABOVE

CALIFORNIA



ALL-PURPOSE



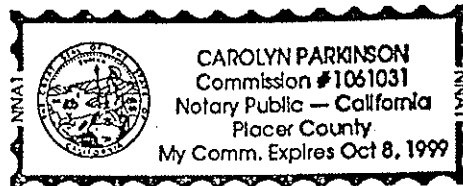
ACKNOWLEDGEMENT

STATE OF CALIFORNIA)
COUNTY OF PLACER)

On September 18, 1997 before me, the undersigned, a Notary Public in and for said State, personally appeared, Allen E. Johnson personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose names is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.


Carolyn Parkinson
Notary Public Signature



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

Title or Type of Document Hammond Creek Pasture
Development Agrmt.
Date of Document 9.19.97

APPROVED AS TO FORM:

BY: 
MARK J. DOANE
City Attorney

APPROVED AS TO SUBSTANCE:

BY: _____

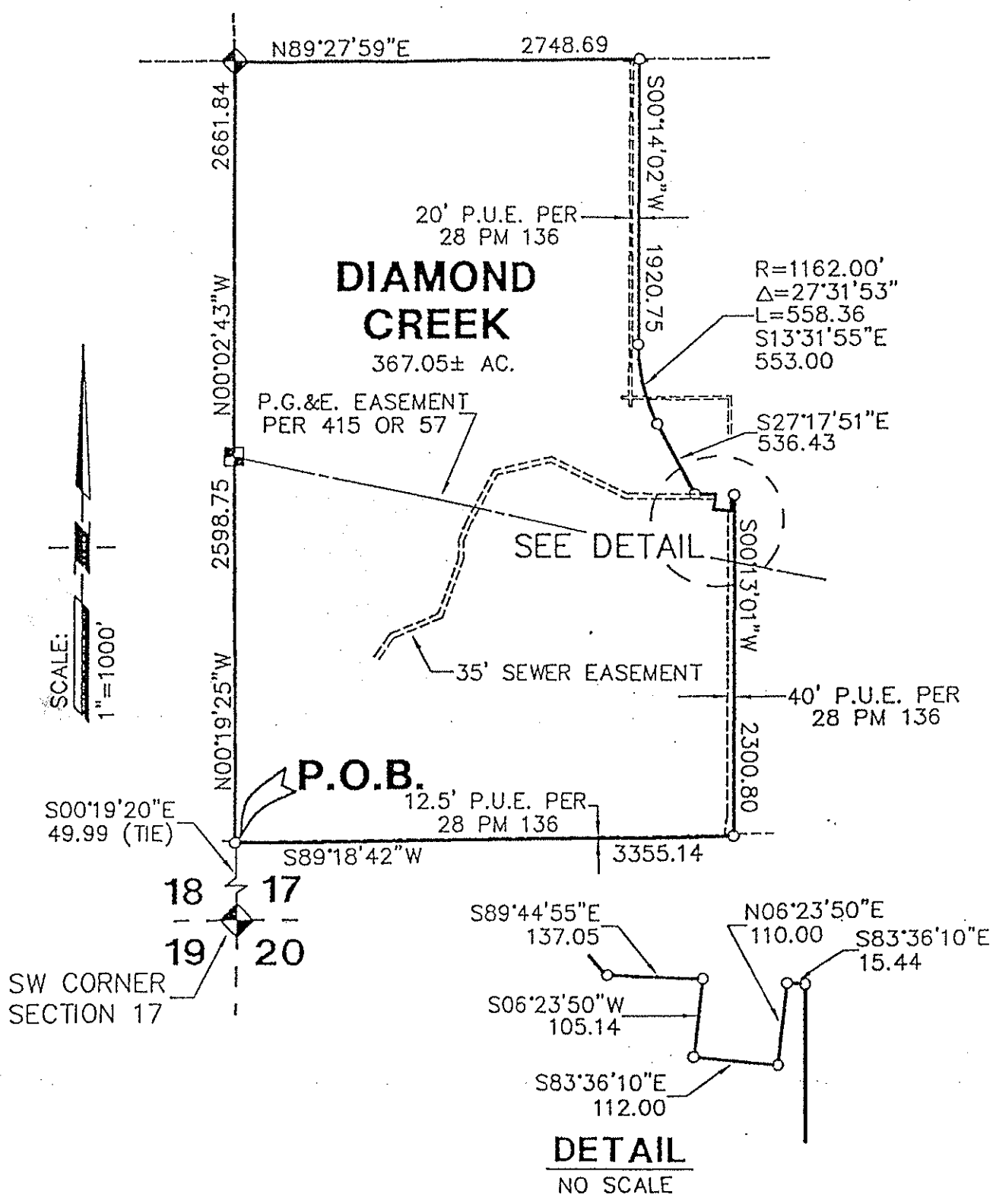
LIST OF EXHIBITS

- Exhibit A -- Property Description:
 - A-1 -- Legal Description of the Property
 - A-2 -- Diagram of the Property
- Exhibit B -- Land Uses for the Property
- Exhibit C -- General Location of Bike Trail Improvements
- Exhibit D -- On-Site Electric Distribution Facilities ("D-1" and "D-2")
- Exhibit E -- Off-Site Electric Distribution Facilities ("E-1" and "E-2")
- Exhibit F -- On-Site Water Lines and Well Site
- Exhibit G -- Reclaimed Water Lines
- Exhibit H -- Sewer Lines
- Exhibit I -- Collector Streets
- Exhibit J -- CFD Improvements
- Exhibit K -- Form of Assignment

EXHIBIT "A-1"

LEGAL DESCRIPTION
FOR
DIAMOND CREEK PARTNERS, LTD.

That portion of Section 17, Township 11 North, Range 6 East, M.D.B.&M., included within the land shown and designated as Parcel 2 of Parcel Map filed for record in the Office of the Recorder of Placer County, California on October 21, 1996 in Book 28 of Parcel Maps, at page 136, Placer County Records.



NORTH ROSEVILLE SPECIFIC PLAN
DIAMOND CREEK
 SECTION 17, T. 11 N., R.06 E., M.D.M.
 CITY OF ROSEVILLE
 COUNTY OF PLACER CALIFORNIA

DATE: JULY 1997

JOE NO. 705DC

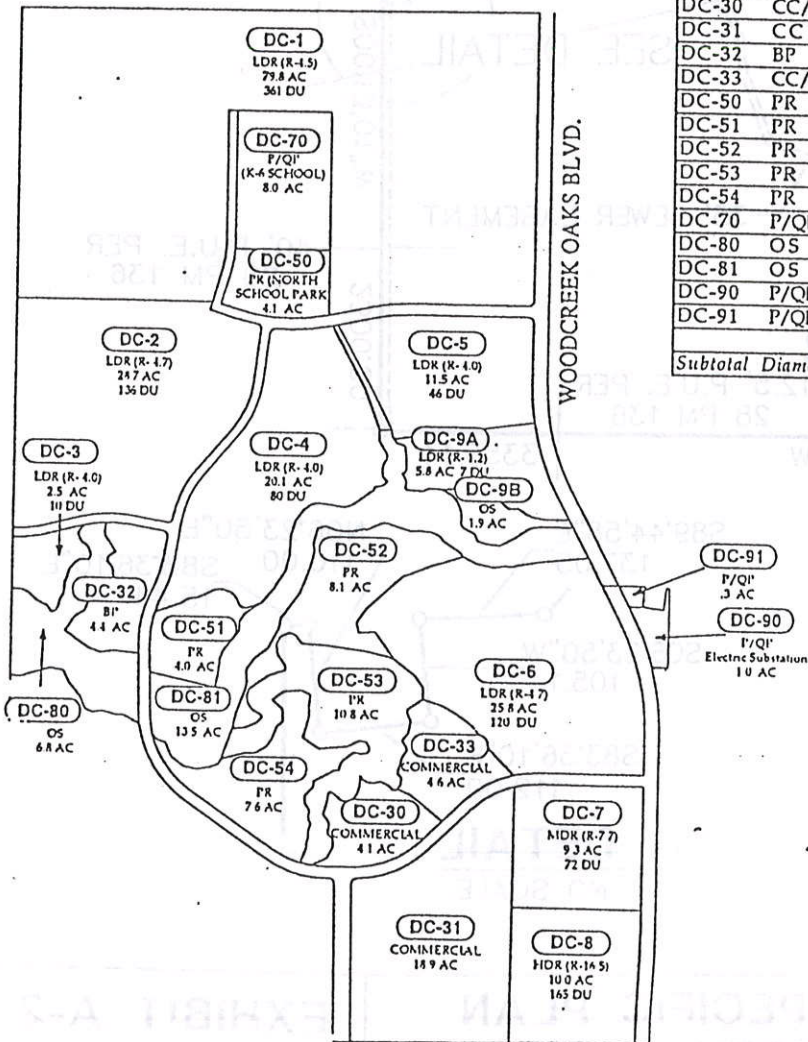
EXHIBIT A-2
 1 of 26

ANDREGG, INC.
 SURVEYING ENGINEERS
 AUBURN, CALIFORNIA
 (916) 855-7072

EXHIBIT "B"

Land Uses for the Property Diamond Creek

Parcel	Zoning	Land Use	Density	Net Acreage	Units
DIAMOND CREEK					
DC-1	R1	LDR	4.5	79.8	361
DC-2	R1	LDR	4.7	28.7	136
DC-3	R1	LDR	4.0	2.5	10
DC-4	R1	LDR	4.0	20.1	80
DC-5	R1	LDR	4.0	11.5	46
DC-6	RS	LDR	4.7	25.8	120
DC-7	RS/DS	MDR	7.7	9.3	72
DC-8	R3	HDR	16.5	10.0	165
DC-9A	R1/SA	LDR	1.2	5.8	7
DC-9B	OS	Open Space		1.9	
DC-30	CC/SA	Community Commercial		4.1	
DC-31	CC	Community Commercial		18.9	
DC-32	BP	Business-Professional		4.4	
DC-33	CC/SA	Community Commercial		4.6	
DC-50	PR	North School Park		4.1	
DC-51	PR	Diamond Creek Park		4.0	
DC-52	PR	Diamond Creek Park		8.1	
DC-53	PR	Diamond Creek Park		10.8	
DC-54	PR	Diamond Creek Park		7.6	
DC-70	P/QP	Elementary School		8.0	
DC-80	OS	Open Space		6.8	
DC-81	OS	Open Space		13.5	
DC-90	P/QP	Electric Substation		1.0	
DC-91	P/QP	ROW- Diamond Creek		0.3	
		ROW- Diamond Creek		17.2	
Subtotal Diamond Creek				308.8	997



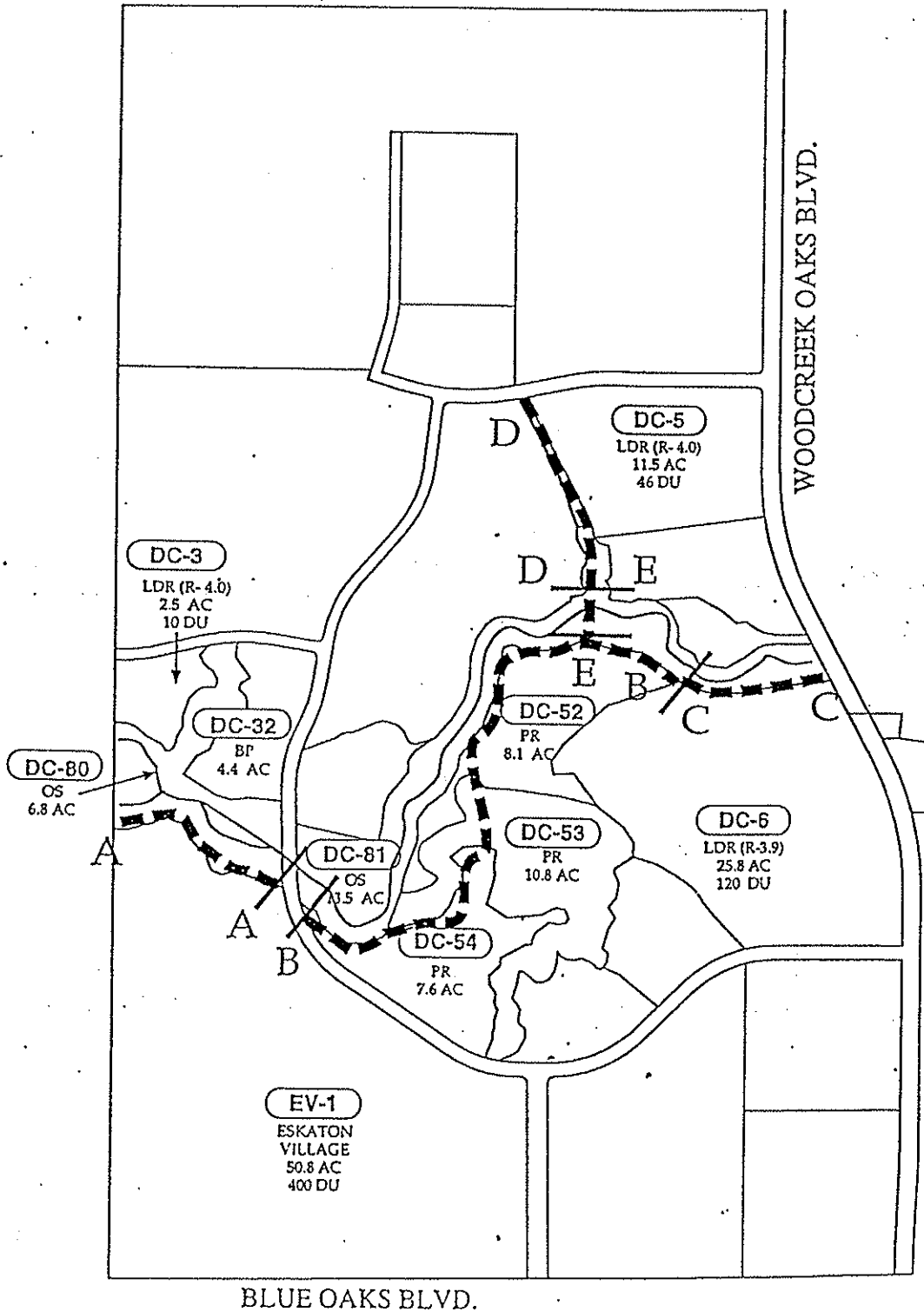
BLUE OAKS BLVD.



EXHIBIT "C"

(Page 1 of 2)

General Location of Bike Trail Improvements



Segment:

Constructed by:

A-A

Developer of Parcel EV-1

B-B

Developed with Park Improvements

C-C

Developer of Parcel DC-6

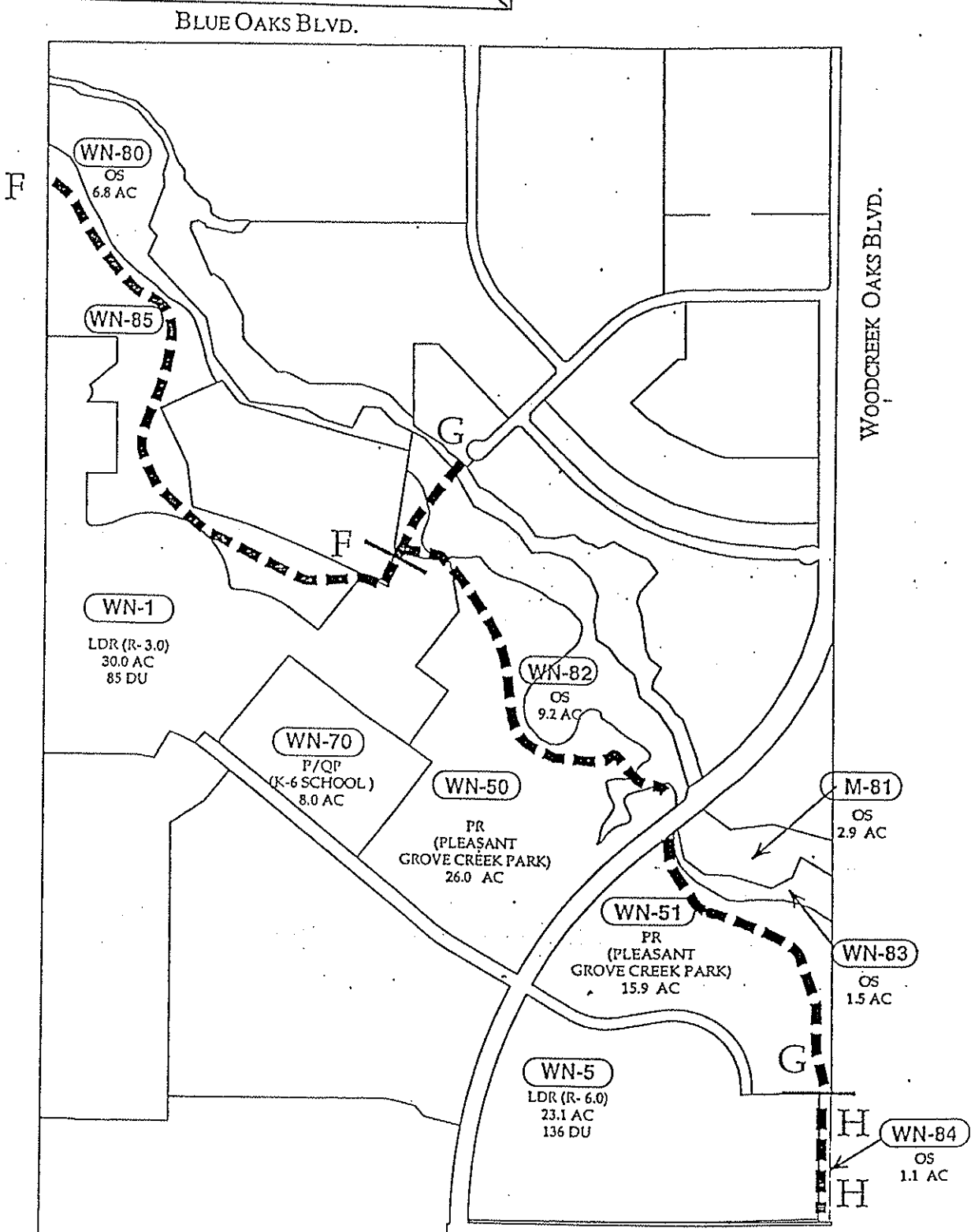
D-D

City EUD

E-E

Developer of Park Improvements (Creek Center)

EXHIBIT "C"
 (Page 2 of 2)
 General Location of Bike Trail Improvements



Segment:	Constructed by:
F-F	Developer of Parcel WN-1
G-G	Developed with Park Improvement
H-H	Developer of Parcel WN-5

EXHIBIT D-1

ONSITE ELECTRIC DISTRIBUTION FACILITIES
NEIGHBORHOOD "A", PHASE 1

PLACER COUNTY

CITY OF

TO OVN ROSEVILLE

WALAIRE
340

DIAMOND CREEK



ELECTRIC
SUBSTATION
SITE

TO PH 2-C

TO PH 2-C

TO CWSP

TO FOOTHILLS
BLVD.

TO 12KV OFFSITE
(SEE EXHIBIT E-1)

BLUE OAKS BLVD.

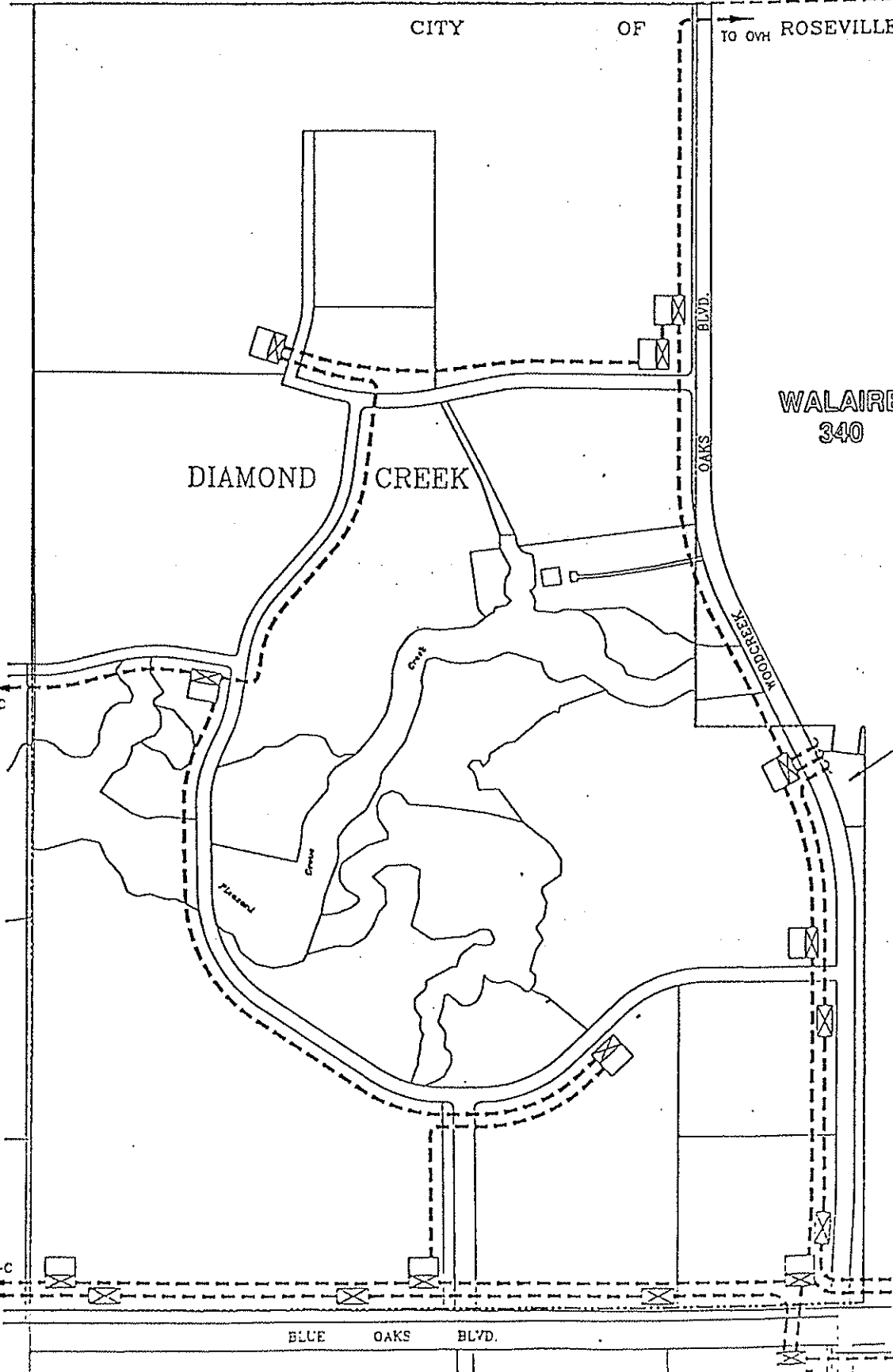


EXHIBIT D-2

ONSITE ELECTRIC DISTRIBUTION FACILITIES
NEIGHBORHOOD "B", PHASE 1

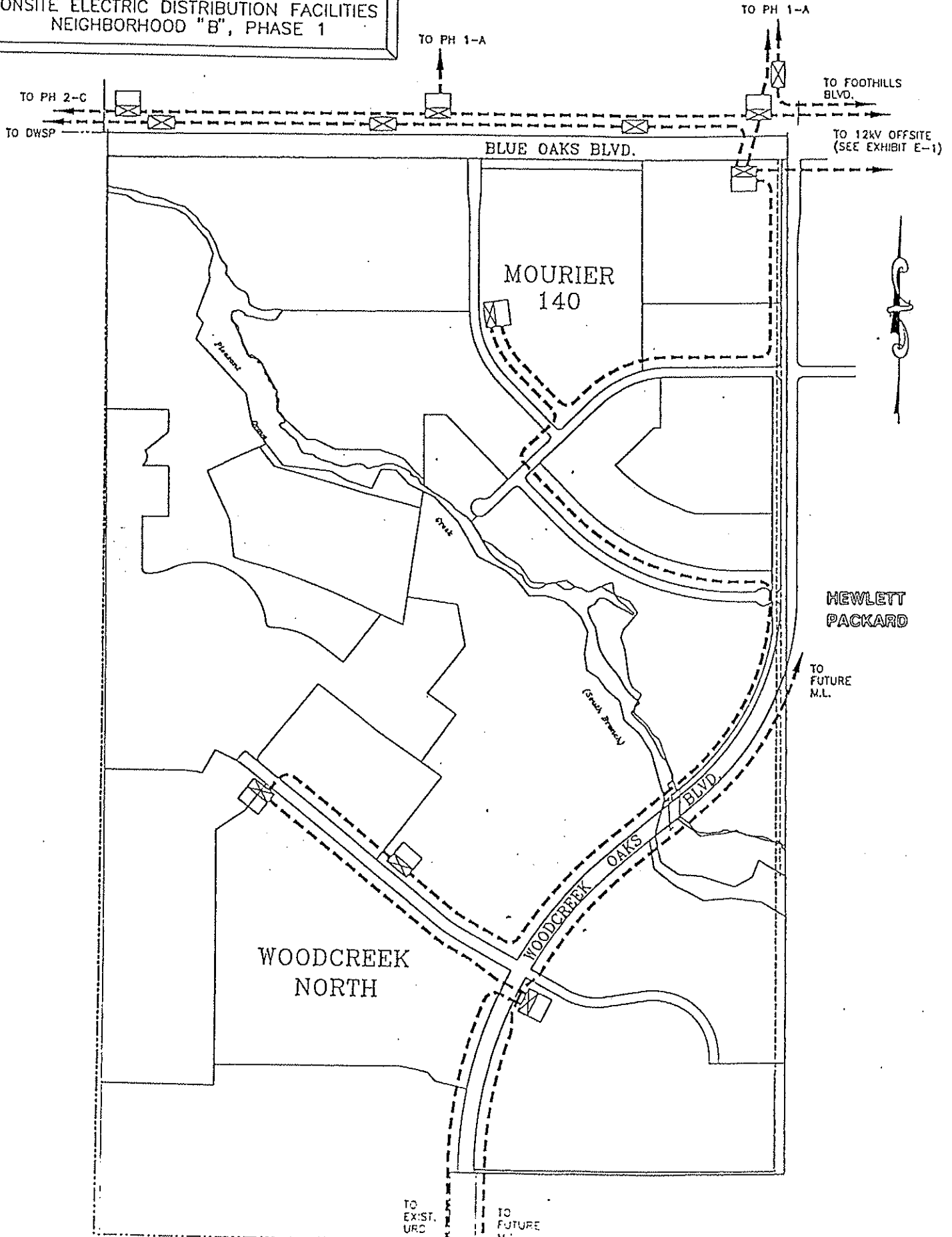


EXHIBIT E-1
SITE ELECTRIC DISTRIBUTION FACILITIES

DIAMOND
CREEK

WALAIRE

TO ONSITE
PH 1-A

(ITEM "A")
2 UNDERGROUND M.L. CIRCUITS
4,500' EACH

EXISTING
DUCT BANK
4-4" C's

BLVD.

BLUE OAKS BLVD.

UNDER NRSP

EXISTING TEMPORARY OVH LINE
TO BE UNDERGROUNDED
BY HEWLETT PACKARD

FOOTHILLS

MOURIER
140

HEWLETT PACKARD



EXHIBIT E-2
60KV ELECTRIC DISTRIBUTION FACILITIES

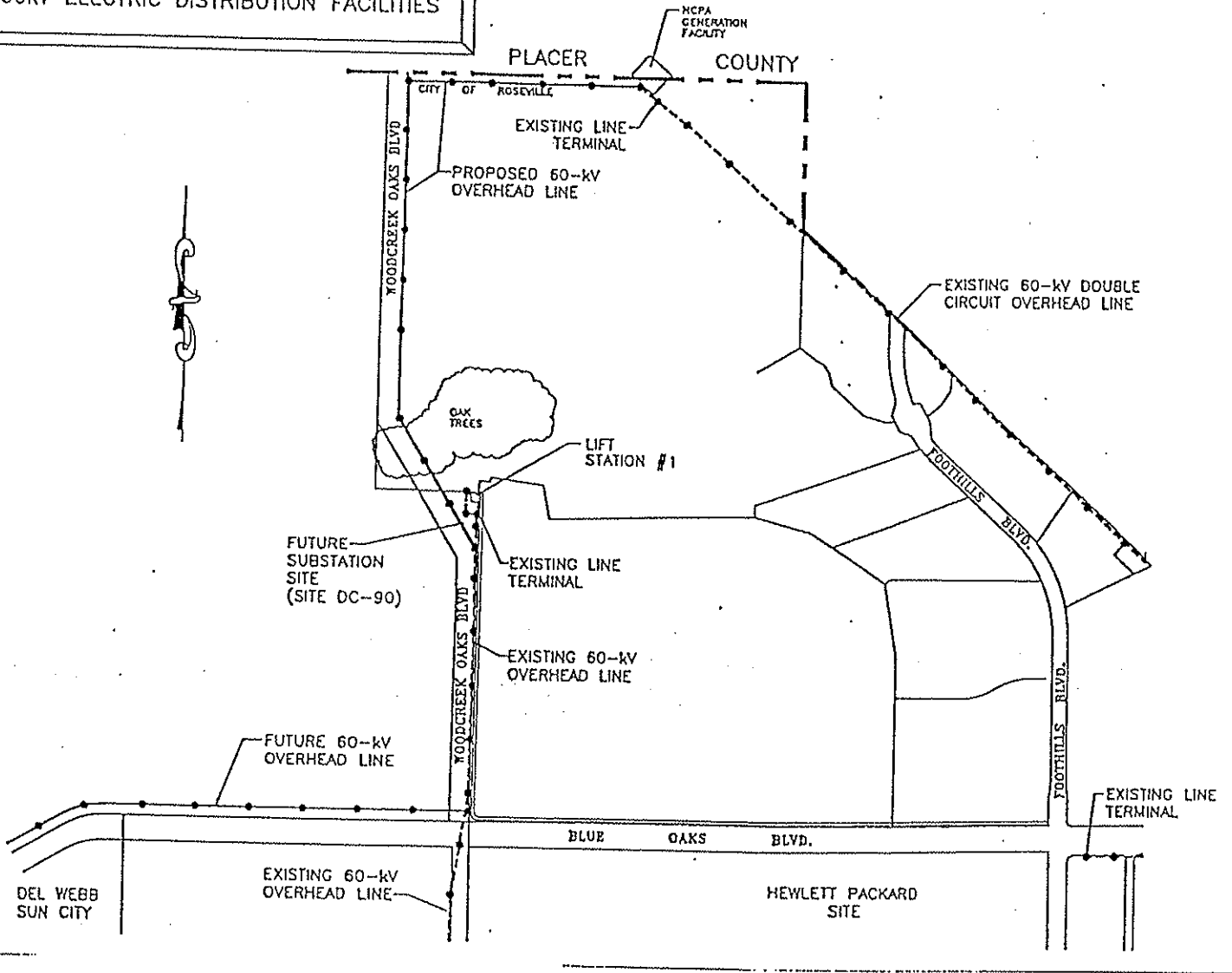


EXHIBIT "H"
Sewer Lines

KEY

- Specific Plan Boundary
- Proposed Gravity Wastewater Line (SS)
- Existing Force Main (FM)
- ▬▬▬▬ Proposed Force Main (FM)

Sewer Lines
(Prior to Operation of the Pleasant Grove Creek WWTP)

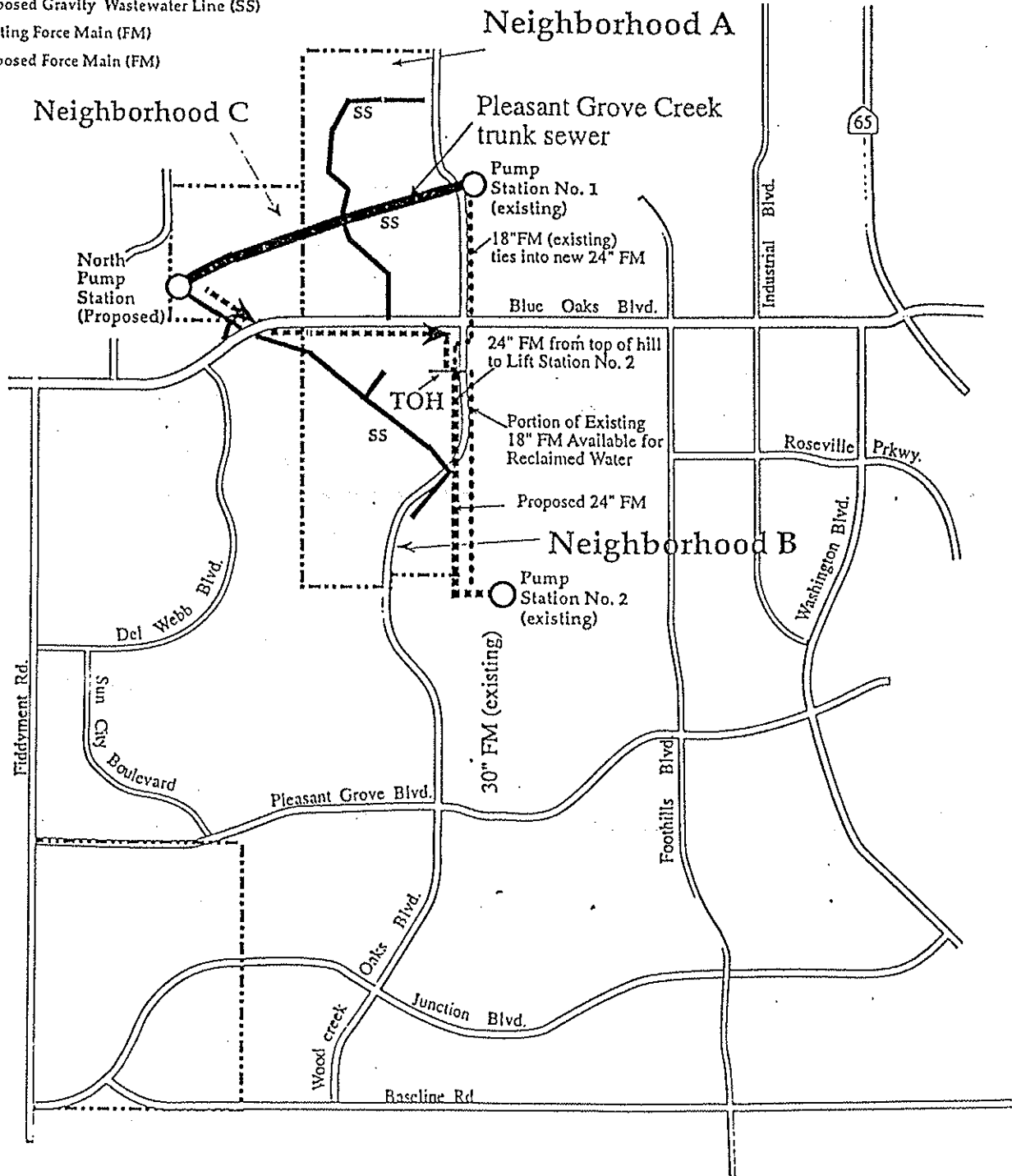










EXHIBIT "I"

Collector Streets

-  6 Lane Arterial (Figure 4-2)
(Blue Oaks Blvd.)
-  4 lane Arterial (Figure 4-4)
-  4 lane Arterial (Figure 4-6)
(Diamond Creek Blvd.)
-  4 lane Arterial (Figure 4-5)
Woodcreek Oaks Blvd. North of Blue Oaks Blvd.
-  4 lane Arterial (Figure 4-5)
Woodcreek Oaks Blvd. South of Blue Oaks Blvd.
(Adjacent to HP)
-  2 lane Collector (Figure 4-7)
-  2 lane Primary Residential (Figure 4-9)
-  Signalized Intersection

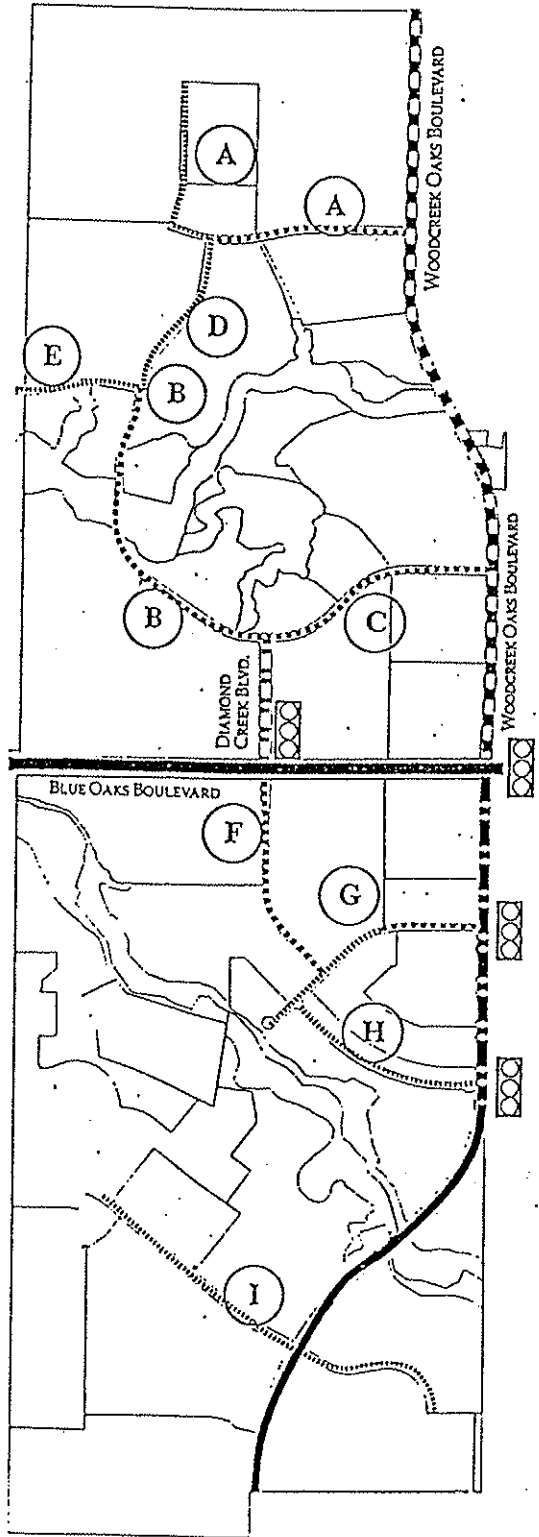


EXHIBIT "J"

CFD IMPROVEMENTS

CFD FACILITIES

◆ ROADS

- ▶ Blue Oaks Boulevard
 - Frontage improvements on both the north and south sides of Blue Oaks Boulevard, consisting of curb, gutter, 18 feet of pavement, streetlights, utilities and ancillary improvements, but not including landscaping or sidewalks (except as otherwise provided below), plus median landscaping.
 - Road improvements will extend from intersection with Woodcreek Oaks Boulevard to the western plan boundary for Neighborhoods A and B, with appropriate transitions at each end.
 - Del Webb reimbursement for the previously installed southern portion of frontage improvements included as part of the cost for Blue Oaks Boulevard.
 - City to pay cost of 10 feet of additional pavement on north side of Blue Oaks Boulevard.
 - CFD will include financing for the meandering sidewalk to be located along the portion of Blue Oaks Boulevard adjacent to the middle school site.

- ▶ Woodcreek Oaks Boulevard
 - South of the South Branch of Pleasant Grove Creek: frontage improvements on both the west and east sides of Woodcreek Oaks Boulevard, consisting of curb, gutter, 18 feet of pavement, streetlights, utilities and ancillary improvements, but not including frontage landscaping or sidewalks (except as otherwise provided below), plus median landscaping.
 - The west one-half of the bridge structure crossing the South Branch of Pleasant Grove Creek, and all necessary transitions to the southern improvements to Woodcreek Oaks Boulevard.
 - North of the South Branch of Pleasant Grove Creek: frontage improvements for the west side of Woodcreek Oaks Boulevard, consisting of curb, gutter, 18 feet of pavement, streetlights, utilities and ancillary improvements, but not including landscaping or sidewalks (except as otherwise provided below), plus 14 feet of additional pavement and a median curb for the western edge of the landscape median planned for Woodcreek Oaks Boulevard (but no other median landscaping), plus the west one-half of the bridge structure crossing the Main Branch of Pleasant Grove Creek. Streetlights on west side only, designed to meet IESRP8 lighting standards for a residential collector.

- CFD will include financing for sidewalks to be located back-of-curb for any portion of Woodcreek Oaks Boulevard adjacent to non-park, open space, as required by City.
 - ▶ Collector Streets
 - Curb, gutter, pavement, streetlights, utilities, bridges and ancillary improvements (but excluding landscaping and sidewalk, except as otherwise provided below) for that portion of the roadways identified as "Collector Streets" on Exhibit "I" necessary to provide access to the school sites and park sites within the Plan Area.
 - CFD will include financing for the sidewalks to be located back-of-curb for the portions of the Collectors adjacent to the middle school and elementary school sites and for any portion of the Collectors adjacent to non-park, open space, as required by City.
 - ▶ Intersections
 - Intersection improvements (excluding signals) as required by the City for the intersection of Woodcreek Oaks and Blue Oaks Boulevards and for the intersections of the Collector Streets with such Boulevards.
- ◆ DRAINAGE
- ▶ Master Drainage Plan.
 - ▶ Storm drain mains required by the Master Drainage Plan and laterals located within the above-described road improvements.
- ◆ WATER
- ▶ All on-site improvements to the water system shown on Exhibit "F" of this Agreement.
 - ▶ The alternative reducing station, if any, to be located on Blue Oaks Boulevard as an alternative to the western-most reducing station shown on Exhibit "F."
- ◆ RECLAIMED WATER
- ▶ Reclaimed water line extensions from the backbone line along Woodcreek Oaks Boulevard to be installed by City to the publicly owned parks within the Plan Area, as generally shown on Exhibit "G" of this Agreement. Each line will be sized as required to serve the applicable park site, subject to such oversizing as may be requested and paid by City for the proposed reclaimed water cascade from North School Park to Pleasant Grove Creek.
- ◆ SEWER
- ▶ All on-site improvements to the sewer system as shown on Exhibit "H" to this Agreement, and the Plan Area's share of the cost to construct the 72" Pleasant Grove Creek Trunk Sewer.

- ▶ All off-site improvements to the sewer system in Neighborhood C as shown on Exhibit "H" to this Agreement, except for the 72" Trunk Sewer to be located therein, which shall be City's responsibility (subject to the CFD contribution described above).
- ▶ Modifications to Pump Station No. 1 to allow minimum flows along the 72" Trunk Sewer that will support single design for the North Pump Station.
- ▶ The Plan Area's share for the 24-inch force main between the TOH and Pump Station No. 2.

◆ ELECTRIC FACILITIES

- ▶ All on-site electric distribution facilities identified in Exhibit "D" of this Agreement, and all off-site electric distribution facilities identified in Exhibit "E" of this Agreement.

◆ PARKS

- ▶ Initial park and bike trail improvements within the Plan Area.

CFD CONTRIBUTIONS

◆ PLEASANT GROVE INTERCHANGE

- ▶ \$1 million at bond issuance, to be credited against the Highway 65 JPA Impact Fee.

◆ FIRE STATION SITE

- ▶ \$150,000 for City acquisition of a fire station site to be located outside the Plan Area boundary.

◆ SCHOOL SITE ACQUISITION

- ▶ \$1,852,000 for acquisition of middle school site.
- ▶ Approximately \$309,000 for acquisition of land for school sites, net of dedications, approximately \$174,000 of which to be allocated to Neighborhood A (exclusive of the Eskaton project) and \$135,000 to the northern half of Neighborhood B.

◆ MAHANY PARK COMMUNITY CENTER

- ▶ \$1,000,000 for City construction of the Mahany Park Community Center, to be credited against the City's Capital Facilities Fee. (Actual proceeds to come from reimbursement to City from school district purchase of middle school site.)

◆ BLUE OAKS BOULEVARD MEDIAN

- ▶ Up to \$400,000 for landscaping 56-foot wide Blue Oaks Boulevard median from western Phase I Plan Area boundary east to Woodcreek Oaks Boulevard intersection. (Actual

proceeds to come from reimbursement to City from school district purchase of middle school site.)

EXHIBIT "K"

When Recorded, Return to:

[Name of Landowner]

Attn: _____

ASSIGNMENT AND ASSUMPTION AGREEMENT
RELATIVE TO
NORTH ROSEVILLE DEVELOPMENT AGREEMENT
(Village ____)

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (hereinafter, the "Agreement") is entered into this ____ day of _____, 199__, by and between [NAME OF LANDOWNER], a _____ (hereinafter "Developer"), and [NAME OF PURCHASER], a _____ (hereinafter "Assignee").

RECITALS

A. On _____, 1997, the City of Roseville and Developer entered into that certain agreement entitled "Development Agreement By and Between The City of Roseville and [Name of Landowner] Relative to the North Roseville Specific Plan" (hereinafter the "Development Agreement"), pursuant to which 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 _____, 1997, in Book _____, Page _____, Series No. _____.

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

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(s).

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

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(s) shall be:

[Name of Assignee]

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.

ASSIGNEE:

[NAME OF ASSIGNEE],

a _____

By: _____

Name: _____

Its: _____

DEVELOPER:

[NAME OF LANDOWNER],

a _____

By: _____

Name: _____

Its: _____

ORDINANCE NO. 3130

ORDINANCE OF THE COUNCIL OF THE CITY OF ROSEVILLE
APPROVING A DEVELOPMENT AGREEMENT FOR
THE NORTH ROSEVILLE SPECIFIC PLAN AREA
(DIAMOND CREEK PARTNERS, LTD.)
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 for the North Roseville Specific Plan (NRSP) area, as such area is described in the subject Development Agreement by and between the City of Roseville and Diamond Creek Partners, Ltd., a copy of which is on file with the City Clerk's office and is incorporated herein by reference.

SECTION 2. The City Council of the City of Roseville has reviewed the findings of the Planning Commission recommending approval of the Development Agreement for the NRSP area 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 the North Roseville Specific Plan;
2. The Development Agreement is consistent with the provisions of Chapter 19.84 of the Zoning Ordinance of the City of Roseville;
3. The Development Agreement will not be detrimental to the health, safety and general welfare of residents in the City of Roseville;
4. The Development Agreement will not adversely affect the orderly development of property or the preservation of property values; and
5. The development permitted by the Development Agreement will provide sufficient benefit to the City of Roseville to justify entering into the Development Agreement.

SECTION 3. The Development Agreement by and between the City of Roseville and Diamond Creek Partners Ltd., 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 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 30 days from the date of its adoption.

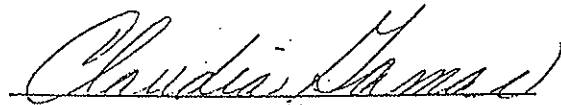
SECTION 6. The City Clerk is hereby directed to cause this ordinance to be published in full at least once within 14 days after it is adopted in a newspaper of general circulation in the City, or shall within 14 days after its adoption cause this ordinance to be posted in full in at least three public 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 20th day of August, 1997, by the following vote on roll call:

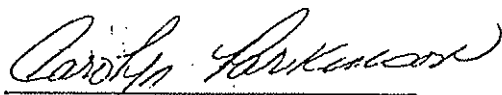
AYES COUNCILMEMBERS: Jim Gray, Pauline Roccucci, Randy Graham, Claudia Gamar

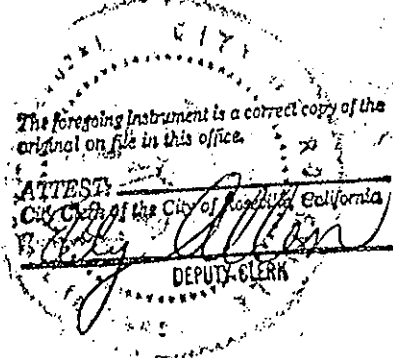
NOES COUNCILMEMBERS: None

ABSENT COUNCILMEMBERS: Harry Crabb


MAYOR

ATTEST:


City Clerk



Ord 3130