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Title: Development Agreement By and Between the City of Roseville and Mourier Land Investment Corporation Relative to the North Roseville Specific Plan Phase III (Doctor's Ranch)

FILED

SEP 11 2001

CITY OF ROSEVILLE

BY _____

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North Rose Specific Plan

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DEVELOPMENT AGREEMENT
BY AND BETWEEN THE CITY OF ROSEVILLE AND
MOURIER LAND INVESTMENT CORPORATION
RELATIVE TO THE
NORTH ROSEVILLE SPECIFIC PLAN
Phase III
(DOCTOR'S RANCH)

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**DEVELOPMENT AGREEMENT
BY AND BETWEEN THE CITY OF ROSEVILLE AND
MOURIER LAND INVESTMENT CORPORATION
RELATIVE TO THE
NORTH ROSEVILLE SPECIFIC PLAN
Phase III**

(DOCTORS RANCH)

This Development Agreement is entered into this 25th day of July, 2000, by and between the CITY OF ROSEVILLE, a municipal corporation (hereinafter "**City**"), and MOURIER LAND INVESTMENT CORPORATION, a California corporation (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 160 acres 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 all persons holding legal or equitable interests in the Property shall be bound by the Agreement. Landowner is under contract to acquire the Property and agrees that the right to develop the Property in accordance with the Entitlements hereunder shall not become effective unless and until Landowner acquires the Property.

3. **Hearing.** On July 13, 2000, the City Planning Commission, designated by Roseville Ordinance No. 3014 as the planning agency for purposes of development agreement review pursuant 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 September 13, 2000, the City Council, in Resolution No. 00-430, certified as adequate and complete the Final EIR (the "**EIR**") for Phase III of the North Roseville Specific Plan. Mitigation measures were suggested in the 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:

5.1 The Roseville General Plan, as amended by Resolution No. 00-431 ;

5.2 The North Roseville Specific Plan and Design Guidelines, as amended and adopted by Resolution No. 00-432 (the "**Specific Plan**");

5.3 The Rezoning of the Property pursuant to Ordinance No. 3577 , dated October 11 , 2000; and

5.4 This Development Agreement, as adopted by Ordinance No. 3578 (the "**Adopting Ordinance**").

The approvals described in paragraphs 5.1 through 5.3, 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

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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.

12. Annexation. The Property is currently located adjacent to the City within the unincorporated County of Placer. The Entitlements granted herein to Landowner applicable to the Property, and the ability to proceed with development of the Property pursuant to the Entitlements, will be contingent upon the annexation of the Property into the City.

1. AGREEMENT

SECTION 1: GENERAL PROVISIONS

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

1.2 Property Description and Binding Covenants. The Property is that property described in Exhibits "A-1" and "A-2." It is intended and determined that, upon satisfaction of the conditions to recordation of the Agreement set forth in Section 1.3.1 below, the provisions of this Agreement shall constitute covenants which shall run with the Property and the benefits and burdens hereof shall bind and inure to all successors in interest to and assigns of the parties hereto. Accordingly, all references herein to "Landowner" shall mean and refer to Mourier Land Investment Corporation 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 the full execution of this Agreement by Landowner and City (the "Effective Date"). Provided, however, the terms and conditions of this Agreement shall not be binding upon the Property and this Agreement shall not be recorded against the Property, nor shall Landowner have any development rights or improvement or payment obligations with respect to any portion of the Property as contemplated by the Entitlements and this Agreement, until the later of (i) the annexation of the Property to the City in accordance with the provisions of Section 1.6 below and (iii) the acquisition of the Property by Landowner.

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If the foregoing conditions for recordation are not satisfied by December 31, 2002, then either party may, at any time (until such conditions are satisfied and the Agreement is recorded), elect to terminate this Agreement by giving written notice of such termination to the other party, in which case the rights and obligations of the parties hereunder shall terminate and be of no further force or effect. Provided, however, for such termination to be effective, the terminating party must also give written notice to the other party to terminate the First Amendment to the Development Agreement for Neighborhood C, in accordance with the terms for terminating such amendment. As set forth in Recital 9 above, the City's agreement to approve development of the Property (including the zoning of the Property for residential uses and the annexation of the Property to the City) is being made in consideration of Landowner's covenants under this Agreement. In particular, to protect the City's interests with respect to such zoning and annexation, the zoning approved by the City includes the City's "SA" designation, with the condition that a development agreement between the owner of the Property and the City must be entered into and be effective prior to any development thereof. Accordingly, in the event of any such termination prior to recordation of this Agreement, Landowner acknowledges that the Entitlements shall no longer be vested by this Agreement and that the City shall not be required to approve any development of the Property, unless and until an effective development agreement is entered into with the City for the Property.

Upon satisfaction of such conditions, the term of this Agreement shall extend for a period of twenty (20) years after the date of such recordation, 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. 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 3.15, 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.

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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 3.15, 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 annexation of the Property to the City and the acquisition of the Property by Landowner (as such conditions to recordation are set forth in Section 1.3.1 above), or the date of such 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.

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

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

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 acreage's for the Property:

Single-Family, Low Density Residential	669 units on 143.2 net acres;
Park	9.0 net acres;
Other Public (ROW)	7.8 net 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 provision by Landowner of affordable housing elsewhere within the Plan Area as described below and the other 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 51 units affordable for purchase to low-income households, and 17 units affordable for purchase to middle-income households. Any adjustment based on actual development shall be subject to the approval of the Housing Director.

Notwithstanding the foregoing affordable housing goals, City acknowledges that Landowner has agreed to provide additional affordable housing within its development of Parcel M-1 of Phase I of the Specific Plan, in excess of its original obligations therefor, pursuant to its Phase I Development Agreement with the City, as amended by that certain Second Amendment thereto dated April 17, 2000 and recorded May 2, 2000, Instrument No. DOC-2000-0029511 (collectively, the "Phase I Development Agreement"). City acknowledges and agrees that, in consideration of Landowner's affordable housing covenants under the Phase I Development Agreement, so long as Landowner is not in default of its obligations thereunder, Landowner shall be deemed to have satisfied thereby the above requirements for the Property to provide the 51 units affordable for purchase to low-income households. Accordingly, so long as Landowner is not in breach of its affordable housing obligations under the Phase I Development Agreement, the terms of Section 2.6.1 below shall be deemed to refer only to Landowner's remaining obligation to provide seventeen (17) units as affordable to middle income households.

The terms "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, in consideration of the credit of 51 units against its low-income purchase obligations, the remaining 17 residential affordable units will be reserved within Parcel DR-1 as detached and/or attached single-family residential units affordable to middle-income purchasers. Such units shall be distributed throughout such Parcel.

2.6.1.1 Agreement Required. Prior to the approval of each final residential lot subdivision map within Parcel DR-1, 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 middle-income households.

2.6.1.2 Content. The Affordable Purchase Housing Development Agreement shall, for each such residential lot subdivision, set forth, among other things, the distribution of the 17 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 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) 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 period as middle-income units which are later sold as market units shall nonetheless be credited against Landowner's affordable purchase housing obligation.

(b) 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.

(c) 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 (including, but not limited to, Phases I and II of the Specific Plan), subject to the Housing Director's approval.

(d) For purposes of making housing opportunities affordable, Landowner agrees that it shall use its best efforts to sell such affordable purchase units to qualifying middle-income households 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 middle-income households, and maintenance of a waiting list of 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 middle-income household, Landowner shall notify the Housing and Redevelopment Manager in writing of such sale and provide information verifying such qualification as middle-income.

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

2.6.1.4 Transfer of Obligation. At the request of Landowner, the affordable purchase housing obligation (or any portion thereof) for Parcel DR-1 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.

2.7 Wetlands.

2.7.1 404 Permit. Landowner has obtained verification from the U.S. Army Corps of Engineers that approximately 1.38 acres of wetlands exist on the Property. Landowner shall obtain from the U. S. Army Corps of Engineers (the "Army Corps") a permit (the "404 Permit") to fill such wetlands (approximately 1.38 acres) in conjunction with development of the Property. Such 404 Permit shall be approved, with conditions satisfactory to the City if such conditions impact any public uses or improvements to be conveyed pursuant to this Agreement, prior to commencement of construction of any improvements on the Property. Landowner intends to mitigate the impacts of such wetland fills through purchase of wetland mitigation credits in an off-site wetland mitigation bank. If any conditions of the 404 Permit conflict, in any material manner, with the Entitlements related thereto, the proposal shall be resubmitted to City for review.

It is not anticipated that the 404 Permit will require preservation of any areas within the Property ("**Environmental Preserve**"). Nevertheless, should the 404 Permit require an Environmental Preserve, then upon formation of the Services District or establishment of the endowment fee financing mechanism (provided for in Section 3.15), with the authority to assume the costs of maintaining the Environmental Preserve in accordance with the 404 Permit, and upon 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 Preserve. Prior to the City's acceptance of such Parcels, all restrictions imposed thereon by the 404 Permit shall be subject to the review and approval of the City, which shall not be unreasonably withheld, Landowner shall have completed any improvements thereto that are required by the 404 Permit (e.g. fencing of areas), and Landowner shall have processed and received approval from the City of a general plan

amendment, specific plan amendment, rezoning and any other required entitlements to change the City's land use designation for the Environmental Preserve to open space, subject to appropriate CEQA review therefor.

2.7.2 Maintenance by Landowner. If an Environmental Preserve is required, Landowner shall be solely responsible for satisfying all monitoring, reporting and, at the expense of the Services District or endowment fund, maintenance requirements under the 404 Permit during the remaining and any extended monitoring period, as determined by the Corps, for such Environmental Preserve. 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 any such Environmental Preserve will be subject to the provisions of the 404 Permit.

SECTION 3: LANDOWNER 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. Landowner shall dedicate to City certain park and open space lands, pay fees for construction by the City for park improvements, and construct park frontage improvements and rough grade the park site, all as set forth herein.

3.2.1 Dedications. Landowner shall dedicate a total of 9.0 acres of active park land. The dedication of park acreage is shown on Exhibit "B." Upon request of City, Landowner shall dedicate the park site within the Property included in such request, provided the large-lot subdivision map for the Property dividing said park site from the Property has then been recorded.

3.2.2 Financing for Parks. The construction of the park site within the Property shall be financed from a combination of Services District financing, the neighborhood park fee and, if necessary, additional Landowner financing, as provided herein. Landowner agrees to pay such fees and provide such additional financing, as, when and in the amounts required hereby. The City agrees that the total amount to be financed by Landowner pursuant to this Section 3.2.2 for the design, construction and inspection of such park improvements shall not exceed the budgeted amount of \$926,300 therefor, as such amount is adjusted by the percentage change in the Engineering News Record, Construction Cost Index for the United States, 20-city average (or comparable replacement

index; hereafter, the "CCI"), from the effective date of the Adopting Ordinance to the earlier of (i) the City's commencement of construction of the park site or (ii) issuance of the final residential building permit within the Property (as adjusted, the "Budgeted Park Amount"). The City shall be responsible for any and all costs to design and construct the park improvements in excess of the Budgeted Park Amount. Provided, however, the parties acknowledge that this Budgeted Park Amount is net of the costs for the park frontage improvements and rough grading to be performed by Landowner pursuant to Section 3.2.3 below, the costs of which shall be solely the responsibility of Landowner.

3.2.2.1 Services District Financing. Pursuant to Section 3.16 below, Landowner shall support the formation of the Services District defined therein. Among other things, the Services District shall be authorized to levy special taxes or assessments initially to fund an amount for construction of the portion of the park improvements to be installed on Parcel DR-50 and ultimately for the full maintenance of such park improvements, as provided herein. The amount of the annual levy by the Services District initially for such park construction and ultimately for such park maintenance (the "Park Levy") shall initially be established at \$108,000, but shall be adjusted annually by the City, on or about January 1st of each year, based on the percentage change in the CCI, from the effective date of the Adopting Ordinance to the date of such adjustment.

The City shall be authorized to include the Park Levy as part of the annual costs to be funded by the Services District for each fiscal year following the issuance of the first residential building permit within the Property. Furthermore, if such permit is issued on or after July 1, but prior to November 1, of any given year, then the City may issue a handbill for the full Park Levy for such year, to be paid in equal installments at the same time as real property taxes would be due and, if such permit is issued on or after November 1, but prior to March 1, of any given year, then the City may issue a handbill for one-half of the Park Levy for the remainder of such fiscal year, to be paid at the same time as the second installment of real property taxes would be due.

During the Park Assessment Banking Period defined below, all special taxes allocable to the Park Levy (including the prorated share thereof allocable to the portion of the fiscal year from July 1 to the end of the Banking Period) shall be deposited and maintained in an interest-bearing, segregated account (the "Park Improvement Account"). The funds so deposited into the Park Improvement Account shall be used solely for the costs to design and construct the park improvements. For purposes hereof, the "Park Assessment Banking Period" shall be defined as the period commencing upon the issuance of the first residential building permit within the Property and expiring two (2) years after issuance of the 500th residential building permit within the Property.

The City shall not withdraw any funds from the Park Improvement Account prior to the issuance of the 500th building permit within the Property. After the issuance of the 500th building permit, the City may withdraw amounts from the Park Improvement Account to fund the costs incurred by the City for the design and construction of the park improvements. Whether the City begins to withdraw funds from the Park Improvement Account at the 500th building permit or

not, the special taxes assessed during the Park Assessment Banking Period will continue to be deposited into the Park Improvement Account until the completion of the Banking Period.

Landowner acknowledges that City may elect to construct the park improvements prior to the expiration of the Park Assessment Banking Period. In such event, City will need to provide alternative financing for the maintenance of such park improvements until expiration of the Banking Period, after which the City may use the Park Levy to provide for such maintenance.

3.2.2.2 Neighborhood Park Fee. In accordance with the park financing plan for the Property, in addition to the funds to be provided and accumulated by the collection of the Park Levy pursuant to Section 3.2.2.1 above, Landowner shall pay a neighborhood park fee, upon the issuance of each residential building permit within the Property, to fund the anticipated balance of the Budgeted Park Amount. Such neighborhood park fee shall initially be **Six Hundred Dollars (\$600)** per single-family residential unit within the Property, subject to annual adjustment based on the percentage change in the CCI. All such neighborhood park fees shall be deposited into the Park Improvement Account.

This initial park fee amount (\$600) is based upon a park financing plan assumption that project absorption will occur at a rate resulting in the Park Levy being deposited for a Park Assessment Banking Period of five (5) years. Should actual absorption occur at a faster pace, the Park Assessment Banking Period would be shorter, resulting in a shortfall in collections and the need for an increased park fee to cover the balance of the budgeted park amount. Likewise, if actual absorption occurs at a slower pace, the Park Assessment Banking Period would be longer, resulting in greater-than-anticipated collections and the need to decrease the park fee to avoid collecting more than the budgeted park amount.

Upon the issuance of the 500th residential permit within the Property, the City shall review and make an adjustment, if needed, to such neighborhood park fee, based on the actual absorption rate experienced for development of the Project, to increase (if absorption is faster than anticipated) or decrease (if absorption is slower than anticipated) the park fee so that the total amount of the Park Levy to be deposited into the Park Improvement Account as provided above, plus with the total amount of the neighborhood park fees to be paid upon full buildout of the Project, together with all interest earned thereon, will be anticipated to equal the then Budgeted Park Amount.

3.2.2.3 Supplemental Landowner Financing. Upon the issuance of the final residential building permit for the Project, if the amount then collected by the City for park improvements from the Park Levies and the neighborhood park fees, together with all interest earned thereon while held in the Park Improvement Account (collectively, the "**Collected Park Funds**") is less than the then Budgeted Park Amount, then Landowner shall pay to the City, within thirty (30) days of its receipt of an invoice from the City therefor, the difference between the then Budgeted Park Amount and the Collected Park Funds. As part of the plan to finance these park improvements, the parties expect to deposit approximately \$600,000 from the Park Levy to the Park Improvement

Account over the Park Assessment Banking Period, approximately \$200,000 of which would be collected during the two (2) years following issuance of the 500th permit and the remaining \$400,000 of which would be collected prior to said 500th permit. Accordingly, to provide security to the City for Landowner's payment under this Section 3.2.2.3, upon the issuance of the 500th building permit, if the amount then collected from the Park Levy is less than \$400,000 (the amount anticipated to be collected by said 500th permit), then Landowner shall post an improvement bond or other such security acceptable to the City in the amount equal to the difference between \$600,000 and the amount then collected from the Park Levy.

Upon the final deposits of special taxes and fees into the Park Improvement Account, if the total amount of the Collected Park Funds exceeds the then Budgeted Amount, then the City shall release the improvement bond to Landowner, if posted hereunder, and shall reimburse such excess amount to Landowner from the Park Improvement Account, up to, but not in excess of, the amount of the neighborhood park fees paid by Landowner into such Account.

3.2.3 Frontage Improvements and Rough Grading. When installing road improvements adjacent to the park site, Landowner shall construct the frontage improvements therefor (excluding landscaping and sidewalks), stub utilities for the park site, subject to direction from the City on the location of such utility stubs, and rough grade the park site. The cost of this work has been accounted for under the park financing plan separate from the Budgeted Park Amount described above. Therefore, Landowner shall not be entitled to any reimbursement for the costs incurred for such improvements, including without limitation, any reimbursement pursuant to Section 3.2.2 above.

3.2.4 Contribution to City Improvements. Landowner agrees to advance **Five Hundred Seventy-One Thousand Eight Hundred Dollars (\$571,800)** toward City-wide improvements to be determined by the City Council. Such advance shall be due and payable upon the earlier of (i) issuance of the 100th building permit for single-family residential units on the Property or (ii) the sale of any CFD Bonds secured by the Property, provided such bond sale shall occur no later than the Outside Bond Sale Date described in Section 3.14.1 below. If Landowner is obligated to fund such advance in cash prior to the issuance of any CFD Bond sale for the Property, then Landowner shall have the right to be reimbursed from the CFD for such cash advance upon the later CFD Bond sale. Landowner shall not be entitled to any fee credits for payment of this advance.

3.2.5 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.

3.3 School Fee Agreements. Landowner has entered into separate written agreements with the Roseville School District and the Roseville Joint Union High School District to 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 or within public easements granted by Landowner to City for such purposes. 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 North Roseville Specific Plan), whichever occurs first, Landowner agrees to grant and convey to City the rights-of-way for any arterials, collectors, local streets, or public easements 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 the Specific Plan.

Landowner shall also grant and convey to City with each of the foregoing roadway 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 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.

3.4.2 On-Site and Off-Site Electric Utility. Concurrently with the construction of the adjacent roadways, Landowner agrees to construct, or finance the construction of, on-site electric distribution facilities as directed by the Electric Utility Director and as shown on **Exhibit "D-2"** attached hereto. Prior to the issuance of the first (1st) building permit within the Property, Landowner agrees to construct, or finance the construction of, the off-site electric distribution facilities to be located within Neighborhood C of the Specific Plan, if and to the extent not then constructed with the development of Neighborhood C, as directed by the Electric Utility Director and as shown on **Exhibit "D-1"** attached hereto. Prior to the issuance of either the 561st building permit within the

combined development of Neighborhood C and the Property or the 1st building permit within Parcel DR-3 or DR-4, whichever occurs first, Landowner agrees to construct, or finance the construction of, the off-site electric distribution facilities to be located along Blue Oaks Boulevard and Woodcreek Oaks Boulevard and within Neighborhood A of the Specific Plan, as directed by the Electric Utility Director and as shown on Exhibit "D-1" attached hereto. The parties agree that Exhibit "D" is conceptual and preliminary in nature and that Landowner will construct or finance construction of electric distribution facilities required to provide electric service to the Property in accordance with final electric distribution designs for the Property as directed by the Electric Utility Director in accordance with applicable City of Roseville Electric Utility Department Specifications for such construction. Final on-site electric utility improvements including street lights, will be designed upon receipt of approved and adopted improvement plans for the applicable roadways within the Property.

3.4.3 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. Landowner agrees that the street lights within the Property shall be installed consistent with the City-approved, acorn type decorative street lighting standards, as shown on Exhibit "D-3" attached hereto, or other decorative street lighting as may be approved by the City.

3.4.4 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.

3.4.5 60kV Disclosure. Landowner shall include a notice in the project CC&R's and its sales documentation advising property owners adjacent to Fiddyment Road that the City may utilize the public utility easements along Fiddyment Road to construct 60kV overhead electric lines.

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, 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 Grant of Floodplain. Landowner shall, prior to approval of the final large lot subdivision map for the Property, grant to City, in fee, all areas of the Property within the 100-year floodplain, if any, 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. The City shall provide water service to the Property with raw water purchased from the San Juan Water District, which water shall be drawn from Folsom Lake, treated at the City's Water Treatment Plant and then delivered to the Project through the City's existing infrastructure.

3.6.1 Water Study. Prior to approval of any improvement plans for any improvements for Landowner's Property, Landowner shall prepare a Water Study for its on-site water facilities, to the satisfaction of the Environmental Utilities Director. The general design of the water system is shown on **Exhibit "F"** hereto, provided the Water Study shall identify the size and locations of the water lines, pressure reducing stations and flow monitoring stations, as well as the

timing of such improvements, required to serve the Property relative to water demands and shall be accompanied by all supporting technical information and calculations.

3.6.2 Financing of Water Supply. Landowner shall have no obligation to install or pay for the installation of any off-site water storage, treatment or transmission facilities, except through the payment of water connection fees levied and collected by the City at the time of development pursuant to then existing City ordinances and this Agreement. Provided, however, City shall not be precluded hereby from imposing on future development within the Property a pro-rata "fair share" special benefit area water connection fee which is specifically developed and adopted to pay for improvements associated with the oversizing of the water transmission system that serve development of the Property, if and when adopted by the City in accordance with the provisions of Section 2.5.2 above. Landowner acknowledges that these fees include Landowner's fair share reimbursement to North Central Roseville for waterline oversizing.

In addition to the City's existing water fees, Landowner shall pay a supplemental water fee of One Million Five Hundred Thousand Dollars (\$1,500,000.00) (the "**Supplemental Water Fee**"), as its fair share for the following facilities: \$250,000 for an emergency back-up groundwater well, \$250,000 for upgraded water pumping facilities and \$1,000,000 for retrofitting Diamond Oaks Golf Course to permit the use of recycled water for irrigation. The portion of such Supplemental Water Fee for back-up groundwater well and pumping facilities (*i.e.*, \$500,000) shall be assessed on a per-unit basis. From and after the issuance of the first building permit within the Property, the outstanding amount of such portion of the Fee shall be revised by the City annually, based on the applicable percentage change in the CCI, between the date of issuance of the first building permit and the payment of such amount. Provided, however, at Landowner's option, Landowner may elect to pay the full \$500,000 portion of such Fee at one time and, if such payment is made to the City within eighteen (18) months of Landowner's recordation of the first final subdivision map for any portion of the Property, then the foregoing CCI factor shall not be applied to such Fee and Landowner's obligation shall be fully satisfied by the payment of said \$500,000. Unless Landowner elects to pay the entire portion of such Fee, payment of such portion of the Fee shall be due upon the issuance of each building permit within the Property. Based on the number of units (669) planned for the Property, such portion of the Supplemental Water Fee would be \$747 per unit, as may be subsequently adjusted by the CCI. Provided, upon approval of the small-lot final subdivision map(s) for the Property, if the total number of units mapped and planned for the Property increases above or decreases below 669, the City shall revise such portion of the Supplemental Water Fee accordingly so that the total amount to be paid by the Property therefor equals the then outstanding portion of such Fee, including applicable CCI adjustments.

The balance of the Supplemental Water Fee (*i.e.*, \$1,000,000) shall be paid upon the earlier of (i) issuance of the 100th building permit for single-family residential units on the Property or (ii) the sale of any CFD Bonds secured by the Property, provided such bond sale shall occur no later than the Outside Bond Sale Date described in Section 3.14.1 below. Provided, however, if such payment by Landowner is made after the later of April 1, 2001, or the date of the City's first payment towards the construction of the recycled water retrofit for the Diamond Oaks Golf Course (which later date shall

be referred to as the "Interest Commencement Date"), then the amount of such payment shall accrue interest computed on the outstanding amount expended by the City for such improvements (up to, but not in excess of said \$1,000,000) during the period from the Interest Commencement Date to the date of such payment. Such interest shall be based on the City's cost of funds, as adjusted annually thereafter, which "cost of funds" shall mean the five-year average rate of return for the City's pooled investment funds, which currently is between 5% and 6% per annum.

3.6.3 On-site Water Lines. Landowner shall provide on-site improvements to the water system as shown on Exhibit "F." All improvements to be constructed by Landowner, including mains, 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.

3.6.4 Water System Sequencing. Water system improvements will be constructed as provided in the Water Study concurrently with the construction of the road improvements described in Section 3.9 below, as generally shown on Exhibit "F." Extensions into the neighborhoods will be completed with development of each neighborhood. Water line extensions shall be sequenced to assure looped systems in all developing areas, except as otherwise approved by the Environmental Utilities Director.

3.6.5 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.

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

3.7 Recycled Water Improvements. Landowner shall provide improvements to the City's recycled water system as provided in this section. The City intends to use recycled water for irrigation of the park within the Property, as generally shown on Exhibit "G". Landowner shall construct and dedicate upon completion thereof, a recycled water line extension from the City's backbone system as generally shown on Exhibit "G." Such line shall be sized to serve the park site (DR-50) with a stub into such parcel as determined by Environmental Utilities and Department of Parks and Recreation.

Landowner shall include in its Neighborhood Park Fee the cost of designing and installing a booster pump station for the park site that will generally consist of a wet well to boost either recycled water or potable water. Potable water will be supplied to parks in addition to the recycled water line.

Until such time as recycled water is available, the booster pump station will pump potable water. When recycled water is supplied to the recycled water line, the booster pump station will pump recycled water with the potable supply as the backup. Landowner shall not be charged any connection or hook-up fee when such improvements are connected and brought on-line for service to such park site, whether with potable or recycled water. Landowner shall pay to the City the actual costs (not to exceed \$7,500) incurred by the City to prepare a recycled water engineering report for submission to appropriate state agencies and to obtain any necessary permits relating to the use of recycled water for the park site.

All recycled 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 Property.

Where the recycled water improvements are not located within road rights-of-way, as and when such recycled 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 described in this Section.

3.8.1 Master Wastewater Plan. Prior to approval of any improvement plans for any improvements for Landowner's Property, Landowner shall prepare a Wastewater Study for its on-site wastewater facilities, as shown on **Exhibit "H"** hereto, to the satisfaction of the Environmental Utilities Director. All sewer improvements shall be consistent with the Regional Wastewater Master Plan. Landowner acknowledges that a combined total of five hundred sixty (560) single-family residential units within the portion of Phase II of the Specific Plan identified as Neighborhood C ("**Neighborhood C**") and within the Property may be permitted to be served on an interim basis through the system to be installed in connection with development of Neighborhood C (with appropriate connections thereto from the Property) until the new treatment plant is constructed by the City on Pleasant Grove Creek. City shall not be obligated to issue any building permits beyond said five hundred sixty (560) combined interim units until the Pleasant Grove Creek Plant is operational and can service such additional units within either Neighborhood C and/or the Property. Except as otherwise agreed in writing by Landowner and the City, upon recordation of each final residential-lot subdivision map or partial final residential-lot subdivision map within either Neighborhood C or the Property, the number of residential lots created thereby shall be counted against said 560-unit overall connection limitation, until said plant becomes operational, at which point this limitation shall terminate.

All other development within the Property shall be served only as, if and when the Pleasant Grove Creek Wastewater Treatment Plant begins operation.

Subject to the above, the Wastewater Study shall identify the size of the wastewater lines, pump station and related facilities, as well as the timing of such improvements, required to serve the Property relative to wastewater demands and shall be accompanied by all supporting technical information and calculations.

Except for the improvements expressly described in the approved Wastewater Study, 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.

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

3.8.3 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.

3.8.4 Public Utility Easements. Landowner shall be solely responsible for obtaining all easements and rights-of-way located outside of the Property that are required for the construction of the improvements identified by the Wastewater Study. City shall provide Landowner with any rights-of-entry needed to connect these improvements to the City's existing lines. 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.

3.8.5 Sequencing of Wastewater Improvements. Wastewater improvements shall be installed in the sizes as provided in the approved Wastewater Study concurrently with the construction of the road improvements described in Section 3.9 below, as generally shown on **Exhibit "H."** In any event, wastewater lines to be located within particular roadways shall be installed concurrent with the installation of the corresponding road improvements, if not installed prior thereto.

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, but not limited to, a bus turnout adjacent to Parcel DR-1 along Fiddymment Road at its intersection with Collector O, as may be required by the City, 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."

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 Fiddymment Road. Landowner shall dedicate all necessary right-of-way and shall construct the frontage improvements plus fourteen feet (14') of additional pavement for Fiddymment Road along Landowner's frontage, inclusive of full intersection improvements at the intersection of Fiddymment Road and Collector O, whether or not the right-of-way remains in the County or is annexed to the City, as generally shown on Exhibit "I."

Said improvements shall conform to Placer County specifications if Fiddymment Road remains in Placer County. If the right of way for Fiddymment Road is to remain with the County, then the parties shall use their best efforts to have the boundary of the City terminate at the back of the curb for the east side of Fiddymment Road adjacent to the Plan Area. In such case, Landowner shall install the improvements identified in the Specific Plan for Fiddymment Road in accordance with the standards of the City for all improvements to be located back of the curb along the east side thereof and in accordance with the standards of the County for the balance of such improvements to Fiddymment Road. If Fiddymment Road remains in the County, and streetlights are not provided as part of the improvements thereto, then the pedestrian walkways along the east side of the road shall be lighted to City specifications for pedestrian safety.

If Fiddymment Road is annexed to the City, Landowner shall install a total of thirty-two feet (32') of pavement for the portion of Fiddymment Road adjacent to the Property, inclusive of the frontage improvements to be installed by Landowner. Such improvements shall be to City specifications. Landowner shall not be entitled to any credit or reimbursement from City for any of the foregoing improvements to Fiddymment Road funded by Landowner, provided the CFD may reimburse Landowner for the costs of such improvements by Landowner. 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 landscaped median in Fiddymment Road and that no CFD funds shall be reserved or used to pay for any such landscaped median.

If the Fiddymment Road realignment referred to in the development agreement for Neighborhood C is approved such that any portion of Fiddymment Road is no longer adjacent to the Property, then Landowner agrees to contribute towards such realignment the amount that Landowner otherwise would have been obligated to pay for its frontage improvements adjacent to such relocated alignment for Fiddymment Road. The estimated cost for such frontage improvements shall be determined by the City using the same methodology that was applied to determine the contribution to be made for such realignment by the owner of Neighborhood C. Any such required contribution shall be due either (i) at the same time as such contribution is required to be made by the owner of Neighborhood C to the City, if the City is constructing such improvements or (ii) when such costs are being incurred by the owner of Neighborhood C, at which time Landowner will fund its pro-rata share of such advance. The costs of any such advance may be funded by the CFD and, in such event, Landowner shall have no obligation to install the frontage improvements for the applicable portion of the road that is being relocated away from the Property.

3.9.3 Collector Streets. To provide access to the Property, Landowner shall construct curb, gutter, pavement, streetlights, utilities, entry medians 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. The parties acknowledge that the location of these roadways are schematic in nature and may be revised during the design of the improvement plans therefor; in particular, based on the final design for such collectors and the final lot subdivisions for the Property and Neighborhood C, Collector O may be located wholly within Neighborhood C, wholly within the Property or partially within both properties, as approved by the City, Landowner shall not be entitled to any credit or reimbursement from City for constructing such improvements, provided the CFD may acquire such improvements. Landowner may elect, upon approval of the City, but shall not be obligated, to construct the Primary Residential Street generally located along the western boundary of Parcel DR-50 as a Collector Street, consistent with the requirements for such collector streets. Any such election with respect to the Primary Residential Street shall be made no later than the time that a residential subdivision map is submitted for either Parcel DR-3 or DR-4.

3.9.4 Timing of Dedication and Construction of Road Improvements.

3.9.4.1 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 this Section 3.9, as such rights-of-way are shown in the Specific Plan.

3.9.4.2 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 the City,

that adequate funds are available to finance the completion of all improvements to Fiddymment Road, and to Collectors N, O (to the extent located within the Property) and P, as well as any improvements that may then be required to be installed through Neighborhood C to serve the Plan Area, as provided in Section 3.15 below.

3.9.4.3 Landowner shall construct the frontage road improvements to Fiddymment Road and shall construct Collectors N, O (to the extent located within the Property) and P (and such additional improvements through Neighborhood C, if any, then required to serve the Property pursuant to Section 3.15 below) prior to the issuance of the first building permit (excluding permits for model homes) within any Parcel of the Property. Landowner shall construct Primary N prior to the issuance of the first building permit (excluding permits for model homes) within Parcel DR-3 or DR-4 of the Property.

3.9.4.4 Sidewalks and landscaping to be installed within the road rights-of-way within the Property shall be installed concurrently with the subdivision improvements for any adjacent single-family residential-lot subdivision.

3.9.5 Road Improvement Standards. Except as provided in Section 3.9.2, 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.

3.9.6 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 and/or Design Guidelines. Such setbacks shall be measured generally from back of curb, except along intersections where bus turnouts, turn lanes, and other similar 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, soundwalls and related uses, and shall be included in the road rights-of-way, as set forth in the Specific Plan.

3.9.7 Traffic Signals. Landowner shall have no obligation to install or pay for the installation of any traffic signals within or adjacent to the Property, except through payment of the Traffic Mitigation Fee levied and collected by the City at the time of development pursuant to then existing City ordinances. 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 and Landowner shall install conduit and sleeves as part of the road improvements at applicable intersections for subsequent installation of traffic signals, as required by City.

3.9.8 Update of City Fee Programs. City will amend its current Traffic Mitigation Fee (Roseville Municipal Code Chapter 4.44) Ordinance (the "**Fee Ordinance**") so as to apply to and include all the Property. City and Landowner agree that the Property will be included within the

Specific Plan, Phase II, Neighborhood C fee district and will pay the then current fee established for that district.

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 the balance of the North Roseville Specific Plan Area ("North Roseville"). Upon amendment, Landowner agrees to pay such fee at the time specified therefor. Furthermore, Landowner agrees that until such time as the JPA Fee program is amended to include the Property, the provisions thereof (as the same exist or may hereafter be amended) applicable to North 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 pays the Interim JPA Fee prior to amendment of the JPA Fee program, and if the Interim JPA Fee exceeds the fee that is ultimately adopted for the Property, then the excess amount collected from payment of such Interim JPA Fee shall be applied to reduce the JPA Fee to be adopted for the balance of the Property. If the interim JPA Fee is less than the JPA Fee that is ultimately adopted for the Property, then the total amount of the shortfall shall be added as a surcharge to such fee on 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.

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

3.9.10 Master Plan Funding. Landowner shall pay, as its fair share on a city-wide basis, One Thousand Forty Dollars (\$1,040.00) for the update of the City's Long Range Transit Master Plan. Such payment shall be due within sixty (60) days after recordation of this Agreement. Landowner also consents to and agrees that the Property shall participate in its fair share of any city-wide funding mechanisms for the updates of the City's Bikeway Master Plan and Short Range Transit Master Plan.

3.10 Miscellaneous Public Facilities and Services.

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

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

3.11 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 interest. In addition, Parcel DR-50 (as shown on Exhibit "B") to be conveyed hereunder to the City shall be free of wetlands. 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. Prior to such conveyance of Parcel DR-50 or any other property by Landowner to the City, Landowner shall be responsible at its sole cost and expense to fill any wetlands located on the applicable property to be conveyed in accordance with the terms and conditions of the 404 Permit, to be obtained pursuant to Section 2.7.1 above.

3.12 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.

3.14.1.1 City and Landowner agree that if requested by Landowner, 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 3.13 and Section 53311 et seq. of the Government Code. City and Landowner agree that, if formed, the CFD shall include all the property shown on the Specific Plan as Parcels DR-1 through DR-4, inclusive.

3.14.1.2 City and Landowner agree that, with the consent of Landowner and to the extent permitted by law, City and Landowner shall use their best efforts to cause bonds to be issued by or before the later of (i) July 1, 2003 or (ii) the date that the City's Pleasant Grove Creek Wastewater Treatment Plant described in Section 3.8.1 above is operational and can service the Property (the "Outside Bond Sale Date") 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.

3.14.1.3 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.

3.14.1.4 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.

3.14.1.5 Nothing herein shall be construed to limit Landowner's option to install the CFD Improvements through the use of private financing.

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 such proportions as City and Landowner shall agree in writing, and (b) any reimbursements associated therewith shall be paid to the CFD.

3.15 Completion of Improvements/Coordination with Neighborhood C. 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 Property may not need to be completed to adequately service portions of the Property as such development occurs. Therefore, as and when portions of the Property are developed, all 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 are substantially complete to the satisfaction of the City Engineer.

All utilities to be installed by Landowner pursuant to Sections 3.6, 3.7 and 3.8 will be subject to the review and approval of the City Environmental Utilities Department. In connection therewith, Landowner shall be responsible for coordinating the alignment of all such planned and future utilities within the applicable rights-of-way to the satisfaction of the City Environmental Utilities Department.

Landowner acknowledges that the plan for the improvements required to serve development of the Property are dependent, in part, on the construction of Collector N, and related utilities, through Neighborhood C from Blue Oaks Boulevard to the southern boundary of the Property and will also be dependent, in part, on the construction of Collector O, and related utilities, if and to the extent Collector O is located within Neighborhood C. Accordingly, notwithstanding anything to the contrary herein, if development of the Property occurs prior to such construction of Collectors N and O, Landowner shall be responsible for extending Collector N and, if applicable, Collector O, including all utilities to be located therein, through Neighborhood C in order to connect with the improvements then constructed by the owner of Neighborhood C, if any, to the improvements to be constructed by Landowner for the Property. City shall use its best efforts to require the owner of Neighborhood C to provide any rights-of-way that may be necessary for Collectors N and O and shall require such owner to reimburse Landowner for the costs of such improvements installed within Neighborhood C in accordance with the provisions of Section 4.2.2 below. Nothing in this section shall preclude Landowner from also separately agreeing with the owner of Neighborhood C to provide the necessary rights of way and/or to share in the costs of any such improvements that may be constructed by Landowner within Neighborhood C.

3.16 Services District.

3.16.1 Formation.

3.16.1.1 Consent, Waiver and Special Benefit. No residential building permit, excluding permits for model homes, shall be issued until the Property has been annexed into

the North Roseville CFD Services District. Landowner consents to and shall cooperate in such annexation or formation or other such financing mechanism for maintenance purposes (herein the "Services District"), and consents herewith to the levy of such special taxes as are necessary to fund the maintenance obligations described in Section 3.16.2 below. 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.

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

3.16.2 Obligations. The Services District, as described in Section 3.15.1, shall:

3.16.2.1 Provide a mechanism for the perpetual maintenance of the scenic corridor, if any, contiguous to those portions of Fiddymment Road within and adjacent to the Property and contiguous to those portions of Collectors N, O (if applicable) and P within the Property. If and to the extent any portion of Fiddymment Road adjacent to the Property is subsequently abandoned (due to any realignment of Fiddymment Road away from the Property), then, to the extent legally permitted, the portion of the special tax levy allocable to the maintenance of the scenic corridor eliminated by such abandonment, shall be redirected to fund any unreimbursed costs incurred by Landowner in the construction of any authorized facilities described in Exhibit "J" hereto;

3.16.2.2 Perform autumn leaf cleanup for collector and local streets;

3.16.2.3 Maintain bus shelters within the Property, to the extent the City does not obtain alternative financing for such maintenance (e.g., through leasing these shelters for advertising);

3.16.2.4 Commencing upon the issuance of the first building permit within the Property, include an annual levy to fund the construction and maintenance of park improvements for the neighborhood park site (Parcel DR-50), in accordance with the provisions of Section 3.2.2.1 above. The parks maintenance portion of such levy (which shall be levied initially to provide a portion of the funding for park construction pursuant to said Section 3.2.2.1) shall be initially established at \$108,000, which may be adjusted annually by the City from and after the effective date of the Adopting Ordinance in accordance with the tax formula to be adopted for the Services District;

3.16.2.5 Maintain all on-site Environmental Preserves, if any, including any buffer areas related thereto, 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. In lieu of the Services District maintenance of an Environmental Preserve, if requested by Landowner,

City agrees that an endowment fund will be created in order to fund the perpetual maintenance, monitoring and reporting requirements for the Environmental Preserve. If Landowner requests the City to create such a fund, such endowment shall be funded by the CFD, to the extent permitted by law, or, if such endowment cannot be funded thereby, then it shall be funded through City imposition and collection of an "environmental endowment fee" to be assessed exclusively upon the Property in an amount per residential lot to be agreed upon with the City, payable at the time an application for a building permit is filed with the City. City shall deposit all such fees so collected into a specially designated account in order to fund an endowment for the perpetual maintenance, monitoring and reporting costs of the Environmental Preserve. The endowment may only be used for the cost of maintenance, monitoring and reporting for any such Environmental Preserve as required by the 404 Permit and all amendments thereto. Landowner may advance some or all of the funds for such endowment, in which case Landowner shall be reimbursed therefor either from the CFD or the environmental endowment fee. Prior to the time when the environmental endowment fees have been collected from all residential lots within the Property, the Services District will assume the costs of monitoring, reporting and maintaining any such Environmental Preserve in accordance with the requirements of the 404 Permit and all amendments thereto;

3.16.2.6 Maintain City and neighborhood entry features to the Property and ancillary landscaping; and

3.16.2.7 Conduct, manage and finance the environmental mitigation monitoring, and the annual review thereof, as required by the mitigation monitoring plan related to the EIR.

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.

3.17 Disclosures to Subsequent Purchasers. This Agreement shall constitute notice to all successors to Landowner hereunder, and to all subsequent purchasers of any lots and/or residential units within the Property, of the following matters:

- A. Fiddymont Road and Blue Oaks Boulevard are designated as truck routes.
- B. The area located northeast of the Property is currently planned for industrial land uses.

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

SECTION 4: CITY OBLIGATIONS

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

4.2 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 or which would be financed by existing City fees. City and Landowner agree that, in consideration of the financing 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 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.

4.2.2 Reimbursement by Third Parties. In the case of public road improvements which abut property or traverse through 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 benefitted 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 benefitted property, at the time such property owner requests a discretionary approval or other such entitlement from City for development of the benefitted 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 benefitted property, recordation of a final parcel or subdivision map for the benefitted property or receipt of funds from an infrastructure financing district that is formed by or includes such benefitted property. City's obligation to impose such condition and collect such reimbursement shall terminate upon any termination of this Agreement.

4.2.3 Reimbursable Hard Costs. The "hard costs" of construction to be reimbursed to Landowner by the City or 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.

4.2.4 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 Finance Director:

4.2.4.1 The difference between the estimated cost to construct the reimbursable improvements at the time of reimbursement (as estimated by the Finance Director) and the base amount; and

4.2.4.2 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 Finance Director 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.

4.2.5 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.

4.2.6 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 3.13 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 3.15 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 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, 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 canceled 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:

Mourier Land Investment Corporation
1830 Vernon Street, Suite 9
Roseville, CA 95678
Attention: John Mourier

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.

2. ASSIGNMENT

From and after recordation of this Agreement against the Property, 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. Prior to recordation of this Agreement, any proposed assignment of this Agreement by Landowner shall be subject to the prior written consent of the City Manager on behalf of the City and the form of such assignment shall be subject to the approval of the City Attorney, neither of which shall be unreasonably withheld.

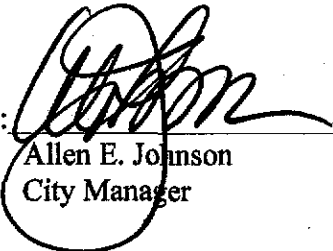
3. FORM OF AGREEMENT, EXHIBITS

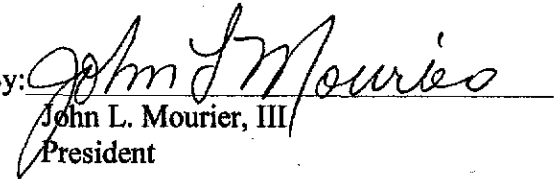
This Agreement is executed in two duplicate originals, each of which is deemed to be an original. This Agreement consists of forty-one (41) pages and thirteen (13) exhibits, which constitute the entire understanding and agreement of the parties.

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. 3578, adopted by the Council of the City of Roseville on the 11th day of October, 2000, and Landowner has caused this Agreement to be executed.


CITY OF ROSEVILLE,
a municipal corporation

MOURIER LAND INVESTMENT
CORPORATION, a California corporation


By: 
Allen E. Johnson
City Manager

By: 
John L. Mourier, III
President

ATTEST:

By: 
Carolyn Parkinson
City Clerk

APPROVED AS TO FORM:

By: 
Mark J. Doane
City Attorney

APPROVED AS TO SUBSTANCE:

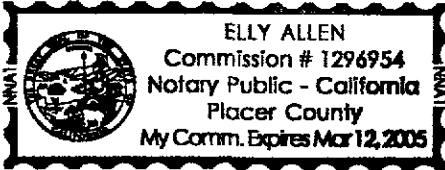
By: 
Patricia K. Dunn
Planning Director

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

On this 24th day of July in the year of 2001, before me, the undersigned, a Notary Public in and for said State, personally appeared Allen E. Johnson personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Elly Allen
Notary Public in and for said State



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

Title or Type of Document Development Agreement

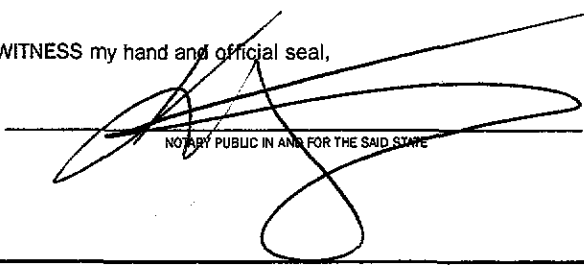
Date of Document July 25, 2001

Acknowledgment – All Purpose

ALL-PURPOSE ACKNOWLEDGMENT

STATE OF California
COUNTY OF Placer

On July 13, 2001 before me, Karen Headley
personally appeared John L. Mounier, III
personally known to me (or proved on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed in 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,

NOTARY PUBLIC IN AND FOR THE SAID STATE



CAPACITY CLAIMED BY SIGNER
NAME OF PERSON(S) OR ENTITY(IES)

- INDIVIDUAL(S)
- CORPORATE _____
OFFICER(S) _____
- PARTNER(S)
- ATTORNEY-IN-FACT
- TRUSTEE(S)
- SUBSCRIBING WITNESS
- GUARDIAN/CONSERVATOR
- OTHER _____

SIGNER IS REPRESENTING
NAME OF PERSON(S) OR ENTITY(IES)

ATTENTION NOTARY: Although the information requested below is optional, it could prevent fraudulent attachment of this certificate to unauthorized document.

Title or Type of Document _____
Number of Pages _____
Date of Document _____
Signer(s) Other Than Named Above _____

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

This document is only a general form which may be proper for use in simple transactions and in no way acts, or is intended to act, as a substitute for the advice of an attorney. The printer does not make any warranty, either express or implied, as to the legal validity of any provision or the suitability of these forms in any specific transaction.



LIST OF EXHIBITS

- Exhibit "A-1" -- Legal Description of the Property
Exhibit "A-2" -- Diagram of the Property
Exhibit "B-1" -- Land Use Map for the Property
Exhibit "B-2" -- Land Use Table
Exhibit "C" -- [Reserved]
Exhibit "D-1" -- Off-Site Electric Distribution Facilities
Exhibit "D-2" -- On-Site Electric Distribution Facilities
Exhibit "D-3" -- Decorative Street Lighting Standards
Exhibit "E" -- [Reserved]
Exhibit "F" -- On-Site Water Lines
Exhibit "G" -- Recycled Water Lines
Exhibit "H" -- Sewer Lines
Exhibit "I" -- Collector Streets and Proposed Fiddymment Road
Exhibit "J" -- CFD Improvements
Exhibit "K" -- Form of Assignment

EXHIBIT "J"

CFD IMPROVEMENTS

CFD FACILITIES

∅ ROADS

< Fiddymment Road

- Frontage improvements along the portion of the current alignment for Fiddymment Road adjacent to the Plan Area, consisting of curb, gutter, 18 feet of pavement, streetlights, utilities and ancillary improvements, plus an additional fourteen feet (14') of pavement, inclusive of full intersection improvements at the intersection of Fiddymment Road and Collector O.

< Collector Streets

- Curb, gutter, pavement, streetlights, utilities, and ancillary improvements for Collectors N, O (to the extent located within the Property) and P. At Landowner's option, the CFD may include financing for Primary N, north of the intersection of Collectors N and P, as a Collector.
- Intersection improvements (excluding signals, but including conduit and sleeves therefor) as required by the City for the intersection of Fiddymment Road and Collector O.

< Additional Improvements

- At Landowner's option, the CFD may include financing for sidewalk for some or all of the above Collector Streets.
- At Landowner's option, the CFD may include financing for fencing (some of which may consist of soundwall fencing) and landscaping along some or all of the above roads *[and also for the masonry wall fencing along the northern boundary of the Project, if such masonry wall is required by the Specific Plan]*.

∅ DRAINAGE

< Master Drainage Plan

- < Storm drain mains required by the Master Drainage Plan and laterals located within the above-described road improvements.

☒ WATER

< Water Study

< All on-site improvements to the water system required by the Water Study, as generally shown on Exhibit "F" of this Agreement.

< \$1.0 million for Landowner's fair share contribution for the retrofitting of Diamond Oaks Golf Course.

☒ RECYCLED WATER

< Recycled water line extension from the City's backbone system to the publicly owned park within the Plan Area, as generally shown on Exhibit "G" of this Agreement.

☒ SEWER

< Master Wastewater Plan

< All on-site improvements to the sewer system required by the Master Wastewater Plan, as generally shown on Exhibit "H" to this Agreement.

☒ ELECTRIC FACILITIES

< All on-site and off-site electric distribution facilities identified in Exhibit "D" of this Agreement, including decorative street lighting along Collectors within the Property.

☒ MITIGATION COSTS

< Wetland or other environmental mitigation costs related to any public improvement to be installed within the Plan Area, including without limitation, preserve fencing.

☒ MISCELLANEOUS IMPROVEMENTS

< \$571,800 for City construction of Citywide Improvements.

< The following building permit fees paid and/or payable within the Property, to be financed from excess special tax revenues and from any excess bond proceeds, subject to approval of the City Finance Director: water fees, including the portion of the Supplemental Water Fee to be paid at building permit; sewer connection fees; traffic mitigation fee; and the Public Facility Fee collected by the City for Placer County.

< Landowner's fair share for the update of the City's Bikeway Master Plan and City's Short Range and Long Range Transit Master Plans.

EXHIBIT "K"

WHEN RECORDED, RETURN TO:

Attn: _____

**ASSIGNMENT AND ASSUMPTION AGREEMENT
RELATIVE TO
NORTH ROSEVILLE SPECIFIC PLAN DEVELOPMENT AGREEMENT
(PHASE III, DOCTOR'S RANCH, PARCEL _____)**

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (hereinafter, the "Agreement") is entered into this ___ day of _____, 20___, by and between MOURIER LAND INVESTMENT CORPORATION, a California corporation (hereinafter "Developer"), and _____ a _____ (hereinafter "Assignee").

RECITALS

A. On _____, 200___, the City of Roseville and Developer entered into that certain agreement entitled "Development Agreement By and Between The City of Roseville and Mourier Land Investment Company Relative to the Development Known As North Roseville Specific Plan, Phase III (Doctor's Ranch)" (hereinafter the "Development Agreement"). Pursuant to the Development Agreement, Developer agreed to develop certain property more particularly described in the Development Agreement (hereinafter, the "Subject Property"), subject to certain conditions and obligations as set forth in the Development Agreement. The Development Agreement was recorded against the Subject Property in the Official Records of Placer County on _____, 200___, as Instrument No. 200 ___ - _____.

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

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

ASSIGNMENT AND ASSUMPTION

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

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

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

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

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

Attn: _____

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

DEVELOPER:

**MOURIER LAND INVESTMENT
CORPORATION, a California corporation**

By: _____

John L. Mourier, III
President

ASSIGNEE:

By: _____
Print Name: _____
Title: _____

Exhibit A-1

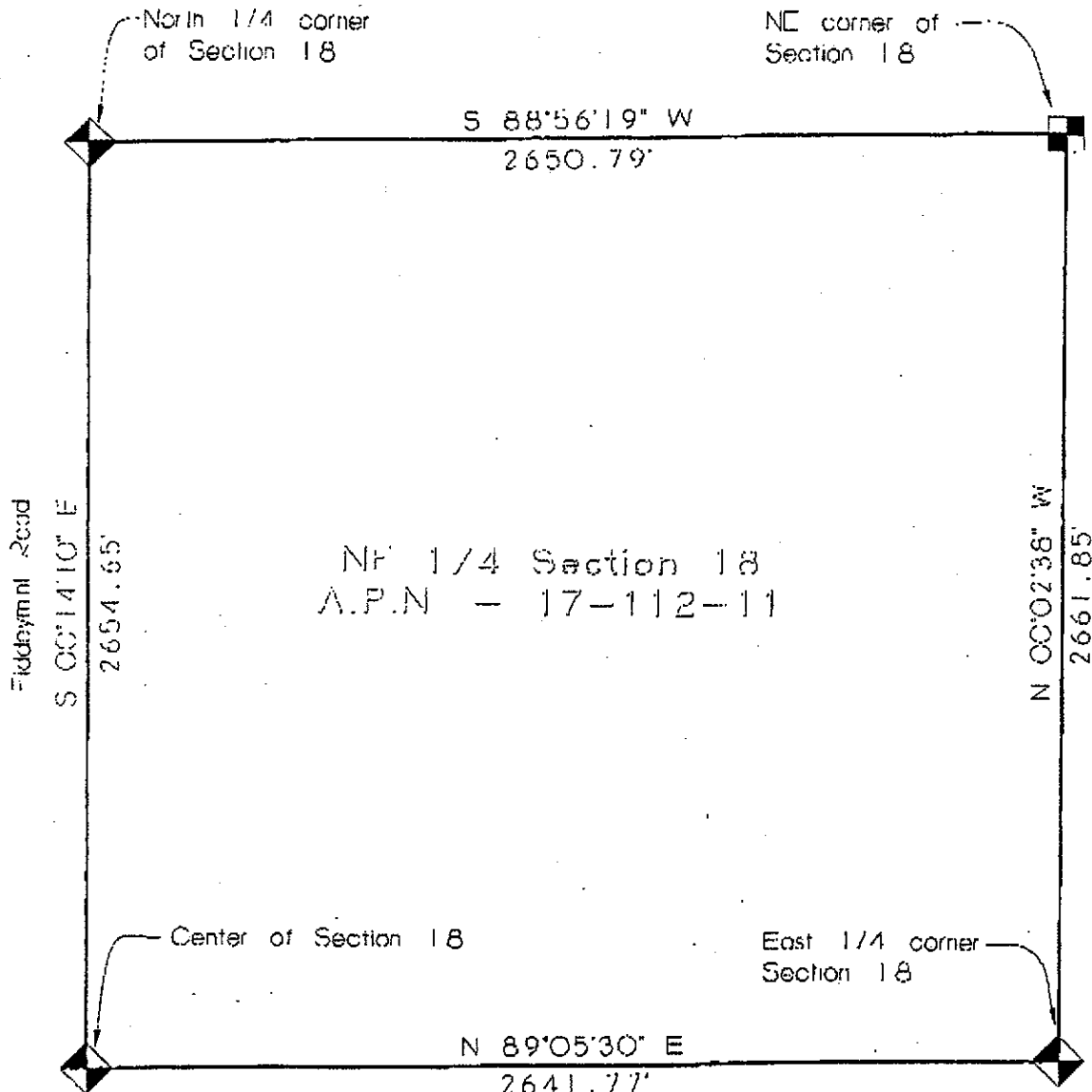
Doctors Ranch 160

All that real property situate in the City of Roseville, County of Placer, State of California being all of the Northeast One-Quarter of Section 18, Township 11 North, Range 6 East as delineated on that Record of Survey prepared by Spannagel and Associates and filed for record in the office of the Recorder of said County in Book 13, at Page 18, described as follows:

Beginning at the Northeast corner of said Section 18; thence from said Point of Beginning along the North line of said Section 18, South $88^{\circ}56'19''$ West, 2650.79 feet to the North One Quarter corner of said said Section 18; thence leaving said North One-Quarter corner along the West line of the Northeast One-Quarter of said Section 18, South $00^{\circ}14'10''$ East, 2654.65 feet to the center of said Section 18; thence along the South line of said Northeast One-Quarter, North $89^{\circ}05'30''$ East, 2641.77 feet to the East One Quarter corner of said Section 18; thence along the East line of said Section 18, North $00^{\circ}02'38''$ West, 2661.85 feet to the Point of Beginning containing 161.47 acres more or less.

Exhibit A-2

Doctors Ranch 160
The Northeast One-quarter of
Section 18, T 11 N, R 6 E, M.B.M.
City of Roseville, State of California
Scale 1" = 500'



99-05-042

BW BAKER-WILLIAMS ENGINEERING GROUP

Engineering / Surveying / Land Planning / Entitlement Processing / GPS Services
6020 Rutland Drive, Suite 19 ~ Carmichael, CA, 95608
(916) 331-4338 ~ fax (916) 331-4430 ~ office@bwengineers.com

EXHIBIT "B-1"
Doctor's Ranch
Land Use Map for the Property

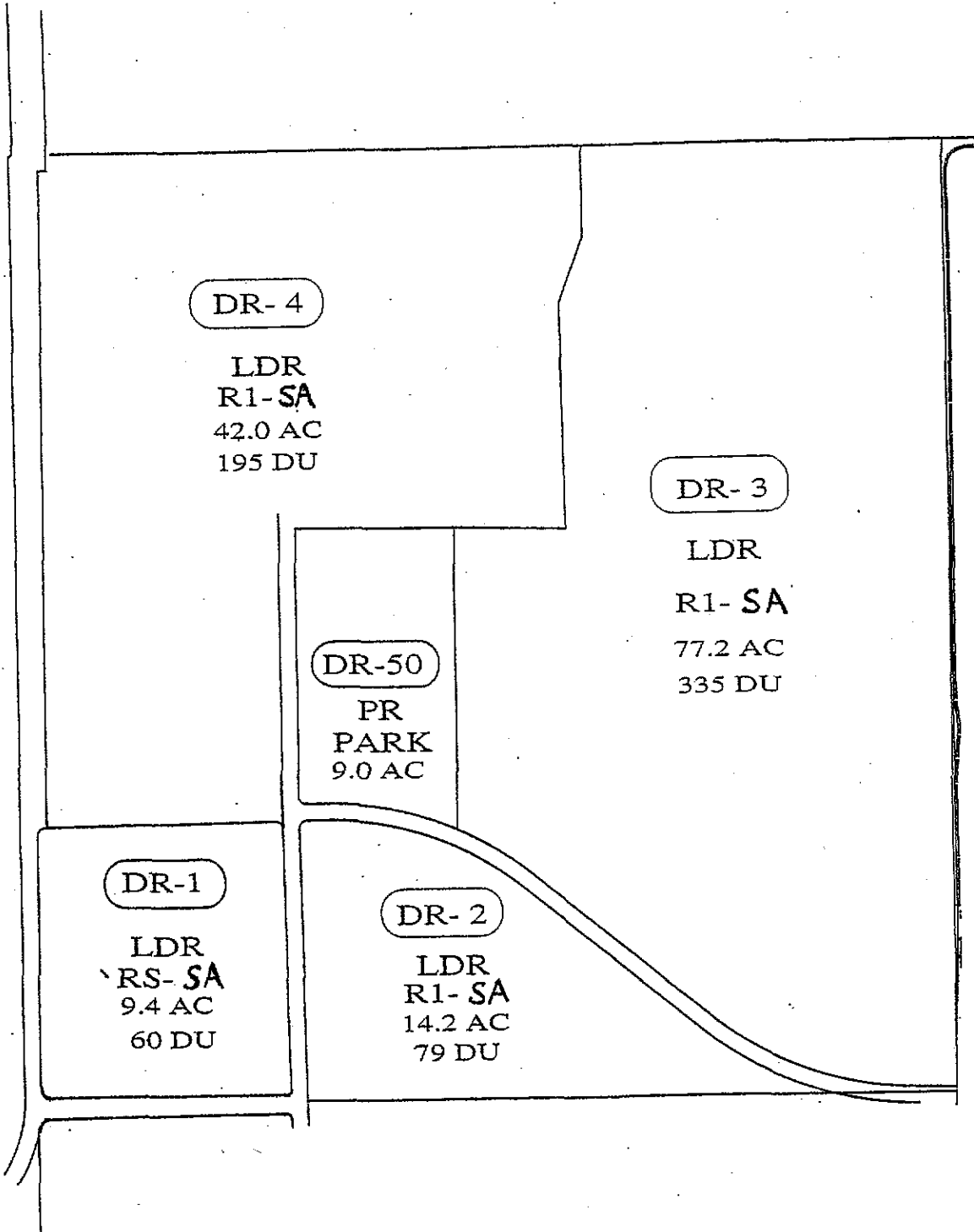
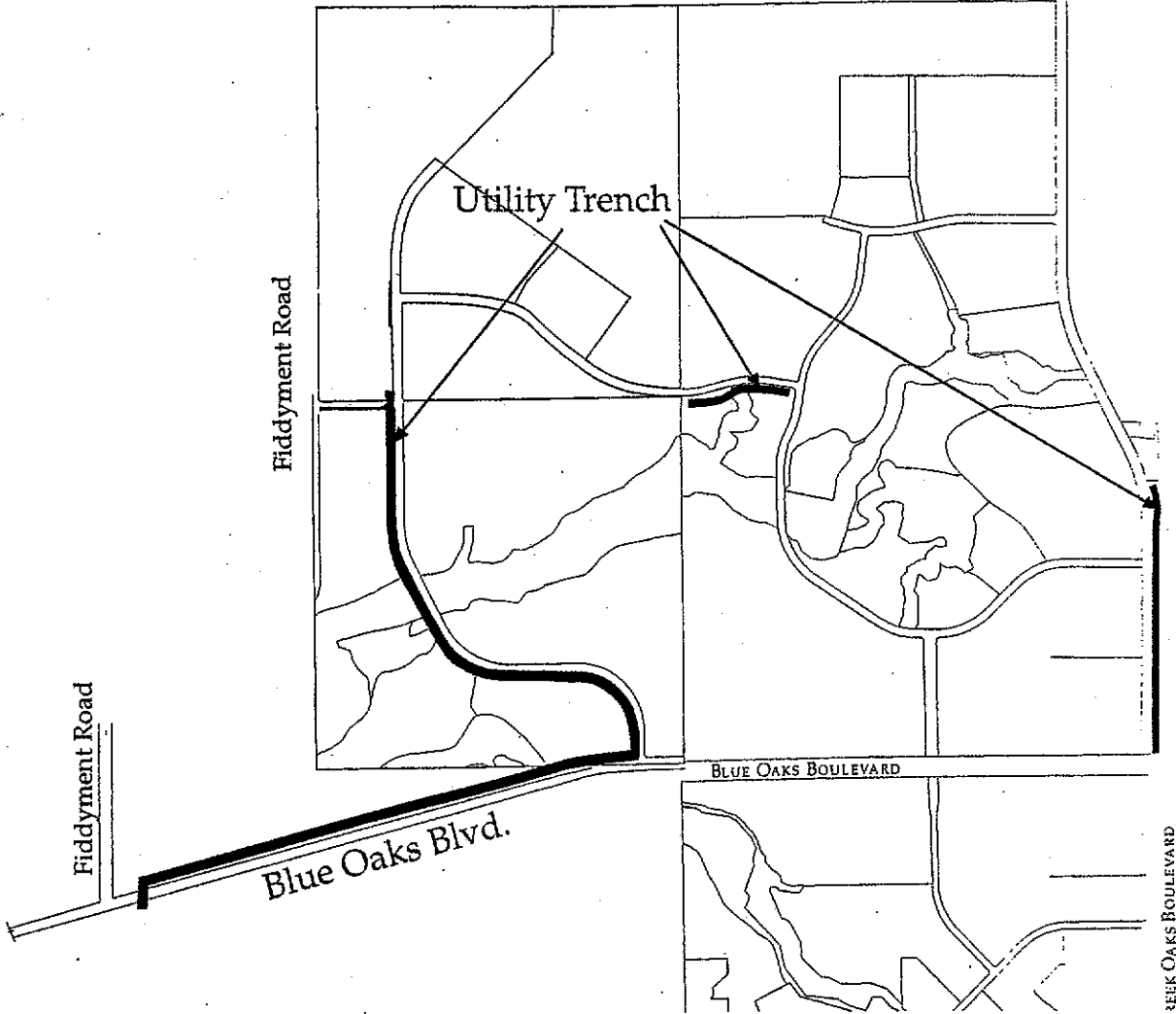


EXHIBIT "B-2"

Doctor's Ranch
Land Use Table

DOCTORS RANCH					
Land Use by Parcel Table					
<i>Parcel</i>	<i>Zoning</i>	<i>Land Use</i>	<i>Density</i>	<i>Net Acres</i>	<i>Units</i>
DR-1	RS-SA	LDR	6.4	9.4	60
DR-2	R1-SA	LDR	5.4	14.6	79
DR-3	R1-SA	LDR	4.3	77.2	335
DR-4	R1-SA	LDR	4.6	42.0	195
DR-50	PR	Park		9.0	
ROW - Doctors Ranch				7.8	
				160.0	669

EXHIBIT "D-1"
Doctor's Ranch
Off Site Electric Distribution Facilities

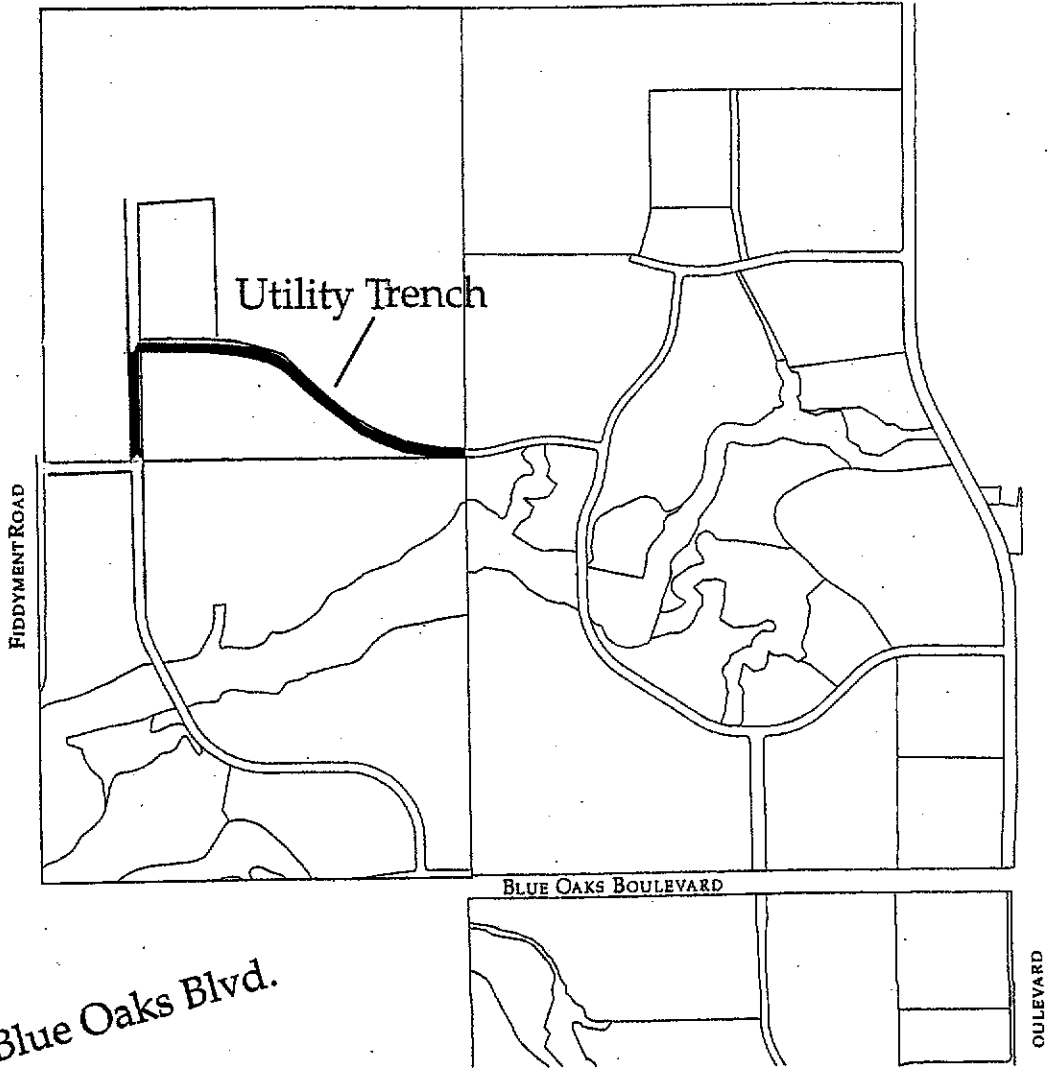


Off-site electric utility improvements within Phase II (Mourier 160) shall be installed upon issuance of 1st building permit within Phase III, if and to the extent not then installed within Phase II. Remaining off-site utility improvements along Blue Oaks Boulevard and Woodcreek Oaks Boulevard and within Phase I shall be installed prior to (i) issuance of 561st building permit within the combined development of Phase II and Phase III or (ii) issuance of 1st building permit within Parcel DR-3 or DR-4.

0202 0000 0008 0058



EXHIBIT "D-2"
Doctor's Ranch
On-Site Electric Distribution Facilities



Blue Oaks Blvd.

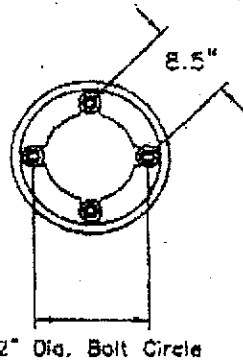
EXHIBIT "D-3"

250W (ACORN TYPE) DECORATIVE STREET LIGHT LUMINAIRE:

1. Fixture shall be one of the following Hadco models:
 R338BNN1AGBG250SG (240 Volts w/ Photo Eye)
 R338BNN1AGNG250SG (240 Volts w/o Photo Eye)
 R338BNN1AGBG250SF (208 Volts w/ Photo Eye)
 R338BNN1AGNG250SF (208 Volts w/o Photo Eye)
2. To be supplied with a regulating ballast with a minimum power factor of 90%.
3. Fixture shall include full top reflector with house side shield.
4. Poly-Acrylic wide globe with type III lighting distribution.
5. Button type photo eye receptacle mounted inside pod.
6. Mogul type lamp socket.
7. All hardware to be black in color.
8. Voltage to be specified on the Electric Department job print.



Install 12-2 w/Ground UF cable from base of pole to Luminaire. For controller type circuit add an additional 12-3 w/Ground UF cable at Photo-Eye pole location only.



Handhole w/removable cover. Pl. 1-30A 800V fuse holder. w/20 Amp fuse. Use 1 fuse per hot leg.

1/2"x 6" Cu. Ground Rod. Bond to pole w/#8 Solid Bare Copper.

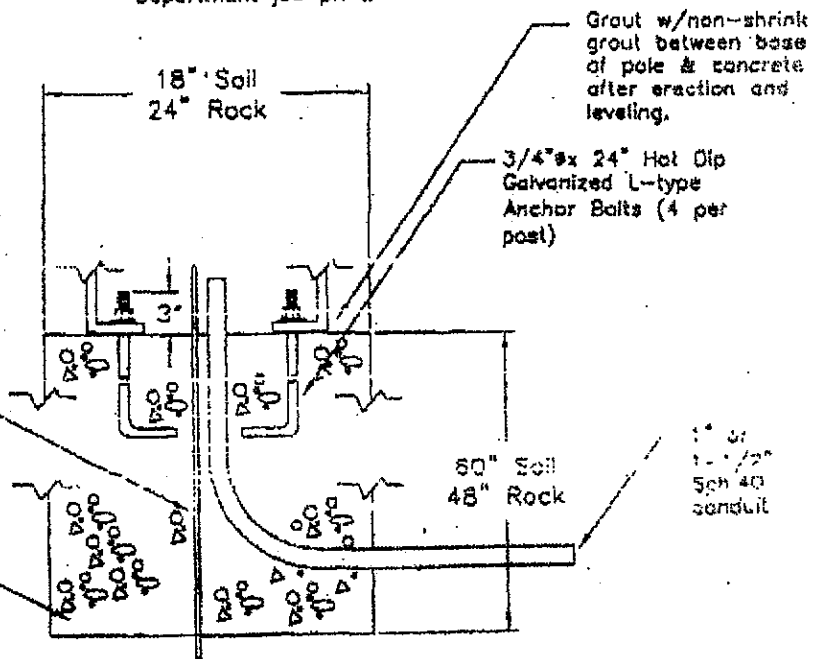
Concrete shall obtain 5000 P.S.I. in 28 days.

250W DECORATIVE STREET LIGHT STANDARD:

1. Pole shall be Antique Street Lamp, Inc. model: NY18/17-CI/BK
2. New York Series.
3. 17'6" standard height with a 17" diameter base.
4. Cast iron steel.
5. Black in color.

DEVELOPER RESPONSIBILITY:

1. Developer to provide the Hadco 250W HPS fixture.
2. Developer to provide the Antique Street Lamp steel pole.
3. Lighting system shall be completely functional and tested by the Electric Department.
4. Developer to provide 2 sets of submittals showing type of luminaire and pole to be used for approval by the City of Roseville Electric Department. Any developer or contractor installing non-approved fixtures or poles does so at his own risk and may face future expenses in correcting any non-approved materials to meet City standards.
5. Developer shall install lighting system per the Electric Department job print.



RE Roseville Electric

Reliable Energy • Dependable Service

(916) 774-5601

ELECTRIC SUPERINTENDENT <i>[Signature]</i>	REVIEW COMMITTEE <i>[Signature]</i>
POWER ENG. MANAGER <i>[Signature]</i>	DR. BENONI DATE 12/20/99 DR. NO.
ELECTRONIC SUPERINTENDENT <i>[Signature]</i>	NEW SERVICES MANAGER <i>[Signature]</i>

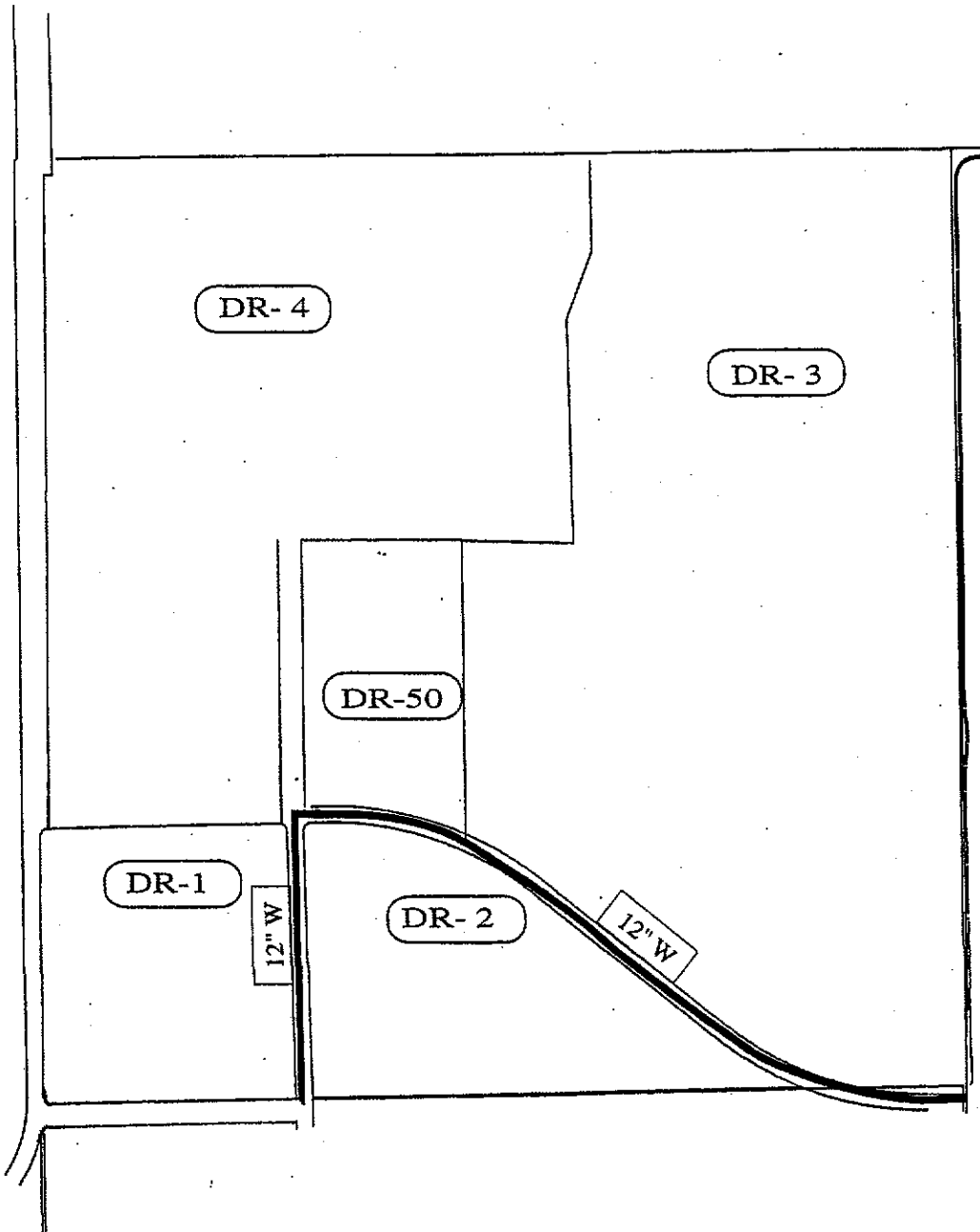
Page 9.3.1

CONSTRUCTION STANDARD
250W HPS

0202 0000 0008 0000

TOTAL P.02

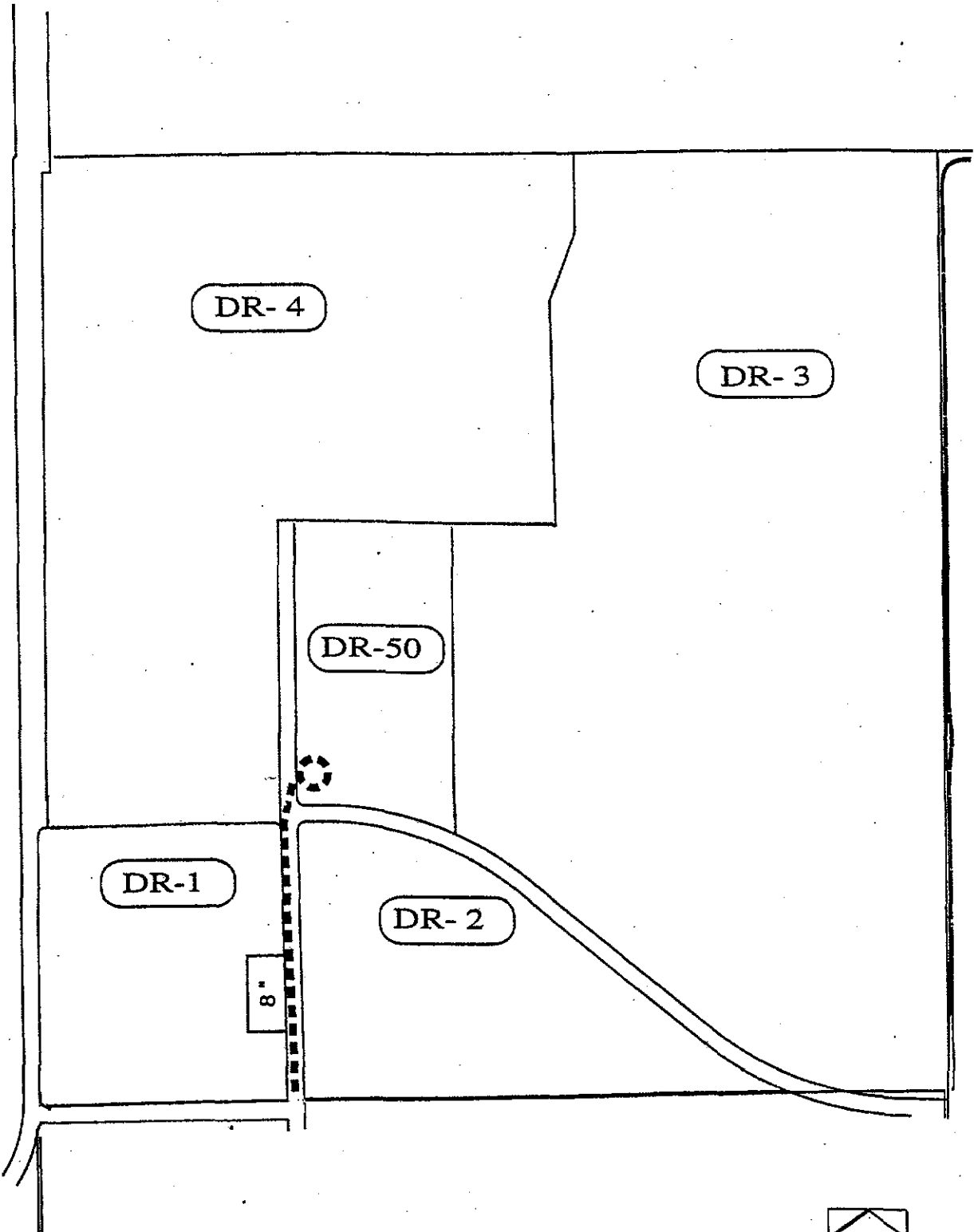
EXHIBIT "F"
Doctor's Ranch
On Site Water Lines



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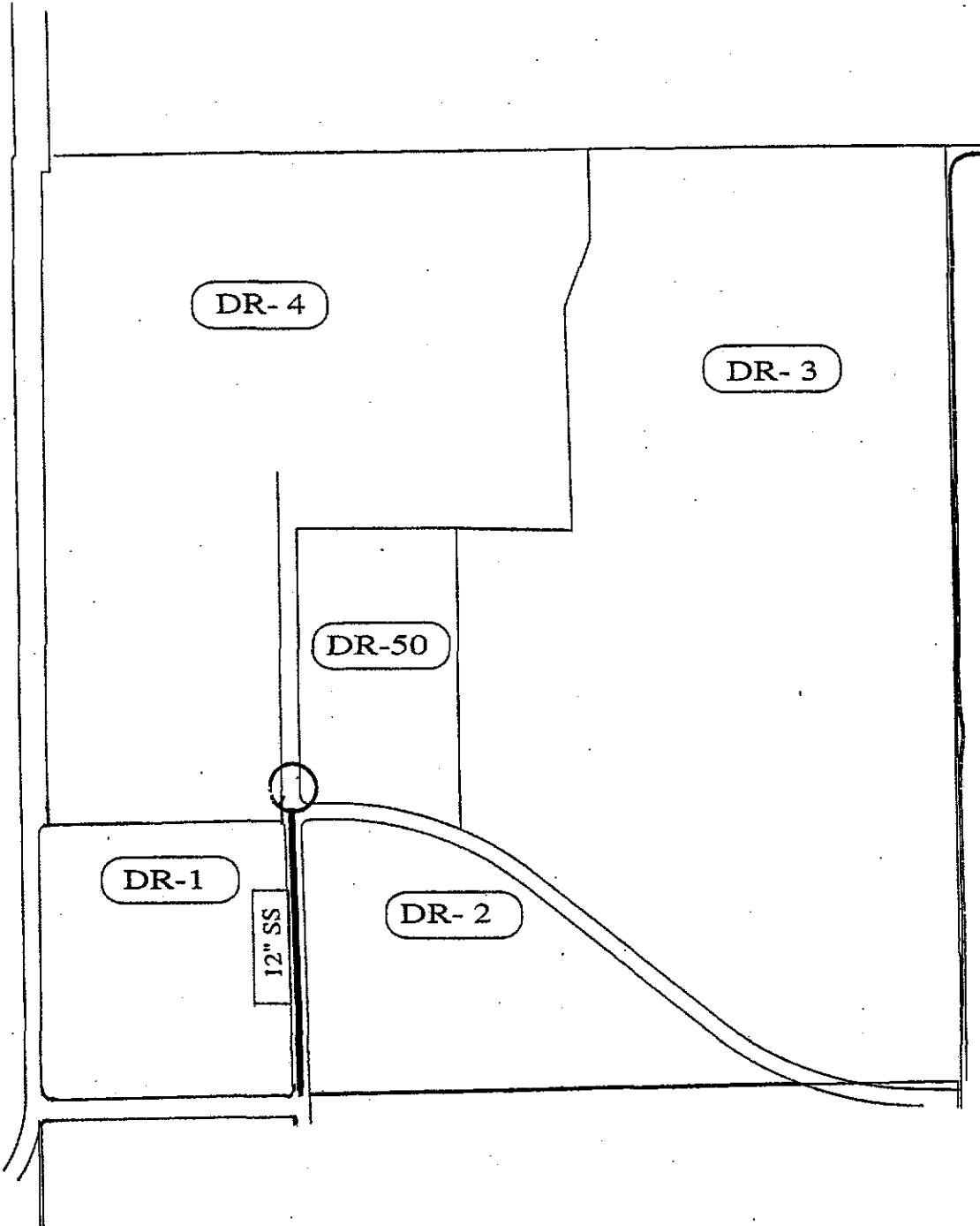
EXHIBIT "G"
Doctor's Ranch
Recycled Water Lines



0202 0000 0008 0062



EXHIBIT "H"
Doctor's Ranch
Sewer Lines



0202 0000 0008 0063



EXHIBIT "I"
Doctor's Ranch
Streets

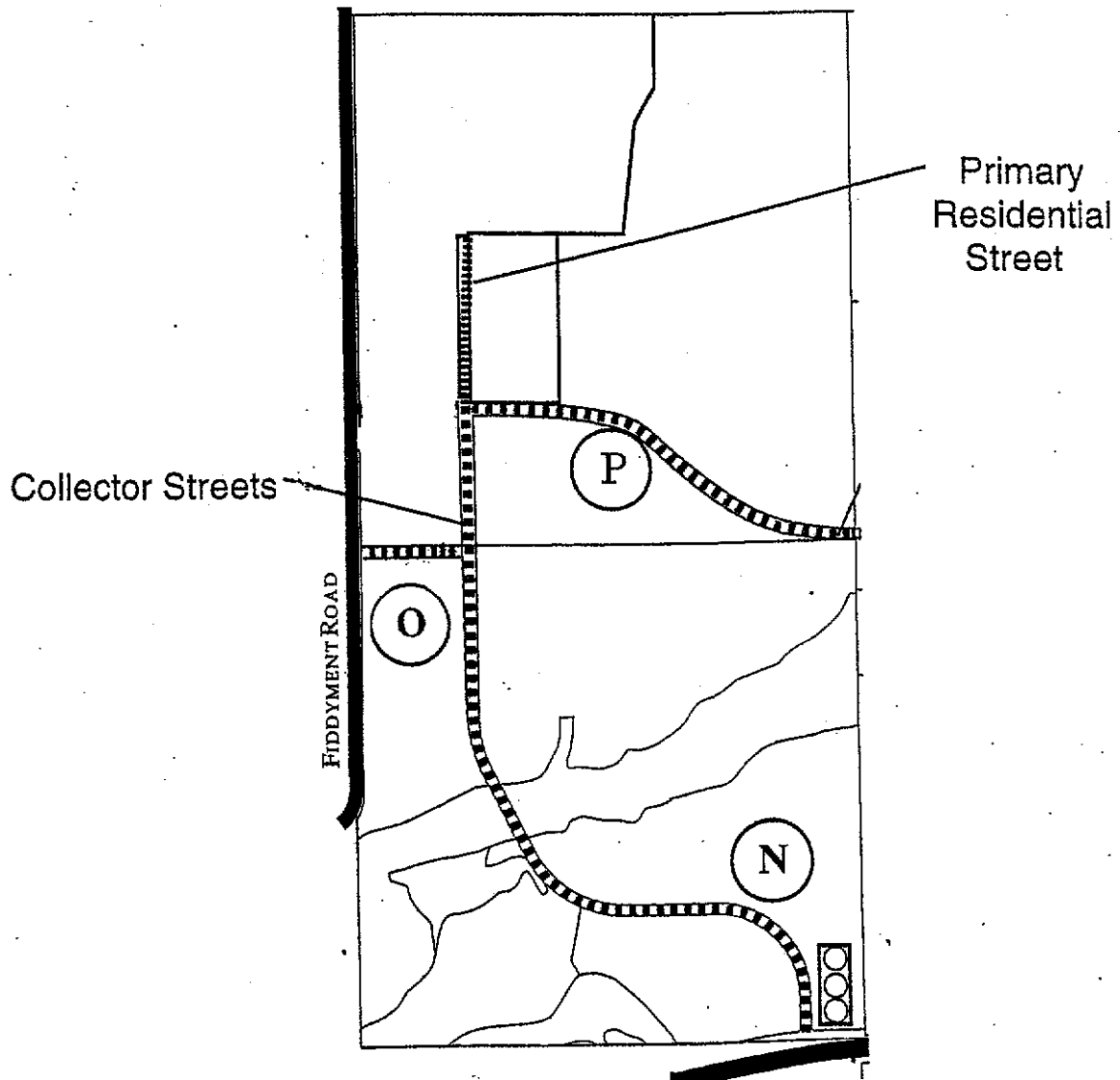


EXHIBIT "J"

CFD IMPROVEMENTS

CFD FACILITIES

◆ ROADS

▶ Fiddymment Road

- Frontage improvements along the portion of the current alignment for Fiddymment Road adjacent to the Plan Area, consisting of curb, gutter, 18 feet of pavement, streetlights, utilities and ancillary improvements, plus an additional fourteen feet (14') of pavement, inclusive of full intersection improvements at the intersection of Fiddymment Road and Collector O.

▶ Collector Streets

- Curb, gutter, pavement, streetlights, utilities, and ancillary improvements for Collectors N, O (to the extent located within the Property) and P. At Landowner's option, the CFD may include financing for Primary N, north of the intersection of Collectors N and P, as a Collector.
- Intersection improvements (excluding signals, but including conduit and sleeves therefor) as required by the City for the intersection of Fiddymment Road and Collector O.

▶ Additional Improvements

- At Landowner's option, the CFD may include financing for sidewalk for some or all of the above Collector Streets.
- At Landowner's option, the CFD may include financing for fencing (some of which may consist of soundwall fencing) and landscaping along some or all of the above roads *[and also for the masonry wall fencing along the northern boundary of the Project, if such masonry wall is required by the Specific Plan]*.

◆ DRAINAGE

▶ Master Drainage Plan

- ▶ Storm drain mains required by the Master Drainage Plan and laterals located within the above-described road improvements.

◆ WATER

- ▶ Water Study
- ▶ All on-site improvements to the water system required by the Water Study, as generally shown on Exhibit "F" of this Agreement.
- ▶ \$1.0 million for Landowner's fair share contribution for the retrofitting of Diamond Oaks Golf Course.

◆ RECYCLED WATER

- ▶ Recycled water line extension from the City's backbone system to the publicly owned park within the Plan Area, as generally shown on Exhibit "G" of this Agreement.

◆ SEWER

- ▶ Master Wastewater Plan
- ▶ All on-site improvements to the sewer system required by the Master Wastewater Plan, as generally shown on Exhibit "H" to this Agreement.

◆ ELECTRIC FACILITIES

- ▶ All on-site and off-site electric distribution facilities identified in Exhibit "D" of this Agreement, including decorative street lighting along Collectors within the Property.

◆ MITIGATION COSTS

- ▶ Wetland or other environmental mitigation costs related to any public improvement to be installed within the Plan Area, including without limitation, preserve fencing.

◆ MISCELLANEOUS IMPROVEMENTS

- ▶ \$571,800 for City construction of Citywide Improvements.
- ▶ The following building permit fees paid and/or payable within the Property, to be financed from excess special tax revenues and from any excess bond proceeds, subject to approval of the City Finance Director: water fees, including the portion of the Supplemental Water Fee to be paid at building permit; sewer connection fees; traffic mitigation fee; and the Public Facility Fee collected by the City for Placer County.
- ▶ Landowner's fair share for the update of the City's Bikeway Master Plan and City's Short Range and Long Range Transit Master Plans.

EXHIBIT "K"

When Recorded, Return to:

Attn: _____

ASSIGNMENT AND ASSUMPTION AGREEMENT
RELATIVE TO
NORTH ROSEVILLE SPECIFIC PLAN DEVELOPMENT AGREEMENT
(Phase III, Doctor's Ranch, Parcel ____)

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (hereinafter, the "Agreement") is entered into this ___ day of _____, 20___, by and between MOURIER LAND INVESTMENT CORPORATION, a California corporation (hereinafter "**Developer**"), and _____, a _____ (hereinafter "**Assignee**").

RECITALS

A. On _____, 200___, the City of Roseville and Developer entered into that certain agreement entitled "Development Agreement By and Between The City of Roseville and Mourier Land Investment Company Relative to the Development Known As North Roseville Specific Plan, Phase III (Doctor's Ranch)" (hereinafter the "**Development Agreement**"). Pursuant to the Development Agreement, Developer agreed to develop certain property more particularly described in the Development Agreement (hereinafter, the "Subject Property"), subject to certain conditions and obligations as set forth in the Development Agreement. The Development Agreement was recorded against the Subject Property in the Official Records of Placer County on _____, 200___, as **Instrument No. 200** - _____.

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

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

ASSIGNMENT AND ASSUMPTION

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

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

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

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

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

Attn: _____

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

DEVELOPER:

ASSIGNEE:

MOURIER LAND INVESTMENT
CORPORATION, a California corporation

By: _____
John L. Mourier, III
President

By: _____
Print Name: _____
Title: _____

ORDINANCE NO. 3578

ORDINANCE OF THE COUNCIL OF THE CITY OF ROSEVILLE
ADOPTING A DEVELOPMENT AGREEMENT REGARDING NORTH ROSEVILLE
SPECIFIC PLAN PHASE III (MOURIER LAND INVESTMENT),
AND AUTHORIZING THE CITY MANAGER TO
EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE

THE CITY OF ROSEVILLE ORDAINS:

SECTION 1. In accordance with Chapter 19.84 of Title 19 of the Roseville Municipal Code (the Zoning Ordinance) of the City of Roseville, the City Council has received the recommendation of the Planning Commission that the City of Roseville enter into a Development Agreement with Mourier Land Investment.

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

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

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

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

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

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

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

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

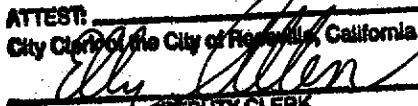


MAYOR

ATTEST:


City Clerk

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

ATTEST:
City Clerk of the City of Roseville, California

DEPUTY CLERK